The Governor's

Budget Report

Volume 1

Descriptions and Budget Schedules

Fiscal Year 2006

January 10, 2005

Dear Kansan:

With the submission of this report, I present my budget recommendations for the fiscal years 2005 and 2006 for consideration by the 2005 Kansas Legislature.

I am presenting a budget that upholds the Kansas values of responsibility and compassion, making the state live within its means while providing for the important needs of its citizens. The budget invests the state's resources in education, vital social services, economic development, and homeland security. All of the recommendations are financed with existing funds while still leaving a healthy balance in our State General Fund.

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,

KATHLEEN SEBELIUS
Governor

Voters of Kansas

Legislature
- Legislative Coordinating Council
- Legislative Research
- Revisor of Statutes
- Division of Legislative Post Audit

Attorney General
- Kansas Bureau of Investigation

Commissioner of Insurance
- Health Care Stabilization Fund Board of Governors

Governor
Lt. Governor

- Division of the Budget
- DISC

Secretary of State

State Treasurer

Board of Education
- Department of Education
  - School for the Blind
  - School for the Deaf

Judiciary
- Judicial Council

- Department of Administration
- Department of Commerce
- Department of Revenue
- Department of Social & Rehabilitation Services & Institutions
- Department on Aging
- Department of Health & Environment
- Department of Labor
- Department of Corrections & Institutions
- Juvenile Justice Authority & Institutions
- Adjutant General
- Highway Patrol
- Department of Agriculture
- Department of Wildlife & Parks
- Department of Transportation

Board of Regents
- Kansas State University
- KSU Extension Systems & Agricultural Research Programs
- KSU Veterinary Medical Center
- University of Kansas
- University of Kansas Medical Center
- Emporia State
- Fort Hays State
- Pittsburg State
- Wichita State

- Board of Indigents Defense Services
- Board of Tax Appeals
- Corporation Commission
- Citizens Utility Ratepayer Board
- Public Employees Retirement System
- Kansas Technology Enterprise Corporation
- State Lottery
- Racing & Gaming Commission
- Commission on Veterans Affairs
- Guardianship Program
- Arts Commission
- State Historical Society
- State Library
- Emergency Medical Services Board
- Fire Marshal
- Kansas, Inc.
- Parole Board
- Sentencing Commission
- Human Rights Commission
- Animal Health Department
- Conservation Commission
- State Fair Board
- Water Office

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

Overview

This volume presents a revised FY 2005 budget and a new budget plan for FY 2006. The Governor's recommendations were developed as Kansas enjoys a stable, growing economy, but also faces rapidly rising required costs in Medicaid and other mandated programs. The budget recommendations are guided by three principles:

> Maintain a responsible, balanced budget, while continuing support for schools and vital efforts to ensure the safety and success of communities and the economy.
>
> Continue reforms to make state government more efficient, reducing costs and sharply limiting the growth of government.
>
> Limit the use of "one-time money" and stay within existing resources.

State General Fund Budget Totals
(Dollars in Millions)

	Amount	Percent Change
FY 2004 Actual Expenditures	$ 4,316.5	--
FY 2005 Approved (May 2004)	4,658.3	7.9%
Expenditures Shifting Forward	31.3	--
FY 2005 Approved with shifts	4,689.6	8.6%
FY 2005 Revised Rec.	4,680.3	8.4%
FY 2006 Governor's Rec.	4,840.6	3.4%

FY 2005

The revised budget presented for FY 2005 implements the programs that were included in the original budget approved by the 2004 Legislature. The Governor's plan does not include any mid-year programmatic cuts, but does use savings in various programs to reduce the already approved State General Fund budget by $9.3 million. The recommendations fully incorporate the most recent estimates for SRS and Aging caseloads and for school finance formula costs.

All Funding Sources Budget Totals
(Dollars in Millions)

	Amount	Percent Change
FY 2004 Actual Expenditures	$10,197.3	--
FY 2005 Approved (May 2004)	10,298.3	1.0%
FY 2005 Revised Rec.	10,813.2	6.0%
FY 2006 Governor's Rec.	11,267.8	4.2%

FY 2006

Key current programs are maintained in FY 2006 and targeted enhancements are proposed for education and vital social services. Recommended spending from the State General Fund in FY 2006 increases only 3.4 percent over FY 2005; however, 82 percent of the increase is needed simply to cover required fixed costs, which are listed on page 4. Without these mandated costs, the increase would be only 0.6 percent.

Statutory Budget

This budget report presents the Governor's true recommendations within existing resources. A separate budget that projects a 7.5 percent ending balance in the State General Fund and meets the requirements of Kansas statutes is presented at the back of this volume.

Key Components of the Budget for FY 2006

Supporting Kansas Schools. The Governor's budget continues the per-pupil funding level of $3,863 that was adopted by the Legislature for FY 2005. Additionally, to guarantee that schools are spending tax money wisely, the Governor proposes $300,000 for more school audits. The budget also includes $1.0 million for a mentor teacher program and $2.5 million for inservice education to improve the already excellent level of teaching in Kansas schools.

Quality Higher Education. To ensure the quality of Kansas colleges and universities, the budget includes an operating grant increase of $18.0 million, $8.9 million for the second year of a three-year completion 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 $370,000 in additional funds for the Medical Student Scholarship Loan Program.

Improving Health. The Governor's HealthyKansas initiative, a bi-partisan effort with the Insurance Commissioner, will use reforms and efficiencies to lower health care prices, while providing health insurance to tens of thousands of currently uninsured Kansas children and parents. This initiative, proposed separately from the budget, will also lower prescription drug and administrative costs.

Promoting Economic Development. To continue the state's healthy economic growth, the budget continues funding for the Economic Revitalization Plan, which promotes investment in new fields, such as bio-sciences, and encourages job creation by supporting small businesses and entrepreneurs.

Securing Kansas. To safeguard the people of Kansas and the state's vital infrastructure, the Governor proposes spending $48.7 million directly on homeland security projects and grants to local governments. A key goal of this effort is emergency radio interoperability, which will allow first responders to coordinate their response if an attack occurs.

Help for Children. As part of her commitment to the children of Kansas, the Governor proposes that more than one third of the state budget go for the direct benefit of Kansas children. The recommendation for services for children increases $61.1 million over the previous year, totaling $4.058 billion of the total FY 2006 budget.

Caring for the Elderly & Disabled. Home and Community-Based Service (HCBS) programs for the frail elderly are fully funded with no waiting lists. $3.0 million is added to improve payment rates and $2.5 million to reduce waiting lists in the HCBS developmentally disabled program. $1.0 million more is included to reduce waiting lists in the HCBS physically disabled program.

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 2006, over 276,000 people are expected to receive medical services through state programs; 10,500 people are supported in nursing homes, almost 3,500 children will be in foster care; and 49,000 people will receive support through temporary assistance for families.

Recognizing Service. To ensure the state can continue to recruit highly qualified individuals, a 2.5 percent general increase is offered for all state employees. Further funds are added to continue the improvement of Highway Patrol trooper salaries and to reclassify direct care service workers at SRS hospitals and at the veterans' care homes. The budget allows for the Death and Disability Program contribution rate to rise from 0.6 percent of salaries to 1.0 percent so that benefits for state employees can be fully funded. Costs for a 27th pay period that happens to occur in FY 2006 are fully budgeted.

State General Fund

The budget from the State General Fund accounts for 43.0 percent of all state spending proposed by the Governor. The Governor recommends a revised FY 2005 State General Fund budget of $4,680.3 million and a FY 2006 budget of $4,840.6 million. The tables on the following page detail the major Governor's adjustments for both the current and budget years.

FY 2005

At the beginning of FY 2005 the State General Fund had an unencumbered balance of $327.5 million. The size of the beginning balance was largely due to several one-time events in FY 2004. The state received a federal fiscal relief payment of $45.7 million and was able to avoid $62.2 million of State General Fund expenditures because the federal government paid a greater share of Medicaid costs in FY 2004. Similarly, because a property tax accelerator was implemented in FY 2004, State General Fund expenditures for school finance were $158.0 million lower for one year than they would otherwise have been.

The November 2004 Consensus Revenue Estimate projects receipts of $4,630.9 million, plus the budget contains recommendations for several transfer adjustments that net another $1.6 million. When those receipt amounts are added to the beginning balance, $4,960.0 million is available for FY 2005.

The 2004 Legislature originally approved a FY 2005 budget of $4,658.3 million. At the end of FY 2004 $31.3 million of expenditure authority carried forward, making an approved FY 2005 budget of $4,689.6 million. The Governor now recommends a revised FY 2005 budget $9.3 million lower than the approved. Recommended expenditures are increased by $30.8 million to cover higher estimates of caseload costs. However, the budget also incorporates savings for school finance costs that are now estimated to be $29.7 million lower than originally approved and savings for Home and Community-Based Services for the Frail Elderly that are expected to cost $6.8 million less than originally approved. The expected balance at the end of FY 2005 is $279.7 million.

FY 2006

The November Consensus Estimate for FY 2006 totals $4,805.7 million. From that total, the Governor recommends subtracting $77.9 million for transfers that were not included as part of the revenue estimate. However, the Governor also proposes additions to the revenue estimate to finance the cost of a 27th paycheck and to acknowledge extra revenue expected to result from increased audit activity. The beginning balance, plus the revenue estimate, plus the Governor's adjustments, equal $5,046.7 million available for the FY 2006 budget.

Recommended expenditures in FY 2006 grow by $160.3 million, or 3.4 percent over FY 2005, but 82 percent of that increase is due to required, fixed cost increases. If the fixed cost increases were eliminated, expenditures would increase by only 0.6 percent. The largest required cost increases are $34.8 million for caseload increases, $32.6 million for a 27th paycheck, and $25.4 million for rising KPERS costs. In addition, the budget includes 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 2006 is projected to be $206.1 million.

The pie charts on page 5 show FY 2006 proposed spending from the State General Fund by function of government and by category of expenditure.

Future Outlook. The table on page 6 outlines the Governor's multi-year scenario for the State General Fund. In FY 2007 and FY 2008, revenue from taxes is presumed to grow 4.0 percent, 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 2007 and FY 2008 expenditures are held flat, except for the removal of the one-time FY 2006 27th paycheck costs and the addition of several required, fixed cost increases. 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.

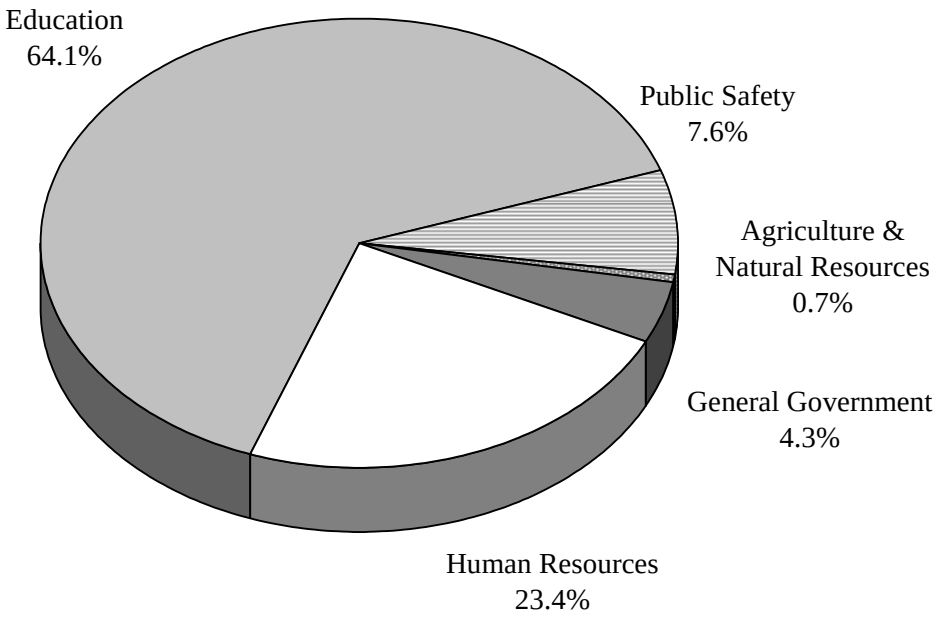
State General Fund
FY 2005
(Dollars in Millions)

Beginning Balance	$	327.5
Revenue:		
November Consensus Revenue Est. (Includes Revenue Transfers)		4,630.9
Lower KEY Fund Transfer		(3.0)
Transfer from Board of Healing Arts		0.8
Adjust Board of Pharmacy Transfer		(0.3)
KDOT Administrative Savings		4.2
Total Available	$	4,960.0
Expenditures:		
Approved Budget (May 2004)		4,658.3
Expenditure Authority Shifting from FY 2004		31.3
School Finance Savings		(29.7)
SRS/Aging Caseloads		30.8
Aging HCBS Savings		(6.8)
Department of Revenue Savings		(2.5)
Lapse Inmate Placement Funds		(1.5)
Sentencing Comm. SB 123 Savings		(1.1)
JJA Purchase of Service		1.9
State Fair Bond Payment		0.9
Veterans Commission Supplementals		0.3
Net of Other Adjustments		(1.6)
Total Expenditures	$	4,680.3
Ending Balance	$	279.7

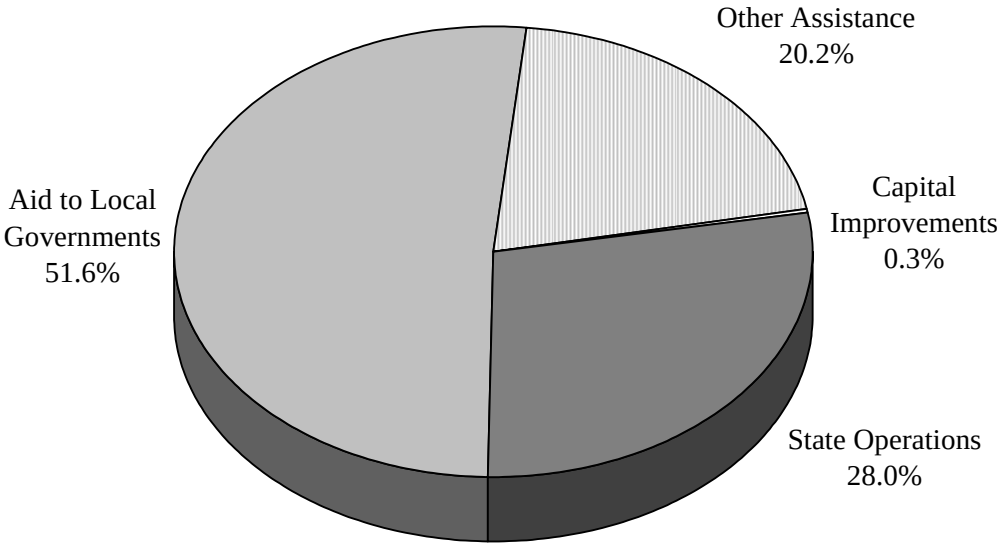
State General Fund
FY 2006
(Dollars in Millions)

Beginning Balance	$	279.7
Revenue:		
Consensus Revenue Est.		4,805.7
SCCHF Revenue Transfer		(10.1)
School Cap. Improvements Transfer		(56.2)
Water Plan Revenue Transfer		(6.0)
Resume State Fair Transfer		(0.3)
Regents Faculty of Dist. Transfer		(0.4)
Regents Research Initiative		(4.9)
Additional Tax Collections from Additional Audit Staff		6.0
Highway Patrol Operations		1.7
Transfer from Cash Balances for 27th Paycheck		29.6
Transfer to Fee-Funded Programs to Cover 27th Paycheck		(0.1)
Transfer Balance from Safety Fund		2.0
Total Available	$	5,046.7
Expenditures:		
FY 2005 Base Budget		4,680.3
Required Increases:		
KPERS Employer Rate Increase		15.4
KPERS Bond Payment Begins		10.0
KPERS Death & Disability Program		12.2
27th Paycheck		32.6
SRS/Aging Caseloads		34.8
Corrections Health Care Contract		14.2
Judiciary Budget		5.8
Legislative Budget		1.1
New Armory Bond Payment		0.9
New Statehouse Bond Payment		2.4
Replace Federal VOI/TIS Funds		3.8
Other:		
Salary Plan (without Regents)		11.8
Higher Education Package		29.3
HCBS Rate Increases/Waiting Lists		6.5
School Finance Savings		(17.7)
Net of Other Adjustments		(2.8)
Total Expenditures	$	4,840.6
Ending Balance	$	206.1

State General Fund
Expenditures by Function



Expenditures by Category



Fiscal Year 2006

Outlook for the State General Fund

(Dollars in Millions)

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Beginning Balance	$ 122.7	$ 327.5	$ 279.7	$ 206.1	$ 172.2
Released Encumbrances	2.4	--	--	--	--
Revenue from Taxes	4,387.1	4,539.5	4,677.5	4,864.6	5,059.2
Interest	13.9	25.1	40.4	41.4	42.4
Agency Earnings	55.3	69.0	57.2	58.2	59.2
Federal Flexible Grant	45.7	--	--	--	--
Transfers:					
KDOT Transfer	--	--	--	(51.5)	(167.0)
KDOT Bond Payment	--	--	--	(8.0)	(11.0)
KDOT Loan Repayment	--	--	--	(32.5)	(30.9)
Special County/City Highway Fund	--	(10.1)	(10.1)	(10.1)	(10.1)
School Capital Improvement Aid	(49.9)	(53.0)	(56.2)	(58.0)	(60.0)
Water Plan Fund	(3.8)	(3.7)	(6.0)	(6.0)	(6.0)
State Fair Transfer	--	--	(0.3)	(0.3)	(0.3)
Regents Faculty of Distinction	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)
Regents Research Initiative	--	(4.7)	(4.9)	(10.0)	(10.0)
Highway Patrol Transfer	28.9	30.7	33.7	33.7	33.7
KEY Fund Transfer	9.9	1.7	--	--	--
27th Paycheck Financed from PMIB	--	--	29.6	(3.0)	(3.0)
Revenue Auditor Collections	--	--	6.0	8.5	8.5
Other Transfers	32.1	38.4	0.5	30.0	30.0
Total Available	$ 4,644.0	$ 4,960.0	$ 5,046.7	$ 5,062.7	$ 5,106.4
Expenditures	4,316.5	4,680.3	4,840.6	4,808.0	4,890.5
School Finance Estimates	--	--	--	(11.4)	(18.5)
KPERS Rate Increase (State & School)	--	--	--	30.0	30.0
KPERS Bond	--	--	--	5.0	11.6
SRS & Aging Caseloads	--	--	--	50.0	50.0
SB 345 Original Estimate	--	--	--	8.9	--
Total Expenditures	$ 4,316.5	$ 4,680.3	$ 4,840.6	$ 4,890.5	$ 4,963.6
Ending Balance	$ 327.5	$ 279.7	$ 206.1	$ 172.2	$ 142.8
As % of Expenditures	*7.6%*	*6.0%*	*4.3%*	*3.5%*	*2.9%*

Totals may not add because of rounding.

All Funding Sources

The budget from all funding sources encompasses total reportable expenditures, including those from the State General Fund, the Economic Development Initiatives Fund, the Children's Initiatives Fund, and the State Water Plan Fund. The Governor recommends expenditures of $10.81 billion for the revised FY 2005 budget and $11.27 billion for FY 2006. Further agency by agency details of the budget from all funding sources can be found in the schedules at the back of this volume.

FY 2005

The 2004 Legislature originally approved an all funds budget of $10.30 billion for FY 2005. The Governor's revised budget is $514.9 million higher than what was originally approved. Two key changes account for the increase. The Department of Transportation budget was adjusted up by $309.9 million to account for unfinished capital improvement projects carrying forward from FY 2004 and for new projects being moved up in the construction schedule. The SRS budget went up by $130.8 million principally because of new medical caseload estimates.

FY 2006

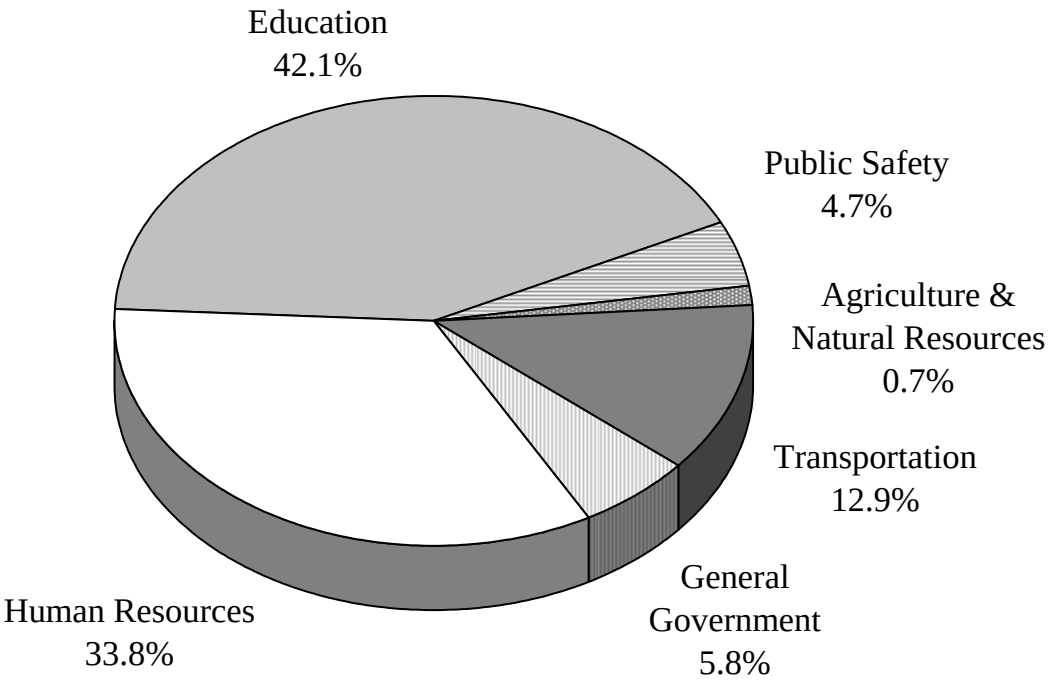
The FY 2006 recommended budget from all funding sources grows by $454.6 million over FY 2005. Again, the two key growth areas were the Department of Transportation, with an increased budget of $180.3 million, mostly for construction projects, and SRS with an increased budget of $133.8 million, mostly for caseloads. Also, the increases for required, fixed costs that were explained in the earlier State General Fund section represent a significant portion of the increase.

Expenditures

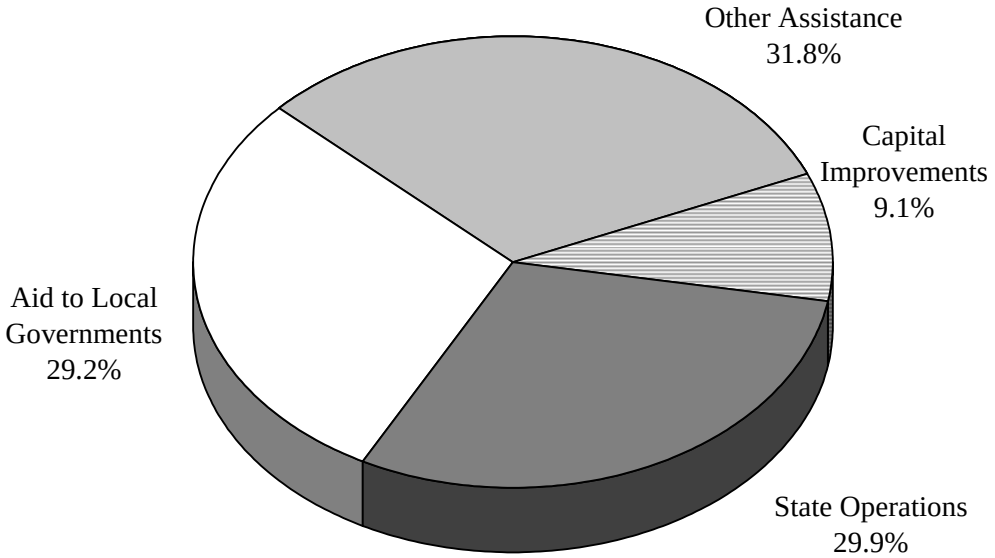
The pie chart at top of page 8 outlines the total FY 2006 budget recommendations by function of government. Education constitutes the largest portion of the state budget with 42.1 percent. This function is followed by Human Resources with 33.8 percent, Transportation with 12.9 percent, General Government with 5.8 percent, Public Safety with 4.7 percent, and Agriculture and Natural Resources with 0.7 percent.

The lower pie chart on page 8 presents a view of the total state budget by various categories of expenditure. Approximately 61.0 percent of the total budget is recommended for grants, including 29.2 percent for aid to local governments and 31.8 percent for direct assistance to Kansas citizens. Much of the aid to local governments goes out to school districts through the school finance formula. The majority of direct assistance consists of public assistance, medical benefits, and unemployment insurance benefits. The Governor recommends 29.9 percent of the budget for state operations, which includes salaries and benefits for the state's employees. The Governor also recommends that 9.1 percent of the budget be spent on capital improvements, the majority of which is spent by the Department of Transportation. Details of capital projects can be found in the Capital Budget section of this volume.

All Funding Sources
Expenditures by Function



Expenditures by Category



Fiscal Year 2006

Budget Preparation

The FY 2006 budget was prepared with the intent of maximizing the effectiveness of every tax dollar available for state government operations and the delivery of services.

Budget preparation began in June 2004 with instructions to state agencies on how to produce their requests. Annually budgeted agencies were to prepare a revised FY 2005 budget and a new FY 2006 request. Biennially budgeted agencies were to prepare a revised FY 2005 budget and a new budget for FY 2006 and FY 2007. Executive Branch agencies were given allocation amounts for the State General Fund, Economic Development Initiatives Fund, Children's Initiatives Fund, and State Water Plan Fund. Agencies were expected to build their budgets within the amount of funds allocated.

Allocations were based on the approved FY 2005 budget with amounts added to cover increased KPERS rates. 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 2005 approved budget contained one-time spending items, those amounts were deleted from the agency's FY 2006 allocation. No funds were added to allocation amounts to cover inflation, new programs not yet approved by the Legislature, a FY 2006 salary plan, a 27th paycheck, or increased rates for the Death and Disability Program.

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 being fully included in the Governor's recommendations as they requested.

Regents universities were also not given allocations or expected to submit reduced resource packages. Their FY 2005 State General Fund appropriation came through an operating grant. In their FY 2006 budget request, the universities were instructed to include an operating grant amount at the exact level of FY 2005.

A few agencies do not receive any allocated funds. Those agencies were expected to submit budget requests that simply continued current services from FY 2005 to FY 2006, or to FY 2007 in the case of biennial agencies. 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 recommendation for each agency and distributed those recommendations to agencies on November 10. Written appeals to the initial recommendations were collected by November 22. Oral appeals were heard November 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 2004 Consensus Revenue Estimate, as adjusted for a technical correction.

State General Fund Balances

Maintaining an adequate balance in the State General Fund is always a concern with the state's budget. An adequate balance not only allows short-term flexibility in budget execution if receipts fall below expectations, but it also facilitates cashflow management.

Ending Balance Requirements

The 1990 Legislature enacted legislation that established minimum ending balances to ensure financial solvency and fiscal responsibility. The legislation requires an ending balance of at least 7.5 percent of total expenditures and requires that the Governor's budget recommendations and the legislative-approved budget for the coming year adhere to this balance.

In recent years, the Legislature has suspended this requirement and allowed for lower ending balances. Given ongoing and new demands on the state budget, accounting for a 7.5 percent ending balance without new revenue remains unrealistic. However, a budget scenario that does meet the statutory ending balance requirement is detailed at the end of this volume.

The table depicts State General Fund receipts, expenditures, and year end balances from FY 1992 through FY 2006. The table shows significant variance in the ending balances from year to year. The drop in FY 2002 reflects a severe decline in revenues at the end of that year, when receipts came in $212.2 million less than projected. The final balance of FY 2003 was supported by a federal fiscal relief payment of $45.7 million and a $213.0 million shift of school finance payments into the next fiscal year.

The FY 2004 final ending balance also was supported by several one-time events. Another federal fiscal payment of $45.7 million was added to the balance. Federal fiscal relief allowed the state to lower Medicaid expenditures by $62.2 million, and a property tax accelerator allowed a one-time $158.0 million lowering of school finance 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 requires actions, such as adjusting the amount and timing of various large payments and transfers. However, administrative actions alone are not always adequate to maintain a positive cashflow for the State General Fund.

State General Fund Balances

(Dollars in Millions)

Fiscal Year	Receipts	Expend.	Balances	Percent
1992	2,465.8	2,491.3	140.5	5.6
1993	2,932.0	2,690.4	384.9	14.3
1994	3,175.7	3,111.0	454.4	14.6
1995	3,218.8	3,309.8	367.0	11.1
1996	3,448.3	3,439.2	379.2	11.0
1997	3,683.8	3,538.1	527.8	14.9
1998	4,023.7	3,799.1	756.3	19.9
1999	3,978.4	4,196.2	540.7	12.9
2000	4,203.1	4,367.6	378.0	8.7
2001	4,415.0	4,429.6	365.7	8.3
2002	4,108.3	4,466.1	12.1	0.3
2003	4,245.6	4,137.5	122.7	3.0
2004	4,518.9	4,316.5	327.5	7.6
2005	4,632.5	4,680.3	279.7	6.0
2006	4,767.0	4,840.6	206.1	4.3

With State General Fund balances at a very low level, the state has been forced to borrow from other funds by issuing certificates of indebtedness. As has been the practice in recent years, a $450.0 million certificate was issued on the first day of FY 2005. The certificate must be repaid before the fiscal year closes.

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 2005 and FY 2006 as a base and adjusts them to reflect the Governor's recommendations 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 to 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. Members use individual methodologies during this process. 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 for both the Governor and the Legislature upon which the annual state budget is built. The consensus group meets again in April of each year to revise the estimates.

Described below are the basic economic assumptions developed during the November consensus meeting. These assumptions were used, along with actual receipts from prior years and the first four months of FY 2005, 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 2005 and FY 2006. The Kansas economy is expected to continue the trend

Key Economic Indicators
(Dollars in Thousands)

	2003	2004	2005	2006
Consumer Price Index for All Urban Consumers	2.3 %	2.7 %	2.1 %	2.1 %
Real U.S. Gross Domestic Product	3.0	4.4	3.7	3.0
Nominal U.S. Gross Domestic Product	4.9	6.6	5.6	4.8
Nominal U.S. Personal Income	3.2	5.3	5.0	5.2
Corporate Profits before Taxes	15.0	15.5	38.0	4.0
Nominal Kansas Gross State Product	4.5	5.8	4.8	4.4
Nominal Kansas Personal Income:				
Dollars in Millions	$80,466	$84,300	$88,400	$92,706
Percentage Change	*0.1 %*	*4.8 %*	*4.9 %*	*4.9 %*
Nominal Kansas Disposable Income:				
Dollars in Millions	$72,451	$75,500	$78,500	$81,500
Percentage Change	*3.1 %*	*4.2 %*	*4.0 %*	*3.8 %*
Interest Rate for SGF (based on fiscal year)	*1.6*	*1.2*	*2.1*	*3.1*
Kansas Unemployment Rate (based on fiscal year)	*5.3*	*5.1*	*5.9*	*5.7*

of moderate growth through calendar year 2006. Several key factors that affected the consensus estimates include high energy prices; cautious, but increased capital investments by businesses; a lower unemployment rate; an improved agricultural sector; and dampening retail sales.

Similar to the state's economy, the national economy also is expected to grow at a slower pace over the next two years. Nominal Gross Domestic Product (GDP) is expected to grow by 6.6 percent in 2004; 5.6 percent in 2005; and by 4.8 percent in 2006, while real GDP is expected to grow by 4.4 percent, 3.7 percent, and 3.0 percent, respectively. U.S. personal income also is expected to increase to 5.3 percent in 2004; 5.0 percent in 2005; and 5.2 in 2006.

Kansas Personal Income. Kansas Personal Income is expected to grow by 4.8 percent in 2004 above 2003. The growth rate is expected to increase to 4.9 percent in 2005 and remain at that level through 2006.

Employment. Experts believe that the employment outlook generally is improving. The statewide unemployment rate for FY 2003 was 5.3 percent and is expected to drop to 5.1 percent in FY 2004. The latest statistics indicate that Kansas unemployment is still below the national rate of 5.4 percent as of September 2004. The overall Kansas unemployment rate for FY 2005 is expected to be 5.9 percent before decreasing to 5.7 percent in FY 2006.

The Kansas Department of Labor stated that the U.S. Department of Labor will be making a significant change to its methodology in 2005. The Kansas Department of Labor anticipates that the change in the way that the unemployment rate is calculated will translate into a higher unemployment rate. Adjustments will be made back to 2000, when the last decennial census was conducted. Experts believe the unemployment rate will increase 1.0 percent because of the U.S. Department of Labor's adjustments.

Agriculture. Net farm income in Kansas increased 451.0 percent from $251.9 million to $1,386.9 million in 2003. For this same period, the national net farm income increased by 59.0 percent.

The All Farm Products Index of Prices received by Kansas farmers was 105 in September, compared with 112 a year ago. The monthly average prices farmers received for wheat, corn, sorghum, and soybeans were above year ago levels for the first six months of 2003, then began to fall behind year ago prices as it became obvious that row crop production would be excellent. Using current forecasts for 2004 production and the projected prices released by USDA in October, the value of production for the four major crops in Kansas likely will be down 5.0 to 10.0 percent from last year's levels. Cattle marketings through September are running 2.1 percent below last year, and prices remain well below last year's levels. Hog prices have been above last year's levels.

Oil & Gas. The average price per taxable barrel of Kansas crude oil is estimated to be $40 in FY 2005 and to decrease to $33 in FY 2006. Gross oil production in Kansas is expected to remain steady at 34.0 million barrels throughout the forecast period of FY 2005 and FY 2006.

The price of natural gas is expected to increase from the FY 2004 level of $4.17 per mcf to $5.50 per mcf in FY 2005 and then to $5.00 per mcf in FY 2006. Natural gas production in FY 2004 was 417.6 million cubic feet. Production is expected to continue to decline for the foreseeable future as natural gas reserves, especially those in the Hugoton Field, are depleted. The forecast is for 385.0 million cubic feet in FY 2005 and 355.0 million cubic feet in FY 2006.

Inflation. In 2003, the rate of inflation, as measured by the Consumer Price Index for All Urban Consumers, was 2.3 percent. The inflation rate in 2004 is expected to be higher at 2.7 percent. The inflation rate is anticipated to decrease to 2.1 percent in 2005 and remain at that level through 2006.

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 2003, the state earned 1.63 percent on its State General Fund portfolio. The average rate of return forecasted for FY 2004 is 1.19 percent. For FY 2005, the forecasted rate is 2.12 percent and 3.09 percent for FY 2006.

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 2004.

Historical State General Fund Receipts
(Dollars in Millions)

Fiscal Year	Actual Receipts	Year to Year % Change
1975	$627.6	N/A
1976	701.2	11.7 %
1977	776.5	10.7
1978	854.6	10.1
1979	1,006.8	17.8
1980	1,097.8	9.0
1981	1,226.5	11.7
1982	1,273.0	3.8
1983	1,363.6	7.1
1984	1,546.9	13.4
1985	1,658.5	7.2
1986	1,641.4	(1.0)
1987	1,778.5	8.4
1988	2,113.1	18.8
1989	2,228.3	5.5
1990	2,300.5	3.2
1991	2,382.3	3.6
1992	2,465.8	3.5
1993	2,932.0	18.9
1994	3,175.7	8.3
1995	3,218.8	1.4
1996	3,448.3	7.1
1997	3,683.8	6.8
1998	4,023.7	9.2
1999	3,978.4	(1.1)
2000	4,203.1	5.6
2001	4,415.0	5.0
2002	4,108.3	(6.9)
2003	4,245.6	3.3
2004	4,518.9	6.4

FY 2005

In November 2004, estimated tax receipts for FY 2005 were increased from the April 2004 estimates by $89.2 million. Individual income tax receipts account for $60.1 million of the total increase, while severance tax receipts account for $27.8 million. Corporation income tax receipts also were increased by $22.0 million. One factor supporting the increase in the individual income tax estimate is that FY 2004 receipts from this source exceeded the final estimate by more than $58.0 million. Data show that the average balance due increased by $60 per check over the prior year. In addition, withholding receipts showed significant growth in the first four months of FY 2005. Corporation income tax receipts were increased because of the current economic expansion in business investment.

Increases to the severance tax are attributable to higher than anticipated energy costs. The war in Iraq, unrest in the Middle East, and the effects of hurricanes in the Gulf of Mexico have caused price increases in both oil and natural gas. This trend is expected to continue through the forecast period.

The retail sales tax estimate was reduced for FY 2005 from $1,670.9 million to $1,650.0 million (-$20.9 million). This reduction was based on slower than expected consumer spending through the first four months of the fiscal year and the expectation that the pattern will continue throughout the rest of the fiscal year.

Alternatively, the compensating use tax estimate was increased by $8.7 million from $224.3 million to $233.0 million. This tax source estimate was affected by an apparent increase in business purchases.

Other tax source estimates that were increased include motor carrier property tax, estate tax, tobacco products tax, liquor enforcement, and corporate franchise taxes. Motor carrier receipts were increased by $1.5 million because there were more carriers and operating units valued for tax year 2004.

The estate tax estimate was increased by $1.0 million from $49.0 million to $50.0 million. Statutory changes also were made to the corporate franchise tax during the 2004 Legislative Session. Beginning January 1, 2005, collection of the corporate franchise tax will be transferred from the Secretary of State's Office to the

Department of Revenue. This tax is assessed against businesses on the basis of $1.25 per each $1,000 of net worth. The Secretary of State's Office will continue to collect the corporate franchise fee, which is assessed to all businesses and non-profit organizations. The overall estimate for both sources was increased because the collections for the first four months of FY 2005 were stronger than expected.

Other sources that are expected to decrease include financial institutions privilege tax receipts and liquor drink tax receipts. The liquor drink receipts were revised downward by $200,000, while financial institutions income tax receipts were revised downward by $12.5 million. It was not evident why this source has dropped dramatically. However, the Department of Revenue is investigating the possible causes.

FY 2006

Total State General Fund receipts are estimated to be $4.81 billion in FY 2006, while tax receipts are estimated to be $4.68 billion. The total receipts are $174.8 million, or 3.8 percent greater than the newly revised FY 2005 figure. Tax receipts only for FY 2006 are estimated to increase $138.0 million, or 3.0 percent.

The FY 2006 estimate does not subtract any demand transfers converted to revenue transfers, while the FY 2005 estimate subtracts $71.8 million in demand transfers that were converted to revenue transfers. If transfers are treated in a similar fashion in both years, the FY 2006 growth would be $138.2 million, or 2.9 percent. Modest increases are forecast for the principal State General Fund tax revenue sources in FY 2006 over the FY 2005 levels.

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. In the middle of December, more than a month after the consensus meeting was held, a technical error involving net revenue transfers into and out of the State General Fund was discovered. The error made total State General Fund receipts $35,196,000 higher than what they should have been. Therefore, a technical adjustment has been made jointly by the Division of the Budget and the Legislative Research Department, and the correct estimates are reflected in the following table.

Consensus Revenue Estimate

(Dollars in Thousands)

	FY 2004 Actual		FY 2005 Estimate		FY 2006 Estimate	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	19,497	24.0	21,000	7.7	22,000	4.8
Motor Vehicle	15,258		1,100			
Ad Valorem	185		800			
Total	$34,940		$22,900		$22,000	
Income Taxes:						
Individual	1,888,434	7.9	1,960,000	3.8	2,060,000	5.1
Corporation	141,173	34.2	152,000	7.7	155,000	--
Financial Inst.	25,435	(18.3)	22,000	(13.5)	22,000	0.0
Total	$2,055,042	8.9 %	$2,134,000	3.8 %	$2,237,000	4.8 %
Estate/Inheritance	$48,063	2.4	$50,000	4.0	$51,000	2.0
Excise Taxes:						
Retail Sales	1,612,067	2.8	1,650,000	2.4	1,700,000	3.0
Compensating Use	214,502	(5.1)	233,000	8.6	237,000	1.7
Cigarette	119,787	(7.3)	118,000	(1.5)	117,000	(0.8)
Tobacco Prod.	4,796	6.3	5,000	4.3	5,200	4.0
Cereal Malt Beverage	2,165	(4.8)	2,200	1.6	2,100	--
Liquor Gallonage	15,843	7.0	16,000	1.0	16,000	0.0
Liquor Enforcement	40,257	3.7	43,000	6.8	45,000	4.7
Liquor Drink	7,153	4.5	7,500	4.9	7,700	2.7
Corporate Franchise	36,805	18.4	48,000	30.4	45,000	(6.3)
Severance	84,641	16.3	105,400	24.5	88,000	(16.5)
Gas	66,055	17.4	79,100	19.7	66,300	(16.2)
Oil	18,586	12.5	26,300	41.5	21,700	(17.5)
Total	$2,138,016	2.1 %	$2,228,100	4.2 %	$2,263,000	1.6 %
Other Taxes:						
Insurance Prem.	107,603	13.9	100,000	(7.1)	100,000	--
Miscellaneous	3,646	(17.6)	4,500	23.4	4,500	--
Total	$111,249	12.5 %	$104,500	(6.1) %	$104,500	-- %
Total Taxes	$4,387,310	5.9 %	$4,539,500	3.5 %	$4,677,500	3.0 %
Other Revenues:						
Interest	13,870	(27.3)	25,100	81.0	40,350	60.8
*Net Transfers	16,718	N/A	(2,700)	N/A	30,604	N/A
Demand to Revenue	(62,699)	N/A	(71,800)	N/A	--	N/A
*Other Transfers	79,417	N/A	69,100	N/A	30,604	N/A
Agency Earnings	55,290	6.8	69,000	24.8	57,200	(17.1)
Federal Grants	45,710	N/A	--	N/A	--	N/A
Total Other Revenue	$131,588	27.0 %	$91,400	(30.5) %	$128,154	40.2 %
Total Receipts	$4,518,898	6.4 %	$4,630,900	2.5 %	$4,805,654	3.8 %

** Transfers were adjusted after the November 3, 2004 CRE was published. The transfers were reduced by $35,196,000 to reflect the correct amount.*

State General Fund Revenue Adjustments

Although the Governor must use the revenue estimates developed through the consensus process outlined in the previous section, a few adjustments to State General Fund consensus revenues are made in the Governor's recommended budget. While most of these adjustments are revenue transfers, there is also an important recommendation regarding delinquent tax collections.

Tax Adjustments

Additional Auditor Positions. Businesses are responsible for collecting certain state taxes and remitting them to the Department of Revenue for deposit in the State General Fund. When businesses are delinquent in remitting the taxes, the Department must pursue collection of the taxes. The faster action is taken, the more likely taxes are collected. In order to improve delinquent tax collections, the Governor recommends adding 18.00 additional FTE positions to the Department, with 10.00 to be added in FY 2005 and 8.00 more in FY 2006. The agency estimates the additional staff will bring in $6.0 million worth of unpaid taxes in FY 2006, primarily from sales and individual income taxes. The agency had indicated that limited staff levels had hindered tax collections, and the Legislative Division of Post Audit concluded in its tax enforcement audit of October 2004 that the Department of Revenue could benefit by adding additional staff.

HealthyKansas Initiative. As part of proposed health care reforms, the Governor and the Insurance Commissioner recommend increasing taxes on cigarettes by 50 cents per pack. Revenues from this increase are not included in this budget document, as the proposal is separate from the budget.

Annual 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 out" of the State General Fund. It is based on a formula or authorization in substantive law. 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 transfer or stopped the payments entirely.

Revenue Transfers. A revenue transfer 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.

Transfer Conversions. During recent legislative sessions all demand transfers have been converted to revenue transfers but on a piecemeal basis. The 2001 Legislature converted three of them: the Local Ad Valorem Tax Reduction Fund, the County and City Revenue Sharing Fund, and the Special City and County Highway Fund. The 2002 Legislature converted another two transfers: 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. 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.

Recommendations. Although revenues to the State General Fund have improved, only a limited number of these transfers are included in the Governor's budget recommendations. The Governor does not recommend resumption of the transfer to the State Highway Fund, Local Ad Valorem Tax Reduction Fund, County and City Revenue Sharing Fund, or the Abandoned Oil and Gas Well Fund in FY 2006. The Special City and County Highway Fund transfer is included at $10.1 million, as is the State Fair transfer of $300,000. The School District Capital Improvements Fund will disburse $56.2 million in FY 2006. The transfer to the State Water Plan Fund is increased back to the statutory level of $6.0 million in FY 2006. For the Kansas Partnership for Faculty of Distinction in FY 2006, the Governor estimates a

transfer of $400,000. Debt service on the Regents research initiative bonds will continue in FY 2006 at $4.9 million. It is also recommended that these transfers be identified in the appropriations bill, not only for FY 2006, but also FY 2007, for ease of planning in future years for demands on the State General Fund.

One-Time Transfers

FY 2005. In the current year, the Governor again adjusts the anticipated transfer from the KEY Fund to the State General Fund by nearly $3.0 million. The Governor issued a budget amendment last spring to recognize that revenues were not coming in as projected, but the Legislature did not adopt it. The Governor again recommends accounting for the reduction in receipts.

A year ago, it was recommended that large cash balances in fee agencies be swept to the State General Fund. The Legislature agreed with this proposal. The Board of Pharmacy has since lowered its fees and now will not have as much cash to transfer. The Board of Healing Arts was not included in the cash sweep. It is now recommended that the Board of Pharmacy transfer be lowered by $335,000 and that the Board of Healing Arts be treated as other agencies and have $750,000 swept to the State General Fund.

Administrative improvements in the Department of Transportation have resulted in $4.2 million that will be swept to the State General Fund in the current year.

FY 2006. The single largest transfer adjustment is to account for the Pooled Money Investment Board financing $32.6 million in FY 2006 to cover the 27th paycheck that will occur in that year. State employees are paid on a biweekly cycle, 26 times per year. Once every 11 years, the timing of the calendar generates 27 paychecks in a year, which occurs in FY 2006. To pay for the State General Fund portion of this cost that will not recur for 11 years, it is recommended that the state

Adjustments to the Consensus Revenue Estimates

(Dollars in Thousands)

FY 2005		
Statewide Funds:		
KEY Fund	Lower than anticipated settlement revenues	(2,957)
Agency Funds:		
Board of Pharmacy	Lower fee balance sweep	(335)
Board of Healing Arts	Corrective fee balance sweep	750
Department of Transportation	Administrative savings	4,194
Total FY 2005 Adjustments		$ 1,652
FY 2006		
Delinquent Taxes	New auditing staff will collect additional delinquent taxes	6,000
Revenue Transfers to Local Governments	School District Capital Improvements Fund & Special City and County Highway Fund	(66,214)
Revenue Transfer to State Fair	State Fair Capital Improvements Fund	(300)
Pooled Money Investment Board	Transfer from cash balances for 27th paycheck	29,643
Statewide Funds:		
State Water Plan Fund	Resume full statutory transfer	(6,000)
Agency Funds:		
Various Agencies	Additional state monies for 27th paycheck	(128)
Department of Education	State Safety Fund balance sweep	2,000
Regents System	Faculty of Distinction	(400)
Regents System	Regents Research Initiative	(4,910)
Highway Patrol	Additional operating costs	1,656
Total FY 2006 Adjustments		($38,653)

temporarily transfer $32.6 million from the Pooled Money Investment Board. The money will be transferred back over the 11 years, starting with a $3.0 million payment in FY 2006. The net effect to the State General Fund is a transfer in of $29.6 million.

In FY 2006, it is recommended that $2.0 million be swept from the Department of Education's State Safety Fund, which has excess balances from driver's license receipts. This transfer will not affect state aid for driver's education programs. To pay for greater salaries at the Highway Patrol, it is recommended that an additional $1.7 million be transferred from the State Highway Fund to the State General Fund.

The table on the previous page lists all of the revenue transfer adjustments that have been incorporated in the Governor's budget recommendations for FY 2005 and FY 2006. The table on page 22 combines these adjustments with the corrected consensus estimates on page 18 to present a total view of State General Fund revenues.

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

	FY 2004 Actual		FY 2005 Gov. Estimate		FY 2006 Gov. Rec.	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	19,497	24.0	21,000	7.7	22,000	4.8
Motor Vehicle	15,258	N/A	1,100	N/A	--	N/A
Ad Valorem	185	N/A	800	N/A	--	N/A
Total	$34,940	122.1 %	$22,900	(34.5) %	$22,000	(3.9) %
Income Taxes:						
Individual	1,888,434	7.9	1,960,000	3.8	2,063,000	5.3
Corporation	141,173	34.2	152,000	7.7	155,000	--
Financial Inst.	25,435	(18.3)	22,000	(13.5)	22,000	--
Total	$2,055,042	8.9 %	$2,134,000	3.8 %	$2,240,000	5.0 %
Estate/Inheritance	$48,063	2.4	$50,000	4.0	$51,000	2.0
Excise Taxes:						
Retail Sales	1,612,067	2.8	1,650,000	2.4	1,703,000	3.2
Compensating Use	214,502	(5.1)	233,000	8.6	237,000	1.7
Cigarette	119,787	(7.3)	118,000	(1.5)	117,000	(0.8)
Tobacco Prod.	4,796	6.3	5,000	4.3	5,200	4.0
Cereal Malt Beverage	2,165	(4.8)	2,200	1.6	2,100	--
Liquor Gallonage	15,843	7.0	16,000	1.0	16,000	0.0
Liquor Enforcement	40,257	3.7	43,000	6.8	45,000	4.7
Liquor Drink	7,153	4.5	7,500	4.9	7,700	2.7
Corporate Franchise	36,805	18.4	48,000	30.4	45,000	(6.3)
Severance	84,641	16.3	105,400	24.5	88,000	(16.5)
Gas	66,055	17.4	79,100	19.7	66,300	(16.2)
Oil	18,586	12.5	26,300	41.5	21,700	(17.5)
Total	$2,138,016	2.1 %	$2,228,100	4.2 %	$2,266,000	1.7 %
Other Taxes:						
Insurance Prem.	107,603	13.9	100,000	(7.1)	100,000	--
Miscellaneous	3,646	(17.6)	4,500	23.4	4,500	--
Total	$111,249	12.5 %	$104,500	(6.1) %	$104,500	-- %
Total Taxes	$4,387,310	5.9 %	$4,539,500	3.5 %	$4,683,500	3.2 %
Other Revenues:						
Interest	13,870	(27.3)	25,100	81.0	40,350	60.8
Net Transfers	16,718	N/A	(1,048)	N/A	(14,074)	N/A
Demand to Revenue	(62,699)	N/A	(71,800)	N/A	(77,500)	N/A
Other Transfers	79,417	N/A	70,752	N/A	63,426	N/A
Agency Earnings	55,290	6.8	69,000	24.8	57,200	(17.1)
Federal Grants	45,710	N/A	--	N/A	--	N/A
Total Other Revenue	$131,588	27.0 %	$93,052	(29.3) %	$83,476	(10.3) %
Total Receipts	$4,518,898	6.4 %	$4,632,552	2.5 %	$4,766,976	2.9 %

Financial Policies

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

Operating Policies

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

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

Reserve Policy

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

Accounting, Auditing, & Reporting Policies

The state prepares financial statements 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 capital projects, the debt service is reported in the budget, not the cost of the project. The interest portion is treated as an operating expense, whereas the principal portion is a capital expense.

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

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.

Trust Fund

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

During FY 2000 the state received $68.2 million in tobacco settlement payments. Payments totaled $52.9 million in FY 2001, $61.5 million in FY 2002, $61.5 million in FY 2003, and $52.5 million in FY 2004. The current estimate for payments is $53.0 million in FY 2005 and $52.0 million in FY 2006. However, the amount and timing of the estimated payments could change depending on the profitability of the companies, the legal actions pursued by individual states and the federal government, and interest accrued on delayed payments. On July 1, 2000, $20.3 million repaid the State General Fund for children's programs begun in FY 2000. The next $70.7 million was transferred directly from the KEY Fund to the State General Fund. The next $30.0 million was transferred to the Children's Initiatives Fund. In FY 2002, $16.0 million was transferred to the State General Fund and $40.0 million to the Children's Initiatives Fund.

In FY 2003, $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. The estimated balance of the KEY Fund, $9.9 million, was transferred to the State General Fund at the end of FY 2004. As it turned out, there was $42,981 remaining at the end of FY 2004 because new receipts were slightly higher than anticipated. For FY 2005, the scheduled transfer to the Children's Initiatives Fund would ordinarily be $47.3 million. However, in order to increase funding for various children's programs, a transfer of $51.1 million was approved by the 2004 Legislature. The Legislature also approved a transfer of $4.6 million from the KEY Fund to the State General Fund. However, the current estimate for KEY Fund revenues will not support this transfer. The Governor recommends a lower transfer of $1.7 million. The FY 2005 recommendation also includes $252,882 for administrative expenditures of the Children's Cabinet.

For FY 2006, the Governor recommends a transfer to the Children's Initiatives Fund of $51.7 million and Children's Cabinet administrative expenditures equal to the FY 2005 amount. That will leave a zero balance at the end of FY 2006. The table below summarizes the Kansas Endowment for Youth Fund for FY 2003 through FY 2006.

Fund Summary

The table on the next page summarizes the Children's Initiatives Fund for the same fiscal years. For FY 2005, the Governor recommends $52.4 million in expenditures for children's programs. The recommendation is almost identical to what was

Kansas Endowment for Youth Fund Summary

	Actual FY 2003	Actual FY 2004	Gov. Rec. FY 2005	Gov. Rec. FY 2006
Beginning Balance	$ 7,814,894	$ --	$ 42,981	$ --
Revenues	61,511,858	52,531,729	53,000,000	52,000,000
Transfer Out to CIF	(45,000,000)	(42,588,748)	(51,135,585)	(51,747,118)
Transfer Out to State General Fund	(24,326,752)	(9,900,000)	(1,654,514)	--
Total Available	$ --	$ 42,981	$ 252,882	$ 252,882
Children's Cabinet Admin. Expend.	--	--	252,882	252,882
Ending Balance	$ --	$ 42,981	$ --	$ --

Children's Initiatives Fund Summary

	Actual FY 2003	Actual FY 2004	Gov. Rec. FY 2005	Gov. Rec. FY 2006
Beginning Balance	$ 3,757,486	$ 2,589,146	$ 3,199,475	$ 1,447,220
Released Encumbrances	1,361,623	253,889	--	--
Adjusted Balance	$ 5,119,109	$ 2,843,035	$ 3,199,475	$ 1,447,220
Revenues:				
Transfer In from KEY Fund	45,000,000	42,588,748	51,135,585	51,747,118
Transfer Out to State General Fund	(3,873,144)	(1,144,144)	(500,000)	--
Total Available	$ 46,245,965	$ 44,287,639	$ 53,835,060	$ 53,194,338
Original Approved Expenditures	43,656,819	41,088,164	53,812,310	--
Lapse of FY 2004 Reappropriations	--	--	(1,424,470)	--
Recommended Expenditures	--	--	52,387,840	53,194,338
Ending Balance	$ 2,589,146	$ 3,199,475	$ 1,447,220	$ --

approved by the 2004 Legislature. Except the $250,000 that was approved for the Tele-Kid Health Care Link is increased to $287,792, and the $2.5 million that was approved for Parent Education is increased to $2,659,755. This allows the programs to carryforward monies that were approved but not spent in FY 2004. All other unspent appropriations are lapsed in the Governor's recommendation for the current year. For FY 2006, the Governor recommends $53.2 million from the Children's Initiatives Fund.

FY 2006 Recommendations

Each of the programs recommended for FY 2006 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, by agency, for FY 2004 through FY 2006.

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 2006. 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 2006. The program serves infants and young children who are at risk for abuse, neglect, and future emotional, social, or behavioral disorders. Services are targeted to two-and-a-half to five-year-old special needs children who have a severe emotional disturbance and who are unable to attend other preschools because of their behavior. The Therapeutic Preschool Program also extends care to kindergarten children who attend public school special education services for half of the day and the therapeutic preschool for the remainder.

Child Care Services. The Governor recommends $1.4 million for child care services. 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 $63.4 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.

Children's Initiatives Fund

Program or Project	FY 2006
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
HealthWave	2,000,000
Smart Start Kansas	8,895,491
Children's Cabinet Accountability Fund	541,802
Medical Assistance	3,000,000
Immunization Outreach	500,000
Family Preservation	2,957,899
Attendant Care for Independent Living	50,000
School Violence Prevention	228,000
Total--SRS	$32,865,293
Health & Environment--Health	
Healthy Start/Home Visitor	250,000
Infants & Toddlers Program	800,000
Smoking Prevention Grants	500,000
Total--KDHE	$ 1,550,000
Department of Education	
Four-Year-Old At-Risk Programs	5,504,045
Parent Education	2,500,000
Reading and Vision Research	300,000
Special Education	1,225,000
Total--Education	$ 9,529,045
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	$53,194,338

HealthWave. The Governor recommends $2.0 million for HealthWave. This program provides insurance coverage for children whose family income is less than 200.0 percent of the federal poverty level. Cost sharing enables some families whose income is at or above 200.0 percent of the poverty level to participate in the program for a fee. The Governor recommends a total of $58.0 million for HealthWave, including $14.0 million from the State General Fund and $42.0 million in federal funds.

Smart Start Kansas. The Governor recommends $8.9 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.

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.

Medical Assistance. The Governor recommends $3.0 million for FY 2006 to offset the cost of providing Medicaid services to low-income children. The Children's Initiatives Fund dollars are part of the state's match for federal Medicaid reimbursement.

Immunization Outreach. The Governor proposes $500,000 for FY 2006 for SRS to increase the number of children immunized in Kansas. The funds will be targeted toward expanding outreach efforts and emphasizing the importance of timely immunizations.

Family Preservation. The Governor recommends $11.4 million for family preservation services, with $3.0 million from the Children's Initiatives Fund, to provide services to approximately 2,790 families each month. These are families that have a high risk of a child being removed from home.

Attendant Care for Independent Living (ACIL). The Governor recommends $50,000 from the Children's Initiatives Fund in FY 2006 to purchase durable medical equipment.

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.

Health & Environment—Health

Healthy Start/Home Visitor. The Governor seeks to maintain the number of families that receive assistance

through prenatal care and follow-up visits by recommending $250,000 from the Children's Initiatives Fund. This recommendation continues funding at the level of the approved FY 2005 amount.

Infants & Toddlers Program. The Governor recommends funding of $800,000 for the Infants and Toddlers Program. It provides leadership in the planning, development, and promotion of policies and procedures to identify infants and toddlers with developmental delay and to provide early intervention services to eligible children and their families. In total for FY 2006, recommended expenditures for the program are $5.8 million from state and federal funds. The Governor's budget recommendation continues the approved current year funding from the Children's Initiatives Fund.

Smoking Prevention Grants. The negative effects of smoking pose serious health risks to members of the community. The Governor recommends $500,000 in FY 2006 to be targeted for tobacco use prevention programs, the same as the approved amount for FY 2005. 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. Of the estimated 35,000 four-year-olds in Kansas, approximately 10,000 meet one or more criteria that would identify them as "at-risk." Head Start and special education serve 4,500 of these children. For the other 5,500, the Governor includes $5.5 million from the Children's Initiatives Fund to continue the four-year-old at-risk early education program. This is an increase of $1.0 million over previous years and will prevent students from starting school without necessary cognitive and social skills. The balance of funding necessary to provide services to these children, $8.2 million, is financed by the State General Fund. Evaluations are made to determine whether the children served by the program are improving in their development and school readiness.

Parent Education. One of the primary prevention programs is the state's Parent Education Program. Designed to maximize children's overall development during the first three years of life, it lays the foundation for school success and minimizes 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 2006 to continue the program for 17,000 Kansas families. Total funding of $7.1 million is financed by $4.6 million from the State General Fund and $2.5 million from the Children's Initiatives Fund. The program curriculum is based on the most current brain research and is designed to strengthen the foundations of later learning—curiosity, language and intellectual development, and social skills.

Vision Research & Services. Research indicates that 20.0 percent of children entering kindergarten have some form of 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 and strategies 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 2006 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. Monies were first appropriated by the 2002 Legislature from the Children's Initiatives Fund for special education in order to maintain state aid at the level of 85.0 percent of excess costs while saving State General Fund monies. This same amount, $1.2 million, is maintained in FY 2006 by the Governor for special education programs, which will be combined with $249.8 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 2006 to address the importance of prevention programs in reducing juvenile crime. The Governor's recommendation allows for the establishment and maintenance of community-based delinquency prevention programs. 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 2006 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 and the Kansas Racing and Gaming Commission. 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 balance is transferred to the Economic Development Initiatives Fund (EDIF), 10.0 percent to the Correctional Institutions Building Fund (CIBF), and 5.0 percent to the Juvenile Detention Facilities Fund (JDFF). Any receipts to the SGRF in excess of $50.0 million must be transferred to the State General Fund in the fiscal year in which the revenues are recorded.

In the Gaming Revenues Fund table, the $14.3 million and $16.0 million State General Fund transfers projected for FY 2005 and FY 2006, respectively, 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 monthly transfers from the Kansas Lottery are designated to be any money in excess of what is needed for operation of the Lottery. For FY 2005, the agency will be transferring a minimum of $64,250,000 to the SGRF. For FY 2006, the budget plan includes total transfers of $66.0 million. The Lottery estimates total ticket sales of $223.5 million for FY 2006. Of total ticket sales, $2.5 million is from the Veterans Benefit Games. The 2004 Legislature made the Veterans Benefit Games permanent.

Gaming Revenues Fund
(Dollars in Thousands)

	FY 2004	FY 2005	FY 2006
Transfers In:			
Lottery	67,383	64,250	66,000
Racing & Gaming	278	75	--
Total	$67,661	$64,325	$66,000
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	17,661	14,325	16,000
Total	$67,661	$64,325	$66,000

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. For the past few 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.

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. The Governor's recommendations assume the agency will transfer $75,000 in FY 2005. At this time it does not appear that there will be a transfer in FY 2006 to the SGRF from racing activities because revenue from racetracks continues to decrease.

Economic Development Initiatives Fund

The Governor targets the limited resources of the Economic Development Initiatives Fund to support the Economic Revitalization Plan passed by the 2004 Legislature and to other priority areas of economic, technological, and workforce development

Fund Summary

The primary recipients of funds from the Economic Development Initiatives Fund (EDIF) in FY 2006 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 $3.0 million to its 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.

At the beginning of FY 2005, the EDIF experienced a cashflow problem. In the previous year, there was authorization in the appropriations bill to make a bookkeeping entry that credited $21.0 million to the EDIF, which was equal to 50.0 percent of the revenue expected to be received in the fund. The credit was necessary because revenue transfers to the EDIF from lottery sales do not begin until August of the fiscal year, yet agencies begin to spend EDIF monies in July. The credit was erased when EDIF revenues were actually received, still within the same fiscal year. The same language for FY 2005, however, was inadvertently left out of the appropriations bill. That created a cashflow problem at the beginning of FY 2005. As a result, the Division of Accounts and Reports and the Division of the Budget began to

Economic Development Initiatives Fund Summary

	Actual FY 2003	Actual FY 2004	Gov. Est. FY 2005	Gov. Rec. FY 2006
Beginning Balance	$ 3,550,654	$ 1,403,082	$ 2,974,689	$ 168,881
Released Encumbrances	1,346,451	561,304	--	--
Adjusted Balance	$ 4,897,105	$ 1,964,386	$ 2,974,689	$ 168,881
Revenues:				
Gaming Revenues	42,432,000	42,432,000	42,432,000	42,432,000
Other Revenues	386,986	421,621	300,000	637,261
State General Fund	(3,165,908)	--	--	--
KEOIF	(3,325,000)	(2,975,000)	(3,225,000)	(3,000,000)
KEIEP	(475,000)	(423,246)	(300,000)	--
Export Loan Guarantee Fund	--	870,403	--	--
State Water Plan Fund	(1,900,000)	(1,900,000)	(2,000,000)	(2,000,000)
Lottery Operating Fund	--	2,000,000	--	--
BEST Reductions	--	--	(106,760)	--
Other Transfers Out	(18,747)	(37,570)	--	--
Total Available	$ 38,831,436	$ 42,352,594	$ 40,074,929	$ 38,238,142
Expenditures	37,428,354	39,377,905	39,906,048	38,200,881
Ending Balance	$ 1,403,082	$ 2,974,689	$ 168,881	$ 37,261

monitor expenditures from the fund daily. Actions, such as releasing encumbrances and adjusting the timing of revenue transfers, were taken to allow agencies to make payments from the EDIF that were considered a priority.

By December 2004, it was expected that the fund balance in the EDIF would allow for a positive cashflow for the rest of FY 2005. Consequently, the daily monitoring of expenditures was no longer necessary. The introduced version of the FY 2006 appropriations bill, the Governor's recommendations will restore the necessary language for the credit to be established for the EDIF.

FY 2006 Recommendations

The Governor's recommendations for FY 2006 are summarized in the table below and described after the table in detail by agency and by program. They are also listed in Schedule 2.4 at the back of this report for FY 2004 through FY 2006.

Economic Development Initiatives Fund

Program or Project	FY 2006
Department of Commerce	
Older Kansans Employment Program	239,430
Operating Grant	15,665,118
Total--Commerce	$ 15,904,548
Kansas Technology Enterprise Corporation	
Operations	1,671,984
University & Strategic Research	5,550,950
Commercialization	1,715,082
Mid-America Manufacturing Center	1,586,478
Product Development	1,386,562
Total--KTEC	$ 11,911,056
Kansas, Inc.	382,615
Board of Regents	
Matching Grants--AVTS	180,500
Postsecondary Aid--AVTS	6,957,162
Capital Outlay--AVTS	2,565,000
Total--Board of Regents	$ 9,702,662
State Conservation Commission	
Wind Energy Conservation Easements	300,000
Total	$ 38,200,881

Department of Commerce

For FY 2006, the Governor recommends $18.9 million for Commerce, $15.7 million in the form of an operating grant, $3.0 million to be transferred to the Economic Opportunity Initiatives Program, and $239,430 for the Older Kansans Employment Program. The FY 2006 budget recommendations for Commerce provide a slight increase over its FY 2005 revised budget. In FY 2006, the agency is expected to continue to operate its traditional programs and at the same time develop its new programs approved during the 2004 Legislative Session. The Governor reduces salaries by $480,625, including $130,648 from EDIF, based on personnel turnover in the agency.

Some of Commerce's traditional programs include Attraction Development Grants in its Travel and Tourism Division and the Kansas Industrial Training and Retraining (KIT/KIR) programs in its renamed Business & Workforce Division. Some of the new programs came from the Governor's Economic Revitalization Plan, which was introduced and approved during the 2004 Legislative Session and includes the Center for Entrepreneurship and Rural Business Tax Credits.

The agency is also integrating employment and workforce training programs transferred from the renamed Department of Labor, as directed by the Governor's Executive Reorganization Order No. 31, also introduced and approved during the 2004 Legislative Session. Included in the transfer from Labor was 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 $11,823,383 in FY 2005. The agency had a large carryforward balance from the EDIF of $461,709 from FY 2004 to FY 2005. The balance is

the result of cancellation of anticipated grants to universities. Applying shrinkage in FY 2005 reduces the agency's budget by $128,544.

For FY 2006, the Governor recommends $11,911,056 from the EDIF. The agency's budget includes a net decrease in salaries of $20,287 but was increased by $435,755 for the Commercialization Program discussed below. KTEC continues to be responsible for the planning and development costs for the Bioscience Authority. The organization is charged with funding, among other things, research and scientific positions and laboratory resources at Kansas academic institutions.

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 $5,550,950 for this program in FY 2006.

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 seven innovation and commercialization corporations that provide business development and financing to start-up technology-based businesses in Kansas. The Governor recommends $1,715,082 for this program, which includes an additional $435,755 for new incentives to recruit successful entrepreneurs to match with emerging companies and to attract existing high technology companies to Kansas.

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 2006, the program will be allocated $1,586,478.

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 $1,386,562 for this program in FY 2006.

Kansas, Inc.

The Governor recommends $382,615 for Kansas, Inc. in FY 2006 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.

Board of Regents

For FY 2006, the Governor recommends $9,522,162 for postsecondary education at area vocational-technical schools from the EDIF. This is in addition to $20.7 million in State General Fund dollars. The recommendation also includes $180,500 for a technical innovation and internship program at postsecondary institutions, for a total of $9,702,662.

State Conservation Commission

Wind Energy Conservation Easements. The Governor recommends funding of $800,000 in FY 2006 for the Conservation Easement Program. Funding for this voluntary program that protects farm and ranchlands from conversion includes a combination of $500,000 from the State General Fund and $300,000 from the Economic Development Initiatives Fund. The program is designed to assist landowners in purchasing easements based on the appraised value of the land.

The USDA Farm and Ranchlands Protection Program (FRPP) provides a share of the appraised value not to exceed 50.0 percent. A cooperating landtrust or the State of Kansas may apply for an FRPP contract and, if approved, the cooperating organization may provide a share of the contribution. Through this program, the state will provide a matching share of the purchase price of the conservation easement. A landowner and local government will make up the remaining portion. The State Conservation Commission (SCC) will administer the program, using state funds for successful applications filed for funding through the federal FRPP. The SCC will also try to fund conservation easement applications that are not eligible for the federal protection program.

EDIF Operating Grant
Outcome Measures

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Gov. Estimate
Jobs created by projects utilizing KDOC assistance	8,978	6,500	6,500
Jobs retained by projects utilizing KDOC assistance	8,082	8,500	8,500
Payroll generated by projects utilizing KDOC assistance	$222,756,563	$210,000,000	$205,000,000
Capital investment in Kansas resulting from projects utilizing KDOC assistance	$280,800,000	$335,000,000	$313,000,000
Funds leveraged through match in projects utilizing KDOC assistance	$16,273,295	$18,000,000	$16,500,000
Individuals trained through workforce development programs	8,979	9,400	9,000
Sales generated by projects utilizing KDOC assistance	$67,928,275	$74,000,000	$69,500,000
Increase in visitation resulting from KDOC tourism promotion efforts	318,437	320,000	318,000
Tourism revenue generated as a result of KDOC tourism promotion	$32,494,970	$34,000,000	$32,000,000
Kansans served with counseling, technical assistance, or business services	4,586	4,450	4,400
Number of communities receiving community assistance services	371	315	300

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, creating regional public water supply strategies, and financing the unfunded liability for reservoir storage debt.

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, biochemical oxygen demand, and dissolved solids, nutrients, metals, and pesticides which have an adverse effect on the water quality of Kansas lakes and streams. Further, the *Plan* calls for a reduction in the average concentration of dissolved solids, metals, nitrates, pesticides, and volatile organic chemicals that adversely affect the water quality of Kansas groundwater.

State Water Plan Fund

	Actual FY 2003	Actual FY 2004	Gov. Est. FY 2005	Gov. Rec. FY 2006
Beginning Balance	$ 1,666,000	$ 1,666,460	$ 1,999,989	$ 306,826
Released Encumbrances	574,224	--	--	936,879
Adjusted Balance	$ 2,240,224	$ 1,666,460	$ 1,999,989	$ 1,243,705
Revenues:				
Fee Revenue	6,468,391	9,137,930	9,115,000	8,804,000
Transfer in from State General Fund	6,000,000	3,773,949	3,748,839	6,000,000
Transfer in from the EDIF	2,000,000	1,900,000	2,000,000	2,000,000
Transfer out to State General Fund	(20,543)	(5,724)	--	--
Transfer out to KCC for Well-Plugging	--	--	(667,000)	(400,000)
Total Available	$ 16,688,072	$ 16,472,615	$ 16,196,828	$ 17,647,705
Expenditures	15,021,612	14,472,626	15,890,002	17,589,283
Ending Balance	$ 1,666,460	$ 1,999,989	$ 306,826	$ 58,422

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, and 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 2003 and FY 2004 and estimates for FY 2005 and FY 2006 to illustrate the financial status of the fund.

FY 2006 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 $9.1 million in FY 2004 and FY 2005 and $8.8 million in FY 2006. 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 historical level a year ago and recommends a return to the statutory transfer amount from the State General Fund in FY 2006. This higher level of revenue, together with the expected release of $936,879 in prior-year encumbrances, will allow important water quality initiatives to be addressed in FY 2006.

State Water Plan Fee Revenue

	FY 2006
Municipal Water Fees	3,334,000
Fertilizer Registration Fees	2,856,000
Industrial Water Fees	1,100,000
Pesticide Registration Fees	901,000
Sand Royalty Receipts	211,000
Stock Water Fees	357,000
Fines	45,000
Total	$ 8,804,000

The Governor's recommendation includes a transfer from the State Water Plan Fund to the Kansas Corporation Commission for the investigation, remediation, and plugging 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 from the agency's Conservation Fee Fund, the State General Fund, and the State Water Plan Fund. For FY 2005, $667,000 was approved for this purpose. For FY 2006, the Governor recommends that the State Water Plan Fund transfer total $400,000.

FY 2006 Recommendations

Starting in FY 2002, the expenditures from this fund have been appropriated directly from the State Water Plan Fund to simplify the appropriation process and to facilitate management of the fund for cashflow purposes. The Governor's FY 2006 recommendations for the State Water Plan Fund are summarized in a table on the next page, followed by more detailed

descriptions of the recommendations. In addition, State Water Plan Fund projects are listed in Schedule 2.5 in the back of this report.

State Water Plan Fund

Project or Program	FY 2006
University of Kansas	
Geological Survey	40,000
Department of Agriculture	
Interstate Water Issues	255,289
Floodplain Management	73,176
Subbasin Water Resources Mgt.	554,369
Water Appropriations	183,219
Water Use Study	60,018
Total--Dept. of Agriculture	$ 1,126,071
State Conservation Commission	
Water Resources Cost-Share	3,495,218
Nonpoint Source Pollution Asst.	2,799,520
Conservation District Aid	1,044,000
Buffer Initiatives	307,157
Watershed Dam Construction	352,499
Irrigation Transition Program	1,310,000
Riparian and Wetland Program	249,782
Total--Conservation Commission	$ 9,558,176
Health & Environment--Environment	
Contamination Remediation	983,867
Local Environmental Protection	1,502,737
Nonpoint Source Technical Asst.	385,975
WRAPS Program	800,000
TMDL Initiatives	323,338
Total--Health & Environment	$ 3,995,917
Kansas Water Office	
Kansas Water Authority Operations	37,384
Water Planning	313,205
Assessment & Evaluation	650,602
GIS Data Base Development	247,405
MOU--Operations & Maintenance	409,132
PMIB Loan Payment for Storage	237,945
Stream Gaging Program	392,296
Technical Assist. to Water Users	246,150
Weather Modification	120,000
Water Resouce Education	60,000
Total--Kansas Water Office	$ 2,714,119
Wildlife & Parks	
Stream Monitoring	40,000
River Access	115,000
Total--Wildlife & Parks	$ 155,000
Total	$17,589,283

The Governor's recommendations for expenditures from the State Water Plan Fund total $17,589,283 for FY 2006. 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 Sub-Cabinet on Natural Resources, which includes projects and programs aimed at water resource conservation and water quality improvement. The Governor's FY 2006 recommendation is $1,699,281 more than the FY 2005 revised estimate and reflects the addition of funding for the Irrigation Transition Program and returning to the statutory transfer from the State General Fund.

University of Kansas

Geological Survey. Included in the Governor's recommendation for the State Water Plan budget is $40,000 for the Geological Survey. The funding will be used to continue the analysis of water depletion in the Ogallala Aquifer. This study began in FY 2002 as a water resource priority. Specifically, the Geological Survey will evaluate estimated water level declines in the aquifer by decade, precipitation in the area, and aquifer recharge rates.

Department of Agriculture

The Governor recommends a total of $1,126,071 from the State Water Plan Fund for the Department of Agriculture. This recommendation will fund five programs aimed at water resource management.

Interstate Water Issues. Interstate water issues will continue to be a priority of the Governor in order to protect the state's interest and entitlement to the use and benefit of water in interstate river basins. The project provides legal and technical support to the Division of Water Resources and represents the state's interest when interstate river compacts and other water issues are involved. The Governor recommends $255,289 to support these activities.

Floodplain Management. For FY 2006, the Governor recommends $73,176 for the Floodplain Management Program. This program provides local governments with technical and financial assistance to address floodplain management and other flooding issues in priority areas. Funding from this program is

matched by the Federal Emergency Management Agency.

Subbasin Water Resources Management. This program works in cooperation with water right holders and local, state, and federal agencies to address stream flow depletions and groundwater declines in specific river basins. The project is operated through a group of basin teams comprising environmental 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 2006, the Governor recommends $554,369 to support these activities.

Water Appropriations Program. For FY 2006, the Governor recommends $183,219 to finance a portion of the salaries and wages of Water Appropriations Program staff. These individuals review and process water right applications.

Water Use Study. For FY 2006, the Governor recommends $60,018 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, data, and assist with irrigation water use reports for follow-up activities.

State Conservation Commission

Of the $17.6 million in State Water Plan Fund expenditures recommended for FY 2006, the majority of expenditures are by the State Conservation Commission. The Governor recommends a total of $9,558,176 in State Water Plan expenditures for this agency.

Water Resources Cost-Share Program. For this program the Governor recommends $3,495,218 in FY 2006. This program enhances and conserves the state's soil and water resources through the use of financial incentives in a voluntary partnership with farmers, ranchers, and other land managers. Over the past several years, emphasis has shifted toward water quality improvement. The program also helps implement techniques of terracing, grass waterways, and grass planting to slow the loss of sediment and nutrients from agricultural lands.

Nonpoint Source Pollution Assistance. For FY 2006, the Governor recommends $2,799,520 for the Nonpoint Source Pollution Assistance Program. This program provides technical assistance to conservation districts in the development of nonpoint source pollution plans. This program has experienced a high demand for assistance in upgrading failing septic systems and livestock waste systems. The Commission's efforts will focus on targeted resources within each of the conservation districts.

Conservation District Aid. For FY 2006, the Governor recommends $1,044,000 for Conservation District Aid. The objective for this program is to provide county conservation district operating funds, enabling local governing boards and staff to implement natural resource programs, which is critical to the success of conservation district programs. Furthermore, the county level leadership allows the agency to administer Conservation Commission programs, which assists the Commission in achieving its mission.

Buffer Initiatives. This program encourages the use of buffer strips by landowners to protect the state's natural water resources from nonpoint source pollutants. Previously, the program was operated only in the Kansas-Lower Republican River Basin in watersheds with high priority total maximum daily load impairments. The program has since been expanded into the Lower and Upper Arkansas River Basins and the Cimarron River Basin. For FY 2006, the Governor recommends expenditures of $307,157.

Watershed Dam Construction. For FY 2006, the Governor recommends $352,499 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. This level of funding will finance the construction of four new dams.

Irrigation Transition Program. The Governor recommends State Water Plan funding of $1,310,000 for the Irrigation Transition Program (ITAP) in FY 2006. The program implements HB 2620 from the 2004 Legislative Session and will be administered by the SCC. The goal of the program is to purchase and

permanently dismiss water rights in state-targeted areas that are experiencing excessive aquifer decline or are in need of stream flow restoration. The ITAP will provide a three-year transition to dryland farming in which limited irrigation is allowed when a landowner is converting irrigated farmland to permanent cover.

Riparian & Wetland Program. For FY 2006, the Governor recommends $249,782 for the Riparian and Wetland Program. This program's goal is to protect, enhance, and restore riparian areas, wetlands, and associated habitats. This is accomplished by providing technical, educational, and financial assistance to landowners and the public in general. Funding is earmarked for projects in high priority total maximum daily load watersheds.

Health & Environment—Environment

Contamination Remediation. The Governor provides $983,867 in FY 2006 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. Currently, there are 90 sites covered by the program. The issue at most of the sites involves contamination of public water supplies or domestic water wells.

Local Environmental Protection. The Governor provides $1,502,737 in expenditures from the State Water Plan Fund in FY 2006 for this program. Originally, the program provided funding to counties to implement local environmental protection plans. Since 101 of the state's 105 counties have adopted local environmental protection plans, program funding now focuses on activities to implement the plans, such as reductions to public water supply source water assessments and total maximum daily loads on lakes and rivers.

Nonpoint Source Technical Assistance. This program provides technical assistance and demonstration projects for nonpoint source pollution management at the local level. Planned FY 2006 activities include 140 active projects, including continuation of work at Hillsdale Reservoir to reduce phosphorous levels and contracts to local agencies implementing nonpoint controls at Cheney, Tuttle Creek, Clinton, Melvern, Council Grove, and projects within the Kansas Lower Republican basin. The Governor recommends $385,975 for the program in FY 2006.

Total Maximum Daily Loads (TMDL). A TMDL is the maximum amount of pollution a river or lake can receive without violating the surface water quality standard. The water planning process and basin advisory committees are developing and implementing actions to meet the TMDL levels. Use attainability analyses are also conducted to determine specific uses for various lakes and rivers. The Governor recommends $323,338 in FY 2006 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.

Watershed Restoration & Protection Plans (WRAPS). The Governor recommends expenditures of $800,000 for FY 2006 in State Water Plan funds for the WRAPS program to address 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 and riparian habitats. The initial priority of the program is to evaluate watersheds above federal reservoirs that serve public water supply functions and to develop strategies for the implementation of appropriate plans for specific protection issues.

Kansas Water Office

The Governor recommends a total of $2,714,119 from the State Water Plan Fund for the Kansas Water Office to implement various State Water Plan projects for FY 2006. Included in the recommendation is $37,384 for the operating costs associated with the Kansas Water Authority. The Governor also recommends $313,205 for the various operating expenditures associated with the water planning process. The descriptions that follow highlight several projects included in the Governor's recommendations.

Kansas has contracts with the U.S. Army Corps of Engineers for the purchase of water storage in 13 reservoirs, of which 421,050 acres have not yet been

called into service. The storage cost continues to accrue interest against the capital cost of the reservoirs, until such time as it is called into service. The state contracts with the Corps of Engineers are at the original construction costs of the reservoirs and have low fixed interest rates. The Governor and the Kansas Water Authority recommend that the state begin setting money aside in an interest-bearing escrow account so that the accrued interest can be used to pay the capital cost of the storage at a future time. The escrow account will be established for FY 2006, and the Kansas Water Office will certify at the end of each year unspent State Water Plan amounts that can be deposited in the account.

Assessment & Evaluation. The Kansas Water Office continually assesses the conditions of the state's water resources. These assessments are used to identify State Water Plan priorities. In addition, assessments serve as a base from which progress toward State Water Plan objectives is measured. For FY 2006, the Governor recommends $650,602.

GIS Database Development. During FY 2001, the Kansas Water Office and the Division of Information Systems and Communications in the Department of Administration began development of a Geographical Information Systems database. This database includes a wide range of information, including aquifer locations, public land surveys, and identification of vulnerable natural resources. Information recorded in the GIS database is used to determine whether sufficient water storage will be available to meet projected calendar year 2040 public water supply needs. For FY 2006, the Governor recommends $247,405 for the maintenance of the GIS database.

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 2006. This budget recommendation ensures that sufficient funding is available to meet this obligation.

PMIB Loan Payment for Storage. During the 1994 Legislative Session, funding was provided to purchase additional water storage space that was still expected to be available under the 1985 MOU with the 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. The term of the loan was for ten years with interest based on the average rate on investments during the previous fiscal year. The first payment was made in FY 1998. For FY 2006, the Governor recommends $237,945.

Stream Gaging Program. Since 1895, the state has contracted with the United States Geological Survey to operate a network of stream gaging stations. These stations provide real-time streamflow and reservoir level data throughout the state, and this data is used to guide the state's water resource operations. For FY 2006, the Governor recommends $392,296 for this program.

Technical Assistance to Water Users. The Governor recommends $246,150 for FY 2006 to provide educational and technical assistance to irrigators and municipalities in the preparation of water conservation plans. The Kansas Water Office is required to provide technical assistance to all water users who are required to develop a water conservation plan. A special emphasis is placed on public water suppliers with 30.0 percent or more of "unaccounted for" water.

Weather Modification. The Governor recommends funding of $120,000 in FY 2006 for weather modification, which aims to reduce crop-hail damage. The Water Office issues contracts for pilots to release silver iodide into clouds, which reduces crystal formation. Weather modification activities are carried out during specific weather conditions and operate in the southwestern part of the state, an area that is dependent on agriculture and susceptible to damage from hail storms.

Water Resource Education. The Governor recommends $60,000 for FY 2006. This will be used to fund a scholarship program through the Kansas Environmental Leadership Program, which is sponsored by Kansas State University and the Kansas Center for Agricultural Resources. A portion of the appropriation will also be used for the development of the Governmental Training Institute with the Department of Health and Environment. This Institute will serve as a resource for local governments.

Department of Wildlife & Parks

Stream Monitoring. For FY 2006, the Governor recommends $40,000 from the State Water Plan Fund for stream monitoring. The purpose of this program is to determine the potential adverse effects of pollution on fish and wildlife in Kansas streams. Data are also used to measure the progress toward surface water pollution reduction. This project is conducted with cooperation from the Kansas Department of Health and Environment.

River Access. The Governor recommends $115,000 for the development of State Park No. 24 near the grounds of the former Menninger Hospital. State Water Plan funding will allow development of the facilities at the new park, including construction of a boat ramp along the Kansas River.

State Employees

Salaries

FY 2006 Pay Plan

For FY 2006, the Governor recommends funds to finance a base salary increase of 2.5 percent for all state employees. The budgets of the Legislative Branch and the Judiciary have been increased accordingly. Funding for the proposed pay plan is included in the budget of each state agency. The cost of the plan statewide totals $49.8 million from all funding sources, of which $23.8 million is from the State General Fund.

With the approval of the Governor's pay plan, effective June 5, 2005, the pay matrices for classified employees will be adjusted to reflect the 2.5 percent increase. As in previous years, the funds to finance salary increases for unclassified employees will be made available in a pool to be distributed within each agency at the discretion of the agency head, subject to approval of the Governor, where applicable. The increase will apply to elected officials of the Executive Branch whose salaries are set by statute, including the Governor, Lieutenant Governor, Attorney General, State Treasurer, Insurance Commissioner, and Secretary of State. Increases for the Regents institutions will be distributed by the Board of Regents. The salary increases will also apply to troopers in the Highway Patrol, whose salaries will increase another 7.5 percent for the final year of the salary increases approved by a 2003 memorandum of agreement.

By law judges receive the same increases that are applied to the classified pay matrix, along with other positions whose salaries are tied to judges' salaries. Members of the Legislature are also included in the increase. In addition, the cost of their 3.0 percent increase for FY 2005 is annualized in FY 2006 because their increase did not take effect until January 2, 2005, approximately half way through the fiscal year. They were the only officials whose compensation was handled in this manner. All other salary increases were effective the whole fiscal year.

Longevity

The Governor's recommendations also provide for longevity bonus payments for eligible classified employees under existing law. The bonuses are calculated on the basis of $40 per year of service for those who have at least ten years of state service to 25 years, or a maximum of $1,000. Funds totaling $12.9 million from all funding sources, including $6.2 million from the State General Fund, are included in agency budgets to finance these costs.

27th Payroll Period

The average fiscal year contains 26 biweekly payroll periods. Because of the biweekly nature of the payroll system and how the pay dates have fallen on the calendar since the current system was implemented in 1995, a 27th payroll period will occur on June 30, 2006, the last day of FY 2006. As a consequence, the state will be obligated to pay this extra cost on a one-time basis, which will not be repeated for another 11 years. Accordingly, the Governor's budget includes funds for this expense in FY 2006, which were not budgeted by the agencies. These amounts, the same as the pay plan, are included in the budgets of each agency.

The cost of the 27th payroll will total $64.4 million from all funding sources, of which $32.6 million will be from the State General Fund. As a result of the considerable effect on the State General Fund, the Governor proposes to finance this cost over a period of 11 years. The method of financing will require an advance of funds from the Pooled Money Investment Board to the State General Fund for the State General Fund's share of the cost. In the Governor's budget, the funds are treated as State General Fund appropriations, the same as any other salary expenditures financed from the State General Fund. Starting in FY 2006, however, an annual revenue transfer of $3.0 million will be made from the balances of the State General Fund back to the Pooled Money Investment Board until FY 2016, when the original amount will have been repaid.

Most special revenue funds will have sufficient balances to finance this one-time increase in FY 2006. However, a few will have difficulties bearing this cost from their own resources. Therefore, the Governor's recommendation proposes to transfer funds from the State General Fund to be deposited in these special revenue funds. These transfers, which are based on a fund-by-fund analysis of need in each agency with special revenue funds, will total $128,431. In subsequent years, a determination will be made whether the special revenue funds are able to repay this advance of funds. If so, transfers will be made back to the State General Fund over one or several years until the original transfers are paid back.

Direct Care Reclassifications

For a number of years, significant inequalities between the beginning pay grades for state hospital employees and similar direct care positions in both the state and private sectors have been developing. Such inequalities have led to high employee turnover, which has been costly in terms of training, recruitment, and employee performance. To remedy this problem, the Governor recommends $2,448,552 to reclassify direct care workers at the state hospitals and veterans homes. This change will reduce the number of classes, while bringing entry level wages in line with similar state and private sector positions. Of the amount requested, $1,491,493 is from the State General Fund and the balance is from hospital fee funds.

Fringe Benefits

KPERS Death & Disability Insurance

From FY 2000 until FY 2004, there was a full or partial moratorium on state contributions to the KPERS Death and Disability Program. The moratoria over these years reduced excess balances in the KPERS Group Insurance Reserve Fund that had accumulated as a result of favorable investment returns. At the same time, the moratoria alleviated demands on the State General Fund at a time when its revenues were significantly reduced. With the balance in the fund nearing depletion, the state resumed contributions at the traditional rate of .6 percent for FY 2005. The current evaluation of the program by KPERS is that the rate must increase just to maintain the same level of insurance coverage.

Therefore, the Governor's budget recommendations add funds to agency budgets based on a rate of 1.0 percent for FY 2006 and 1.0 for FY 2007 for the biennial agencies. The agencies' September 15 budget submissions included $9.3 million from all funding sources for death and disability coverage in FY 2006 based on the traditional rate of .6 percent. Of this amount, $4.2 million was from the State General Fund. The Governor's budget adds $6.2 million from all funding sources, $2.9 million from the State General Fund, to bring the rate to 1.0 percent. These amounts do not include KPERS—School.

Other Rate Adjustments

The FY 2006 rate for KPERS regular and school members will increase by 0.4 percent compared to FY 2005. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERS Fund, which had been an annual increase of .2 percent in previous years. Because of favorable claims experience in the past year and an easing of the price increases on prescription drugs, the State of Kansas will be able to keep group health rates for FY 2006 the same as the rates for FY 2005, both for the employer contributions and the employee share. The unemployment insurance assessment increases from .22 percent in FY 2004 to .38 percent in FY 2005 and .43 percent in FY 2006. But then it will decline to .25 percent in FY 2007. A combination of low balances in the fund and high benefit payouts has necessitated an increase in rates over the period FY 2005 and FY 2006. By FY 2007, however, the health of the fund is expected to be restored sufficiently to allow a lowering of the rate.

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 2006, the Governor recommends from the State General Fund $18.0 million for the operating grant and $13.0 million for the 27th pay period. If the Regents choose to provide the same salary and fringe benefit adjustments as the Governor recommends for the rest of the state workforce, the cost for the increase in the death and disability rate would be $2.8 million from all funding sources, with $1.3 million from the State General Fund, and the cost would be $24.1 million from all funding sources for the 2.5 percent base salary increase, of which $11.8 million would be from the State General Fund. The Regents could use a combination of funding from the operating grant as well as special revenue funds. For the 27th pay period the universities would also be expected to use a combination of State General Fund and special revenue funds, as this is the manner in which salaries are normally funded.

As part of the Higher Education Coordination Act, the state universities will receive $3,333,426 from the State General Fund for FY 2006, the same as the amount approved for FY 2005. The Governor's plan constitutes the second year of a three-year effort to finance this act. This amount is identified for faculty salary enhancements by the formula that determines the additional expenditures for faculty salary enhancements, community colleges and Washburn University. The funding is distributed by the Board of Regents.

Activation Payments

The Governor, under her executive authority, plans to implement a new program that will provide payments to Executive Branch state employees who are called to active military duty. The program will provide a payment representing the difference between employees' state pay and their military pay. As a consequence, the payment will make up for earnings lost as a result of activation. Considered in the computation of this differential will be military base pay as well as allowances for such expenses as housing, subsistence, rations, family separation, and any other pay and allowances received as a result of activation but not for hazardous duty allowances. Eligible employees will receive a differential payment of up to $1,000 per month, before tax withholdings, for the duration of their federal service.

In addition, eligible employees will receive a one-time activation payment of $1,000, before tax withholdings, when called to active military duty on or after September 11, 2001. This payment will offset any financial burden that may occur as a result of mobilization. The one-time payments, as necessary, will be made retroactive. To finance the program, the Governor recommends $250,000 from the State General Fund in the Adjutant General's budget for FY 2005. The payments for this program will be made directly by the Adjutant General, rather than transferring the funds to other agencies.

State Workforce

Changes to the Workforce

The Governor's FY 2005 revised salary budget has been built on the basis of a workforce totaling 40,306.72 authorized FTE positions and 879.08 non-FTE unclassified permanent positions, for a total of 41,185.80. For FY 2006, the total number of positions is recommended to be 41,288.70, of which 40,314.62 are FTE positions and 974.08 non-FTE unclassified permanent. A detailed listing of these positions by agency is presented in the back of this volume as Schedule 9.1. Notable increases include 10.00 new FTE field positions in the Department of Revenue for FY 2005 and another 8.00 in FY 2006 to collect taxes that businesses owe the State of Kansas and 4.00 new examiners in the Consumer Mortgage Lending Division of the Banking Department in FY 2005. In addition, 100.00 new non-FTE unclassified permanent positions are recommended for the Adjutant General to be added to the existing staff of 191.70. These positions will be used to rebuild National Guard military equipment.

Counting the State Workforce

The state workforce includes all positions that are permanently assigned. It excludes temporary help, both those on the state payroll and those used on a contractual basis through temporary employment services. The permanent positions fall into two groups. The first includes full-time equivalent (FTE)

positions, some of which are constrained by a limitation in the appropriations bill, while others are not. The second group, named non-FTE unclassified permanent positions, are employed by the authority of KSA 2004 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 new tables, Schedules 9.2 and 9.3 at the back of this report, have been added to illustrate these methods. The first is based on "headcount," representing a statewide average of all 26 biweekly payrolls for FY 2002, FY 2003, and FY 2004. A headcount perspective will usually report a workforce of greater size because each part-time worker is counted separately.

The second new table 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 precise 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 appropriations 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 46.4 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.

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. The dollars for the 27th payroll and the proposed salary increase are incorporated into the table in each of the appropriate categories. The amounts included for the Regents system assume that death and disability rates will be increased in the same way that other agencies' salary costs have been, that a 27th check will be paid to Regents personnel, and that a base salary increase of 2.5 percent will be granted to Regents employees. However, State General Fund monies to finance these increases are appropriated as an operating grant, allowing the Regents system to spend available resources according to its own priorities. The portion of these salary expenditures that would be financed from special revenue funds is included in this table for completeness. However, these funds are not reported as expenditures in the state budget and are not reflected in any other tables or schedules in this report.

Statewide Salaries & Wages

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Authorized Positions					
Classified Regular	729,592,422	825,297,555	825,423,894	18,474,261	881,544,689
Classified Temporary	10,290,621	11,661,245	9,227,218	228,553	9,637,474
Unclassified Regular	670,864,331	791,494,918	795,818,678	6,084,044	840,908,690
Other Unclassified	157,969,805	93,040,744	95,893,763	43,714,204	98,729,903
Authorized Total	$ 1,568,717,179	$ 1,721,494,462	$ 1,726,363,553	$ 68,501,062	$ 1,830,820,756
Shift Differential	2,636,565	2,299,635	2,248,632	48,263	2,238,202
Overtime	12,503,232	10,857,372	11,992,143	216,701	11,496,253
Holiday Pay	3,924,664	3,419,577	3,375,587	62,377	3,577,261
Longevity	10,230,231	10,520,458	11,188,674	1,000	11,170,775
Total Base Salaries	$ 1,598,011,871	$ 1,748,591,504	$ 1,755,168,589	$ 68,829,403	$ 1,859,303,247
Employee Retirement					
KPERS	36,386,437	52,577,929	56,719,850	445,532	63,883,838
Deferred Compensation	321,680	358,969	357,641	--	393,364
TIAA	42,974,958	48,114,467	48,106,997	23,826	53,170,413
Kansas Police & Fire	2,769,674	4,626,322	5,629,340	--	5,985,852
Judges Retirement	3,565,760	4,338,540	5,287,798	576,639	5,419,993
Security Officers	3,279,387	4,588,544	4,873,413	--	5,522,046
Retirement Total	$ 89,297,896	$ 114,604,771	$ 120,975,039	$ 1,045,997	$ 134,375,506
Fringe Benefits					
FICA	106,577,075	121,495,595	122,255,495	2,652,428	129,293,820
Workers Compensation	15,765,761	18,278,579	19,002,751	359,822	20,125,260
Unemployment	3,109,701	6,206,663	7,078,759	142,884	7,506,246
Retirement Sick & Annual Leave	6,406,238	7,439,991	7,642,759	158,257	8,128,105
Employee Health Insurance	137,150,699	175,603,603	176,187,099	660,468	175,714,819
Family Health Insurance	28,179,400	36,255,985	36,553,935	231,387	36,411,385
Total Fringe Benefits	$ 297,188,874	$ 365,280,416	$ 368,720,798	$ 4,205,246	$ 377,179,635
Subtotal: Salaries & Wages	$ 1,984,498,641	$ 2,228,476,691	$ 2,244,864,426	$ 74,080,646	$ 2,370,858,388
(Shrinkage)	--	(93,105,769)	(88,107,414)	2,424,283	(95,835,224)
Total Salaries & Wages	$ 1,984,498,641	$ 2,135,370,922	$ 2,156,757,012	$ 76,504,929	$ 2,275,023,164
State General Fund Total	$ 919,061,748	$ 979,628,372	$ 993,670,752	$ 71,104,848	$ 1,051,228,238
FTE Positions	40,098.27	40,306.72	40,286.42	182.70	40,314.62
Non-FTE Unclassified Perm. Pos.	833.00	879.08	974.08	(17.00)	974.08
Total State Positions	40,931.27	41,185.80	41,260.50	165.70	41,288.70

Amounts include all Off Budget expenditures for the Department of Administration, Governor's Office, Department of Transportation, Highway Patrol, State Treasurer, Judiciary, and Fire Mashal.

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 weapons, nuclear, or radiological.

Homeland Security

Program or Project	FY 2005 Gov Est.	FY 2006 Gov Rec.
Department of Administration		
Network Enhancements	800,000	--
Recoverable Data Center	200,000	--
Total--Dept. of Administration	$ 1,000,000	$ --
Health & Environment--Health		
Hospital Readiness	5,057,171	4,964,965
Preparedness Planning	5,510,350	5,419,868
Surveillance & Epidemiology	1,096,027	961,878
Laboratory Capacity	537,109	450,953
Health Alert Network	1,349,656	774,619
Risk Communication	210,032	189,534
Lab Specialists Team	581,904	421,924
Education & Training	592,759	400,018
Miscellaneous	--	12,089
Total--H & E--Health	$ 14,935,008	$ 13,595,848
Adjutant General		
Domestic Preparedness	3,208,271	1,957,000
Emergency Management	2,266,809	2,270,000
Total--Adjutant General	$ 5,475,080	$ 4,227,000
Emergency Medical Serv. Board		
Rural Access to Emer. Devices	24,178	--
Highway Patrol		
KHP Operating Expend.	500,000	106,604
Aid to Local Governments	18,000,000	26,546,996
Total--Highway Patrol	$ 18,500,000	$ 26,653,600
Department of Agriculture		
Food Processing Study	200,000	--
Laboratory Equipment	170,000	--
Total--Dept. of Agriculture	$ 370,000	$ --
Animal Health Department		
Animal Disease Response	882,964	137,653
Health & Environment--Env.		
EPA Water Plant Protection	200,220	135,800
Transportation		
Radio Comm. System	--	3,999,500
Total	$ 41,387,450	$ 48,749,401

Kansas receives funding from several federal sources to support these areas. These funding sources are mainly from the Department of Homeland Security (DHS), the Department of Justice, the Center for Disease Control (CDC), the Department of Agriculture, and the Health and Human Services Administration (HRSA). During FY 2005, the Federal Emergency Management Agency (FEMA), the Citizen Corps Program, the Department of Justice, and the Metro Medical Response System will shift part or all of its funding to DHS. This action will bring the Homeland Security funding under one federal agency.

The state receives funds from the Office of Domestic Preparedness (ODP). At least 80.0 percent of these funds must be passed through to local jurisdictions. Each county receives a portion of the 80.0 percent based on its ranking as 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 developed as a requirement of the program. The Highway Patrol receives and distributes these funds.

The funds received for Homeland Security are used to support three main strategies: bioterrorism preparedness, emergency radio interoperability, and critical infrustructure. These are priority issues the state is focusing on in order to prepare and protect against future threats.

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, and $23.9 million in FY 2004. The Governor's recommendation is $41.4 million in FY 2005 and $48.7 million in FY 2006. The table summarizes the programs receiving Homeland Security funds. These programs are described in detail below.

Department of Administration

The Department of Administration received $1.0 million from the Office of Domestic Preparedness. Of that amount, $800,000 will be used 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. The remaining $200,000 will be used to develop a recoverable data center. This will include a state-owned and state-managed recovery location that will support critical computer applications and data systems. The Governor recommends $1.0 million in FY 2005 for these projects.

Department of Health & Environment—Health

For FY 2005 and FY 2006, the Governor recommends Department of Homeland Security expenditures of $14.9 million and $13.6 million, respectively. Of this amount, $5.1 million in FY 2005 and $5.0 million in FY 2006 is dedicated to hospital preparedness. The remaining $9.8 million in FY 2005 and $8.6 million in FY 2006 will be used by the Office of Bioterrorism in the Division of Health to make substantial public health infrastructure improvements. Approximately $4.8 million of this funding will be distributed in aid to local governments in both years for coordination of local bioterrorism preparedness and response.

Adjutant General

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 $3,208,271 in FY 2005 and $1,957,000 in FY 2006 to support this initiative.

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 $2,266,809 in FY 2005 and $2,270,000 in FY 2006 to support this program.

Emergency Medical Services Board

The 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 $424,178 will be used in FY 2005. The agency has applied to renew this grant for FY 2006 but has not received approval.

Highway Patrol

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 (ODP). 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 purchasing specialized equipment and training for first responders for the following disciplines: law enforcement, fire service, hazardous materials response, public works, emergency medical services, government/administrative, citizen corps councils, emergency management, public safety communications, public health, health care, and non-profit organizations. These funds are specifically 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 $18.5 million in FY 2005 and $26.7 million in FY 2006 from Homeland Security funding.

Department of Agriculture

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 $370,000 for FY 2005. The funding will provide $200,000 for a vulnerability study of agriculture food processing procedures and $170,000 for an electric generator that will allow the laboratory to analyze samples if a power failure occurred during a bioterrorist act.

Animal Health Department

The Animal Health Department's goal is to ensure the public health of Kansans through prevention, control, and eradication of infectious diseases that affect livestock and domestic animals. 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 $882,964 in FY 2005 and $137,653 in FY 2006 for the plan.

Department of Health & Environment—Environment

The Division of Environment received grant funding from the Environmental Protection Agency to establish procedures to protect confined animal feedlot operations against terrorist threats. The Governor recommends federal fund expenditures of $200,220 in FY 2005 and $135,800 in FY 2006.

Department of Transportation

The Kansas Department of Transportation received approximately $4.0 million from the Office of Domestic Preparedness to improve the statewide radio communication system, which is a step toward interoperability. As stated previously, interoperability is one of the state's priorities. This will allow law enforcement, fire departments, and other first responders to communicate simultaneously. The agency will purchase controllers and auxiliary equipment for the statewide trunking system. Additionally, funds will be utilized to upgrade all Highway Patrol and KDOT dispatch consoles to operate in the new digital environment.

FY 2006 Recommendations

In total, $6.1 million from all funding sources has been included in the FY 2006 budget for the replacement of 334 high mileage vehicles. This total is lower than the average vehicle purchases made by the state in FY 2000, FY 2001, FY 2002, and FY 2003 and follows a two-year (November 2003—November 2005) period of moratorium on the purchase of new vehicles.

The table on this page lists the number of vehicles recommended for replacement along with the estimated cost. The table also indicates the portion of the recommendation financed from the State General Fund. The estimated costs represent the purchase price of the replacement vehicles and do not include any revenue from potential sales of the old vehicles.

New State Vehicle Policy

In November 2003, the Governor announced three actions that significantly changed the way the state manages motor vehicles. The dispatch pool of the central motor pool was eliminated, nearly 700 vehicles were sold, and a moratorium was placed on the purchase of new vehicles. Savings from these actions totaled over $9.8 million in FY 2005.

Elimination of the Dispatch Pool. The central motor pool, operated by the Department of Administration, consisted of a dispatch pool of 185 vehicles and a fleet of another 1,434 vehicles assigned to various state agencies on a long-term basis. The dispatch pool was eliminated, and the state entered into a contract with Enterprise Rent-a-Car to provide short-term vehicle rental options for state agencies. Responsibility for the long-term assigned vehicles was transferred to the agencies using those vehicles. Disbanding the dispatch pool allowed $5.1 million of unencumbered motor pool balances to be transferred to the State General Fund.

Sale of Cars. As the dispatch pool was disbanded, newer cars that had been in the motor pool were exchanged for older cars owned by agencies, and then the older cars were sold. In addition, the Governor asked agencies to examine their vehicle usage carefully and turn in underutilized cars for sale. In all, nearly 700 vehicles were sold, reducing the state's fleet of cars and light trucks by over 10.0 percent to 6,059. The vehicle sale netted the State General Fund $1.6 million.

Vehicle Moratorium. The Governor imposed a two-year moratorium on new car and light truck purchases beginning in November 2003. Necessary law enforcement vehicles, such as those for the Highway Patrol, were exempted. Because the moratorium was imposed in November, agencies had already budgeted for the purchase of new vehicles. Therefore, in order to implement the moratorium and capture the savings, funds totaling $3,138,694 were removed from agency

FY 2006 Replacement Recommendations

Agency	No.	SGF	All Funds
Passenger Cars:			
KCC	7	--	99,400
Lottery	15	--	231,300
Racing & Gaming	3	--	60,000
Revenue	12	65,400	130,800
Banking	2	--	32,000
Cosmetology	3	--	36,000
Credit Unions	1	--	12,600
Real Estate Com.	3	--	31,200
SRS	30	191,866	408,225
Health & Environment	15	--	187,500
Education	6	--	79,800
Corrections	2	--	30,000
Adjutant General	1	--	20,600
Fire Marshal	4	--	58,000
KBI	18	205,783	333,000
Agriculture	9	121,727	268,454
KDOT	27	--	369,000
Pickups and Vans:			
Administration	3	--	53,400
Health & Environment	16	--	303,476
Veterans Affairs	2	41,000	41,000
School for the Deaf	1	19,250	19,250
Animal Health	6	81,000	81,000
Wildlife & Parks	38	--	799,500
KDOT	110	--	2,400,000
Total	334	$ 726,026	$ 6,085,505

budgets as part of the Governor's recommendation. Of that amount, $412,562 represented direct reductions to agencies' State General Fund appropriations, and $2,726,132 was reduced from special revenue funds and subsequently transferred to the State General Fund.

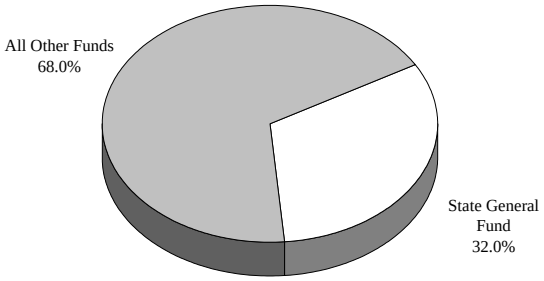
The Governor authorized the Director of the Budget to oversee the ongoing management of the moratorium, in particular to evaluate the requests of state agencies to purchase vehicles because of emergencies or special circumstances. In the first full year of the moratorium, very few exceptions were allowed. One agency was permitted to add a vehicle for a new program initiated by the 2004 Legislature; two agencies were allowed to replace vehicles that had been wrecked; and the veterans Commission was allowed to use federal money to replace four vehicles in its fleet so that new veterans cemeteries could be equipped. It is expected that the moratorium will continue to be administered under close scrutiny through the rest of FY 2005, with the burden on agencies to demonstrate need or hardship.

The moratorium will begin to lift in November 2005. Agencies that wish to replace high mileage vehicles after the moratorium is over made requests for new vehicle purchases as part of their FY 2006 budget submission. The Division of the Budget reviewed all of the requests, and the results of that review have been included in the Governor's FY 2006 recommendations for each agency affected. The recommendations will not result in an increase in the total state fleet. Rather, the recommendations reflect a replacement policy for passenger cars that have reached 100,000 miles and light trucks that have reached 140,000 miles. Not all high mileage vehicles were recommended for replacement. Agencies are still expected to manage their fleets efficiently and safely and reduce their fleet sizes where possible.

General Government Summary

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

How It Is Financed

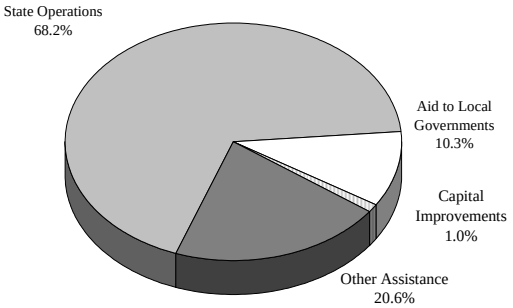


Fiscal Year 2006

The Governor recommends a total of $617,926,590 in FY 2005 and $656,672,473 in FY 2006. These totals include $186,220,409 in FY 2005 and $210,045,129 in FY 2006 from the State General Fund. The State General Fund recommendation in FY 2006 represents an increase of $23.8 million, or 12.8 percent, from the FY 2005 Governor's estimate. The increase is primarily the result of an $8.3 million increase in the Judiciary budget, the larger debt service payment required for the next phase of the Statehouse renovation bonds, and the first payment of the pension obligation bonds.

The Governor recommends an additional $26.9 million in bonds to complete Phase III of the Statehouse renovation project, which would bring the total outstanding debt on the project to $101.7 million. The Governor recommends $1,190,000 for continued costs related to the *Kansas v. Colorado* and *Kansas v. Nebraska* water litigation cases. Although these cases have been decided, additional costs are expected in order to update the hydrologic model which governs water flow between the states and potential litigation of these updates.

How It Is Spent



Fiscal Year 2006

The budget recommendations transfer 2.00 FTE positions from the Kansas Department of Transportation to the Kansas Corporation Commission to create a "One-Stop Shop" for motor vehicle licensing at a cost of $67,439. The transfer will result in a more efficient licensure operation. It is also recommended that the funding currently paid to the Capitol Area Security Police (CASP) to maintain the security of state buildings be transferred from the Department of Administration to the Highway Patrol. The Highway Patrol will be appropriated $1,927,307 from the State General Fund for CASP. The Department of Administration will also transfer 2.00 FTE positions to the Highway Patrol.

The Governor forwards the Judiciary's FY 2006 request to the Legislature without recommendation in accordance with 2003 SB 21. The budgets of the Legislative Branch are treated in the same way as a matter of policy. The Governor recommends $1,057,520 from the State General Fund to support 18.00 additional FTE positions for the Department of Revenue, 10.00 in FY 2005 and 8.00 in FY 2006, to collect business taxes that are owed to the state.

Executive Branch Agencies

Department of Administration

For FY 2006, from all funding sources, the Governor recommends $38,582,482 for the portion of the budget that is reported in statewide expenditure totals. An amount of $30,493,416 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 $103,529,838 for FY 2006. The number of positions recommended for the Department totals 832.70 positions, of which 805.60 are FTE and 27.10 are non-FTE unclassified permanent.

Compared to the budget approved for FY 2005 from the State General Fund by the 2004 Legislature, the recommendation for FY 2006 represents an increase of 11.2 percent. This increase results from bond payments for the third phase of the Statehouse renovation and the first debt service payments on the KPERS bonds issued last year. This third-phase Statehouse debt service will start in FY 2006 and is to come entirely from the State General Fund, as is the KPERS debt service. Some reduction in State General Fund financing is attributable to a decrease in the On Budget as a result of some expenditures being moved to the Off Budget side. This is a trend that continues, although it has slowed in FY 2005 compared to past years.

Long-Term Care Ombudsman Positions. In an attempt to serve older Kansans more effectively, the Governor recommends an increase of 3.00 FTE positions in the Long-Term Care Ombudsman program. The positions are funded equally by Medicaid Title XIX and State General Fund. A total of $210,000 is recommended to fund these new positions. The addition of these positions raises to 9.00 the staff available to assist elderly Kansans.

Public Broadcasting Council Operating Grants. The Governor recommends State General Fund expenditures of $2,063,016 for operating grants to the Public Broadcasting Council. This is an increase of $250,000 from the amount the Council received in FY 2005, when adjusting for a one-time amount of $30,000 for the purchase of capital equipment, which was provided by the Legislature during the 2004 Legislative Session.

Capitol Area Security Police. In FY 2005 and prior years, the Capitol Area Security Police (CASP) provided security for buildings operated by the Department of Administration. The Department financed this service through the collection of building rents, State General Fund dollars, and other collected fees. This money was then paid to the Highway Patrol for CASP services, and CASP used the funds to reimburse its costs. To avoid counting the dollars in both agencies, the Department of Administration treated its expenditures as reportable and the Highway Patrol as non-reportable.

In FY 2006, the Governor recommends that the CASP security program become part of the Highway Patrol's regular operations. Funding for the program is recommended as an appropriation from the State General Fund. In FY 2006, the Highway Patrol will be appropriated $1,927,307 from the State General Fund for CASP expenditures. In addition, 2.00 FTE positions are recommended to be transferred from the Department of Administration to support some of the new responsibilities transferred to the Highway Patrol. The Highway Patrol will treat CASP expenses as reportable along with the security of the Forbes Field buildings, the Wichita State Office Building, parking enforcement, the key card Simplex system, and administering security badges.

Kansas Corporation Commission

The Kansas Corporation Commission is the regulatory agency that oversees rates for major utilities, petroleum exploration and production, and some facets of the transportation industry. In addition, the Corporation Commission serves as a significant participant in the development of energy policy for the state. 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 $19,571,247, the majority of which is financed from fees assessed against regulated industries. The remainder of the Commission's budget

is financed with federal funds. The Governor's recommendation will allow the Commission to maintain consistent performance while ensuring that rates for telecommunications services, natural gas, and electricity are reasonable. In addition, the Governor recommends that KDOT transfer 2.00 FTE positions which help regulate the motor carrier industry to the KCC to create a "One-Stop Shop" for motor carrier licensing. This change will add $67,439 to the KCC's budget and will create a more efficient licensure operation.

Abandoned Oil & Gas Well Plugging. The Governor's recommendation includes expenditures of $1,960,000 from the Abandoned Oil and Gas Well Fund. This fund was established during the 1996 Legislative Session for the purpose of investigating, remediating, and plugging oil and gas wells which were abandoned prior to July 1, 1996. These wells present a threat to public health and the environment. 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 will be made from the State General Fund during FY 2006. The Governor recommends $2,360,000 to maintain the current pace of plugging wells, which includes the transfers from the Water Plan Fund and the Conservation Fee Fund.

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 $662,021 from the agency's fee fund and 5.00 FTE positions. In addition, the Governor recommends the addition of $73,046 and 1.00 FTE position, which will be used to hire a Technical Analyst who will provide the agency with the technical expertise necessary to argue rate cases effectively on behalf of all Kansans.

Kansas Human Rights Commission

The Commission strives to eliminate and prevent discrimination in the workplace, housing, and public accommodations throughout the state. The agency investigates complaints in a thorough and professional manner. The number of open cases at the end of FY 2004 was 564. The agency anticipates a total of 618 open cases at the end of FY 2005 and 718 in FY 2006. 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. Some reductions to the agency's base budget are made possible by moderating growth in costs that the agency had predicted in some operating expenditures and by increased salary savings. The recommendation for FY 2006 is $1,899,946 from all funding sources, with $1,472,125 from the State General Fund.

Board of Indigents Defense Services

The Board of Indigents Defense Services provides legal defense services to individuals who are charged by the state with a felony and judged indigent by the courts. The Board operates nine trial-level public defender offices, an appellate defender office, and a death penalty defense unit. It utilizes appointed and contract counsel to provide defense services.

In FY 2006, the Governor recommends $18,657,348 from all funding sources, including $18,077,347 from the State General Fund. This includes $6,845,663 for assigned counsel funding which was determined through a consensus caseload process involving the Division of the Budget, the Kansas Legislative Research Department, and the agency. This funding 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 2005 for any needed adjustments.

Health Care Stabilization Fund Board of Governors

The Health Care Stabilization Fund Board of Governors mandates basic professional liability insurance for all active Kansas health care providers.

The agency establishes and authorizes the Health Care Stabilization Fund and Health Care Provider Insurance Availability Plan. The Governor's recommendation of $29,189,479 for FY 2006 continues 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, the majority of these expenditures, approximately $24.8 million, represent claims to be paid from the Health Care Stabilization Fund. Another $3.2 million is for professional service costs for defense of the Health Care Stabilization Fund and to represent health care providers. The agency estimates that it will process 753 active cases in FY 2006 and close 360 cases.

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 Governor's budget recommendation maintains the current level of performance in administration of the retirement system and oversight of the investment portfolio. The total recommended budget for the agency in FY 2006 is $35,957,900 from all funding sources, including $3,211,692 from the State General Fund, and will support 85.24 FTE positions and 2.00 non-FTE unclassified permanent positions. The budget includes $18.2 million for investment-related expenses, $7.1 million for administrative costs, and $3.0 million for information technology projects.

The FY 2005 recommendation includes the second payment of $3.2 million from the State General Fund for a ten-year pension obligation bond issue. The 2003 Legislature authorized these bonds to fund the payment of a 13th retirement check for approximately 15,000 pre-1987 retirees and their beneficiaries. The same law that approved the bonding of the 13th retirement check also authorized the issuance of $500.0 million in pension obligation bonds to pay down the unfunded actuarial liability of the KPERS state and school groups. This debt service payment can be found in the budget of the Department of Administration.

For FY 2006, the Governor recommends increasing the employer contribution rate to the KPERS Death and Disability Program from 0.6 to 1.0 percent. The rate increase is needed in order for this program to continue to pay benefits to state and local government employees. This additional cost to the KPERS State Group is $6.2 million, including $2.9 million from the State General Fund. For the KPERS School Group, the additional cost is projected at $10.7 million, all from the State General Fund.

The 2004 Legislature authorized a statutory cap increase to the KPERS employer retirement contribution rate beginning in FY 2006. As a result, this rate increased by 0.4 percent to 5.27 percent. For FY 2007, this rate will increase by 0.5 percent to 5.77 percent and will subsequently increase by 0.6 percent each year thereafter. These rate increases are meant to reduce the unfunded liability of the retirement system. The Governor has included the statutory increase of 0.4 percent in FY 2006 for all state agencies.

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 $93,892,234, including $231,885 from the State General Fund and $15,904,548 from the EDIF in FY 2006, along with 405.10 positions. The Department's FY 2006 budget includes the Employment and Training Program that was transferred from the Department of Labor. Commerce has begun integration of the new programs into its renamed Business and Workforce Development Division. Further discussion of this budget can be found in the section on the Economic Development Initiatives Fund.

Kansas Technology Enterprise Corp.

The Governor's FY 2006 recommendation is $14,991,833, including $11,911,056 from the EDIF

and $2,915,158 in federal funding, with the balance from special revenue funds. The agency's base budget is increased by $435,755 from the EDIF for the agency's Commerercialization Program. Under this program, the funding will provide incentives to recruit successful entrepreneurs to match with emergency companies and to attract existing high technology companies to Kansas. Further discussion of this budget can be found in the section on the Ecomonic Development Initiatives Fund.

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 $573,449 in FY 2006 for operations and 5.50 positions. This recommendation includes $382,615 from EDIF. A part-time FTE position is added at a cost of $9,847 to perform administrative duties and contractual services are reduced by $6,000 compared to FY 2005.

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. For FY 2005, taking into account vacancies in the agency, salaries are reduced by $264,823 compared to the budget approved a year ago. The Governor recommends total expenditures of $61,210,240 and 87.00 FTE positions for FY 2006. Operating expenditures are reduced by $316,189 as a result of reviewing previous years' expenditures.

All Lottery expenditures are funded through revenues generated from the sale of Lottery tickets. The Lottery is mandated by statute to remit all excess revenues to the State Gaming Revenues Fund. The agency does not receive monies from the State General Fund, and no tax-generated revenue sources are used to support the Lottery. The agency increased its estimate of total sales to $219.2 million for FY 2005, with the state receiving $64,250,000 of the revenue. For FY 2006, the agency projects total sales of $223.5 million, with $66.0 million being transferred to the state.

Because transfers to the state are no longer based on a specific percentage of monthly revenue, the agency has more flexibility in its operations, which it has used to increase prize payout percentages and offer additional games of varying types. These actions, coupled with increased sales promotions and incentives to both players and retailers, have increased revenue from ticket sales, which has resulted in increased state revenue each year since FY 2003. A complete explanation of the State Gaming Revenues Fund is found in the Budget Issues section of this volume.

Kansas Racing & Gaming Commission

The Racing and Gaming Commission consists of two programs: Racing Operations and Gaming Operations. The Racing Operations Program regulates statewide horse and dog racing activities 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 Racing Fund, with a portion of 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 $4,376,129 in FY 2005 for the Racing Operations Program. The agency decreased its current year budget by $283,548 in response to declining revenue from racing activities. The budget includes further reductions of $204,996, including $72,498 from salaries and $132,498 from other operating expenditures for FY 2005. Transfers to the state have been reduced from $115,016 to $75,000 in FY 2005. The Goveror recommends total expenditures of $4,442,501 in FY 2006. In order for the agency to operate within its existing resources, salaries are reduced by $140,948 and other operating expenditures are reduced by $75,000. No transfers to the state are recommended in FY 2006 because of the decrease in revenues.

The Gaming Operations Program fulfills the state's responsibilities relative to the State-Tribal Compacts

and the Tribal Gaming Oversight Act in the regulation of tribal gaming in Kansas. Responsibilities include conducting background checks of the agency's employees, monitoring compliance with internal controls and gaming rules, and monitoring compliance with licensing criteria. An amount of $1,701,030 is recommended for the Gaming Operations Program in FY 2006. All gaming operations are financed through the Tribal Gaming Fund, which is capitalized through assessments to the four tribal casinos.

Department of Revenue

The Kansas Department of Revenue collects taxes for the state. The Department's responsibilities also include registration of motor vehicles and licensure of drivers and regulation of the alcoholic beverage industry. The Governor recommends $85,255,087 from all funding sources, with $20,046,408 from the State General Fund, in FY 2005. This revised budget includes an increase of $477,943 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. However, the revised budget lapses $2,481,961 in State General Fund monies that shifted from FY 2004. The majority of this money was in salaries and wages savings.

In order to improve delinquent tax collections, the Governor recommends adding 18.00 additional FTE positions to the Department, with 10.00 to be added in the current year and 8.00 more in FY 2006. The agency estimates the additional staff will bring in $6.0 million worth of unpaid taxes in FY 2006, primarily from sales and individual income taxes. The agency indicates that limited staff levels have hindered tax collections, and the Legislative Division of Post Audit concluded in its tax enforcement audit of October 2004 that the Department of Revenue could benefit by adding additional staff. No additional funding was added to the budget for these positions. As a result, the state will be able to pay the administrative costs for these positions yet realize additional revenues to the State General Fund.

The Governor recommends $88,871,784 from all funding sources, with $20,678,285 from the State General Fund, for FY 2006. The recommendation includes $1,057,520 in State General Fund monies to support the 18.00 additional FTE field 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. The Governor recommends $1,642,592 from all financing sources for FY 2006. Of that total, $1,371,092 is from the State General Fund. The remainder of the Board's financing is from agency fee funds. The agency will continue to operate at its present level, including support for 26.00 FTE positions.

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 first with a State General Fund appropriation. The Governmental Ethics Commission's recommended State General Fund appropriation is $496,973 for FY 2006 and $494,708 for FY 2007. The budget recommendation covers FY 2006 and FY 2007, which represents the start of a new biennium.

The expenditure level for most of these agencies is higher in FY 2006 because of the 27th pay check. The table on this page displays the Governor's recommendations from all funding sources for each biennial agency. The following descriptions highlight significant changes in selected fee agencies.

Biennial Agencies

	FY 2006	FY 2007
Abstracters Board	22,358	21,719
Board of Accountancy	280,241	278,503
Banking Department	6,858,710	6,810,731
Board of Barbering	136,808	134,698
Behavioral Sciences Board	568,376	561,563
Board of Cosmetology	757,432	688,848
Department of Credit Unions	968,691	935,209
Kansas Dental Board	298,866	295,835
Governmental Ethics	639,772	635,115
Board of Healing Arts	2,659,350	2,704,218
Hearing Aid Board	26,680	26,306
Board of Mortuary Arts	250,154	249,326
Board of Nursing	1,539,427	1,518,777
Board of Optometry	121,795	121,392
Board of Pharmacy	613,848	609,334
Real Estate Appraisal Board	262,324	262,416
Real Estate Commission	927,444	905,274
Securities Commissioner	2,481,591	2,444,048
Technical Professions	539,050	541,336
Veterinary Examiners	273,825	267,922
Total	$20,226,742	$20,012,570

Biennial agencies are relatively small in both size of budget and number of staff. Recommended amounts in FY 2006 range from $22,358 for the Abstracters Board to $6,858,710 for the Banking Department. One agency employs no full-time staff, the Abstracters Board, and the Banking Department's recommended 90.00 FTE positions in FY 2006 represent the largest staff among this group of agencies. The Governor recommends $20.2 million for all 20 biennial agencies in FY 2006 and $20.0 million in FY 2007.

Board of Accountancy

The budget for this agency includes funds for the Executive Director's salary to be increased by an additional $3,000, from $57,553 to $60,553, beginning in FY 2006.

Banking Department

The Governor recommends $7,156,416 from the agency's fee funds in FY 2005. This is a net increase of $875,137 over the agency's approved budget. The increase includes $1,008,213 of additional expenditures from its Kansas Saving Incentive Program account and a reduction to salaries and wages of $133,076. The recommendation reflects the establishment of a shrinkage rate at 2.5 percent. No shrinkage reduction was made in the approved budget for FY 2005.

The Governor in FY 2006 recommends $6,858,710 from the agency's fee funds. The recommended budget includes $182,653 for 4.00 new FTE positions in the Consumer Mortgage Lending Division. The recommendation now reflects a shrinkage rate of 2.5 percent. The Governor in FY 2007 recommends $6,810,731 from the agency's fee funds. The recommended budget includes $183,983 for 4.00 new FTE positions in the Consumer Mortgage Lending Division. These positions are a part of the Governor's FY 2006 recommendation. The recommendation also reflects the same shrinkage rate of 2.5 percent as for FY 2006.

Kansas Dental Board

The Board experienced cashflow problems as a result of unexpected costs for temporary staff and an office relocation. The recommendations reduce the agency's base budget request in order to keep the agency's expenditures within expected revenues. The agency plans to seek fee increases for FY 2006. If those increases are approved, the recommended expenditure reductions could be reconsidered.

Board of Healing Arts

For FY 2006, the Governor recommends the addition of $82,799 for 2.00 FTE positions to the Board of Healing Arts. These positions will work on the investigation and disciplinary portions of the agency's responsibilities. This addition brings the total number of FTE positions in the agency to 32.00. In addition, the Governor recommends a transfer of $750,000 from the Healing Arts Fee Fund to the State General Fund at the end of FY 2005. When transfers were made a year ago from the balances of many biennial agencies' fee funds, Healing Arts was not included in this sweep because of incorrect estimates of available resources. This proposed transfer will correct the inequity of a year ago.

Board of Nursing

The Governor recommends increasing the Board's expenditure authority by $169,753 in FY 2005. The Board will use $65,000 of that increase and $95,000 in KSIP monies, for a total of $160,000, to purchase a state-of-the-art software program that will allow the agency to improve licensing procedures, including real-time renewals online. The remaining $9,753 will be used for rent increases for office space in the Landon State Office Building.

Board of Pharmacy

The Governor recommends FY 2005 expenditures of $699,830, which is $62,609 higher than the approved amount. The additional funding will be used to purchase updated computer software. In order to provide adequate cashflow and to finance the software, the approved transfer of $1,178,600 from the Board of Pharmacy Fee Fund to the State General Fund will be reduced to $843,600. This change is accounted for in the Governor's revenue adjustments.

Office of the Securities Commissioner

The budget recommendation includes increased expenditure authority of $139,269 in FY 2006 and $134,027 in FY 2007. This funding is for the salaries and wages and other operating expenditures for an additional of 2.00 FTE positions. These positions will provide additional examinations of broker dealers and investment advisors to ensure compliance with the Kansas Securities Act.

Office of the Governor

The Governor's recommendation for the operation of her own office totals $15,290,475 from all funding sources for FY 2006. The State General Fund portion of this total is $2,325,610. The majority of the funds in this budget, however, are federal grant funds distributed both 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 History Information Program, National Forensic Sciences Improvement Act, and Bullet Proof Vest Program.

This budget includes operating expenses for the Governor's Office on the second floor of the Statehouse and the Governor's residence at Cedar Crest. In addition, starting in FY 2005, this budget includes the Hispanic and Latino American Affairs Commission and the African-American Affairs Commission, both of which were transferred from the Department of Labor to the Governor's Office by the 2004 Legislature. The level of funding recommended will support a staff of 39.00 FTE positions for FY 2006, 2.00 less than FY 2005.

Office of the Lieutenant Governor

An amount of $175,737 from the State General Fund is recommended for operation of the Lieutenant Governor's Office. This level of funding will support a staff of 3.00 FTE positions, including the Lieutenant Governor and 2.00 administrative positions. Starting in the current fiscal year and continuing through FY 2006, the Lieutenant Governor is compensated at the level prescribed by law for this position. Prior to September 2004, the Lieutenant Governor was compensated entirely from the budget of the Department of Commerce, as the Secretary of that Department.

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 2006 budget recommendation of $15,628,169, of which $5,235,609 is from the State General Fund, finances a total of 103.50 positions. This budget also includes approximately $5.4 million in grants and assistance to victims of crime. The overall recommendation is an increase in the agency's base budget of approximately $1.3 million from all funding sources. A majority of the increase is a result of funding continuing water litigation costs.

***Kansas v. Colorado* Water Rights Litigation.** The U.S. Supreme Court has ruled on all matters related to this case and Kansas expects to receive approximately $29.0 million in damages. The agency has requested additional monies for data collection and modeling expert costs related to further adjustments to the hydrological model. The table below shows actual and

***Kansas v. Colorado* Funding**

Fiscal Year	Amount	Fiscal Year	Amount
1984	96,032	1996	1,042,688
1985	70,424	1997	921,800
1986	281,324	1998	730,715
1987	651,449	1999	950,215
1988	511,045	2000	1,523,871
1989	746,490	2001	878,174
1990	1,655,812	2002	1,124,546
1991	3,213,075	2003	946,204
1992	1,313,943	2004	605,000
1993	655,060	2005	411,569
1994	354,457	2006	1,090,000
1995	506,250	Total:	$20,280,143

estimated funding for the litigation from FY 1984 through FY 2004. The Governor's budget includes $1,090,000 in FY 2006 for continued litigation of this case.

***Kansas v. Nebraska* Water Rights Litigation.** The Attorney General filed suit in May 1998 against the State of Nebraska to settle a dispute between Kansas and Nebraska over Republican River water rights. The case was accepted by the U.S. Supreme Court and was heard by a special master appointed by the Supreme Court. The case has been settled by all parties involved. As shown in the following table, the Governor recommends funding in the amount of $100,000 from the State General Fund in FY 2006 for continuing costs of mediation and updates to the hydrological model.

***Kansas v. Nebraska* Funding**

Fiscal Year	Amount	Fiscal Year	Amount
1998	173,570	2003	566,105
1999	277,571	2004	412,002
2000	177,448	2005	60,000
2001	606,483	2006	100,000
2002	1,210,598	Total:	$3,583,777

Insurance Department

The Insurance Department works to assure an affordable, accessible, and competitive insurance market by supervising, controlling, and regulating the insurance industry in the state. Insurance Department expenditures include administration of the Workers Compensation Fund and payment of claims. Claims are projected at $2.5 million for FY 2006. The agency estimates that the number of active workers compensation cases will decline from 3,738 in FY 2004 to 3,688 in FY 2005 and 3,638 in FY 2006.

For FY 2006, the Governor recommends $22.7 million from the agency's various 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 both FY 2005 and FY 2006.

Secretary of State

The primary duties of the Office of the Secretary of State are to register businesses that are operating in the state, supervise and provide assistance to local election officers in all elections, and administer the State Uniform Commercial Code. The Secretary of State also appoints notaries public, maintains a registry of trademarks, and supervises the engrossing of all legislative acts and compilation of the *Session Laws of Kansas*. A primary goal of the agency is to provide accurate and efficient service to its customers, not only in the information provided, but also in the filing of documents and the processing of orders. The agency receives more than 300,000 pieces of mail and more than 200,000 telephone inquiries annually.

The Governor's recommendation for FY 2006 finances 54.00 FTE positions in the Office of the Secretary of State. Funding from all sources totals $19,642,857. The entire recommendation is financed by federal and agency fee funds. The agency no longer receives any State General Fund appropriations.

A significant portion of the Secretary of State's budget is dedicated to implementing the Help America Vote Act (HAVA). In FY 2005, the agency's expenditures for HAVA will total $7,013,427, and in FY 2006, the total will be $15,299,586. HAVA is primarily financed with federal funds; however, over the two years, a total of $687,397 from the State General Fund will support the implementation of the act. The Secretary of State's Office will use these funds to implement the federal act by creating and maintaining the mandated central voter registration database, purchasing and installing electronic voter machines, and making polling sites ADA accessible.

State Treasurer

A statewide elected officer, the State Treasurer is responsible for the timely receipt and deposit of all state monies, excluding 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 are made by the Treasurer through the Pooled Money Investment Board and the Municipal Investment Pool to maximize interest earnings.

This agency previously used State General Fund monies for a portion of agency administrative expenses. Two years ago the Governor recommended that the agency assess a fee on claims made through the Unclaimed Property Program to offset agency costs. The Legislature instead opted to authorize 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. The Legislature's method of funding causes the expenditures for cash management and administration to become non-reportable. Because these fees are paid by other state agencies, expenditures for these activities would be duplicated unless they are treated as "off budget." Therefore, the Governor's recommended FY 2005 budget reflects this method of financing administrative costs for the agency.

The Governor's FY 2006 recommendation of $12.5 million again recommends that the State Treasurer not impose a fee on state agencies, but instead impose a fee on claims made through the Unclaimed Property Program. This fee will be similar to the Debt Set-Off Program in the Department of Administration and is a source of reportable expenditures because it will be paid by people outside of state government. No State General Fund monies are recommended for this agency in FY 2006. The local ad valorem tax reduction and county and city revenue sharing transfers to cities and counties are not budgeted in FY 2006. These were eliminated in FY 2004. No local tax dollars that flow through this agency for redistribution are reflected as agency expenditures to avoid distorting what is truly a state expenditure.

Pooled Money Investment Board. The Pooled Money Investment Board is responsible for its own administrative functions, although it is a part of the State Treasurer's budget. 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. The FY 2006 budget for this program is $2,731,714, all from the program's fee fund. The Pooled Money Investment Portfolio contained approximately $1.6 billion in investments, with an earned FY 2005 yield averaging 1.6 percent through October 2004. The Pooled Money Investment Board's responsibilities further include the active management and administration of the Kansas Municipal Investment Pool. The PMIB provides investment advice for other sizeable state portfolios, such as the Department of Transportation and Health Care Stabilization Fund. Total balances, which include deposits and earned interest for cities, counties, and schools, were $359.2 million at the end of October 2004.

Legislative Branch Agencies

To be consistent with KSA 75-3718, which requires the Governor to submit the Judiciary's budget to the Legislature without recommendations, the legislative agencies have been adjusted only for the rate increase on death and disability insurance coverage, the 27th paycheck, and the Governor's recommendation for a base salary increase. The recommendation for all five legislative agencies combined totals $24,230,917 from all funding sources for FY 2006. The State General Fund portion of this total is $23,889,412. These budgets support a staffing complement of 131.50 FTE positions, one more than the number in the current fiscal year, and 1.00 non-FTE unclassified permanent position.

Legislative Coordinating Council

Both the operating expenditures of Legislative Administrative Services as well as the funds to reimburse the members of the Legislative Coordinating Council are included in this legislative budget. The budget estimate that the agency submitted for FY 2006 totals $758,807, all from the State General Fund. Starting in FY 2005, the number of FTE positions was reduced from 13.00 to 12.00. The FY 2006 budget is also based on a total of 12.00 FTE positions.

Legislature

For the Legislature itself, the Governor's budget recommendations include a total of $15,493,650 from all funding sources for FY 2006. Of this amount, $15,234,836 is from the State General Fund and the remaining $258,814 is from the Legislative Special Revenue Fund. This fund, whose revenues are derived primarily from the sale of printed documents, finances part of the Legislature's other operating expenses. Funding is also included in the Legislature's FY 2006 budget for its computer strategic plan initiative for document management integration, bill drafting, bill status, chamber automation, telecommunications design, and audio visual. A new FTE position is being added, increasing the number of FTE positions from 33.00 in FY 2005 to 34.00 in FY 2006. Finally, funds are included to annualize the cost of the FY 2005 3.0 percent salary increase in FY 2006, which was not effective for legislators until January 2, 2005. Funds are also included to annualize the increase in the legislative expense allowance, which will become effective April 1, 2005.

Legislative Research Department

The total included in the Governor's budget for the Kansas Legislative Research Department from all funding sources for FY 2006 is $3,158,390. Of this total, $3,075,699 is from the State General Fund and $82,691 is from the Special Revenue Fund. The Special Revenue Fund derives its funding from private grants, which are used to finance the salary expenses of a Health Policy Analyst. The number of FTE positions will remain at 38.00 for FY 2006.

Legislative Division of Post Audit

The FY 2006 reportable budget for the Legislative Division of Post Audit totals $2,098,936 for FY 2006, all of which is from the State General Fund. This level of expenditure will support 21.00 FTE positions for FY 2006, the same as for FY 2005. Post Audit's responsibilities 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.

Revisor of Statutes

For FY 2006, the Governor's budget for the Revisor of Statutes includes $2,721,134, all from the State General Fund. The Revisor's budget will support a staff of 26.50 FTE positions, which is .50 greater than the level approved for FY 2005, and 1.00 non-FTE unclassified permanent position. The Revisor provides bill drafting services and publishes annual supplements and replacement volumes for the *Kansas Statutes Annotated*. Included in the FY 2006 budget are funds to print replacements for Volumes 4 and 4A.

Judiciary

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

Under the unified court system of Kansas, the Supreme Court, Kansas' highest court, is charged with supervision of the entire court system. The Court of Appeals is an intermediate appellate court and has jurisdiction over all appeals from the district 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 1,676.80 FTE positions in the Judiciary, which has a total of 1,832.30 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 funding for the death and disability rate increase and a 2.5 base salary increase.

The Judiciary's budget request for FY 2006 is $110.5 million, including $99.9 million from the State General Fund. The table at the bottom of the page shows how the budget submitted by the Governor has changed from the FY 2005 approved budget.

There are three categories primarily responsible for the changes. First, the Judiciary's budget would eliminate the emergency surcharge and use State General Fund monies in its place. Second, it includes $3.5 million, of which $3.3 million is from the State General Fund, for the 27th pay period. And third, the budget includes funding for increases in the Judges Retirement System at a cost of $1.0 million, as well as new judges and their staff at a cost of approximately $375,000.

The Governor adds $2,605,673, of which $2,431,592 is from the State General Fund, for the increased rate for the Death and Disability Program and the 2.5 percent base salary increase. This brings the total FY 2006 budget to $113,147,955, including $102,385,946 from the State General Fund. The Governor has recommended that the 27th pay period, the death and disability rate increase, and base salary increases be funded statewide.

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.

Comparison of Judiciary's Budget by Fiscal Year

	Approved Budget FY 2005	Requested Budget FY 2006	Governor Rec. FY 2006	Difference Gov. Rec. FY 06 > 05
State General Fund	90,791,002	99,954,417	102,385,946	11,594,944
Emergency Surcharge	3,577,973	--	--	(3,577,973)
Other Funds	11,834,113	10,587,865	10,762,009	(1,072,104)
Total	$ 106,203,088	$ 110,542,282	$ 113,147,955	$ 6,944,867

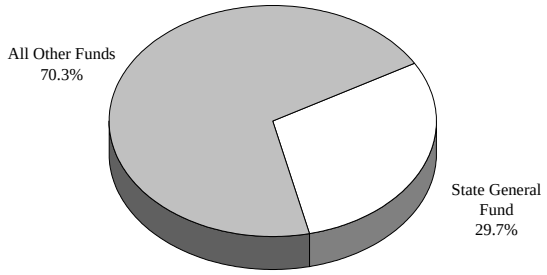
The Governor recommends $436,517 for FY 2006. The funding includes financing for publication of the 2004 supplements to PIK-Criminal 3d, 2004 Kansas Probate Forms, Kansas Municipal Court Manual, and PIK-Civil 3d. The Council has 4.00 FTE positions. A year ago the Legislature created the Judicial Council Fund and amended docket fee statutes to assist in funding the Council. The revenue from this fund and the existing Publications Fee Fund will fully fund the Council without the State General Fund.

Human Resources Summary

The Human Resources function of state government contains the agencies that provide a variety of assistance programs to Kansans. The services provided 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 $3.64 billion in FY 2005, of which $1.09 billion is from the State General Fund. For FY 2006, a total of $3.80 billion is recommended, of which $1.13 billion is from the State General Fund. The budget increase from FY 2005 to FY 2006 from all funding sources results from rising Medicaid costs. The Medicaid Regular Medical Program is estimated to increase by $122.3 million from FY 2005 to FY 2006. The Governor has recommended several policy changes for the program that will save $5.0 million.

How It Is Financed



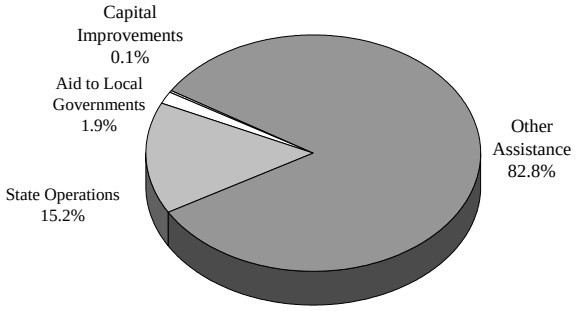
Fiscal Year 2006

Positions in this function of government constitute approximately 20.0 percent of the total state workforce. The Governor recommends funding for 8,179.13 FTE positions and 232.20 non-FTE unclassified permanent positions in FY 2006.

In FY 2005, unemployment benefits paid to individuals are expected to be $352.3 million. In FY 2006, payments are estimated at $372.6 million. The unemployment rate for Kansas is estimated to be 5.9 percent in FY 2005 and 5.7 percent in FY 2006.

Although the next budget cycle remains a challenging one for the state, social services are a priority. Recommendations include 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 foster care and adoption who are waiting for permanent homes.

How It Is Spent



Fiscal Year 2006

In FY 2006, the Governor recommends enhanced funding of $8.75 million from all funding sources, $3.5 million of which is from the State General Fund, to reduce waiting lists in HCBS programs for the developmentally disabled and physically disabled. The Governor also recommends Children's Initiatives Fund financing for Smart Start in FY 2006 at $8.9 million to promote innovative early childhood programs.

The Governor's recommendation for FY 2006 includes funds for long-term care, the Senior Care Act, nutrition services, and other services for Kansans over the age of 65. Funding for nutrition and meals will provide 3.5 million meals to the elderly under the Older Americans Act Meals Program. This program is financed partly by the new statewide income tax Meals on Wheels Check-off. The Department of Health and Environment's budget contains funding to continue existing health programs and to meet homeland security challenges. The Governor recommends enhanced funding of $600,000, including $300,000 from the State General Fund, to expand Healthy Family Services in Wyandotte and Geary counties.

Social & Rehabilitation Services

The Governor's recommendations for the Department of Social and Rehabilitation Services total $2,552.1 million for FY 2005 and $2,678.1 million for FY 2006. They include State General Fund expenditures of $835.1 million in the current year and $872.5 million in FY 2006. The recommended budget includes salaries and wages for 4,057.90 positions in FY 2005 and FY 2006.

Of the FY 2006 expenditures recommended by the Governor, $2,321.9 million, or 86.7 percent, finances assistance payments to individuals or to vendors who provide medical or other services to individuals in need. A total of $27.1 million, or 1.0 percent, finances aid to local governments, which, in turn, provides services to agency clients. The recommendation for state operations in FY 2006 totals $324.0 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 $8,210,762 in FY 2006 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.

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, and increased funding for the Adoption Support Program. The anticipated caseload for HealthWave health insurance for children is fully funded, and additional funding for child care assistance is included. The Governor's recommendation also funds the consensus caseload estimates for Temporary Assistance to Families, Medicaid, Foster Care, and Adoption. Additional State General Fund dollars are added to the Nursing Facilities for Mental Health and Foster Care Programs to reflect the changing populations and availability of federal funding for those programs.

The FY 2006 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 closures of county offices and identification of alternative ways of providing services to clients in those counties and reorganization of the SRS area offices. Reductions include imposing a cut to information technology contracts and an increase in administrative shrinkage.

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 on the next page, 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.

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 $4.3 million to the Social Services Block

Grant to finance existing social service programs. The table below 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.

Temporary Assistance to Needy Families

(Dollars in Millions)

	FY 2004	FY 2005	FY 2006
Beginning Balance	$16.2	$16.2	$2.6
Revenue:			
Federal TANF Grant	101.9	101.9	101.9
Paternity Penalty	(0.8)	--	--
High Performance Bonus	10.2	--	--
Total Revenue Available	$127.6	$118.2	$104.5
Expenditures:			
Administration	3.0	4.1	4.0
Program Staff	10.1	10.4	10.4
Temporary Assistance for Families	29.7	35.8	40.2
Employment Services	12.5	12.4	12.4
Children's Services	30.4	30.9	13.8
Alcohol & Drug Abuse Services	1.4	1.4	1.4
Total Expenditures	$87.0	$94.9	$82.2
Transfers:			
Child Care Development Fund	(20.0)	(15.8)	(17.5)
Social Services Block Grant	(4.3)	(4.3)	(4.3)
Workforce Development Loan Prg.	--	(0.5)	(0.5)
Ending Balances	$16.2	$2.6	$ --

The table above shows that after several years of using TANF funding for investments in child care, Early Headstart, and various child welfare programs, and because assistance caseloads have increased, the fund balance will be exhausted at the end of FY 2006. For FY 2006, 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 2007.

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 150.0 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 18,827 children each month in FY 2005 and 19,363 in FY 2006. The following table details the history of the program.

Child Care

Fiscal Year	Persons Served	Percent Change	Total ($000)	Avg. Cost	Percent Change
1998	12,617	3.9	32,851	216.98	13.0
1999	13,231	4.9	37,610	236.88	9.2
2000	14,524	9.8	44,226	253.75	7.1
2001	15,312	5.4	46,636	253.81	0.0
2002	16,151	5.5	50,815	262.19	3.3
2003	16,723	3.5	54,487	271.52	3.6
2004	17,358	3.8	57,285	275.02	1.3
2005	18,827	8.5	61,426	271.89	(1.1)
2006	19,363	2.8	67,420	290.16	6.7

Temporary Assistance for Families. In FY 2005, the Governor recommends $65.6 million to finance benefits for an average of 45,291 persons each month. For FY 2006, caseloads are expected to increase to an average of 49,016 persons each month, for total assistance of $70.0 million. These amounts are shown in the table below 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 has contributed to the increase in TAF assistance.

Temporary Assistance for Families

Fiscal Year	Persons Served	Percent Change	Total ($000)	Avg. Cost	Percent Change
1998	39,751	(31.2)	55,454	116.25	(3.1)
1999	32,757	(17.6)	46,260	117.68	1.2
2000	30,692	(6.3)	42,660	115.83	(1.6)
2001	31,788	3.6	44,674	117.11	1.1
2002	34,453	8.4	49,217	119.04	1.6
2003	37,757	9.6	53,728	118.58	(0.4)
2004	41,246	9.2	59,588	120.39	1.5
2005	45,291	9.8	65,600	120.70	0.3
2006	49,016	8.2	70,000	119.01	(1.4)

General Assistance. The table on the next page displays actual and budgeted expenditures for General Assistance. The Governor recommends expenditures of $8.9 million in FY 2005 and $10.0 million in FY

2006. The FY 2005 amount will fund benefits to an average of 4,900 persons each month. The recommendation will finance benefits for 5,488 individuals each month during FY 2006.

General Assistance

Fiscal Year	Persons Served	Percent Change	Total ($000)	Avg. Cost	Percent Change
1997	3,740	(15.8)	6,450	143.72	(1.2)
1998	2,323	(37.9)	4,390	157.49	9.6
1999	2,301	(0.9)	4,250	153.92	(2.3)
2000	2,220	(3.5)	4,183	157.02	2.0
2001	2,616	17.8	4,939	157.33	0.2
2002	3,152	20.5	5,973	157.91	0.4
2003	3,660	16.1	6,910	157.34	(0.4)
2004	4,269	16.6	8,167	159.42	1.3
2005	4,900	14.8	8,900	151.36	(5.1)
2006	5,488	12.0	10,000	151.85	0.3

Employment Training & Vocational Rehabilitation. The Governor's recommendation will provide employment training to more than 26,558 low income or disabled Kansans each month during FY 2006. The recommended budget in FY 2006 includes $12.4 million for employment assistance to TAF recipients and Food Stamp recipients and $19.5 million for vocational rehabilitation.

Health Care Programs

HealthyKansas Reform Initiative. On November 9, 2004, Governor Sebelius and Insurance Commissioner Sandy Praeger announced the HealthyKansas Reform 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. To ensure the reform initiative is coordinated and sustained, the Governor is ordering that all of the state's major health care programs be streamlined into a new business division called the Kansas Health Care Authority.

The transfer of the health care programs from the Department of Social and Rehabilitation Services to the new Health Care Authority will improve efficiency and allow the state to gain tangible reforms in the health care system. The budget recommendations included in this budget report do not reflect this transfer of programs from the Department of Social and Rehabilitation Services. An interagency team is currently mapping out the logistics of the transfer, and a Governor's budget amendment to address the change will be proposed to the 2005 Legislature.

Federal Medicaid Funding. As a part of the fiscal relief package for states, the federal medical match rate was increased from approximately 60.0 percent to 63.0 percent for the last quarter of FY 2003 and all of FY 2004. The match rate returned to approximately 60.0 percent in FY 2005. Savings for FY 2004 totaled $52.2 million in Medicaid programs in SRS, the Department on Aging, and the Juvenile Justice Authority. Because the enhanced rates ended in FY 2005, State General Fund expenditures for Medicaid programs increased by the entire FY 2004 savings of $62.2 million, in addition to growth attributed to increasing costs and caseload numbers.

Medical Assistance. For FY 2005, the Governor adopts the consensus caseload estimate of $1,349.9 million to provide medical care to low income and disabled Kansans. The current year caseload estimate represents a 24.9 percent increase over FY 2004 and a $131.9 million increase from the approved budget for FY 2005. This large increase is due in part to the fact that the approved budget included only one half of a year's funding from the new Health Care Access Improvement Program. 2004 HB 2912 established a mechanism for funding a new Healthcare Access Improvement Program through an annual assessment on inpatient services provided by hospitals and on non-Medicare premiums collected by health maintenance organizations. The assessment is subject to the approval of a state plan amendment by the Centers for Medicare and Medicaid Services. Assessment revenues will be spent on increased Medicaid rates for hospital, pharmacy, doctor, and dentist services, as well as for various activities that improve access to healthcare. Because this program can begin earlier than was expected, $35.6 million is added to current estimates. Additionally, at the time the spring 2004 caseload estimate was made, reporting issues prevented the development of a more accurate estimate. The Governor's recommendation also includes a reduction of $1.5 million for savings from a recent policy change that will require prior authorization of services for independent living attendant care.

For FY 2006, the consensus caseload estimate for medical assistance totals $1,472.2 million. The number of persons served by Medicaid continues to increase, as illustrated in the table below. Most of the growth in persons comes from low income children and families on cash assistance; however, these groups are relatively inexpensive to serve. The medically needy, blind, disabled, and aged populations have the highest demand for services, with greater costs. One of the largest cost drivers is the cost of prescription drugs.

Medical Assistance

Fiscal Year	Persons Served	Percent Change	Total ($000)	Average Cost	Percent Change
1998	177,569	(6.3)	470,345	220.73	3.7
1999	173,939	(2.0)	544,037	260.65	18.1
2000	188,210	8.2	608,189	269.29	3.3
2001	197,999	5.2	686,298	288.85	7.3
2002	211,585	6.9	824,614	324.78	12.4
2003	230,299	8.8	915,693	331.34	2.0
2004	247,110	7.3	1,016,680	342.86	3.5
2005	262,756	6.3	1,349,930	428.13	24.9
2006	276,579	5.3	1,472,196	443.57	3.6

Beginning in FY 2003, SRS adopted several policy changes to limit the growth in medical expenditures. To control the cost of pharmaceutical services, the reimbursement rate for optional prescription services was reduced and the reimbursement formula for other prescriptions was changed. Medicaid recipients are now limited to five brand name prescriptions each month and a 31-day supply of each prescription, rather than a 34-day supply. Additional classes of drugs, primarily anti-inflammatory drugs, are now included in the preferred formulary. Included in the recommendation for FY 2006 is a pharmaceutical expenditure reduction of $3.1 million, including $1.2 million from the State General Fund. These savings will be achieved by speeding up the process for adding drugs to the Preferred Drug List and for requiring prior-approval before a drug can be prescribed. Currently, notification of the policy change must be printed in the *Kansas Register*, and the issue must be discussed and approved by the Committee on Administrative Rules and Regulations, which can take several weeks. Meanwhile, drugs that are more expensive or do not adhere to program guidelines could be prescribed. By allowing pharmaceutical policies to be implemented without going through the process, Medicaid pharmacy expenditures will be reduced. This will require a change in current statutes. Pharmacy savings will also be achieved by more closely monitoring the prescribing of psychotropic medications for children.

The budget recommendation also includes a policy change in the MediKan Program. MediKan is a state-funded program that provides medical benefits to people awaiting determination for federal disability benefits. This program provides medical benefits for those receiving General Assistance. Beginning in FY 2006, Medikan will adopt the policy of presumptive eligibility. Program participants will be pre-qualified and placed in the Medicaid Regular Medical Program. While the Regular Medical Program package is more comprehensive and overall expenditures are expected to increase, federal matching funds will decrease expenditures from the State General Fund.

HealthWave. The FY 2006 recommendation includes $58.0 million to provide insurance coverage to an average of 34,742 children each month who live in families with incomes less than 200.0 percent of the federal poverty level. HealthWave is financed with $14.0 million from the State General Fund and $44.0 million in other funds. Federal funds are made available by Title XXI of the federal Balanced Budget Act of 1997. The Governor also recommends $2.0 million from the Children's Initiatives Fund to finance HealthWave benefits.

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

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

Home & Community-Based Services Waivers

(Dollars in Thousands)

	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Gov Est.	FY 2006 Gov Rec.
Department of Social & Rehabilitation Services						
Physically Disabled	57,605	60,528	60,458	59,736	74,125	77,985
Head Injured	3,608	3,883	4,593	5,456	7,291	7,291
Technology Assisted	153	122	166	181	236	236
Developmentally Disabled	175,760	189,468	194,606	204,954	217,263	229,395
Total SRS Waiver Programs	$ 237,126	$ 254,001	$ 259,823	$ 270,327	$ 298,914	$ 314,906
State General Fund Portion	$ 79,401	$ 2,389	$ 34,545	$ 94,875	$ 115,468	$ 121,634
Percent Growth	*4.1%*	*7.1%*	*2.3%*	*4.0%*	*10.6%*	*5.4%*
Department on Aging						
Frail Elderly	49,528	54,275	53,529	45,070	59,474	65,164
Targeted Case Management	5,020	5,248	3,886	3,562	5,652	5,971
Total Aging Waiver Programs	$ 54,548	$ 59,523	$ 57,415	$ 48,632	$ 65,126	$ 71,135
State General Fund Portion	$ 12,214	$ 6,829	$ 4,177	$ 17,692	$ 25,427	$ 27,796
Percent Growth	*5.8%*	*9.1%*	*(3.5%)*	*(15.3%)*	*33.9%*	*9.2%*

Governor's recommendation for FY 2005 totals $217.3 million, of which $84.1 million is from the State General Fund.

For FY 2006, the Governor recommends $229.4 million for the developmental disabilities waiver. The amount of State General Fund monies is $88.8 million. The Governor includes $6.3 million in her recommendation to reduce the waiting lists for developmental disability services. The Governor also recommends $7.5 million to increase the reimbursement rates paid for services so that community service providers can increase direct-care staff wages.

Home & Community-Based Services for the Physically Disabled (PD). 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 $74.1 million in the current year and $78.0 million in FY 2006. The State General Fund portions of these programs total $29.5 million in FY 2005 and $30.5 million in FY 2006. The recommendation also includes $2.5 million in FY 2006 to address the waiting list. Additional movement on the waiting list will be achieved through equalizing the level of support received by program participants who self-direct their care.

Home & Community-Based Services for Traumatic Brain 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 $7.3 million for traumatic brain injuries in each of FY 2005 and FY 2006. The Governor recommends $236,000 in each of FY 2005 and FY 2006 for the Technology Assistance Waiver.

Home & Community-Based Services for the Frail Elderly. The recommendation provides $65.2 million for FY 2006. 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 $67.9 million from all funding sources for FY 2006. This includes $10.2 million in state aid to community mental health centers—the same amount as FY 2005, $13.7 million for nursing facilities, and $44.0 million for grants to community mental health providers and the statewide Family Centered Systems of Care Program.

The remainder of the mental health budget appears as part of Regular Medicaid. The Mental Health Initiative 2000 passed during the 2001 Legislative Session was designed to use State General Fund 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.

SRS currently utilizes part of the Federal Social Services Block Grant (SSBG) to finance community mental health and developmental disabilities services. This funding cannot be used to draw down federal matching funds. The Governor recommends that $4.5 million from the SSBG be used for the Senior Care Act Program in the Department on Aging. A corresponding reduction of $4.5 million from the State General Fund will leave program funding for the Senior Care Act unchanged. The $4.5 million from the State General Fund will be used to replace the SSBG funds on community mental health and developmental disabilities services. This fund swap will allow SRS to draw an additional $2.3 million in federal Medicaid funding.

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 2006. 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 17,850 children will receive services in FY 2006. The funding for this waiver is included in the Regular Medicaid budget for FY 2006.

Community Support Services. To enable people with developmental and physical disabilities to live in community settings, the Department provides funding to a variety of community organizations and programs. The Governor recommends $25.5 million in FY 2006 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 2006 for intermediate care facilities for the mentally retarded. These facilities provide 24-hour care for an average of 280 mentally retarded individuals each month, but the caseload declines as more community services are provided.

Children & Family Policy

Family Preservation. The Governor's recommended budget provides $17.0 million in FY 2005 and another $17.1 million in FY 2006 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 2005 and another $11.4 million in FY 2006 for the family preservation contract to serve approximately 2,863 families each year. The budget recommendation for family support services totals $3.6 million in each of FY 2005 and FY 2006. The recommendations in both years fund the Protection Reporting Center.

Foster Care. The Governor recommends $96.5 million in the current year and $77.1 million in FY 2006 for foster care and family reintegration services. Foster Care includes payments to families and group foster homes for care and services provided to children

placed in the homes. SRS also provides clothing, transportation, counseling, and other goods or services on behalf of a specific child.

Placements in the Foster Care Program are provided through private contracts with five providers across the state. The contracts, beginning in FY 2001, were based on a per child, per month rate. Within that rate, the contractors were responsible for placing children with foster parents, developing a permanency plan for the child, providing specialized mental health treatment, as needed, and reintegrating the child with its family or into another permanent living arrangement. The contract was amended in FY 2003 to include a base monthly rate for the contractor's fixed expenses and to shift mental health services out of the contracts. The contracts are currently being renegotiated with the starting date of July 1, 2005. The projected decrease in funding for the program reflects the shift of medical expenditures into the Regular Medical Program.

The consensus caseload estimate for FY 2006 was $80.0 million to serve an average of 3,489 children each month. The Governor recommends a reduction of approximately $2.9 million, including $2.1 million from the State General Fund, to reflect the elimination of out-of-home services for 16 and 17 year olds who are not abused or neglected and those over 18 years. The agency will provide family preservation and other community services for these children. A change in current statutes will be necessary to enact this policy change. The following table displays actual and budgeted expenditures for foster care.

Foster Care

Fiscal Year	Persons Served	Percent Change	Total ($000)	Avg. Cost	Percent Change
1999	3,660	NA	117,875	2,684	NA
2000	3,776	3.2	88,459	1,952	(27.3)
2001	3,660	(3.1)	94,039	2,141	9.7
2002	3,264	(10.8)	91,940	2,347	9.6
2003	3,046	(6.7)	88,406	2,419	3.0
2004	3,191	4.8	90,889	2,374	(1.9)
2005	3,426	7.4	96,500	2,347	(1.1)
2006	3,578	4.4	80,000	1,863	(20.6)

Adoption & Permanency Services. The Governor recommends $54.0 million for adoption and other programs to place children in permanent homes in FY 2005 and $44.4 million in FY 2006. These programs benefit children whose parents' rights have been terminated or relinquished in an effort to provide the child with a permanent family. Adoption placements are coordinated through a contract with the Kansas Children's Service League. The contractor is responsible for recruiting adoptive families and preparing children for adoption. The statewide contract pays the contractor a monthly rate for every child awaiting placement.

The Governor recommends $34.9 million for the FY 2005 average monthly caseload of 1,589 children and $24.7 million for the same average monthly caseload in FY 2006. The table below displays actual and budgeted expenditures for adoption. The adoption contract is currently being renegotiated with a starting date of July 1, 2005. The projected decrease in program expenditures reflects the shift of medical services into the Medicaid Regular Medical Program. A reduction of $918,516 is included for the elimination of out-of-home services for 16 and 17 year olds who are not abused or neglected and those over 18 years. The agency will provide family preservation and other community services for these children. A legislative change in statutes will be necessary to enact this new policy.

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 $18.7 million in FY 2005 and $19.3 million in FY 2006 for these purposes. The recommendation includes enhanced funding of $227,566 from the State General Fund to serve more children in FY 2006.

Adoption

Fiscal Year	Persons Served	Percent Change	Total ($000)	Avg. Cost	Percent Change
1999	1,155	NA	39,245	2,832	NA
2000	1,397	21.0	37,866	2,259	(20.2)
2001	1,443	3.3	40,305	2,328	3.0
2002	1,546	7.1	28,156	1,518	(34.8)
2003	1,608	4.0	32,335	1,676	10.4
2004	1,553	(3.4)	32,565	1,747	4.3
2005	1,589	2.3	34,931	1,832	4.8
2006	1,589	--	25,660	1,346	(26.5)

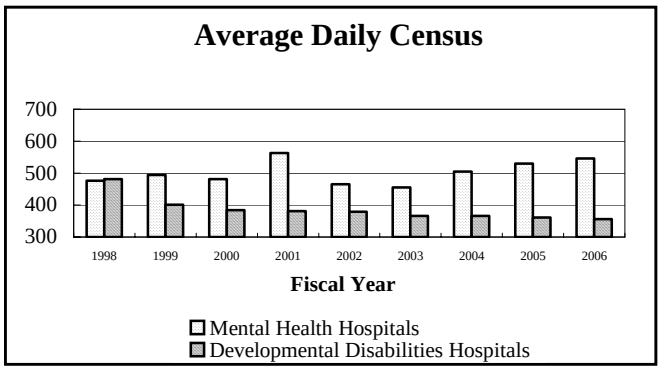
Kansas Intergovernmental Transfer Program (IGT). The 2003 Legislature approved the liquidation of the Senior Services Trust Fund and provided for all future payments to be deposited in the SRS—IGT Fund. The Department on Aging has made an agreement with the federal Medicaid agency to end the Kansas Intergovernmental Transfer Program at the end of FY 2005. The funding that will be available from the final transfers is estimated at $10.1 million. The Governor's budget includes this one-time funding source in FY 2006 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 2005 and $1.1 million in FY 2006 to finance the Senior Pharmacy Assistance Program. No money will be left in that fund for use in future years.

Blind Services. The budget recommendation for FY 2006 reduces the State General Fund financing for this program from $429,215 to $17,000. There is a large cash balance in the Blind Services Enterprise Fund that was derived from the sale of land and a building in FY 2001. This balance will be utilized in FY 2006 while the program is realigned to become self-supporting.

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 are able to avoid being institutionalized or are treated at state hospitals for shorter 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 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.

Salary Upgrades for Direct Care Staff. For a number of years, significant inequalities between the beginning salary ranges for state hospital employees and similar direct care positions in both the state and private sectors have been developing. Such inequalities have led to high employee turnover, which has been costly in terms of training, recruitment, and employee performance. To remedy this, the Governor recommends $2,448,552 for the reclassification of direct care workers at the state hospitals and veterans homes. This change will reduce the number of classes, while bringing entry level wages in line with similar state and private sector positions. Of the amount requested, $1,491,493 is from the State General Fund and the balance is from hospital fee funds.

Mental Health Hospitals

For FY 2006, the three state mental health hospitals, Larned State, Osawatomie State, and Rainbow Mental Health Facility, project an average daily census of 546 patients. The Governor's recommended budget includes $73.0 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.

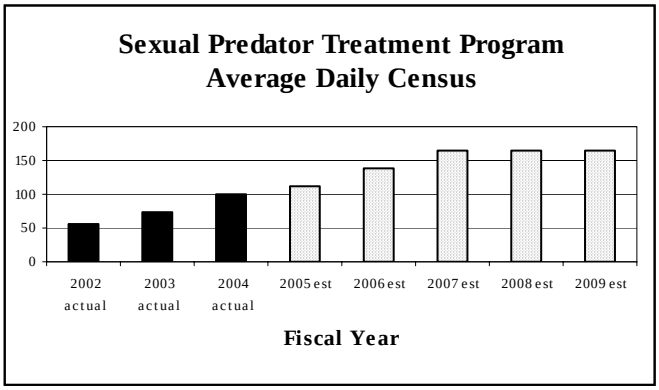
Mental Health Hospitals

	Daily Census	Operating Budget	Daily per Client ($)
Larned	341	43,295,262	348
Osawatomie	160	22,106,197	379
Rainbow	45	7,589,665	462
Total	546	$72,991,124	366

Larned State Hospital

For Larned State Hospital, the Governor recommends $43.3 million in FY 2006, of which $31.5 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.

This Hospital evaluates and treats persons committed by the courts of criminal jurisdiction, as well as correctional inmates. The total amount of the Governor's recommendation will fund 806.20 FTE positions. 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 will open in June 2005. This facility will initially house the current population of the State Security Program, 131 residents, and has the capacity to house 250 residents. For FY 2006, the Governor recommends $10,481,287 to operate this program. The amount recommended will fund 191.50 FTE positions.



As the table above indicates, demand for services in the Sexual Predator Treatment Program continues to grow dramatically. The Governor has responded to this increased demand with recommendations for increased funding. For FY 2004, the Governor recommended and the Legislature approved a $1.96 million addition to the previously appropriated budget, bringing the total allocation to $4.5 million. For FY 2005, the Governor recommends $6.5 million, and for FY 2006, $7.5 million. In FY 2006, the Governor's recommendation will fund 159.00 FTE positions.

Osawatomie State Hospital

For FY 2006, $22.1 million is recommended, with $9.1 million from the State General Fund. This recommendation funds 398.60 FTE positions, the same number as during FY 2005. The average daily census is expected to be 160 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.

Rainbow Mental Health Facility

The Governor recommends $7.6 million for FY 2006, of which $3.8 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 45 patients.

Developmental Disability Hospitals

For FY 2006, the estimated average daily census in the two state developmental disability hospitals will be 356. To serve these residents, the Governor recommends $50.3 million for the developmental disability hospitals. Shown in the table below are the recommended operating expenditures, average daily census, and daily cost per client for each hospital in

Developmental Disability Hospitals

	Daily Census	Operating Budget	Daily per Client ($)
KNI	168	27,317,820	445
Parsons	188	22,960,958	335
Total	356	$50,278,778	387

FY 2006. 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 2006, the Governor recommends $27.3 million for the agency, of which $12.3 million is from the State General Fund. The amount recommended will support a staff composed of 588.20 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 2006 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 2005. This funding level will allow the Hospital to provide residential and medical services to an average population of 188.

Department on Aging

The Governor's recommendation of $440.9 million for FY 2006 includes $167.6 million from the State General Fund to finance nursing home services, community-based services, case management, the Senior Care Act, nutrition services, and other services for Kansans over the age of 65. The Department on Aging operates most of the programs provided by the state to serve the elderly. The services are provided by area agencies on aging and other local organizations.

The Governor's recommendation for FY 2005 includes two lapses. One is $13.4 million from the Department on Aging Medicaid Long-Term Care accounts. At the end of FY 2004, unspent monies carried over to FY 2005. When the amount of new funds was calculated for FY 2005, these reappropriated dollars were overlooked, resulting in an overage of funding in these programs for FY 2005. Also, additional savings were found in the Home and Community Based Services—Frail Elderly (HCBS/FE) Waiver Program as a result of the agency's revised estimates of the number of clients requesting HCBS/FE services, as well as the cost per client during FY 2005. These revised estimates allow for a lapse from the HCBS/FE waiver while still providing services to all anticipated clients at the current level of service. There will still be no waiting list under the HCBS waiver with the lapsing of these funds.

Long-Term Care. Included in the FY 2006 recommendation is $403.6 million for long-term care for the elderly Kansans who are eligible for the Medicaid Program. The State General Fund portion of this cost is $157.6 million. The recommendation includes $65.2 million for the Home and Community-Based Services for the Frail Elderly, including $25.4 million from the State General Fund. The budget includes the cost of nursing home care for the elderly who are eligible for Medicaid. Nursing facility services are estimated to be $332.5 million, of which $129.8 million is from the State General Fund. Finally, the recommendation includes $5.9 million for Targeted Case Management, of which $2.4 million is from the State General Fund. The following table shows the budget based on caseload estimates for nursing facilities.

Nursing Facility Services

	FY 2004 Actual	FY 2005 Gov. Est.	FY 2006 Gov. Rec.
Nursing Facilities:			
Budget	$ 313.7	$ 327.0	$ 332.5
Persons	10,788	10,568	10,568
Percent Change	*0.1*	*(2.0)*	--

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 HCBS services in order to stay independent within their home and the 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 $9.3 million, $2.3 million of which is from the State General Fund for meals. The recommendation 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 2005 and FY 2006 to actual FY 2004 amounts. A new funding source for the state Nutrition Program is the statewide income tax Meals on Wheels Check-Off. State income taxpayers can elect to contribute to Meals on Wheels by checking the designated box on their tax forms. In FY 2005, the agency will receive an additional $173,000

Nutrition Program

	FY 2004 Actual	FY 2005 Gov. Est.	FY 2006 Gov. Rec.
Agency Budget	$9,289,698	$9,341,646	$9,318,646
Local Resources	6,768,098	6,792,617	6,815,617
Total	$16,057,796	$16,134,263	$16,134,263
Number of Meals	3,483,253	3,447,492	3,447,492
Cost per Meal	*$4.61*	*$4.68*	*$4.68*

for the Nutrition Program, and $150,000 is projected for FY 2006.

General Community Grants. The Senior Care Act Program, funded through the State General Fund, provides general community grants that allow the customer to remain in a community-based setting rather than an institutional one. The agency also provides services for older Americans, especially those at risk of losing their independence, through federal Older Americans Act funding. The act provides for supportive in-home and community-based services, such as nutrition, transportation, and case management.

The Governor recommends $11.5 million for general community grants in FY 2006, which includes $6.5 million for the Senior Care Act. Funding for the Senior Care Act has remained stable with FY 2004 actual expenditures of $6.5 million and a Governor's recommendation of $6.5 million in expenditures for both FY 2005 and FY 2006. The State General Fund portion of the FY 2006 recommendation is $2.0 million. In addition to the State General Fund, a new source of funding, the Social Services Block Grant, is used to replace a portion of the State General Fund dollars in FY 2006. This permits additional state monies to be spent in the Department of Social and Rehabilitation Services to draw down additional federal funds. The participants in the Senior Care Act have higher income levels than those who participate in the HCBS Frail Elderly Waiver Program.

The Governor's recommendation includes $1.2 million for the Senior Pharmacy Assistance Program in FY 2005 and $1.1 million in FY 2006. The funding for this program is provided from earnings on the Senior Services Trust Fund, which is part of the Kansas Intergovernmental Transfer Program. The Department on Aging has made an agreement with the federal Medicaid agency to end the Kansas Intergovernmental Transfer Program at the end of FY 2005. The funding that will be available from the final transfers is estimated at $10.1 million. The Governor's budget includes this one-time funding source in FY 2006 in the Foster Care Program to cover partially the TANF Fund shortfall. The Department on Aging budget includes $1.2 million from the Senior Services Fund in FY 2005 and $1.1 million in FY 2006 to finance the Senior Pharmacy Assistance Program. No money will be left in that fund for use in future years.

Kansas Guardianship Program

The Kansas Guardianship Program recruits and trains volunteers to serve as court-appointed guardians and conservators for disabled adults who are found by the courts to be in need of these services. The Governor's budget recommendation provides $1,071,121 from the State General Fund for FY 2006. The budget recommendations will allow the agency to provide guardians to 1,370 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, ensure adequate sanitary conditions in public facilities and health facilities, as well as to regulate and promote environmental safety. The Department attempts to prevent disease and injury by protecting, promoting, and improving Kansans' health through a variety of public health service programs. These programs are designed to protect Kansans from communicable diseases, ensure healthy and safe child care facilities, inspect food services for proper sanitation, assess environmental health risks, improve access to medical care, and promote healthy lifestyles, which is expected to help in diminishing chronic diseases.

For FY 2006, the Governor recommends $127.5 million, including $16.2 million from the State General Fund. The recommendation includes a State General Fund expenditure reduction of $389,145 from administrative savings. The Governor maintains the levels of aid and grants in the agency's base budget from the Children's Initiatives Fund for tobacco use prevention programs, Healthy Start, and the Infants and Toddlers Program. Recommended expenditures for aid and grants to local governments, agencies, and individuals total $68.7 million. Of the expenditures for the Division of Health, $93.2 million is from federal funding sources.

Community-Based Services. The Governor maintains current funding of $1.5 million for community-based services in FY 2006. Through this program communities establish comprehensive and continuous primary health care for clients and facilitate access to hospital and specialty care. Local

health departments and nonprofit organizations are eligible to apply for funding. The program supports integrated primary health care and reduces duplication by encouraging local organizations to link services and facilitate access to care.

Healthy Family Services Expansion. The Governor recommends enhanced funding of $600,000 in FY 2006, including $300,000 from the State General Fund, to expand Healthy Family Services to Wyandotte and Geary Counties. The project 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 will be used as a match to receive Medicaid funding.

Aid to Local Health Departments. The Governor maintains the current level of funding of $4.8 million for this program in FY 2006, which provides funding to local health departments. The services provided are widely varied and include immunizations, screenings, and laboratory services. The funds will provide services in all 105 counties.

Women, Infants, & Children Program. Expenditures of $36.9 million in FY 2006 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. Enhanced funding of $439,705 from the Women, Infants, & Children (WIC) Fund and $22,425 from the State General Fund will improve access to fresh produce for low-income mothers and children. The Governor recommends the funding in FY 2006 to establish WIC farmers' markets in Topeka, Lawrence, and Kansas City.

Department of Labor

The FY 2006 Governor's recommendations for the Department of Labor include a total of $412,637,013 from all funding sources, with $345,330 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 $372.6 million in FY 2006. The remaining $60.3 million is used to operate the agency's programs.

Unemployment Benefits. Unemployment payments provided to individuals to replace part of their wages lost as a result of involuntary unemployment are expected to be $352.3 million in FY 2005 and $372.6 million in FY 2006. The unemployment rate for Kansas is estimated to be 5.9 percent in FY 2005 and then decrease slightly to 5.7 percent in FY 2006.

Workers Compensation. The Kansas Workers Compensation Act is 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 $7.5 million in FY 2005 and $8.4 million in FY 2006. These recommendations are financed totally from program funds, the majority of which is 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 $18,139,789 from all funding sources for the agency in FY 2006. The State General Fund portion of the Governor's recommendation is $7,409,535.

Veterans Homes. The Commission operates both the Kansas Soldiers Home in Fort Dodge and the Kansas Veterans Home in Winfield, which opened in FY 2000. For the Kansas Soldiers Home, the Governor recommends $205,000 from the State General Fund as a supplemental amount for FY 2005. This funding will pay for pharmaceuticals, temporary staff, and maintain salaries at the current levels.

For FY 2006, the Governor recommends $7,013,931 which includes $2,713,597 from the State General Fund. This recommendation includes enhancements of $391,000, of which $41,000 is for replacement vehicles and $350,000 is for pharmaceutical funding, temporary staff, and to maintain salaries at current levels. This recommendation continues residential and

nursing home care for 162 veterans and their families and provides funding for 145.00 FTE positions.

For the Veterans Home in FY 2006, the Governor recommends $8,282,855, including $2,387,118 from the State General Fund. The average daily census for FY 2005 was 178 and is expected to grow in FY 2006. The Governor's recommendation will also fund 186.50 FTE positions, the same number as for FY 2005.

Cemeteries. The Governor recommends $474,784 in FY 2006 for operation of the Kansas veterans cemeteries. This amount includes $455,760 from the State General Fund and $19,024 in federal veterans burial reimbursements. 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.

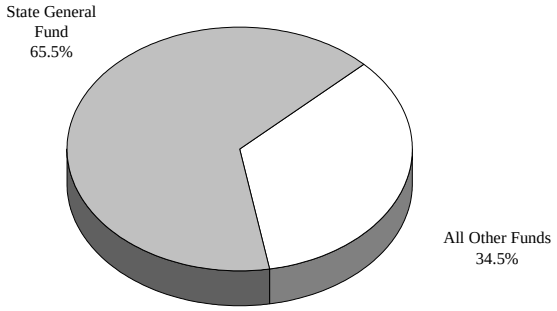
Veterans Services. For FY 2005, the Governor recommends a supplemental amount of $81,437 from the State General Fund to maintain Veterans Services staff at FY 2004 levels. For the Veterans Services Program in FY 2006, the Governor recommends $1,972,739, including $1,853,060 from the State General Fund. This amount includes enhanced funding of $192,000 from the State General Fund to maintain Veterans Services staff at FY 2004 levels. The agency operates veterans service centers in 14 field offices throughout the state and six offices in the three federal VA hospitals. Each of the offices at the federal VA hospitals is composed of one Veterans Services Representative and one representative of a national service organization, such as the Disabled American Veterans or the Veterans of Foreign Wars. In FY 2004, the Governor recommended the consolidation of these offices from two in each hospital to one in each hospital. The Governor also recommended reorganization of the 14 service centers to reduce operational expenditures. The Commission continues to plan for such consolidation and reorganization.

Administration of the Community-Based Outpatient Clinic located at the Kansas Soldiers Home, which provides medical services to residents of the Home and other eligible veterans, has been assumed by the federal Department of Veterans Affairs. The Governor recommends expenditures of $42,595 to cover remaining state CBOC expenses.

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.

How It Is Financed



Fiscal Year 2006

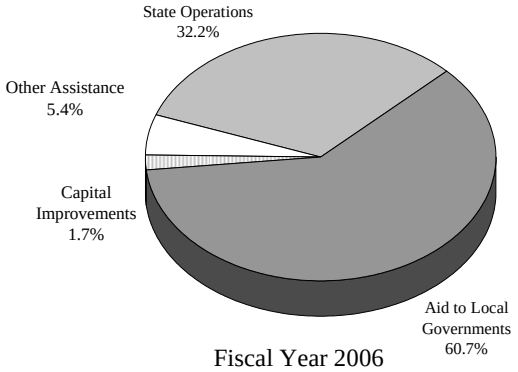
For Education, the Governor recommends $4.69 billion in FY 2005 and $4.74 billion in FY 2006. Of these amounts, $3.05 billion in FY 2005 and $3.10 billion in FY 2006 are from the State General Fund. In the Governor's budget recommendation the K-12 base is maintained at the FY 2005 level. The base budget per pupil continues at $3,863. The Governor does not propose changes at this time to the school finance formula, but does enhance funding for programs that improve teachers' skills, to help ensure that Kansas' teachers are highly qualified. Teachers throughout the state continue to work to achieve National Board Certification. The state rewards these teachers, when they achieve certification, with a ten-year annual bonus of $1,000. Funding for in-service aid and mentor teachers is restored in FY 2006, and state monies are used for a new assessment to evaluate teacher performance.

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 second of the three years. Furthermore, funding for vocational/technical schools has been increased by $1.0 million. Student financial aid is enhanced by $1.0 million, and the Board of Regents will receive an $18.0 million operating grant increase for distribution to the state universities.

The State Library implemented its Kanguard Internet filter service. The filter can be used by local libraries on their public access computers. Funding for the system came from the Library's operating expenditure and has no effect on grants to local libraries.

Under the Governor's recommendation, the School for the Deaf and the School for the Blind will be able to continue to offer summer school. Both schools continue to improve dormitory facilities to meet ADA standards. Students are referred by local school districts throughout the state. Both schools are located in N. E. Kansas. However, outreach services are offered through school districts across the state. Enrollment at the schools is stable.

How It Is Spent



Fiscal Year 2006

The Arts Commission awards federal and state-funded grants to local organizations. The funding is distributed to artists and organizations on a competitive basis. The Historical Society has formed a partnership with a private company to write a Kansas history textbook for students in grades 7-12. The state is contributing staff expertise to the project and the private company is responsible for editing, design, publishing, marketing, and distribution costs. This partnership will save approximately $250,000.

Elementary & Secondary Education

The ten-member State Board of Education is given responsibility by the *Kansas Constitution* for general supervision of public schools and educational institutions, except those delegated to the State Board of Regents. Under the guidance of the State Board of Education and the Board's appointed Commissioner of Education, the Department of Education provides funding and program guidance in carrying out federal and state law for 301 unified school districts.

At the time this budget was prepared in early December, the State Supreme Court had not yet ruled in *Montoy v. State of Kansas*. This case challenges the state's current school finance formula as unconstitutional and unequal in how funding is allocated per district. District Court Judge Terry Bullock agreed with the plaintiffs that the current formula needs to be reconsidered, which was appealed by the state to the Supreme Court, where the case resides.

Because the Supreme Court did not issue a ruling in time to affect this budget, no changes to the school finance formula are proposed. However, the Governor considers elementary and secondary education crucial to the future of the state and recommends several specific enhancements to programs that support the state's teaching workforce. The Governor recognizes that students' success rests in large part on the efforts of teachers, so investing in these programs will result in ever-improved student achievement.

Public School Finance

The largest expenditures within the Department's budget 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 costs for local option budgets; special education; and the employer's cost for teacher retirement benefits through KPERS.

General State Aid. The Governor's budget recommendations for FY 2005 and FY 2006 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 in November. Estimates are developed twice a year on property tax revenue, student enrollment weightings, and adopted local option budgets.

FY 2005. Although current law establishes the base state aid per pupil (BSAPP) at $3,890, the Governor's budget is based on the level the Legislature has funded the previous three years, $3,863. The FY 2005 recommendation is based on an estimated enrollment of 581,427.3 weighted pupils. The number of students supported by the school finance formula was held at the same level as the estimate made last spring. This differs from recent years when enrollment of students eligible for the at-risk, bilingual education, and vocational education weightings increased to a considerable extent. Local support of these students, however, was revised upward from the spring estimate by $18.3 million. Property valuations for oil and gas wells and leases in particular, were higher than projected last spring, increasing local effort under the school finance formula. These additional local dollars permit a decrease in state aid for the 2004-2005 school year, while maintaining the same amount of funding for school districts. The table below outlines the state's obligation for general state aid.

Growth in the state's share of local option budgets adopted by school districts has also finally slowed, as seen in the graph on the next page. The current year

General State Aid to School Districts
(Dollars in Thousands)

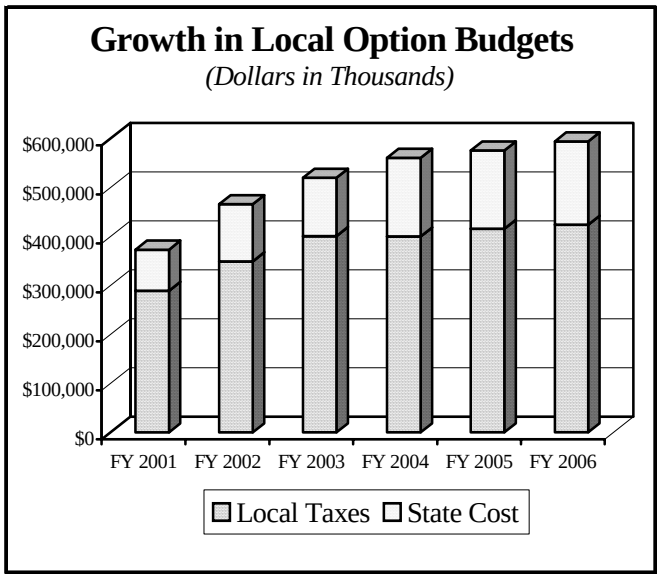
	FY 2005	FY 2006
Estimated Obligation	$ 2,493,054	$2,494,058
Local Effort Estimates		
Property Tax	460,186	489,492
Cash Balance	1,419	1,419
Federal Impact Aid	10,000	10,000
Special Ed Serv. Aid	247,000	247,000
Other	1,200	800
Total Local Effort	$ 719,805	$ 748,711
Net State Cost*	$ 1,773,249	$1,745,347
Less: Local Remit.	24,800	23,200
State Appropriation*	$ 1,748,449	$1,722,147

**Includes $4.5 million in FY 2005 and $5.5 million in FY 2006 from the Children's Initiatives Fund.*

recommendation includes $160.0 million to fund the state's share, a decrease of $11.4 million from the approved level of $171.4 million. The decrease is generated by revised current year estimates that reflect fewer than anticipated school districts accessing this source of funding.

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

A revenue transfer from the State General Fund of $53.0 million is included in FY 2005 to aid school districts with bond and interest payments, $4.0 million less than the approved amount based on the most recent estimates of demand. State law establishes a formula upon which state aid is determined.



FY 2006. The total Governor's recommendation for FY 2006 for the base school finance formula is $1,722.1 million, including $1,716.6 million from the State General Fund and $5.5 million from the Children's Initiatives Fund, a decrease of $27.3 million from the current year. Although student enrollments are assumed to hold flat, the increase in local property tax revenue allows the state's contribution to decrease slightly.

The recommendation funds the consensus estimated enrollment for the year. Funding is continued another year from the Children's Initiatives Fund to increase the Four-Year-Old At-Risk Program from 5,500 to 6,000 students, the entire population of children not served by Head Start or other programs. The FY 2006 amount is based on per pupil funding of $3,863, for a weighted pupil enrollment of 581,687.3, according to consensus estimates. The table on this page 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 2006 budget includes $170.0 million from the State General Fund for this aid program, a $9.4 million increase over the actual expenditures in FY 2004 of $160.6 million.

The capital improvement transfer from the State General Fund of $56.2 million is $3.2 million more than in FY 2005 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 18.5 percent of the school finance obligation in FY 2006, and the State General Fund and other state monies will provide for the remaining 81.5 percent. For FY 2006, local resources are budgeted to finance 19.6 percent of the costs, with state resources paying 80.4 percent. The increase is attributable to anticipated higher property appraisals.

Education Budget Issues

Base State Aid per Pupil. Pending a Supreme Court decision and legislation to designate additional state revenues for education, the Governor does not recommend a change to base state aid per pupil in either FY 2005 or 2006. It is maintained at $3,863.

Special Education Services Aid. For special education services, $250.8 million in state monies is recommended in both FY 2005 and FY 2006. It is estimated that state support will cover 81.7 percent of excess costs for 11,251 special education teachers. Federal support is expected to be $100.1 million, an increase of $18.7 million over FY 2004. The recommendation will support services to 79,995 students.

Four-Year-Old At-Risk Programs. In FY 2005, $12.7 million in competitive grants are recommended for up to 5,500 four-year-old at-risk students' education programs. In FY 2006, the Governor recommends an additional $1.0 million from the Children's Initiatives Fund to expand these services to 500 additional students. The funding necessary to provide these preparatory services is financed by a combination of monies from the State General Fund ($8.2 million) and Children's Initiatives Fund ($5.5 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 2006 for this appropriation is $163.8 million, a $24.6 million increase over the current year. As salaries rise at the district level, the state's costs rise proportionately. Also affecting the state's cost for this expenditure is an increase in the state's contribution to the Death and Disability Program from 0.6 percent to 1.0 percent in FY 2006, as well as the regular rate increase mandated by statute.

Parent Education. For FY 2006, 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 2005 is $2,765.3 million, of which $2,316.4 million is from the State General Fund. The recommendation for FY 2006 is $2,785.8 million, with $2,328.4 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.

Improving Teachers' Skills. At the start of FY 2004, a new performance-based teacher licensing system was implemented. New educators graduating from any of the 22 preparatory institutions in Kansas and any new educators coming from out of state must now complete a performance assessment. The new licensure system is based on what an educator should know and be able to do. Requirements for a grade point average and content tests have been established and provide accountability for what an educator should know.

The assessment will be used to evaluate what an educator can do, and must be completed successfully during the conditional license period before an individual can move to a professional license. The new licensure system was implemented to assure that beginning educators not only know their disciplines but are able to use that knowledge to improve student learning in actual classrooms. Higher education institutions have adapted their preparation programs to emphasize content knowledge and testing is being used to measure that content knowledge.

In response to the licensure system changes, the Governor recommended a new FTE position a year ago to provide technical assistance to districts on their staff development plans and comply with requirements of the new laws. The position was approved by the 2004 Legislature. To continue work in this area, the Governor recommends $325,000 from the State General Fund for the new teacher assessments in FY 2006. Financing this program from the State General Fund will keep licensure fees on teachers from being increased.

Current state law provides for a mentor teacher program under which qualified teachers may serve as mentors to new educators. The program was designed to provide teacher training and improve classroom instruction, improve recruitment and retention of new teachers, and create cohesive schools where teachers and administrators constantly review instructional practice and student learning. It also gives an opportunity for mentor teachers to exercise their leadership talents and improve their professional competencies. In recognizing the importance of such a program, the Governor recommends $1.0 million from

State, Local, and Federal Support of Elementary and Secondary Education in Kansas

(Dollars in Thousands)

	FY 2004 Actual		FY 2005 Gov. Rec.		FY 2006 Gov. Rec.	
	SGF	All Funds	SGF	All Funds	SGF	All Funds
General State Aid	1,613,664	1,653,608	1,736,095	1,760,895	1,708,395	1,731,595
Four-Year-Old At-Risk Program	8,248	12,748	8,248	12,748	8,248	13,752
Subtotal--General State Aid	1,621,912	1,666,356	1,744,343	1,773,643	1,716,643	1,745,347
Supplemental State Aid	160,593	160,593	160,000	160,000	170,000	170,000
Capital Improvement Aid*	49,858	49,858	53,000	53,000	56,150	56,150
Special Education Aid	249,768	332,744	249,792	378,977	249,792	351,437
Deaf-Blind Program Aid	110	110	110	110	110	110
KPERS Employer Contribution	119,791	119,791	139,232	139,232	163,839	163,839
Inservice Aid	--	--	--	--	2,500	2,500
Teacher Mentoring	--	--	--	--	1,000	1,000
Teacher Excellence Grants	176	187	222	222	222	222
Juvenile Detention Grants	6,029	6,029	6,587	6,587	6,587	6,587
Optometric Vision Study and Services	--	300	--	300	--	300
Parent Education Grants	4,640	6,980	4,640	7,299	4,790	7,290
School Food Assistance	2,510	107,895	2,510	110,635	2,510	113,235
Ed. Research and Innovative Prog.	--	4,637	--	5,513	--	4,995
Driver Education Program Aid	--	1,568	--	1,600	--	1,638
Alcohol and Drug Abuse	--	2,644	--	2,613	--	2,613
Elem. and Secondary Education Prog.	--	104,236	--	101,475	--	89,125
Federal Class Size Reduction Initiative	--	193	--	--	--	--
Federal School Renovation Grants	--	432	--	--	--	--
No Child Left Behind Act Fed. Grants	--	5,295	--	5,275	--	5,200
Improving Teacher Quality Fed. Grant	--	268	--	--	--	--
Job Training Partnership Program Aid	--	11,544	--	15,778	--	14,180
Education for Economic Security Aid	--	20,806	--	20,250	--	20,250
Other Grants	162	530	165	535	165	257
Subtotal State & Federal Funding	$ 2,215,548	$ 2,602,996	$ 2,360,601	$ 2,783,045	$ 2,374,308	$ 2,756,274
Amount Change from Prior Year	*64,282*	*109,244*	*145,053*	*180,050*	*13,706*	*(26,771)*
Percent Change from Prior Year	*3.0%*	*4.4%*	*6.5%*	*6.9%*	*0.6%*	*(1.0%)*
Local General Funds	--	587,411	--	464,362	--	478,859
Local Special Education Funds **	--	247,117	--	247,000	--	247,000
Local Supplemental Aid Funding	--	400,664	--	423,778	--	422,587
Subtotal Local Funding	$ --	$ 1,235,192	$ --	$ 1,135,140	$ --	$ 1,148,446
Amount Change from Prior Year	--	168,048	--	*(100,052)*	--	*13,306*
Percent Change from Prior Year	--	*15.7%*	--	*(8.1%)*	--	*1.2%*
Total State, Federal, & Local Funding	**$ 2,215,548**	**$ 3,838,188**	**$ 2,360,601**	**$ 3,918,185**	**$ 2,374,308**	**$ 3,904,720**
Amount Change from Prior Year	*64,282*	*277,292*	*145,053*	*79,998*	*13,706*	*(13,465)*
Percent Change from Prior Year	*3.0%*	*7.8%*	*6.5%*	*2.1%*	*0.6%*	*(0.3%)*

** Capital Improvement Aid switched from demand to revenue transfer in FY 2003, shown as SGF expenditure for illustration purposes.*

*** The 2001 Legislature enacted a provision for state special education services aid to flow through the districts' general funds. These are estimated at $247.0 million in both FY 2005 and FY 2006.*

FY 2004 state expenditures reflect the delay of $213.0 million in expenditures from FY 2003, as well as a reduction of $158.0 million resulting from the property tax accelerator. The $158.0 million is reflected in local general funds that year.

the State General Fund for new teachers to have mentors in their first year of practice in FY 2006.

For the last two years, no state funding of inservice education aid has been provided. Although also provided in state law, it was reduced 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 2006, the Governor recommends resuming this state aid program as well. It is to be funded at $2.5 million, the previous level from FY 2003. Requests for state aid are dependent on a written plan submitted by the district and approved by the State Board of Education.

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 is increased from $176,000 in FY 2004 to $222,000 in both FY 2005 and FY 2006. It is anticipated that 220 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.

School Accountability Audits. Through the Governor's Business Education Partnership and the Kauffman Foundation, the State of Kansas is working on a contract with Standard and Poor's School Evaluation Services Division to establish a pilot program to review school district efficiency and use the results to help them effectively manage their resources. Currently, more than 50 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, a respected financial management firm, will bring 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 will use national, state, and local data to establish performance benchmarks. It also will identify the management practices used by the most efficiently run districts. After Standard and Poor's has analyzed the data, they will more closely scrutinize a select number of Kansas school districts and highlight best management practices and suggest ideas to achieve greater efficiency. Although in the pilot phase only select districts will be reviewed, findings of the study will be useful to every school district in the state.

The Kansas benchmarks for efficiency and the individual school audits will be shared with administrators, school boards, parents, taxpayers, and the public. While there are numerous measures available for academic performance, this project will focus on financial accountability.

In the current year, the review activities will be privately funded by the Kauffman Foundation. The Governor includes $300,000 in FY 2006 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. For FY 2005, the Governor provides $6.6 million from the State General Fund, which is $1.0 million more than the approved level. Additional students in an institution moving

from Missouri to Kansas in the Kansas City area and in Topeka and Manhattan require additional resources. Funding is held at this same level in FY 2006, 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 2006 for the optometric services to students needing vision correction to improve learning. The Governor also recommends $175,000 from the State General Fund: $10,000 for the school safety hotline, $35,000 for Agriculture in the Classroom, and $130,000 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 that 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 budget provides $5.6 million for administration of student assessments in FY 2005 and FY 2006.

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 grades three through eight in reading and math and one year in the tenth through 12th 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 2006, the Governor recommends $5,350,817 from all funding sources, including $4,845,672 from the State General Fund, for the Kansas School for the Blind 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 154 for FY 2005.

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 151 for FY 2006. 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 age of the child.

For FY 2006, the Governor recommends $9,332,355 from all funding sources, including $7,907,019 from the State General Fund, for the Kansas School for the Deaf 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 $24.1 million in financial aid to students attending both public and private institutions in Kansas through numerous scholarship and grant programs. These monies are channeled through the Board of Regents with the exception of the Medical Student Loan/Scholarship Program, which is administered by the University of Kansas Medical Center. The table below shows the increase in funding for postsecondary education in FY 2006.

Increased Funding for Postsecondary Education in FY 2006

SB 345	SGF
Community Colleges	5,086,081
Washburn University	455,060
Regents Universities	3,333,426
	$ 8,874,567
Student Financial Aid	
Comprehensive Grant	1,000,000
Medical Student Loan/Scholarship	370,000
	$ 1,370,000
Other Postsecondary Ed.	
Vocational/Technical Sch.	1,000,000
Universities Operating Grant	18,000,000
27th Pay Period	12,972,577
	$ 31,972,577
Total Increase	$ 42,217,144

Enrollments. Kansas has an unusually high level of demand for postsecondary education. In addition, enrollments usually rise when the economy is poor. Systemwide enrollments increased 0.8 percent in the fall of 2004. The change is outlined in the table at the top of the next column.

University Headcount Enrollment

	FY 2003	FY 2004	FY 2005
Univ. of Kansas	26,458	26,814	26,980
KU Med. Ctr.	2,391	2,458	2,610
Kansas State	22,762	23,050	23,151
Wichita State	15,534	14,896	14,298
Emporia State	6,005	6,278	6,194
Pittsburg State	6,751	6,731	6,537
Fort Hays State	6,392	7,373	8,500
Total Regents	86,293	87,600	88,270
Washburn	6,440	7,002	7,334

Board of Regents

The Governor recommends a total of $250,232,573 for FY 2006, including $180,888,457 from the State General Fund, $9,702,662 from the Economic Development Initiatives Fund, and the rest is from various special revenue and federal funds. The budget for the Board includes funding for the Higher Education Coordination Act, vocational-technical schools, and student financial aid. In addition, tuition will provide funding for university budgets in an amount that will be determined by tuition increases and enrollment.

Adjustments to State University Budgets

	SGF
SB 345--Regents Universities	3,333,426
Universities Operating Grant	18,000,000
27th Pay Period	12,972,577
	$ 34,306,003

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

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.

Each year the cost of state funding for SB 345 escalates because it is based on a funding formula tied to the cost of education at Pittsburg State University, Emporia State University, and Fort Hays State University. For FY 2006, the Board of Regents requested over $79.4 million based on the funding formula. However, this level of funding is greater than available resources.

In FY 2005, the Governor proposed that the original funding estimate be used to complete the 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 2006 is the second year of funding based on the Governor's plan. Community colleges will receive an additional $5,086,081 and Washburn University will receive an additional $455,060 in their operating grants. 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 four staff for the project.

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 2005 but could not exceed $10.0 million a year. Current law requires that the KAN-ED program be funded through the State General Fund in FY 2006. The Board of Regents requested through the budget process that the funding source for KAN-ED continue to be through the Universal Service Fund and noted that it would request the Legislature to make this change in the law during the 2005 Legislative Session.

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 began in FY 2004 with an interest payment of $4.2 million. For both FY 2005 and FY 2006, the debt service is budgeted at $4.9 million. Since bonds continue to be issued, it is possible that the amount of debt service will increase over the estimate for FY 2006. 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 2006, the Governor recommends $181,399,407, including $159,402,684 from the State General Fund, $9,702,662 from the Economic Development Initiatives Fund, and the rest from various special revenue and federal funds, to fund 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. A high school diploma improves their earning potential and allows those who desire to further their education to do so. The FY 2006 recommendation for the program is $3,938,144 in federal funding with a $1,048,998 for the State General Fund match.

Community Colleges. The 19 community colleges in the state provided educational opportunities to 120,417 students in the 2003-2004 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 $91,130,331 for community college operating grants for FY 2006 from the State General Fund. This is a State General Fund increase of $5,086,081 over the FY 2005 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 $37,173,076, including $20,673,603 State General Fund, $9,522,162 Economic Development Initiatives Fund, and $6,977,311 federal funding. The majority of this funding will be used for operating expenditures at the schools. The Governor's recommendation for FY 2006 includes an additional $1.0 million, as it did for FY 2005. Although, area vocational-technical schools were not included in the funding provided by the Higher Education Act, the Governor recognizes they play an important role in the state's educational system.

Washburn University. The state has provided support to Washburn since 1961. Currently, the Board of Regents administers the state operating grant for Washburn University. The Governor recommends $11,012,456 for FY 2006 from the State General Fund, an increase of $455,060 over FY 2005 as part of the funding for SB 345. Washburn served 7,334 students in the fall of 2004.

Student Financial Assistance

Financial aid administered by the Board of Regents includes funding for student scholarships and grants. For FY 2006, the Governor recommends $18,302,630 from all funding sources, including $17,284,162 from the State General Fund. Total funding in FY 2006 for financial aid is $1.0 million more than in FY 2005. This funding was added to the comprehensive grant for financially needy students. Financial assistance includes the programs described below. The Medical Student Loan/Scholarship Program is administered at the KU Medical Center rather than the Board of Regents' office.

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 $14,097,346, including $13,189,878 from the State General Fund, for FY 2006. This is a State General Fund increase of $1,060,000 over FY 2005. Part of the increase, $60,000, is a shift in revenues from the State Scholarship Program where it was not being awarded. The requirements of the State Scholarship Program are narrower than those of the Comprehensive Grant.

State Scholarship Program. This grant is designed to assist financially needy Designated State Scholars. Students are designated scholars on the basis of completing the Kansas Scholars Curriculum, the ACT Composite Score, and the cumulative high school GPA. For FY 2006, the Governor recommends $1,133,199 from the State General Fund.

Vocational Scholarship Program. The Governor recommends $121,275 from the State General Fund for FY 2006. 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 2006, the Governor recommends $56,000 for this fellowship program. The funding will assist seven 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 2006. Students are ranked academically by the optometry schools and are funded in that order.

Teacher Scholarship Program. The purpose of this program is to reduce the teacher shortage in hard-to-fill disciplines and underserved areas. Typically 80.0 percent of the scholarships are awarded to students

majoring in special education. To finance 73 students in FY 2006, the Governor recommends $331,744, including $326,744 from the State General Fund.

Nursing Scholarship Program. For this need-based scholarship, the Governor recommends $392,592, including $243,592 from the State General Fund. Students seeking a nursing scholarship must locate a sponsor who will pay up to one-half 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 134 scholarships.

ROTC Scholarship Program. For FY 2006, the Governor recommends $186,401 from the State General Fund for Reserve Officer Training Corps scholarships. This funding will provide 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 2006, the Governor recommends $925,838 from the State General Fund. This will fund approximately 514 awards.

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 fourth year of the universities' five-year plan.

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 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 anytime.

For FY 2006, the Governor recommends an operating grant increase of $18.0 million from the State General Fund. The increase, if approved, will be appropriated to the Board of Regents for distribution to the universities.

Tuition. Regents universities estimate that they will expend over $360.3 million from tuition revenues in FY 2005. In making the estimates, the universities assume the number of students will be at the FY 2004 level. The expenditure of tuition receipts could change as new students are added or subtracted. In addition, the FY 2006 tuition rates will not be set until the summer of 2005. 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. All of the universities implemented tuition increases for the 2004-2005 school year, which are shown on the following table.

Despite the large increase in tuition, the cost on average of attending a Kansas public institution is

Resident Tuition Rates

(Fees not included)

	FY 2004	FY 2005	FY 2005 Increase
KU	$ 1,763	$ 2,081	18.0 %
KUMC	7,292	8,354	14.6
KSU	1,755	2,055	17.1
KSU--Vet. Med.	3,765	4,320	14.7
WSU	1,433	1,575	9.9
ESU	1,100	1,205	9.5
PSU	1,175	1,316	12.0
FHSU	1,016	1,107	9.0

below that of peer averages. The table below shows this comparison.

FY 2005 Undergraduate Tuition & Fees for Full-time Students

	Cost per Semester	
	Resident	Non-Resident
University of Kansas	$ 2,368	$ 6,346
University of Colorado	2,175	10,731
University of Iowa	2,698	8,024
U. of N. Carolina-Chapel Hill	2,225	8,774
University of Oklahoma	2,070	5,829
University of Oregon	2,835	8,823
PeerAverage	*2,401*	*8,436*
KU as % of Peer Average	*98.6 %*	*75.2 %*
Kansas State University	$ 2,333	$ 6,713
Colorado State	1,983	7,276
Iowa State	2,713	7,564
North Carolina State	2,141	8,090
Oklahoma State	2,036	5,681
Oregon State	2,660	8,834
PeerAverage	*2,307*	*7,489*
KSU as % of Peer Average	*101.1 %*	*89.6 %*
Wichita State University	$ 1,954	$ 5,681
University of Akron	3,755	8,413
Portland State University	2,561	8,433
Univ. Nevada-Las Vegas	1,605	5,942
Old Dominion	2,634	7,344
Oakland University	2,670	6,172
PeerAverage	*2,645*	*7,261*
WSU as % of Peer Average	*73.9 %*	*78.2 %*
Emporia State University	$ 1,518	$ 4,878
Pittsburg State University	1,647	4,826
Fort Hays State University	1,451	4,513
NW Missouri State University	2,663	4,590
Western Carolina University	1,601	6,319
Salisbury State University	2,988	6,777
Eastern Washington University	2,037	6,776
Northern Michigan University	2,667	4,421
PeerAverage	*2,391*	*5,777*
ESU as % of Peer Average	*63.5 %*	*84.4 %*
PSU as % of Peer Average	*68.9 %*	*83.5 %*
FHSU as % of Peer Average	*60.7 %*	*78.1 %*

Source: Board of Regents

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.

The University addresses educational programs 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 other programs are offered. Those programs include liberal arts and sciences, business, and library information management. Recently the University added a doctoral program in the School of Library Information Management.

The Governor's recommendation for FY 2006 is $30,617,797 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 decreased by 84 students over the past year, for a total enrollment of 6,194 in FY 2005.

Fort Hays State University

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

For FY 2006, the Governor recommends $31,879,264 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 1,127 students over the past year with a total headcount of 8,500 in FY 2005. All but five of these are off campus, virtual university students.

Kansas State University

For the Manhattan and Salina campuses of Kansas State University, the Governor's recommendation for FY 2006 is $104,471,508 for operations and $189,446

Funding for Regents Universities

FY 2005	State General Fund	Other State Funds	*Tuition	Other General Use Funds	Restricted Use Funds	Total
KU	136,641,468	5,902,025	143,826,067	1,687,430	190,037,839	478,094,829
KU Med. Ctr.	104,052,003	287,792	16,605,000	9,338,332	107,180,689	237,463,816
Kansas State U.	104,660,954	4,233,550	97,575,794	100,000	228,575,364	435,145,662
KSU--ESARP	48,661,933	300,000	--	7,992,254	63,992,779	120,946,966
KSU--Vet. Med.	9,989,497	--	10,617,562	11,707,329	1,905,329	34,219,717
WSU	66,889,335	2,027,090	42,376,217	--	60,857,903	172,150,545
ESU	31,004,569	886,877	16,186,570	--	21,040,310	69,118,326
PSU	33,576,984	939,552	18,334,855	--	20,815,922	73,667,313
FHSU	31,917,627	736,523	14,808,930	--	22,629,174	70,092,254
Total	$567,394,370	$ 15,313,409	$360,330,995	$ 30,825,345	$717,035,309	$ 1,690,899,428

FY 2006	State General Fund	Other State Funds	*Tuition	Other General Use Funds	Restricted Use Funds	Total
KU	136,646,183	40,000	141,781,509	1,398,873	197,774,567	477,641,132
KU Med. Ctr.	104,414,508	250,000	16,604,999	8,330,349	112,201,108	241,800,964
Kansas State U.	104,668,061	--	92,087,006	100,000	227,722,270	424,577,337
KSU--ESARP	48,960,568	--	--	7,938,966	64,087,060	120,986,594
KSU--Vet. Med.	9,988,928	--	9,978,670	6,659,672	1,901,931	28,529,201
WSU	68,810,586	--	40,376,217	--	58,301,776	167,488,579
ESU	31,006,452	--	14,547,877	--	20,923,196	66,477,525
PSU	33,570,974	--	18,334,855	--	23,276,192	75,182,021
FHSU	31,879,264	--	14,808,928	--	22,234,222	68,922,414
Board Transfers**	34,306,003	15,000,000	--	--	--	49,306,003
Total	$604,251,527	$ 15,290,000	$348,520,061	$ 24,427,860	$728,422,322	$ 1,720,911,770

** Tuition expenditure estimates for FY 2005 are based on FY 2004 student enrollment. For universities at which enrollment has increased, additional revenues will be available. Tuition expenditure estimates for FY 2006 are based on FY 2004 student enrollment and FY 2005 tuition rates. Tuition will increase in FY 2006 but the amount will not be determined until the summer of 2005. Based on the increases in tuition and enrollment, revenues could increase in FY 2006.*

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

for a lease payment from the State General Fund. Funding will permit the University to maintain service to its growing population of 22,717 students.

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

KSU—Veterinary Medical Center

The Governor recommends $9,988,928 for the Center's operations from the State General Fund for FY 2006. The Center provides veterinary medical education to 434 students. In addition, the hospital and clinic provides veterinary services to the public. Caseloads in the hospital and clinic are projected to increase 1.0 percent in the current year to 94,755 in part because of the availability of services. The services include transport of animals to and from the Manhattan facility throughout the region and on-site services to such places as local rodeos.

In addition, the hospital has completed, with fees from services, a new oncology unit for the study of tumors.

Currently, the Medical Center is constructing, with private funds, an addition to the equine section. An Equine Performance Testing and Locomotion Center provides clinicians and horse owners with access to sophisticated diagnostic instruments for evaluation of many performance-related issues. The services encourage animal owners to use the Center's services, generating teaching cases for the veterinarian students.

Kansas State University—ESARP

For FY 2006, the Governor recommends $48,960,568 for operations from the State General Fund. In FY 2005, the Legislature provided an additional $500,000 for operations because ESARP does not have tuition revenue. The Governor's recommendation has continued that funding. The Extension Systems and Agriculture Research Program conducts research and provides community services. Its four primary areas of focus are agricultural industry competitiveness; natural resources and environmental management; food, nutrition, health, and safety; and youth, family, and community development. ESARP does not generate tuition revenues but does receive federal land grant funding. In FY 2006, it is expected to receive almost $7.9 million from this source. ESARP has 1,390.70 FTE positions, including agents in the communities.

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. For FY 2006, the Governor recommends $33,570,974 from the State General Fund for the University's operations. The University's current enrollment is 6,537 students, a decrease of 194 students over the previous year.

University of Kansas

The Governor recommends $136,646,183 for the University's FY 2006 State General Fund operations grant. The state's largest research and education institution will provide graduate and undergraduate education to 26,980 students in the current year. Enrollment at the University has increased by 166 students over the past year. The University is targeting a portion of its tuition increase to retaining and increasing faculty, student financial aid and services, and technology equipment.

University of Kansas Medical Center

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

For FY 2006, the Governor recommends $101,627,744 for operation and $2,786,764 for the Medical Student Loan/Scholarship Program from the State General Fund. The Medical Center's vision is to be the premier, customer-focused, academic health science system in the region by becoming a regional and national leader in the education of primary health care professionals and in research and clinical services related to the interdisciplinary center of rural health and other areas.

The University provides services to rural communities through clinics operated in several areas of the state by the Kansas City facility. In addition to telemedicine consultations performed through 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 University also administers the Medical Student Loan/Scholarship Program. This outreach program is designed to provide an increased supply of general practice physicians to rural areas. For FY 2006, the Governor has included $3,648,317, including $2,786,764 from the State General Fund for the program. This will fund 106 students, including 30 first-year students. Recently, the program's repayment fund has been dropping because more doctors are choosing to serve, rather than repay their loans. Therefore, the

Governor's recommendation includes an additional $370,000 from the State General Fund to ensure that all 30 first-year loan scholarships will be awarded.

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 2006 be spent on this program 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 2006, the Governor recommends $68,810,586 from the State General Fund for operations. The urban University has an enrollment of 14,298 in the current year, which is a decrease of 598 students. Unique to this institution are the demographics of its students. Wichita State's average student is 28 years old and has 55.7 hours of transfer credit 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 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 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 2006 recommendation for aviation research. For FY 2004 and FY 2005, funding for aviation research was appropriated from the Economic Development Initiatives Fund. The amount in FY 2004 was $1.0 million and in FY 2005 is $2.0 million.

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 is planned to be issued in FY 2005. The cost from the State General Fund for principal and interest on aviation research equipment is $1.4 million in FY 2005 and $1.3 million in FY 2006.

Kansas Arts Commission

The Kansas Arts Commission offers grants and technical assistance to various artists and arts organizations throughout the state. The Governor recommends $2,061,346 from all funding sources for FY 2006, with $1,534,154 from the State General Fund. The budget will support the existing 8.00 FTE positions. The Governor increased grants by $35,000 from the State General Fund. Of the total budget, $1,479,339 is for arts programming and $582,007 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 statewide arts programs in 100 communities in FY 2006.

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 is $9,138,931 from all funding sources, with $5,982,292 from the State General Fund. Funding for the Historical Society's state operations in FY 2006 includes a shrinkage rate of 16.0 percent, which will require the agency to continue to keep vacant positions unfilled. Although private fund raising has been successful, private dollars are not available to compensate fully for operating reductions.

The FY 2006 budget includes a pass-through grant of $27,930 for the Heritage Center in Dodge City and a $131,830 grant to the Kansas Humanities Council. In FY 2006, the Humanities Council will use the state funds for community-based programming to match federal monies received through the National Endowment for the Humanities, as well as local funds across the state.

State Library

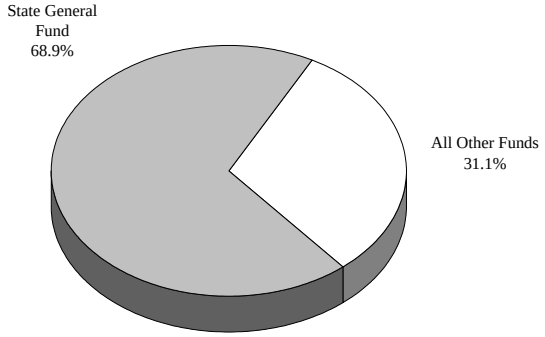
The State Library provides information services for state and local governments, for local libraries and their users, and for people who communicate with the library in the Statehouse or at its other service locations. The State Library distributes grants to libraries and serves in a coordinating and technical resource role to encourage cost-effective, community-based library services. Serving in this capacity, the State Library offers Kanguard, an Internet filter service, to local libraries at no charge. Kanguard is reliable and low maintenance, and it meets the technology protection measure requirement of the federal Children's Internet Protection Act. The state Library provides maintenance, technical support, and consulting services for local libraries that choose to use Kanguard. The Governor recommends $6,763,311 from all funding sources, including $5,030,152 from the State General Fund, for FY 2006 for services provided by the State Library. The recommendation will support the 27.00 existing 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, enforcement of fire regulations, regulation of emergency services, serving the public in emergencies, investigation of crimes, and enforcement of state laws.

The Governor recommends a budget of $510.2 million from all funding sources, including $331.9 million from the State General Fund, for this function in FY 2005. For FY 2006, $531.3 million from all funding sources, including $366.1 million from the State General Fund, is recommended. For FY 2006, 5,094.47 FTE positions and 520.68 non-FTE positions are recommended.

How It Is Financed

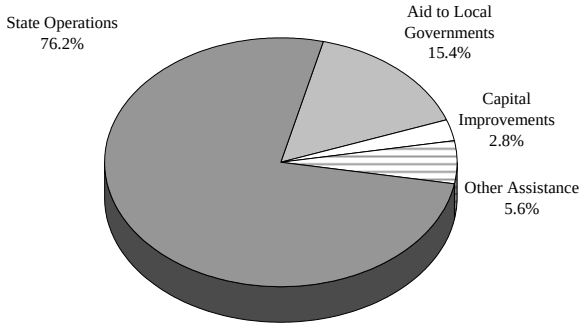


Fiscal Year 2006

The Governor's recommendation for operation of the adult correctional system is based on an average daily population (ADP) of 9,225 inmates in FY 2005 and 9,280 inmates in FY 2006. These ADP estimates are based on the official adult prison population projections from the Kansas Sentencing Commission that were released in September 2004.

The two main issues that face the Kansas adult correctional system are the inmate medical contract, which will expire at the end of FY 2005, and the near-capacity population levels. To address these issues, the Governor recommends funding a new medical contract, which will require additional State General Fund expenditures of approximately $14.4 million. To begin addressing the prison capacity issue, the Governor recommends bonding authority of $3.5 million to construct a 100-bed minimum security housing unit at the Ellsworth Correctional Facility. The Governor also recommends committing more state monies to replace federal funds that will no longer be available.

How It Is Spent



Fiscal Year 2006

The Governor's budget recommendations include $89.8 million for the Juvenile Justice Authority and the juvenile correctional facilities under its jurisdiction. The Governor recommends merging the new Kansas Juvenile Correctional Complex and the Topeka Juvenile Correctional Facility into one agency to be known as the Topeka Juvenile Correctional Facility. This recommendation will allow the state's most violent juvenile offenders to be housed in a more secure facility. More information regarding this recommendation can be found in the Juvenile Justice section. The Governor also adds funding for activation payments to members of the Kansas National Guard who are federally activated. Additional funding is budgeted for additional staff to rebuild National Guard military equipment.

Corrections

Department of Corrections

The Kansas Correctional System comprises eight prison facilities across 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

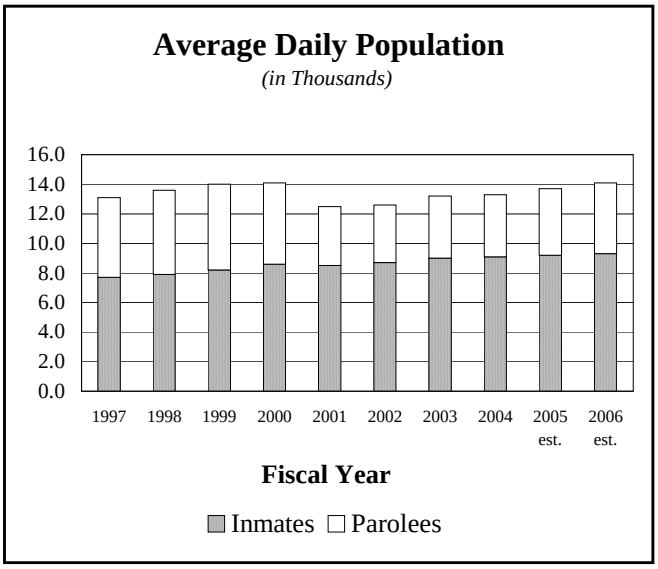
Each year the Kansas Sentencing Commission releases its adult inmate prison population projections in September. The budgets for each facility, including medical and food service contracts that are included in the Central Office, are based on this official projection. At the end of FY 2005, the Commission estimates that 9,244 inmates will be in the custody of the Secretary, which is an increase of 195 inmates from the Commission's prior year projections. At the end of FY 2006, the Commission estimates a population of 9,266 inmates, which is an increase of 172 inmates from the Commission's previous projections for FY 2006.

The graph in the next column shows the history of the average daily population from FY 1997 through FY 2004 and the projected levels for FY 2005 and FY 2006. Inmate populations are projected to increase each year, and by the end of FY 2014, the Commission projects a population of 10,492 inmates. To put this level in perspective, the capacity of the existing facilities can handle an average daily population of 9,280 inmates in FY 2006.

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

Ellsworth Housing Unit Expansion

As the committee discusses longer term alternatives to the current system, the Governor recommends that bonding authority be given to the Department of Corrections to construct a 100-bed housing unit at the Ellsworth Correctional Facility. This recommendation will allow the Department to move approximately 50 minimum security inmates, who are currently occupying medium beds, to the new minimum security housing unit. As a result, this recommendation will free up 50 medium security beds for new inmate placement. The estimated cost of this construction project is $3,505,800, including $311,000 for one-time start-up costs. Although this recommendation will not generate the number of beds that the Sentencing Commission projects will be needed by the end of FY 2014, it is the first decision that will have to be made to deal with the growing prison population.



FY 2005

The Governor recommends a State General Fund supplemental appropriation of $408,563 for FY 2005 for the inmate medical and food service contracts. This increase is a result of revised population projections from those originally estimated by the Kansas Sentencing Commission. With the additional funds, the cost of the inmate medical and food service contracts for FY 2005 totals $13,116,706.

FY 2006

For FY 2006, the Governor recommends $123.0 million from all funding sources, including $101.6 million from the State General Fund. Funding is provided to allow the Secretary of Corrections to continue oversight of the correctional system and to provide managerial and technical assistance to the state's correctional facilities and community-based programs. The recommended budget provides funding for administrative costs, community-based programs, offender programs, Kansas Correctional Industries, debt service, and capital improvements. The programs administered by the central office are summarized in the table below.

Central Office Programs

	FY 2006
Expenditures:	
Central Administration	9,696,485
Inmate Medical/Mental Health Care	41,191,502
Food Service	13,492,525
Offender Programs	7,255,423
Community Supervision:	
Community Corrections	15,548,912
Day Reporting Centers	2,456,072
Parole & Post Release Supervision	10,225,309
Correctional Conservation Camps	3,171,974
Special Programs	1,643,768
Debt Servce & Capital Improvements	9,816,170
Total	$114,498,140
Funding:	
State General Fund	101,594,503
Corr. Institutions Building Fund	4,935,867
Inmate Benefit Fund	3,186,447
Federal Funds	2,576,412
Other Funds	2,204,911
Total	$114,498,140

Medical & Mental Health Care. The current medical contract that the Department utilizes will expire on June 30, 2005. The Department solicited bids during the summer of 2004 in order to award a new contract. As a result of this process, the contract was awarded to Correct Care Solutions, which is the current contractor.

As a result of rising costs for health care services, the new contract in FY 2006 will require additional expenditures of approximately $14.3 million than those made in FY 2005. The Governor recommends expenditures of $41.2 million to fund adult offender health care services in FY 2006. This contract covers all medical and mental health expenses for inmates housed in the state's correctional facilities.

Food Service. The Governor recommends FY 2006 expenditures of $13.5 million to fund the food service contract with Aramark Corporation. All food service contract expenditures for the eight facilities are funded through the Central Office. The FY 2006 level of expenditures is the same as FY 2005, adjusted for ADP.

Offender Programs. For FY 2006, the Governor recommends $7.3 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. This recommendation will provide the same level of funding for offender programs as in FY 2005.

Community Supervision. This program includes four subprograms: Community Corrections, Day Reporting Centers, Parole and Post Release Supervision, and the Labette Correctional Conservation Camp. Community Supervision is used as an alternative to incarceration. For the most part, offenders convicted of lower severity offenses are assigned to community supervision. An average daily population of 5,667 offenders in community corrections is expected to be served by community corrections agencies in FY 2006.

Although the 2000 Legislature authorized three day reporting centers (DRCs) for the supervision of post-incarceration condition violators in the Kansas City, Topeka, and Wichita areas, only the Wichita and Topeka sites are operational. At the current time, there is no plan to open a DRC in the Kansas City area. For FY 2006, the Governor recommends total expenditures of $2.5 million from all funding sources, including $2.1 from the State General Fund. In previous years, the DRCs were financed through the federal Violent Offender Incarceration/Truth-in-Sentencing Grant funds on the basis of a 90.0 percent federal/10.0 percent state match. However, this source of funding will no longer be available to the agency after Federal Fiscal Year 2005. As a result, $3,818,000 from the

State General Fund will be utilized after the federal funding is depleted.

For FY 2006, the Governor recommends expenditures of $3,171,974 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 2005.

Special Programs. The Governor recommends $1.6 million for systemwide special programs in FY 2006. These programs include $531,100 from the State General Fund to replace grant funding that was eliminated by the federal government. Of this replacement funding, $426,631 will fund the Shawnee County Reentry Program that will help reduce the level of risk posed by returning offenders in communities. The remaining $104,469 will fund sex offender management programs that were formerly federally funded. The remaining $1.1 million in other special programs include the Kansas Adult Supervision Electronic Repository Initiative, which manages data on adult offender supervision; the Total Offender Activity Documentation System, which collects post-incarceration offender information; and various technology projects funded by Byrne grants.

Correctional Facilities

The following table summarizes the recommended level of expenditures for the eight correctional facilities, along with the estimated average daily populations for FY 2006.

Adult Correctional Facilities

	FY 2005 Gov. Est.	FY 2006 Gov. Rec.	ADP
Correctional Facility:			
Ellsworth	10,874,570	11,387,824	830
El Dorado	21,367,520	22,332,380	1,390
Hutchinson	26,188,047	26,510,076	1,840
Lansing	34,396,368	34,772,062	2,489
Larned Mntl. Hlth.	8,362,328	8,757,419	360
Norton	12,907,627	13,336,604	835
Topeka	11,921,169	12,295,513	680
Winfield	10,839,105	10,910,278	800
Total	$136,856,734	$140,302,156	9,224
Funding:			
State General Fund	131,263,401	138,173,840	
Federal Funds	1,229,132	1,009,257	
Building Funds	3,201,569	--	
Other Funds	1,162,632	1,119,059	
Total	$136,856,734	$140,302,156	

Kansas Correctional Industries

The Governor recommends expenditures of $8.5 million from the Correctional Industries Fund for the operation of Kansas Correctional Industries. Correctional Industries is entirely self-supporting from the manufacture and sale of a variety of products and services. These are sold to government agencies and qualified organizations, such as state agencies and local governments. The Governor recommends transferring $869,000 in FY 2006 from the Correctional Industries Fund to the Department of Corrections General Fees Fund. This transfer will aid the Department in financing offender program expenditures.

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 $57.1 million, including $30.5 million from the State General Fund, for FY 2005. This includes $1.9 million in supplemental funding for purchase of services from community corrections providers. The Governor also recommends $54.7 million, including $30.7 million from the State General Fund, for FY 2006. These recommendations will allow the agency to continue to provide immediate intervention and community-based graduated sanctions programs. The Governor recommends $35.0 million, with $33.9 million from the State General Fund, for operation of the four juvenile correctional facilities in FY 2006. This recommendation includes merging the new Kansas Juvenile Correctional Complex and the Topeka Juvenile Correctional Facility into one agency known as the Topeka Juvenile Correctional Facility. Already in FY 2005 the Authority expects to begin moving juvenile offenders from old facilities into the new maximum security facility. This movement will leave housing units in the old part of the facility vacant.

The Governor urges the Joint Committee on Corrections and Juvenile Justice Oversight to examine the uses for the vacated living units on the old TJCF campus, and to make recommendations about how the Juvenile Justice Authority can best utilize those beds and operate most efficiently.

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 the 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 2006 $45.6 million will be distributed to community providers. Of this total, $14.7 million will be provided for graduated sanctions programs, and $5.4 million will be provided for delinquency prevention programs. The table below summarizes the programs managed by the central office for FY 2006. 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. For FY 2006,

Central Office Programs

	FY 2006
Expenditures:	
Administration	3,234,060
Management Information Systems	1,097,994
Case Management	3,997,516
Graduated Sanctions	14,792,169
Prevention	5,414,487
Purchase of Services Payments	21,157,170
Other Services to Communities	2,094,681
Debt Service & Capital Improvements	2,921,000
Total	$ 54,709,077
Funding:	
State General Fund	30,745,119
Children's Initiatives Fund	9,000,000
State Institutions Building Fund	5,126,512
Federal Funds	2,524,581
Other Funds	7,312,865
Total	$ 54,709,077

the Governor recommends $21.1 million for purchase of services funding, including an increase in funding of $2.0 million from the State General Fund over the prior year.

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 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 of 2004. Expenditure 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 2005 Gov. Est.	FY 2006 Gov. Rec.
Juvenile Corr. Facility:		
Atchison Juv. Corr. Fac.	6,348,809	6,305,097
Beloit Juv. Corr. Fac.	4,826,401	4,898,757
Larned Juv. Corr. Fac.	8,021,812	8,070,962
Topeka Juv. Corr. Fac.	14,539,685	15,821,791
Total	$ 33,736,707	$ 35,096,607
Funding:		
State General Fund	31,975,319	33,934,484
Federal Funds	1,257,682	1,136,494
State Inst. Bldg. Fund	375,206	--
Other Funds	128,500	25,629
Total	$ 33,736,707	$ 35,096,607

Atchison Juvenile Correctional Facility

The Atchison Juvenile Correctional Facility is the state's minimum-security facility for younger male offenders, usually between the ages of 10 and 16. Education, recreation, and counseling services are part of the structured activities that are provided for the rehabilitation of juveniles. For FY 2006, the Governor recommends $6.3 million, including $6.0 million from the State General Fund.

Beloit Juvenile Correctional Facility

The only facility to house female juvenile offenders is the Beloit Juvenile Correctional Facility. The population numbers at this facility continue to decline. The facility provides education, recreation, counseling services, and substance abuse treatment for rehabilitating juveniles. For FY 2006, the Governor recommends $4.8 million, including $4.6 million from the State General Fund.

Larned Juvenile Correctional Facility

The Larned Juvenile Correctional Facility provides specialized substance abuse and mental health services for male offenders between the ages of 13 and 23. The Facility has 150 medium-security beds dedicated to the Residential Substance Abuse Treatment Program and 32 maximum-security beds dedicated for offenders in need of intense mental health treatment. For FY 2006, the Governor recommends $8.1 million, with $8.0 million from the State General Fund.

Topeka Juvenile Correctional Facility

The Topeka Juvenile Correctional Facility was the state's 276-bed medium-security facility that housed the most violent and chronic juvenile offenders who entered the juvenile justice system. However, the Governor recommends the merging of the new maximum security facility, the Kansas Juvenile Correctional Complex (KJCC), and the Topeka Juvenile Correctional Facility (TJCF). The offenders and staff at TJCF will be moved into the new maximum security facility in the current year, which will be known thereafter as the Topeka Juvenile Correctional Facility.

The new facility can house up to 210 inmates. A new 60-bed medium-security unit adjacent to the maximum

security facility will also be utilized. This will allow the most violent juvenile offenders to be housed in a more secure setting. The male juvenile offenders committed to TJCF range in age from 13 to 23 years old. Offenders participate in structured activities and programs during their incarceration, such as vocational training, recreation, and counseling services aimed at rehabilitation.

For FY 2005, the Governor recommends $14.5 million, including $13.9 million for the State General Fund. This includes shifting the monies that were previously allocated to the KJCC into the TJCF budget and transferring the approved FTE positions as well. For FY 2006, the Governor recommends $15.8 million, with $15.2 million from the State General Fund.

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 $48,308,001 from all funding sources, including $5,040,269 from the State General Fund, in FY 2005. This is an increase of approximately $11.8 million from the agency's approved budget. This increase primarily comprises federal monies to be used for federal disaster relief and to fund 62.00 new non-FTE unclassified permanent positions. The recommendation includes $707,703 of state disaster relief matching funds. This money was approved by the State Finance Council to fund disasters that occurred in June and July of 2004. The new positions will support additional military contracts to rebuild equipment.

For FY 2006, the Governor's recommended budget totals $44,654,105 from all funding sources, including $5,773,847 from the State General Fund. The recommendation includes salaries and wages for 215.00 FTE positions and 291.70 non-FTE unclassified permanent positions. This is 100.00 non-FTE unclassified permanent positions above the FY 2005 Governor's recommendation, which will be used to support additional military contracts. The recommendation also includes $50,000 to celebrate the 150th anniversary of the Kansas National Guard.

Activation Payments. The Governor, under her executive authority, plans to implement a new program that will provide payments to Executive Branch state employees who are called to active military duty. The program will provide a payment representing the difference between employees' state pay and their military pay. As a consequence, the payment will make up for earnings lost as a result of activation. Considered in the computation of this differential will be military base pay as well as allowances for such expenses as housing, subsistence, rations, family separation, and any other pay and allowances received as a result of activation but not for hazardous duty allowances. Eligible employees will receive a differential payment of up to $1,000 per month, before tax withholdings, for the duration of their federal service.

In addition, eligible employees will receive a one-time activation payment of $1,000, before tax withholdings, when called to active military duty on or after September 11, 2001. This payment will offset any financial burden that may occur as a result of mobilization. The one-time payments, as necessary, will be made retroactive. To finance the program, the Governor recommends $250,000 from the State General Fund in the Adjutant General's budget for FY 2005. The payments for this program will be made directly by the Adjutant General, rather than transferring the funds to other agencies.

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 authorizes the EMS Board direct access to the fees, charges, and penalties it collects to fund its operations starting in FY 2003. The 2002 Legislature directed that a .25 percent levy on fire insurance premiums, which is authorized by current law, be remitted to the Insurance Commissioner to finance the operation of EMS, instead of being remitted to the State Fire Marshal. For FY 2006, the Governor recommends $1,200,666, all from the Emergency Medical Services Operating Fund. The Governor

recommends the addition of 1.00 FTE position in FY 2006 to provide additional technical support to ambulance services located in western Kansas. That will bring the total number of FTE positions to 14.00.

The Governor further recommends $100,000 from the EMS Operating Fund to continue a grant program for emergency medical services training. The Governor also recommends transferring $1.0 million from the EMS Operating Fund to the State General Fund. This excess of fund balances has accumulated from the fire insurance premium levy.

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 $4,209,644, with $3,362,160 from the agency's fee fund, in FY 2006. The agency has 51.00 FTE positions and 1.00 non-FTE unclassified permanent position. The agency expects 450 requests for fire investigation from communities for FY 2006. The Governor's recommendation includes $434,218 to continue the HAZMAT Program, which provides local fire departments with training in how to handle various hazardous materials. The Department also is 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.

State Highway Fund Transfer. For FY 2005, the Governor recommends $92,024,350 from all funding sources, with $30,688,004 from the State General Fund. This is an increase of approximately $7.1 million over the approved amount. The increase represents additional federal monies for aid to local governments, which mostly is from an Office of Domestic Preparedness grant from the U.S. Department of Homeland Security.

The Governor in FY 2006 recommends $98,049,845 from all funding sources, with $35,647,855 from the State General Fund. A portion of the Highway Patrol budget is supported by a transfer from the State Highway Fund to the State General Fund. In FY 2006 that transfer is recommended to total $33.6 million. The transfer is a component of the restructuring of the ten-year Comprehensive Transportation Program approved by the 2004 Legislature. A similar transfer is anticipated each year through FY 2009.

Capitol Area Security Police. In FY 2005 and prior years, the Capitol Area Security Police (CASP) provided security for buildings operated by the Department of Administration. The Department financed this service through the collection of building rents, State General Fund, and other collected fees. This money was then spent to the Highway Patrol to pay for CASP services. CASP used the funds to reimburse its own operating costs. To avoid counting the dollars in both agencies, the Department of Administration treated its expenditures as reportable and the Highway Patrol as non-reportable.

In FY 2006, the Governor recommends that the CASP Security program become part of the Highway Patrol's regular operations. Funding for the program is recommended as an appropriation from the State General Fund. The Highway Patrol will be appropriated $1,927,307 from the State General Fund for CASP expenditures. In addition, 2.00 FTE positions are recommended to be transferred from the Department of Administration to support some of the Highway Patrol's new responsibilities. The Highway Patrol will take on the responsibility of funding CASP in its own budget along with providing security for the Forbes Field buildings, the Wichita State Office Building, parking enforcement, the key card Simplex system, and administering security badges. Starting in FY 2006, expenditures for these services will become reportable for the Highway Patrol.

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. For FY 2006, the Governor recommends $23,213,772 from all funding sources, including $13,129,703 from the State General Fund. The recommendation is structured to allow the agency to hire 8.00 more agents than they currently have. 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. The Governor's budget provides funding for 200.00 FTE and 112.00 non-FTE unclassified permanent positions.

The 8.00 additional agents recommended for FY 2006 are funded through a rearrangement of the agency's budget in the General Services and Laboratory Programs as well as efficiencies found within the Investigation Program. Additional funds have not been provided but current funding sources have been realigned to maximize how funds are spent. The total amount of monies outlined for these positions is $723,486 for salaries and wages and other operating expenditures. Funding is also available for the purchase of law enforcement vehicles once the agency has hired additional investigators. This recommendation provides enough flexibility to help meet the agency's highest priority of hiring additional agents.

The Governor's Council on Homeland Security will review whether funding for the agency's request to replace the current Automated Fingerprint Identification System (AFIS) as well as the convicted offender DNA tracking system can be provided from Homeland Security funds.

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 on the board. The Department of Corrections provides the Board administrative support. The Governor recommends expenditures of $458,053 from the State General Fund in FY 2006 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 sentence 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 is responsible for the management of payments to treatment providers.

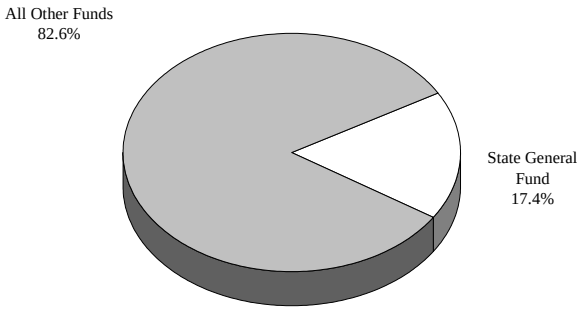
For FY 2005, the Governor recommends reducing expenditures for the 2003 SB 123 alternative drug treatment program by $1,052,046, all from the State General Fund. This reduction is made possible, as the program has not experienced as fast of a start-up as originally anticipated. Of the total amount, $293,055 will be lapsed and $758,991 will be reappropriated to FY 2006.

For FY 2006, the Governor recommends expenditures of $6,913,123 from all funding sources, including $6,606,579 from the State General Fund. This recommendation will fund 7.00 FTE positions and 4.00 non-FTE unclassified permanent positions. Included in this recommendation is a new accounting assistant position that will enable the agency to process treatment provider payments more efficiently. This new position is funded from fees paid by offenders undergoing treatment.

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

How It Is Financed

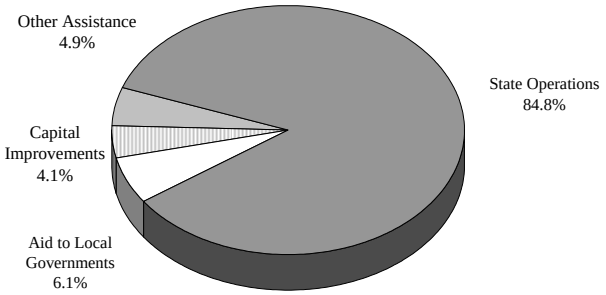


Fiscal Year 2006

The Governor recommends $162.0 million from all funding sources, including $28.2 million from the State General Fund and $17.5 million from the State Water Plan Fund, for FY 2006. There are 1,333.50 state positions in this function of government, including 1,266.50 FTE positions and 67.00 non-FTE unclassified permanent positions.

The Kansas State Fair's budget includes $2,250,044 for debt service payments for FY 2006. The Governor recommends restoring the $300,000 State General Fund revenue transfer to continue improvements to the fairgrounds.

How It Is Spent



Fiscal Year 2006

The FY 2006 Governor's recommendations will provide support to the Department of Wildlife and Parks as it becomes a wholly fee-funded agency. For FY 2006, the Governor recommends $812,562 in federal funds to complete the Prairie Spirit Rail Trail. The additional $203,141 necessary for this project was originally requested from the State General Fund. The agency, however, in cooperation with the Department of Transportation, developed a plan to use Kansas tollway credits, rather than state funds, to complete the funding package. The Governor also recommends $800,000 in FY 2006 for conservation easements, including $500,000 from the State General Fund and $300,000 from the EDIF.

Included in the FY 2006 budget is $17,549,283 in State Water Plan Fund expenditures. The State Water Plan Fund is the primary funding source for water-related issues. It is dedicated to implementation of the annual Kansas Water Plan, which promotes the management, conservation, and development of the state's water resources. Included in the State Water Plan Fund recommendation for FY 2006 is an appropriation of $1,310,000 for the first-year implementation of the Irrigation Transition Program, by the State Conservation Commission.

Agriculture & Natural Resources Agencies

Department of Agriculture

The Department of Agriculture ensures adequate food safety, consumer protection, and natural resource protection for the citizens of Kansas. The Department is also a national leader in the research and prevention of agricultural threats, such as Karnal Bunt disease. The agency monitors agriculture product inspection and analysis, weights and measures regulations, and development of water resources. The budget recommended by the Governor for the Department of Agriculture for FY 2006 includes $22,973,412 from all funding sources, $10,485,429 from the State General Fund, $6,644,690 from federal funds, $4,717,222 from fee funds, and $1,126,071 from the Water Plan Fund.

The Governor's Executive Reorganization Order No. 32 transferred certain food programs from the Department of Health and Environment to the Department of Agriculture effective October 1, 2004. The agency is in the process of taking over the functions related to retail food store inspections. Because the agency already had responsibility for the Food Safety and Consumer Program, food inspections were merged into that program.

The Governor recommends $150,000 from the State General Fund for the Republican River Compact Feasibility Study. Because the Lower Republican River Basin has a history of periodic droughts and floods, the study will identify opportunities available to improve utilization of limited water resources and suggest changes in hydrological management. The study is expected to be completed in FY 2007.

Also, the Governor recommends $100,000 from the State General Fund for the Grain Warehouse Program. This amount will allow the program to operate at its current level of expenditure while supporting the rural agricultural economy in the state. The $100,000 from the State General Fund is necessary because the resources in the Grain Warehouse Fee Fund are insufficient to operate the program.

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 2006, the Governor recommends $2,463,485 from all funding sources, including $779,349 from the State General Fund, $1,543,814 from fee funds, and $140,322 from federal funds. In addition, the Animal Disease Program includes the Federal Homeland Defense Federal Grant to assist the Department in detecting and responding to a foreign animal disease if one occurs within the state.

Passage of 2004 Senate Substitute for HB 2593 authorized the Animal Health Department to implement the Animal Identification Program. The agency will structure its program to parallel the existing federal program. This new function will be part of the agency's Animal Disease Control Program. In addition, the Animal Inspections Program has been very active regulating facilities where animals are kept for breeding, selling, and harboring. The level of activity is increasing because of the number of inspections and incidents in which animals are abused.

State Conservation Commission

The State Conservation Commission protects and conserves Kansas' natural resources through the efficient implementation and administration of state programs. A nine-member commission governs the agency, which establishes policy and delegates responsibility for the administration of programs. For FY 2006, the Governor recommends $11,882,477, including $1,146,189 from the State General Fund and $9,558,176 from the State Water Plan Fund. The State Conservation Commission receives more than half of the approximately $17.6 million in State Water Plan Fund dollars that are appropriated annually.

Wind Energy Conservation Easements. The Governor recommends funding of $800,000 in FY 2006 for the Conservation Easement Program. Funding for this voluntary program that protects farm and ranchlands from conversion includes $500,000 from the State General Fund and $300,000 from the Economic Development Initiatives Fund. The Program is designed to assist landowners in purchasing easements based on the appraised value of the land. The USDA Farm and Ranchlands Protection Program (FRPP) provides a share of the appraised value not to exceed 50.0 percent. Either a cooperating landtrust or the State of Kansas may apply for an FRPP contract and, if approved, the cooperating organization may provide a share of the contribution.

Through this program, the state will provide a matching share of the purchase price of the conservation easement. A landowner and local government will make up the remaining portion. The State Conservation Commission (SCC) will administer the program, using state funds for successful applications filed for funding through the federal FRPP. The SCC will also try to fund conservation easement applications that are not eligible for the federal protection program.

Irrigation Transition Program. The Governor recommends State Water Plan funding of $1,310,000 for the Irrigation Transition Program (ITAP) in FY 2006. The State Conservation Commission is developing rules and regulations and will administer the program that was developed as a result of 2004 legislative action. The goal of the program is to purchase and dismiss water rights permanently in state-targeted areas that are experiencing excessive aquifer decline or are in need of stream flow restoration. The ITAP will provide a three-year transition to dryland farming in which limited irrigation is allowed when a landowner is converting irrigated farmland to permanent cover.

Health & Environment—Environment

The Division of Environment of the Department of Health and Environment is organized into five distinct yet interrelated programs, with the goal of improving and protecting the health and environment of Kansans. The FY 2006 recommendation from all funding sources is $65.7 million, of which $9.9 million is from the State General Fund and $4.0 million from the State Water Plan Fund. The budget recommendation includes State General Fund reductions of $146,272 by eliminating 1.00 vacant FTE position in the Bureau of Air and Radiation ($62,633) and reducing instate travel expenditures ($83,639). Approximately 25.0 percent of the Division's revenue is from federal funds, 60.0 percent from fee revenue from regulated industries, and 15.0 percent from the State General Fund.

Clean Air Act Activities. The Governor recommends expenditures of $4.0 million from the Air Quality Fee Fund, $1.2 million in federal funds, and $628,956 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. 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 $6.7 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 recommendation also includes $1.0 million from the State General Fund for the Confined Animal Feedlot Operations Program that issues permits and performs sampling and enforcement activities related to contamination of water supplies from animal feedlots. The recommendation includes $1.5 million in aid payments from the State Water Plan Fund for local environmental protection programs.

Brownfield Revolving Loan Program. The Environmental Protection Agency has implemented the Brownfield tax incentive law to address the issue of contaminated, unused property. This type of property is designated as a "brownfield" site. The program offers tax incentives to groups purchasing these properties who would not otherwise be able to afford the cost of contamination remediation required prior to development. The Governor's budget recommendations include federal funds of $159,583 in

FY 2006. This funding will provide low interest loans to municipalities and nonprofit organizations to perform corrective action at brownfield sites.

Stream Segment II. The Governor recommends extending the expenditure authority for the Stream Segment II project into FY 2006. Currently, the project has a State General Fund appropriation of $557,843 for FY 2005. This funding will allow the Division of Environment to meet the statutory requirements to classify all stream segments for which use attainability analyses (UAAs) had not been conducted prior to October 15, 2002. Currently, there are 2,000 stream segments that have not yet been classified. The agency will enter into contracts to conduct the remaining UAAs that need to be classified by December 31, 2007.

Watershed Restoration & Protection Plans (WRAPS). The Governor recommends expenditures of $800,000 in State Water Plan funds for the WRAPS program to address 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. The initial priority of the program is to evaluate watersheds above federal reservoirs that serve public water supply functions and to develop strategies for the implementation of appropriate plans for specific protection issues.

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 2004 Fair attracted 337,489 people, 1.7 percent lower than the previous year. 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 2006, the Governor recommends expenditures of $6,667,186, which includes $1,550,044 from the State General Fund. The Governor recommends that the revenue transfer of $300,000 from the State General Fund to the State Fair Capital Improvements Fund be resumed in FY 2006 to ensure ongoing maintenance is performed as necessary. The transfer was made to the State Fair for many years until problems with the State General Fund caused it to be terminated in FY 2003.

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 is responsible for developing water resource policy and monitoring the progress of the numerous water resource programs. The Water Authority also makes annual recommendations to the Governor and Legislature regarding State Water Plan Fund expenditures. The FY 2006 Governor's recommendation is $6,347,863, including $1,450,692 from the State General Fund and $2,714,119 from the State Water Plan Fund.

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.

For FY 2006, the Governor recommends $46,145,927 in expenditures, of which $2,857,538 is from the State General Fund. The recommendation supports 406.50 FTE positions and 54.00 temporary positions.

The Department continues to move toward becoming wholly fee funded by developing an alternative funding source for the Parks Program, which the agency hopes to have in place by FY 2006. However, an unusually cool and wet summer and fall left the parks' revenues significantly lower than had been

projected for the current year. To remedy this shortfall, the Governor recommends supplemental funding of $300,000 for FY 2005 from the State General Fund.

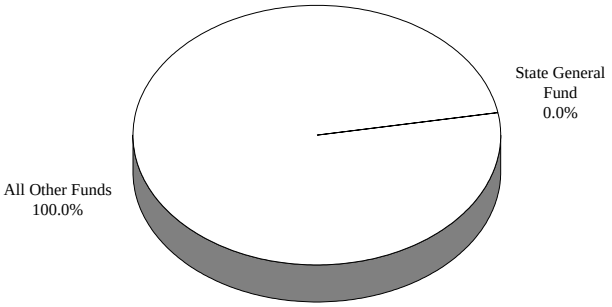
The Department's focus on conserving natural resources and providing recreational opportunities is reflected in its major programs, including the Parks Program and Grants-in-Aid. The Parks Program manages the Prairie Spirit Rail Trail and 24 parks.

Grants-in-Aid. The Governor recommends approximately $1.6 million from a combination of federal funds and state fee funds in FY 2006 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) is the only agency in the Transportation function. The Department is responsible for maintaining and improving the state highway system, which contains more than 10,000 miles of roadways. It also provides planning, design, project development, and financial assistance to local governments to improve the overall quality and safety of local streets and roads. The agency uses the Comprehensive Transportation Program (CTP) as its model for determining the best course to accomplish these initiatives.

How It Is Financed



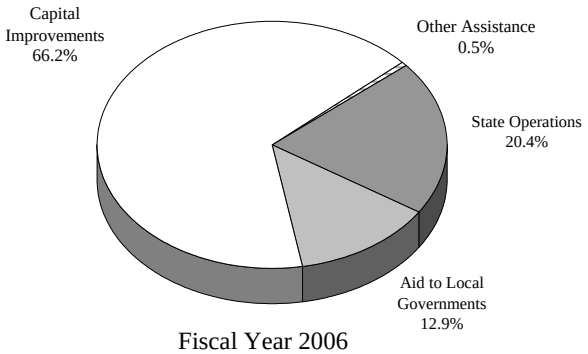
Fiscal Year 2006

The Governor recommends a total of $1,192,665,623 in FY 2005 and $1,372,872,485 in FY 2006. The State Highway Fund will fund the majority of these expenditures for both fiscal years, with $920,503,592 and $1,060,139,818 being spent in FY 2005 and FY 2006, respectively. The recommendations also include a transfer of approximately $4.2 million in FY 2005 from the State Highway Fund to the State General Fund for savings found within the agency's approved budget.

Transportation Financing

Financing for activities of the Department 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.

How It Is Spent



Fiscal Year 2006

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 fund balances. The FY 2005 State General Fund transfer to the SCCHP is reinstated as a $10.1 million revenue transfer and is continued at the same level in FY 2006.

Kansas Department of Transportation

Expenditures

FY 2005. The revised estimate of expenditures for FY 2005 reduces the budget approved a year ago by $4,194,134. This amount is derived from savings in two categories of the budget. One is a reduction of $671,411 in operating expenditures, and the other is a reduction of $3,522,723 in the estimated cost of improvements to KDOT's own buildings. The Governor recommends that these savings, all of which are from the State Highway Fund, be transferred to the State General Fund.

FY 2006. The Governor recommends FY 2006 expenditures of $1,372.6 million. This total represents an increase of $180.3 million when compared to the revised FY 2005 estimates. The size of the increase is the result of a large number of scheduled projects being let in FY 2006 compared to those undertaken in FY 2005. Although most of the increase is in construction, the Governor's budget recommendation increases KDOT's operating budget by approximately $6.9 million.

One of the increases for FY 2006 is $2.7 million in capital outlay for the purchase of passenger cars and trucks. The remainder of the increase is funding for the extra pay period in FY 2006 as well as the Governor's recommended salary increase. The recommendation also includes monies for the agency's buildings program of approximately $3.6 million. Projects included in the program include rehabilitation and repair, replacement of roofs on existing buildings, construction of equipment storage sheds, and miscellaneous renovation projects.

Under the Governor's recommendation in FY 2006, the Department of Transportation will repair more than 3,225 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 89.0 percent of all highway miles will be rated as having a "good" or "acceptable" surface condition in FY 2006. In addition, the Department will maintain bridges so that 85.0 percent of all bridges meet traffic demands and will be rated as structurally sound.

Comprehensive Transportation Program

The 1999 Legislature enacted a 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 the four categories of improvements that were used during the Comprehensive Highway Program that ended in FY 1998: substantial maintenance, major modification, priority bridge projects, and system enhancements.

Comprehensive Transportation Plan Construction Costs
(Dollars in Thousands)

	FY 2004	FY 2005
Routine Maintenance	120,055	123,875
Substantial Maintenance	99,326	107,604
Major Mods.-Priority Bridge	564,017	507,164
System Enhancements	106,871	117,867
Total	$890,269	$856,510

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

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

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

Priority bridge projects replace or rehabilitate substandard bridges on the state highway system.

Substandard bridges are those in deteriorated condition, with deficiencies in load carrying capacity or that are too narrow.

Program Status. When the Comprehensive Transportation Program 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, because of these financial problems, 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. Finally, the State General Fund transfer was eliminated entirely by the 2004 Legislature, even though the repayment schedule for FY 2007 is still legally in place.

With the loss of 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.

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. These bonds will be repaid through an appropriation from the State General Fund in the Department of Administration.

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. Besides additional bonding authority, the agency was also 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 $51.5 million in FY 2007 and $167.0 million in FY 2008.

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 activities 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 2006 for approximately $33.6 million.

These measures leave the CTP with an estimated positive ending balance of $16.0 million 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.

KDOT Cashflow

(Dollars in Thousands)

	2003	2004	2005	2006	2007	2008	2009	Total FY 00-2009
Beginning Balance	826,877	719,141	560,187	518,454	211,202	220,398	246,028	559,875
Revenues:								
SGF Sales Tax Transfer	--	--	--	--	--	--	--	208,237
All Other Receipts	1,118,580	1,024,430	1,090,531	1,074,012	1,242,386	1,386,356	1,389,136	11,228,746
Subtotal	$ 1,118,580	$ 1,024,430	$ 1,090,531	$ 1,074,012	$ 1,242,386	$ 1,386,356	$ 1,389,136	$ 11,436,983
Net from Bond Sales	2,043	258,770	347,900	--	--	--	--	1,289,011
SGF-Backed Bond Revenues	--	--	--	--	100,000	50,000	--	150,000
Total Receipts	$ 1,120,623	$ 1,283,200	$ 1,438,431	$ 1,074,012	$ 1,342,386	$ 1,436,356	$ 1,389,136	$ 12,875,994
Available Resources	$ 1,947,500	$ 2,002,341	$ 1,998,618	$ 1,592,466	$ 1,553,588	$ 1,656,754	$ 1,635,164	$ 13,435,869
Expenditures:								
Maintenance	245,076	303,811	317,909	325,047	332,096	343,515	355,942	3,013,550
Construction	474,516	631,290	604,402	471,568	403,779	456,129	444,169	4,816,330
Modes	21,719	19,515	22,212	18,754	19,769	20,892	21,284	186,612
Local Support	247,989	258,461	269,962	278,836	279,819	287,557	288,960	2,654,648
Management	53,001	58,599	64,597	64,827	69,997	77,760	76,290	624,170
Transfers Out*	67,548	87,658	90,760	92,908	94,342	96,890	99,698	771,575
Subtotal	$ 1,109,849	$ 1,359,334	$ 1,369,842	$ 1,251,940	$ 1,199,802	$ 1,282,743	$ 1,286,343	$ 12,066,885
Debt Service	118,511	82,820	110,321	129,324	133,388	127,983	128,291	1,148,454
Total Expenditures	$ 1,228,360	$ 1,442,154	$ 1,480,163	$ 1,381,264	$ 1,333,190	$ 1,410,726	$ 1,414,634	$ 13,215,339
Ending Balance	719,141	560,187	518,455	211,202	220,398	246,028	220,530	220,530
Minimum Ending Balance Requirement**	132,250	157,858	198,487	201,911	203,747	203,386	204,526	204,527
Available Ending Balance	586,891	402,329	319,968	9,291	16,651	42,642	16,004	16,003

* *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.

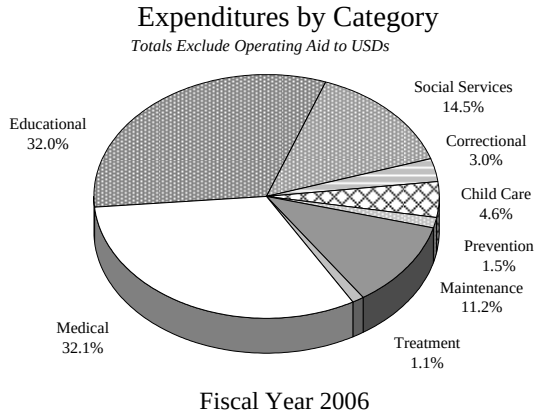
Funds allocated by statute for distribution to specific programs.

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.

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

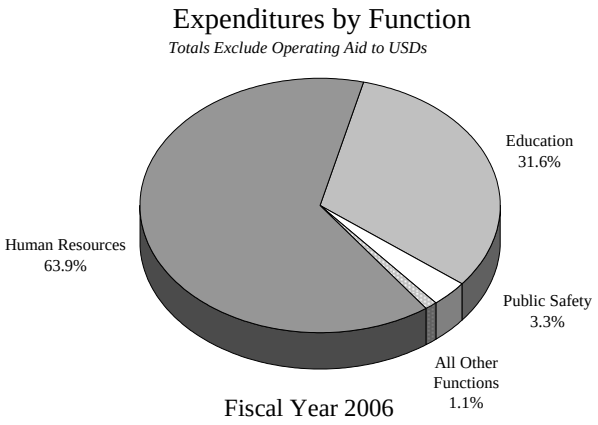


Medical & Health Services. Medical services are provided through several state and federally-funded programs. For example, the Medicaid Program makes reimbursements for medical services provided to eligible patients. The HealthWave Program serves eligible children in the state. Expenditures for medical and health services make up 32.1 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 32.0 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 14.5 percent of 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), foster care, adoption, and permanent guardianship. Maintenance services make up 11.2 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 4.6 percent of the Children's Budget.

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

Correctional activities make up 3.0 percent of the Children's Budget.

Prevention Services. These programs reduce the need for services that remove a child from the home and, if possible, avoid institutionalization. An example of this category of service is preventive health services provided by the Department of Health and Environment, which includes services delivered through local health departments. Prevention services make up 1.5 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 settings are now being provided services through community programs and the Home and Community-Based Services Waiver Programs. Institutional and treatment services make up 1.1 percent of the Children's Budget.

Following is a description of children's programs by agency that are included in the Governor's recommendations. The program descriptions contain only approximate levels of funding in many cases. The table following these descriptions contains precise funding amounts.

General Government

In the General Government function, the major program expenditures for the benefit of children are related to the support of juveniles involved in judicial actions and administration of the child support enforcement efforts of the district courts. General Government expenditures included in the Children's Budget total $18.8 million, of which $9.1 million is from the State General Fund.

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 2006.

Banking Department

Credit Counseling. The Banking Department will spend $45,000 to finance credit counseling for families in FY 2006. 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 2006.

Drug Free Schools. These programs focus on the eradication of drug use in schools and communities. The Governor's Office will administer approximately $760,000 for the benefit of approximately 13,000 children.

Rape Prevention & Education. Rape crisis intervention and rape prevention services are provided by numerous local agencies across the state. These programs provide educational programs to prevent rape. The Governor will administer approximately $350,000 to be spent through this federal grant program in FY 2006.

Victims of Crime Act. This program funds local governments and not-for-profit agencies that provide direct assistance to crime victims. For FY 2006, the Governor recommends expenditures of $850,000 from this grant program. The program is anticipated to benefit 7,500 children.

Child Visitation Centers. The Governor will administer approximately $99,000 for FY 2006 for 900 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 & Law Enforcement 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 $680,000 for FY 2006. This program will benefit an estimated 9,500 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 2006 for approximately 5,000 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 2006, the Governor recommends expenditures of $237,288 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 2006, the Governor recommends $59,563 from the State General Fund for this program.

Abuse & Neglect Programs. The Governor's budget includes $625,288 for FY 2006 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 $125,000 from the State General Fund in FY 2006 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 2006, the Governor recommends $1,219,288 from all funding sources to implement programs for domestic abuse victims and their dependents.

DARE Program Coordination. The Governor recommends $73,737 in FY 2006 for coordination of the DARE (Drug Abuse Resistance Education) Program, which was funded through federal grants through FY 1999. The program was funded by the Children's Initiatives Fund in FY 2000, by agency fee funds in FY 2001, and by the State General Fund beginning in FY 2002.

Judiciary

Permanency Planning. The Kansas Supreme Court has adopted specific missions and standards for Court-Appointed Special Advocates (CASA). Under Rule 110 of the *Rules Relating to District Courts*, the Supreme Court has authorized and encouraged CASA programs to provide volunteers to assist the district courts. The programs allow the court to appoint a volunteer who becomes acquainted with the particular facts, conditions, and circumstances affecting the welfare of any child who comes before the court. The volunteer is to advocate for the best interests of the child by assisting the court in obtaining the most permanent, safe, and homelike placement possible. For FY 2006, expenses of $719,009 from all funding sources are anticipated. Additional training expenses are provided through the Judicial Branch Education Fund for conferences, which include topics for the judicial staff on foster care and child advocacy.

Child Support Enforcement. Since 1985, the Office of Judicial Administration has maintained a program to fulfill and enforce state and federal legislation, rules, and regulations related to child support enforcement. The office works with the Department of Social and Rehabilitation Services to develop and maintain an automated management information system (MIS) to provide accounting and recording services. Information from the MIS is provided by the clerks of the district courts. The Office of Judicial Administration also provides administrative oversight

of court trustee programs. For FY 2006, expenditures are identifed at $2,148,461. In addition, expenditures will be made from the Judicial Branch Education Fund for training child support enforcement personnel.

Court Services. Court services officers assist judges through the gathering of information and by performing investigations in areas other than the criminal justice system. The principal duties of the officers include reintegration planning for children in need of care for cases not placed with SRS; investigation of custodial arrangements for children involved in divorce actions; mediation services as directed by the court in child custody and visitation matters; predispositional investigations in juvenile offender cases; supervision of juvenile offenders as ordered by the court; and supervision of children in need of care as directed by the court. For FY 2006, expenditures of $9,410,832 are identifed 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 2006, the Governor has identified expenditures of $189,081 for this program.

Human Resources

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 2006 totals $1,177.7 million, including $323.0 million from the State General Fund.

Social & Rehabilitation Services

Child Support Enforcement. This program collects financial support owed to custodial parents. Expenditures of $24.0 million will continue the state's efforts at collecting support for an estimated 148,316 children in FY 2006.

Temporary Assistance for Families. The Governor's budget includes expenditures of $82.4 million in FY 2006 to provide cash assistance to eligible families with children. Such children have been deprived of parental support because of the death, absence, incapacity, or unemployment of a parent. An estimated 49,016 families will be served in FY 2006.

Family Energy Assistance. Through the federal Low Income Energy Assistance Program, funds are available to help families meet their energy needs. Benefits vary according to criteria, including household size, income level, dwelling type, and utility rates. A total of $5.7 million is estimated to be available for FY 2006. An estimated 23,500 families will be served.

Employment Programs. These programs provide training services to families of vulnerable children. The programs are available to parents receiving food stamps. The Governor recommends $81,576 for FY 2006. The programs will provide services to 1,697 families.

Child Care Services. In conjunction with employment preparation services, child care services are available to parents participating in SRS job preparation programs. Child care services are also available to foster care families and to assist parents in the first year of employment after leaving welfare. SRS estimates that 34,813 children will be served under the Governor's budget in FY 2006, with funding totaling $67.4 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 2,790 families in FY 2006.

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 2006, $1.7 million is recommended.

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 $3.6 million for FY 2006 to provide services to 1,908 families.

Foster Care. Foster care services are provided to children and families when the court has found a child to be in need of care. Most children in foster care have been abused or neglected and require a variety of services to meet their developmental, emotional, and physical needs. Private contractors arrange case planning, residential placement, and medical and mental health services. The contractors also work with communities to coordinate services for children in foster care. For FY 2006, the Governor recommends $77.1 million to provide foster care to 3,578 children each month. The recommendation includes $42.4 million from the State General Fund. Expenditures for medical care that were previously reported in this program are now included in the Medicaid Regular Medical Program.

Adoption. The adoption program contracts with the Kansas Children's Service League to identify adoptive families for children in the guardianship of SRS for whom no family exists or for whom parental ties have been legally terminated. The Governor's FY 2006 recommendation totals $25.7 million, including $13.2 million from the State General Fund, to serve 1,589 children each month. Expenditures for medical care that were previously reported in this program are now included in the Medicaid Regular Medical Program. The Governor also recommends $320,200 from federal funds to promote permanent guardianship. The program encourages individuals to become legal guardians for children eligible for adoption.

Adoption Support. SRS provides payments to adoptive families to help in meeting the special needs of children. Subsidies can include one-time payments for legal fees or ongoing payments for a child's medical or developmental needs. The budget recommendation includes $19.3 million, including $9.4 million from the State General Fund, to provide support for 5,826 families each month in FY 2006.

Child Care Grants. The Department works to improve the quality and availability of child care in Kansas. Quality child care is promoted by providing grants to public agencies, non-profit agencies, and private employers to establish child care for employees. Grants are also offered to improve training and reward innovation in early education programming. The Governor recommends $3.0 million in FY 2006 to improve child care.

Kansas Early Head Start. The purpose of this program is to enhance children's development, enable parents to be better care givers and teachers, and help parents meet their own goals of self-sufficiency. Early Head Start provides comprehensive early intervention services, including health care, nutrition, social services, parental involvement, and child care. The Governor recommends $7.9 million to serve 825 children in FY 2006.

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 $3.2 million to serve 2,774 children in FY 2006.

Juvenile Justice Programs. SRS provides federal funding through Medicaid for children in the custody of the Commissioner of Juvenile Justice. The Juvenile Justice Authority budgets the State General Fund matching dollars, and the federal funds are transferred between agencies for medical services. The Governor's recommendation for SRS includes $15.9 million in federal funding for Juvenile Justice in FY 2006.

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 2006 is $9.4 million.

Food Stamp Program. The Food Stamp Program provides benefits to families with income less than 130.0 percent of the federal poverty level. The benefits are funded entirely by federal funds and are not included in the state budget, but are recorded here for complete reporting. SRS estimates the total cost of benefits for 63,096 families at $150.0 million in FY 2006.

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 $254,785 from the State General Fund, for these services in FY 2006.

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 2006, $5.3 million is recommended to provide treatment to 2,630 children and 2,300 families.

Prevention Services. Prevention services for children, youth, and families are delivered statewide through community-based programs in five service delivery regions. For FY 2006, 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 2006. The funding supports children's services at the community mental health centers. The Governor's recommendation will serve approximately 1,000 children in FY 2006.

Mental Health Reform. The Governor recommends funding of $3.6 million from the State General Fund in FY 2006 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 2006.

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 2006 for community mental health centers to implement programs that assist children and youth suffering from severe emotional disturbances. The recommendation, serving a population of 2,315, 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 2006. 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 2006 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 2006 at a cost of approximately $16.9 million. The recommendation includes a State General Fund Medicaid match of approximately $6.7 million.

Medical Assistance/Healthwave. Government-funded medical services are available to children who meet a variety of qualifications. Services are provided through Medicaid and HealthWave. During FY 2002, SRS combined the two programs to serve children in a variety of income levels under a similar benefit package. All children receiving Temporary Assistance to Families are eligible. In addition, the program serves children under age ten with family income below the poverty level and children under age five whose family income falls below 133.0 percent of the poverty level. Infants less than one year old may receive benefits if family income does not exceed 150.0 percent of the poverty level. Other children may also be eligible for services depending on income and disability. In FY 2006, 355,232 children will receive medical services, which totals $563.0 million.

Kansas Neurological Institute

Residential Treatment, Education & Training Services. In FY 2006, Kansas Neurological Institute will no longer have 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 2006, the Governor's recommendation includes $1,665,631, with $1,134,526 from the State General Fund. This recommendation provides staff and support services for an adolescent population of 105.

Inpatient Services for Children. Mental health services have been 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 2006, the Governor recommends $682,115, with $464,616 from the State General Fund. This recommendation provides staff and support for a population of 43 children.

Special Education Program. Regular and special education services are provided to all children and adolescents in the psychiatric programs. For FY 2006, $584,865 is recommended to fund educational services for 148 children. Of that amount, $13,621 is from the State General Fund.

Parsons State Hospital & Training Center

Residential Treatment, Education & Training Services. Parsons State Hospital estimates it will treat 22 children with developmental disabilities in FY 2006. For these services, the Governor recommends funding of $2,941,121, including $974,388 from the State General Fund and the balance from federal Medicaid monies and fees collected from the children's families.

Special Purpose School. Special education services are provided to school-aged residents of Parsons State Hospital through a contract with the Southeast Kansas Regional Educational Service Center (USD 609). For FY 2006, $258,887 is recommended from the State General Fund for educational services for 32 residents.

Employee Child Care. Reduced-cost child day care is available at Parsons State Hospital to state employees in the Parsons area. A nonprofit corporation operates the child care services in a state-owned building, with utilities and maintenance provided by the state. The Hospital will contribute $7,505 to defray operating costs in FY 2006. Of that amount, $2,486 is from the State General Fund. The facility expects to serve 200 children in FY 2006.

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 2006, and it is estimated that 250 people will be served.

Rainbow Mental Health Facility

Inpatient Services. The Governor's budget recommendation of $1.4 million in FY 2006 will provide evaluation and treatment services to an estimated 180 adolescents and children. The program emphasizes the specific needs identified in individualized treatment plans and is funded through federal Medicaid monies.

Special Education Program. Regular and special education services are provided to all children and adolescents in the psychiatric programs. For FY 2006, $211,538 from the State General Fund is recommended to fund educational services for 180 school-aged patients.

Department of Health & Environment

Mothers & Infants Program. Prevention of infant mortality, child abuse and child neglect are the goals of this program, which will serve approximately 12,600 families during FY 2006. 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 $3.3 million is provided in the FY 2006 budget for this program.

Adolescent Health. Funding of $176,744 will provide a variety of health services to approximately 2,000 youths through school-linked clinics, residential maternity homes, and teen pregnancy prevention projects in FY 2006.

Healthy Start/Home Visitor. This program supports nurses and supervised lay visitors in providing early identification of high-risk expectant families and families with newborns. Intervention services include support, education, and referral to reduce the incidence of poor pregnancy outcomes, child abuse, and neglect. The Governor's recommendation for FY 2006 provides $939,047 for the program. It is estimated that this level of funding will provide early intervention and support for 16,800 families.

Child Health Program. This program is designed to optimize the health of Kansas children through preventive and primary care services in communities. Infants, preschoolers, and school age children receive well-child checkups, immunizations, physical examinations, hearing and vision screenings, and referrals to private physicians. An amount of $723,990 will provide services to 26,800 children in FY 2006.

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 6,000 individuals with funding of $101,115 in FY 2006.

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 $2.1 million will service 51,650 families in FY 2006.

Teenage Pregnancy Prevention. The goals of these programs are to reduce long-term welfare dependency and the negative consequences of teen pregnancy. Funding of $719,961 is recommended to provide primary and secondary pregnancy prevention services to approximately 21,000 Kansas teenagers.

Abstinence Education. Funding of $154,426 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 6,000 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 12,000 children with the expenditure of $2.4 million for FY 2006.

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 140,000 children in FY 2006 with expenditures of $4.8 million.

Child Lead Poisoning Prevention. The Department seeks to increase public awareness and education about lead poisoning prevention as well as to maintain a statewide infrastructure for childhood lead poisoning case management and reporting. Funding of $927,396 in FY 2006 will provide education and awareness, benefiting approximately 31,460 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 2006.

Migrant & Refugee Health. Primary care services are provided to seasonal farm workers, refugees, and their families. Federal funding of $165,000 will provide preventive, acute, and chronic care services to 1,170 families in FY 2006.

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 year of age who are at nutritional risk. Approximately 113,500 family members will benefit from the programs. For FY 2006, expenditures will be approximately $36.6 million.

Infants & Toddlers. An amount of $5.8 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 6,095 children for FY 2006.

Health & Prevention Projects. Funding is provided for education and screening programs directed at helping to prevent cardiovascular and related diseases, including early detection screenings, prevention of risk factors, and referral for treatment. For FY 2006, $42,900 will provide these services to an estimated 20,000 families.

Immunizations. Halting the spread of preventable diseases is the goal of this program. The Department provides Diphtheria-Tetanus-Pertussis vaccine, Inactivated Polio vaccine, Measles-Mumps-Rubella vaccine, and other vaccines to local health departments for the immunization of infants, children, and adolescents. An estimated 345,694 children will receive state-supported immunizations through expenditures of $969,598 in FY 2006.

Department of Labor

Child Labor Enforcement & Presentations. Child labor laws are enforced by the Department and workers compensation accident reports that concern minors are reviewed. In addition, presentations are made to employers regarding the type of work that minors are allowed to perform, as well as other information relating to employing minors. The Department expects to serve 1,362 individuals through these programs in FY 2006 at a cost of $4,000 from the State General Fund.

Education

By far the largest expenditures for children's programs occur in the Education function. They total $2.8 billion, or 69.0 percent, of the recommended expenditures for children's programs for FY 2006. The recommendations include major expenditures of $2.2 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 443,000 children in the state's 301 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 $2.2 billion in FY 2006. Federal aid totaling $138.0 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 paid by this state aid program, totaling $56.2 million in FY 2006. 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.

Nutrition Services. The U.S. Department of Agriculture administers several nutrition programs in

which federal funds totaling $113.2 million in FY 2006 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 520,000 people and provides a $2.5 million match for the available federal funds.

Special Education Services. The state distributes $356.2 million in aid for special education services to school districts to help pay the transportation and other costs associated with educating 83,375 students with special needs and students identified as gifted. Federal funding to assist with the costs of these special education services is estimated at $101.6 million in FY 2006.

Vocational Education. Approximately $5.5 million will be distributed by the Department of Education to Kansas schools in order to integrate academic, technical, and workplace skills in secondary and postsecondary programs in FY 2006.

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 2006 to serve 17,125 children and their families.

Other Aid to Schools. Schools are provided a combined $4.8 million from various sources to support safety education, drug abuse education, and other special programs for FY 2006.

School for the Blind

For FY 2006, the Governor recommends $5,350,817, including $4,845,672 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 165 students in FY 2006. 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 $9,332,355 from all funding sources, including $7,907,019 from the State General Fund, for operating expenditures and capital improvements. The School is staffed by 173.50 FTE positions who provide services to the students. Enrollment for the School during the regular and summer term is projected to be 190 in FY 2006. 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

The Governor recommends $418,860, including $9,750 from the State General Fund, in FY 2006 for several programs at Emporia State University. These programs provide preschool, child development, and reading-related services to approximately 731 children. Of that amount, $355,038 is for the University's Child Development Center. The Center provides care for children of faculty, staff, and students.

Fort Hays State University

Several programs are planned for FY 2006 at Fort Hays State University. These programs include child

care, speech and hearing diagnostics, as well as reading-related services to approximately 785 children. The Governor recommends $636,760 for these programs. Included in this amount is $233,120 from the State General Fund for the Herndon Speech, Language, Hearing Clinic which provides diagnostics and treatment to the children living in western Kansas.

Kansas State University

Hoeflin Stone House Day Care. The Governor recommends $265,000, including $102,471 from the State General Fund, in FY 2006 for the Hoeflin Stone House Day Care Center. The center will provide day care services for 28 children.

Early Childhood Laboratory. The Early Childhood Laboratory integrates children who exhibit a broad range of physical, intellectual, or emotional challenges with children who do not have disabilities. The group consists of 44 children, one third of whom have disabling conditions. The Governor's budget recommendation for FY 2006 is $90,000, 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 2006, the Governor recommends $280,000, including $193,078 from the State General Fund, to provide these services to 350 families.

Dispute Resolution Training & Family Preservation. The University provides services to the Department of Social and Rehabilitation Services. Training in family dispute resolution that will develop skills of SRS staff at a cost of $600,000. It is estimated that this service will reach 1,000 families.

Kansas Child Care Training, Inc. The Governor recommends $145,000, including $28,243 from the State General Fund, in FY 2006 for the Kansas Child Care Training Opportunities Program. The program provides in-service training opportunities to child care personnel in licensed or registered child care facilities.

Speech & Hearing Center. The Center assists 265 children who exhibit speech and language delays or hearing impairments. The recommendation for FY 2006 is $290,000, 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. The other is a kindergarten child care program supported by USD 383 and KSU's School of Family Studies and Human Services. The program provides a developmentally appropriate, comprehensive care and education service. In FY 2006, the programs will provide services for 62 children at a cost of $83,000, including $9,224 from the State General Fund.

Infant Program. The program makes childcare available for infants, ages six weeks to 18 months. It also provides experience for students and Head Start teachers throughout Kansas. In FY 2006, the program is expected to serve 40 children at a cost of $100,000, including $6,073 from the State General Fund.

Kansas State University—ESARP

Cooperative Extension Programs. The FY 2006 recommendation is $9,699,700, including $3,004,500 from the State General Fund, for a variety of programs. The mission is to deliver education programs for parents and other persons who influence youth to develop responsible decisionmaking skills, a concern for the community, an inquiring mind, a positive self-image, as well as interpersonal relationship and communication skills. In addition to strengthening families, the Extension Service provides nutrition and health information to families and works at the local level to establish coalitions and interagency councils. These and other 4-H programs will serve 826,300 Kansans.

Pittsburg State University

Funding of approximately $200,745, including $18,400 from the State General Fund, is recommended for children's services in FY 2006. These programs provide a variety of athletic and academic programs for approximately 21,793 school children. The academic programs include special education as well as language and reading.

University of Kansas

Hilltop Child Development Center. The Governor recommends $1,385,768, including $1,768 from the State General Fund, in FY 2006 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 Human Development and Family Life and provides day care services to 75 children. The recommendation includes $219,158, including $75,925 from the State General Fund, for the Center in FY 2006.

KU Center on Developmental Disabilities. The Infant and Toddler Program coordinates various activities for children and toddlers with developmental disabilities. For FY 2006, the Governor recommends $18,000 in special revenues to continue this program.

Parsons Outreach Clinic. The emphasis of this clinic is on making available diagnostic and treatment services to Southeast Kansas. The program, at a cost of $2,000 from special revenues in FY 2006, 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 satisfy the demands of a rural, sparsely populated area for child care resources and referrals. The program serves approximately 900 children at a cost of $65,000 in special revenue for FY 2006.

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 promote the functional skills of 1,292 young Kansans who have a disability or chronic disease. The Medical Center will spend $147,597 from special revenue funds in FY 2006 on this program.

Child Development Unit. Assessment services will be provided for children through the Child Development Unit at an estimated cost of $14,955 in special revenue for FY 2006. This program tracks over 1,530 children and families as they transition through the Neonatal Intensive Care Unit and other services.

Facial Rehabilitation & Spina Bifida Clinics. The Sutherland Clinic will provide evaluations, treatment, and follow-up services to 125 children with craniofacial anomalies. The Clinic provides one-stop centralized services. Also, 90 children will be served by a spina bifida clinic. These two services will be provided at a projected cost of $60,755 in FY 2006 from special revenues.

Cystic Fibrosis Grant. The Medical Center's Cystic Fibrosis Center will provide services to 292 children. The total cost of these services will be $26,630 from special revenues in FY 2006.

Pediatric Consultation Services & Seizure Clinic. The University's Children Center provides 180 pediatric consultation for Special Health Services at a cost of $10,760 from special revenue in FY 2006. In addition, the staff pediatricians provide training courses for physicians, nurses, and other health care professionals who treat children with special health care needs. A pediatric seizure clinic provides ongoing, outpatient clinical services, educational services, and counseling services for 1,000 children with seizures. This clinic will receive $19,200 from special revenue under the Governor's budget recommendations in FY 2006.

NICU Follow-Up Clinic. Established in 1983, this Neonatal Intensive Care Unit clinic serves premature infants or full-term babies who experienced difficulty in the neonatal period. These babies, having been released from the hospital, no longer need the services of a neonatologist but continue to be at risk for developmental problems.

Project EAGLE. A grant by the federal Department of Health and Human Services provides family preservation and support services in Wyandotte County. The project, an Early Head Start Program, works with 160 children to improve the lives of the children and families at a cost of $2,132,272 in FY 2006.

KC Healthy Start. This community-based program is designed to reduce infant mortality by 50.0 percent and improve the health and well-being of women, infants, children, and families in Jackson and Wyandotte Counties. The Governor recommends $150,000 in federal funding for 120 children in FY 2006.

PKU & Sickle Cell Screening Program. The screening program provides neonatal screening for congenital hypothyroidism and phenylketonuria to allow early detection and treatment of these diseases that can result in mental retardation. The program also includes galactosemia. Sickle cell screening provides for the early detection of congenital diseases of the blood. The 1,700 screenings will cost an estimated $73,982 in FY 2006.

Teen Pregnancy Case Management. 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 completion of goals related to basic education and training. The Governor recommends that $190,922 be spent from special revenues in FY 2006 on the program.

Other Services Provided on Request. The Medical Center also provides a variety of services to children on a fee-for-service basis. Pediatric residents are trained to determine eligibility for Social Security income; infants referred from the neonatal intensive care unit to the community are evaluated; parents are instructed in the proper use of child safety seats; new mothers are advised on breastfeeding; and children with hearing impairments are evaluated.

Wichita State University

Economic Education. The Banking Department transfers $70,000 to the Kansas Council on Economic Education, which enables the Council to educate elementary and secondary education teachers on effective teaching practices on the subject of consumer economics in FY 2006. Students will then be taught by teachers who have benefited from this training.

Child Development Center. The recommendation includes $664,207 for the Child Development Center in FY 2006 from special revenues. This Center provides day care services to 96 children of University students, faculty, and staff. The Center also provides services to the general Wichita community when space is available.

Upward Bound Programs. The Governor recommends $698,267 in FY 2006 from special revenues for the Upward Bound Programs. The programs help low-income, first generation, and disabled students from the Wichita public school system improve their study skills. School drop-outs who plan to return to school are also eligible to participate. The programs will assist 600 students in FY 2006.

Building Up Dreams in Urban Youth. This mentoring program serves the Wichita community by pairing WSU student mentors with 22 at-risk children in grades kindergarten through five. The University's budget includes $500 from special revenues for this program in FY 2006.

Health Screenings & Public Health Services. Nursing students and faculty provide health screenings for elementary age children at selected schools each academic year. In addition, health education presentations are provided for children at nine elementary schools. Donated and in-kind services equate to $7,753 from the State General Fund in FY 2006. In addition, nursing students give assistance in school health rooms in the Wichita, Maize, Valley Center, and Derby schools, as well as the Wichita Healthy Children Center. This assistance involves 7,000 children a year.

Project Discovery. Project Discovery identifies eligible students in the Wichita area and Southeast Kansas and supports them in the pursuit and completion of a post secondary education. The Governor's recommendation of $524,703 from federal sources will provide services to 1,500 youth in FY 2006.

Speech-Language-Hearing Clinic. The Governor's recommendation includes $482,705, including $89,503 from the State General Fund, for this program in FY 2006. The Clinic provides diagnosis and treatment to children who have speech, language, and hearing disorders. Faculty and professional staff of the

Department of Communicative Disorders and Sciences manage the clinic, which will treat 2,020 children in FY 2006.

Heskett Athletic Center Children's Activities. The recommendation includes $74,000, including $20,000 from the State General Fund, in FY 2006 to continue the activities involving 6,800 children by the Heskett Center. The Center offers programs to the children of University faculty, staff, and students. Activities include swimming lessons, gymnastics instruction, and many other recreational activities. The Center also hosts the National Youth Sport Program, which is a five-week program offered to 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 a U.S. Department of Education-funded educational support program serving K-12 students who are foster or adoptive care students and limited income. Services include tutoring, family workshops, cultural events, academic counseling, mentoring, field trips, career explorations, test preparation, and scholarships. The program will serve 4,000 children at a cost of $2.0 million.

Dental Hygiene Clinic. The Department of Dental Hygiene operates a treatment clinic that will serve approximately 1,800 children in FY 2005. Services include dental examinations, radiographs, floride treatments, and oral hygiene instructions. The Governor recommends $40,686, including $36,379 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-2 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 2006 and will serve 600 children.

Physician Assistant. The Governor recommends $15,600 from all funding sources 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 WSU Cooperative Education Project for Teacher Education Majors is designated to provide $12,384 in financial assistance from special revenues in FY 2006 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 500 students struggling to learn reading or math.

Communities in Schools. The WSU Cooperative Education Partnership with Communities in Schools provides WSU students from the social sciences the opportunity to work with at-risk children in a school setting. The program provides financial assistance to WSU students to help with their academic course work at the University. Funding of $10,584 in special revenues is recommended for FY 2006. The program supports community efforts already in place to intervene effectively with 1,000 at-risk elementary and secondary students. WSU students work with Communities in Schools staff to identify the needs of at-risk students and their families and connect them with available community resources.

Health Career Pathways Program. Faculty from the college's professional health programs, including emergency medical services, provides on-site presentations at West High School in Wichita. The faculty introduces the students to their professions and informs them about the education and skills that are required to be successful. The program will serve approximately 550 students in FY 2006 at a cost of $9,867.

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 850 students in FY 2006 at a cost of $17,230.

Kansas Arts Commission

The Kansas Arts Commission provides grants and technical assistance to various artists and arts organizations throughout the state to enrich children's arts appreciation. The Governor recommends $1,529,011 from all funding sources for FY 2006, with $1,173,633 from the State General Fund, to generate and extend children's arts programming. Funding is primarily from State General Fund appropriations and grants from the National Endowment for the Arts. The Commission expects to serve 77 counties in FY 2006 and serve approximately 1.6 million children across the state. The number of children served has increased by over 1.0 million as compared to previous years. This large difference is the result of the agency changing 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 programs and 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 85,000 children in FY 2006. The Governor recommends a total of $20,150 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 2006, the Governor recommends a total of $1,265,679 from all funding sources, including $1,220,679 from the State General Fund, for distribution through grants to pubic 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.

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 $61.0 million constitutes 1.5 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 $25.5 million, including $15.0 million from the State General Fund, for children's programs in FY 2006. Reductions to the agency's request were made in operating expenditures at the Juvenile Justice Authority central office, Atchison, Larned, and Beloit.

Funding is recommended to help communities continue to develop and implement 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 works to determine the needs of juveniles and facilitate interventions and remedies through referral to community resources. Case management services are for juvenile offenders who do not need placement in a restrictive correctional setting or intensive supervision, but do need some supervision and additional community support services. 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 younger male offenders generally between the ages of 10 and 16. The Facility continues to offer structured activities, including education, recreation, and counseling for rehabilitation of the juveniles. For FY 2006, the Governor recommends $6,305,097, including $6,075,402 from the State General Fund.

Beloit Juvenile Correctional Facility

The only facility that houses female juvenile offenders is the Beloit Juvenile Correctional Facility. Rehabilitation of juveniles is provided through education, recreation, and counseling services. For FY 2006, the Governor recommends $4,898,757, including $4,609,697 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 2006, the Governor recommends $8,070,962, including $8,012,838 from the State General Fund.

Topeka Juvenile Correctional Facility

The Topeka Juvenile Correctional Facility has traditionally housed the state's most serious and violent offenders. Juveniles committed to the Facility receive academic and vocational education as well as counseling and recreation. For FY 2006, the Governor recommends $15,821,791, including $15,236,547 from the State General Fund. This recommendation includes merging the Topeka Juvenile Correctional Facility and the new Kansas Juvenile Correctional Complex. The offenders and staff at Topeka Juvenile Correctional Facility will be moved into the new maximum facility by the end of FY 2005. This will allow the state's most violent offenders to be housed in a more secure setting.

Adjutant General

The Governor recommends $460,000 in FY 2006 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 3,500 children in FY 2006.

Agriculture & Natural Resources

The Governor recommends $583,395 for FY 2006 for children's programming for the Agricultural and Natural Resources function. These funds support educational programs related to agricultural practices and the outdoors. The Department of Wildlife and Parks and the Kansas State Fair both participate in bringing these important programs to the youth of the state.

Kansas State Fair

The State Fair offers two basic types of youth services, which are educational and competitive. Educational programs 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 26,600 children will participate in these events at a cost of $183,770 in FY 2006.

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 2006, the Department will serve 18,500 young people through this program at a cost of $40,000.

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 2006 at a cost to the Department of $174,000.

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 2006 of $158,000 to serve 29,750 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 2006.

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 2006 at a cost of $21,800.

Kansas Furharvester Education Program. The Kansas Furharvester Program promotes safe, responsible behavior to emphasize the importance of wildlife laws and regulations to encourage safety. Individuals born after July 1, 1966, must complete a six-hour course, which is available by correspondence or through a certified instructor. Kansas is one of only 15 states to operate such a program. For FY 2006, the Department estimates that 750 young people will be served by this program at a cost of $5,300.

Transportation

Department of Transportation

The Governor recommends $832,000 in FY 2006 for children's educational programs promoting highway and traffic safety. These programs are financed primarily with federal funds and are expected to serve approximately 372,300 children in FY 2006.

Kansas Safety Belt Education. The Governor recommends expenditures of $143,000 in FY 2006 to educate and inform 42,000 children under the age of 14 about the proper use of safety seats.

Drunk Driving Prevention Office. In FY 2006, the Governor recommends $197,000 to educate 67,000 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 2006 recommendation includes $87,500 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 50,000 students in FY 2006.

Care/Call Underage Drinking Prevention Media Campaign. The Governor recommends $174,500 to serve 185,000 teens. This program is aimed at enforcing underage drinking laws by targeting communities, law enforcement, schools, and parents to prevent and report underage drinking parties. They will achieve this goal through the use of brochures, news releases, and related promotional items.

Pedestrian/Bicycle Safety Program. The Governor recommends $10,000 from federal funding sources to provide 18,000 bicycle safety brochures and to produce a pedestrian school crossing guard manual for all Kansas school districts.

Child Passenger Safety. The Governor recommends $120,000 to provide assistance to 9,000 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 2004, the Governor's revised estimates for FY 2005, the agencies' requests for FY 2006, and the Governor's recommendation for FY 2006.

Expenditures for Children's Programs by Agency and Activity

	FY 2004 Actual Expenditures				FY 2005 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
General Government							
Department of Revenue							
Child Support Enforcement	N	N	--	59,810	N	--	59,763
Banking Department							
Housing & Credit Counseling	F	3,901	--	25,000	3,901	--	25,000
Consumer Credit Counseling	F	2,197	--	30,000	2,197	--	20,000
Total--Banking Department			$ --	$ 55,000		$ --	$ 45,000
Office of the Governor							
Drug Free Schools	C	12,820	--	675,957	13,000	--	762,283
Rape Prevention & Education	N	N	--	312,473	N	--	305,105
Victims of Crime Act	C	7,246	--	716,848	7,500	--	850,000
Child Visitation Centers	C	927	--	101,321	925	--	148,750
Byrne/Law Enforcement	C	9,118	--	456,425	9,500	--	679,903
Fam. Violence Prev. & Services	C	5,139	--	1,266,840	5,100	--	1,102,537
Total--Office of the Governor			$ --	$ 3,529,864		$ --	$ 3,848,578
Attorney General							
Child Visitation Centers	F	1,662	8,838	295,862	N	--	251,440
Child Death Review Board	N	N	49,777	60,011	N	64,120	66,332
Abuse & Neglect Programs	C	44,841	8,838	477,425	N	--	642,040
Sexually Violent Predator Determinations	N	N	124,948	124,948	N	125,000	125,000
Domestic Abuse Programs	F	12,146	8,839	1,191,487	N	--	1,267,972
DARE Program	N	N	66,838	66,838	N	76,031	78,243
Total--Attorney General			$ 268,078	$ 2,216,571		$ 265,151	$ 2,431,027
Judiciary							
Permanency Plan. (CASA)	C	2,791	--	720,225	2,800	--	714,200
Child Support Enforcement	C	160,951	100,000	1,613,685	156,123	100,000	2,047,767
Court Services	C	11,232	7,626,925	8,193,858	10,504	8,317,180	9,003,031
Child Welfare--Federal Funding	N	N	--	98,302	N	--	269,461
Total--Judiciary			$ 7,726,925	$ 10,626,070		$ 8,417,180	$ 12,034,459
Total--General Government			**$ 7,995,003**	**$ 16,487,315**		**$ 8,682,331**	**$ 18,418,827**
Human Resources							
Social & Rehabilitation Services							
Child Support Enforcement	C	160,951	8,485,033	22,949,314	156,123	8,567,045	23,162,371
Temp.Assist. for Families	F	41,246	29,661,950	71,947,277	45,291	29,661,950	77,956,133
Energy Assistance	F	21,315	--	7,685,730	22,381	--	5,652,206
Employ.Prep.Services--FS	F	549	1,808	3,616	1,697	40,788	81,576
Child Care Assistance	F	17,349	15,113,822	57,284,632	18,425	15,113,822	61,425,530
	C	32,320			34,313		
Family Preservation	F	2,660	--	10,224,215	2,863	136,662	11,364,083
Community Funding	C	3,564	--	1,409,370	4,370	--	1,726,332
Family Services	F	1,316	550,465	5,801,066	1,908	21,983	3,555,586
Foster Care	C	3,191	42,744,416	90,888,280	3,426	49,378,667	96,500,000
Adoption	C	1,553	13,763,453	32,564,865	1,589	15,836,733	34,931,146
Permanent Guardianship	C	59	--	159,975	119	70,200	320,200
Adoption Support	C	5,042	8,960,086	18,100,832	5,420	9,140,470	18,718,069
Child Care Grants	N	N	--	2,997,140	N	--	3,037,139
Early Head Start	C	825	--	7,200,680	825	--	7,889,618
Funeral Assistance	C	103	56,998	56,998	92	50,375	50,375

Expenditures for Children's Programs by Agency and Activity

		FY 2006 Base Budget			FY 2006 Governor's Recommendations		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
General Government							
Department of Revenue							
Child Support Enforcement	F	N	--	60,000	N	--	60,000
Banking Department							
Housing & Credit Counseling	F	3,901	--	25,000	3,901	--	25,000
Consumer Credit Counseling	F	2,197	--	20,000	2,197	--	20,000
Total--Banking Department			$ --	$ 45,000		$ --	$ 45,000
Office of the Governor							
Drug Free Schools	C	13,000	--	760,000	13,000	--	760,000
Rape Prevention & Education	N	N	--	350,000	N	--	350,000
Victims of Crime Act--VRU	C	7,500	--	850,000	7,500	--	850,000
Child Visitation Centers	C	900	--	99,000	900	--	99,000
Byrne/Law Enforcement	C	9,500	--	680,000	9,500	--	680,000
Fam. Violence Prev. & Services	C	5,000	--	1,100,000	5,000	--	1,100,000
Total--Office of the Governor			$ --	$ 3,839,000		$ --	$ 3,839,000
Attorney General							
Child Visitation Centers	F	1,600	--	237,288	1,600	--	237,288
Child Death Review Board	N	N	59,563	59,563	N	59,563	59,563
Abuse & Neglect Programs	C	44,000	--	625,288	44,000	--	625,288
Sexually Violent Predator Determinations	N	N	125,000	125,000	N	125,000	125,000
Domestic Abuse Programs	F	12,000	--	1,219,288	12,000	--	1,219,288
DARE Program	N	N	73,737	73,737	N	73,737	73,737
Total--Attorney General			$ 258,300	$ 2,340,164		$ 258,300	$ 2,340,164
Judiciary							
Permanency Plan. (CASA)	C	2,800	--	719,009	2,800	--	719,009
Child Support Enforcement	C	148,316	--	2,148,461	148,316	--	2,148,461
Court Services	C	9,721	8,837,336	9,410,832	9,721	8,837,336	9,410,832
Child Welfare - Federal Funding	N	N	--	189,081	N	--	189,081
Total--Judiciary			$ 8,837,336	$ 12,467,383		$ 8,837,336	$ 12,467,383
Total--General Government			**$ 9,095,636**	**$ 18,751,547**		**$ 9,095,636**	**$ 18,751,547**
Human Resources							
Social & Rehabilitation Services							
Child Support Enforcement	C	148,316	8,886,022	24,007,959	148,316	8,886,022	24,007,959
Temp.Assist. for Families	F	49,016	29,661,950	82,356,133	49,016	29,661,950	82,356,133
Energy Assistance	F	23,500	--	5,652,206	23,500	--	5,652,206
Employ.Prep.Services--FS	F	1,697	40,788	81,576	1,697	40,788	81,576
Child Care Assistance	F	18,325	15,113,822	63,420,265	18,725	15,113,822	67,420,265
	C	33,913			34,813		
Family Preservation	F	2,790	136,662	11,364,083	2,790	136,662	11,364,083
Community Funding	C	4,370	--	1,726,332	4,370	--	1,726,332
Family Services	F	1,908	27,226	3,555,586	1,908	27,226	3,555,586
Foster Care	F	3,578	42,424,225	77,072,269	3,578	42,424,225	77,072,269
Adoption	C	1,589	13,149,073	25,660,172	1,589	13,149,073	25,660,172
Permanent Guardianship	C	119	70,200	320,200	119	70,200	320,200
Adoption Support	C	5,420	9,140,470	18,718,069	5,826	9,368,036	19,328,360
Child Care Grants	N	N	--	2,997,139	N	--	2,997,139
Early Head Start	C	825	--	7,889,618	825	--	7,889,618
Funeral Assistance	C	92	50,375	50,375	92	50,375	50,375

Expenditures for Children's Programs by Agency and Activity

		FY 2004 Actual Expenditures			FY 2005 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Social & Rehabilitation Services, Cont'd.							
Rehabilitation Services	C	2,351	464,567	2,181,066	2,774	671,810	3,154,038
Juvenile Justice Programs	N		--	15,406,041		--	15,949,599
Children's Cabinet	C	15,668	--	3,574,160	31,000	--	11,112,765
Food Stamp Program	F	59,849	--	124,483,036	61,875	--	137,611,346
	C	125,533			129,781		
Independent Living	C	301	170,928	854,637	450	254,785	1,484,016
Substance Abuse Treatment:							
Women with Children	F	2,256	262,952	2,554,840	2,260	262,952	2,667,731
Youth Specific	C	2,627	544,200	1,047,568	2,630	544,200	1,047,568
Families	F	2,300	1,000,000	1,600,000	2,300	1,000,000	1,600,000
Prevention Services	C	3,346	23,025	250,000	3,346	23,025	250,000
Mental Health State Aid	C	1,000	504,508	504,508	1,000	504,508	504,508
Mental Health Reform	C	5,610	3,641,330	3,641,330	5,610	3,641,330	3,641,330
MH Special Purpose Grants	C	2,000	1,204,721	1,894,631	2,150	1,204,721	1,894,631
Family Centered Sys. of Care	F	8,323	--	5,000,000	9,488	--	5,000,000
Family Support Services	F	1,422	3,257,802	3,257,802	1,412	3,401,508	3,401,508
HCBS Waivers	F	1,025	5,764,551	14,469,254	1,200	6,748,800	16,939,200
HealthWave/Medical Assist.	C	314,981	122,227,293	443,062,035	334,974	162,607,473	523,350,116
Total--SRS			$ 258,403,908	$ 953,054,898		$ 308,883,807	$ 1,075,978,720
State Institutions:							
Kansas Neurological Institute							
Residential Treatment/Educ.	C	6	271,816	650,509	2	105,722	238,519
Larned State Hospital							
Adolescent Inpatient	C	99	1,046,153	1,616,941	105	1,103,693	1,658,158
Children Inpatient	C	32	338,150	522,647	43	451,989	679,055
Special Education Program	C	131	13,422	761,214	148	13,606	584,850
Parsons State Hospital							
Residential Treatment	C	23	939,459	2,661,568	22	961,022	2,927,626
Special Purpose School	C	31	250,874	250,874	32	258,887	258,887
Employee Child Care	C	286	3,221	9,124	200	2,734	8,330
SEK Respite Care, Inc.	F	242	61,200	61,200	250	61,200	61,200
Rainbow MH Facility							
Adolescent Inpatient	C	180	--	--	180	--	1,357,281
Special Education Program	C	180	306,663	306,663	180	403,614	403,614
Total--State Institutions			$ 3,230,958	$ 6,840,740		$ 3,362,467	$ 8,177,520
Health & Environment							
Mothers & Infants	F	12,300	1,380,451	3,378,202	12,300	1,380,451	3,303,072
Adolescent Health	C	2,000	58,961	176,744	2,000	58,961	176,744
Healthy Start/Home Visits	F	16,300	501,444	939,047	16,300	501,444	939,047
Child Health Program	C	26,500	13,913	723,990	26,500	13,913	723,990
Black Infant Mortality	F	6,000	49,369	101,115	6,000	49,369	101,115
Family Planning	F	51,000	98,880	2,154,676	51,000	98,880	2,147,929
Teenage Pregnancy Prevent.	C	21,000	537,660	719,899	21,000	537,660	719,961
Abstinence Education	C	6,000	--	120,629	6,000	--	170,566
Special Health Services	F	11,775	512,755	2,872,869	12,000	471,264	2,406,971
Child Care Licensing	F	140,000	944,981	4,034,079	140,000	1,016,075	4,151,380
Child Lead Poison Prevention	F	23,000	--	802,941	28,600	--	883,235
Commun. Based Prim. Care	F	18,700	486,669	486,669	20,500	486,669	486,669
Migrant & Refugee Health	F	1,040	--	159,943	1,145	--	162,443
WIC Nutrition Services	F	109,000	--	40,322,326	111,000	--	36,600,000
Infant & Toddler Services	C	5,150	1,992,000	6,021,639	5,250	1,871,305	5,784,512
Health & Prevention	C	20,000	--	42,900	20,000	--	42,900
Immunizations	C	345,694	768,608	862,742	345,694	869,598	969,598
Total--KDHE			$ 7,345,691	$ 63,920,410		$ 7,355,589	$ 59,770,132

Expenditures for Children's Programs by Agency and Activity

		FY 2006 Base Budget			FY 2006 Governor's Recommendations		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Social & Rehabilitation Services, Cont'd.							
Rehabilitation Services	C	2,774	671,810	3,154,038	2,774	671,810	3,154,038
Juvenile Justice Programs	N		--	15,949,599		--	15,949,599
Children's Cabinet	C	31,000	--	9,414,015	31,000	--	9,414,015
Food Stamp Program	F	63,096	--	150,037,680	63,096	--	150,037,680
	C	132,343			132,343		
Independent Living	C	450	254,785	1,484,016	450	254,785	1,484,016
Substance Abuse Treatment:							
Women with Children	F	2,260	262,952	2,667,731	2,260	262,952	2,667,731
Youth Specific	C	2,630	544,200	1,047,568	2,630	544,200	1,047,568
Families	F	2,300	1,000,000	1,600,000	2,300	1,000,000	1,600,000
Prevention Services	C	3,346	23,025	250,000	3,346	23,025	250,000
Mental Health State Aid	C	1,000	504,508	504,508	1,000	504,508	504,508
Mental Health Reform	C	5,610	3,641,330	3,641,330	5,610	3,641,330	3,641,330
MH Special Purpose Grants	C	2,315	1,204,721	1,894,631	2,315	1,204,721	1,894,631
Family Centered Sys. of Care	F	10,816	--	5,000,000	10,816	--	5,000,000
Family Support Services	F	1,412	3,401,508	3,401,508	1,412	3,401,508	3,401,508
HCBS Waivers	F	1,200	6,748,800	16,939,200	1,200	6,748,800	16,939,200
HealthWave/Medical Assist.	C	355,232	174,896,796	562,969,183	355,232	174,896,796	562,969,183
Total--SRS			$ 311,855,248	$ 1,104,826,989		$ 312,082,814	$ 1,109,437,280
State Institutions:							
Kansas Neurological Institute							
Residential Treatment/Educ.	C	--	--	--		--	--
Larned State Hospital							
Adolescent Inpatient	C	105	1,134,526	1,665,631	105	1,134,526	1,665,631
Children Inpatient	C	43	464,616	682,115	43	464,616	682,115
Special Education Program	C	148	13,621	584,865	148	13,621	584,865
Parsons State Hospital							
Residential Treatment	C	22	974,388	2,941,121	22	974,388	2,941,121
Special Purpose School	C	32	258,887	258,887	32	258,887	258,887
Employee Child Care	C	200	2,486	7,505	200	2,486	7,505
SEK Respite Care, Inc.	F	250	61,200	61,200	250	61,200	61,200
Rainbow MH Facility							
Adolescent Inpatient	C	180	--	1,379,913	180	--	1,379,912
Special Education Program	C	180	211,538	211,538	180	211,538	211,538
Total--State Institutions			$ 3,121,262	$ 7,792,775		$ 3,121,262	$ 7,792,774
Health & Environment							
Mothers & Infants	F	12,600	1,380,451	3,303,072	12,600	1,380,451	3,303,072
Adolescent Health	C	2,000	58,961	176,744	2,000	58,961	176,744
Healthy Start/Home Visits	F	16,800	501,444	939,047	16,800	501,444	939,047
Child Health Program	C	26,800	13,913	723,990	26,800	13,913	723,990
Black Infant Mortality	F	6,000	49,369	101,115	6,000	49,369	101,115
Family Planning	F	51,650	98,880	2,147,929	51,650	98,880	2,147,929
Teenage Pregnancy Prevent.	C	21,000	537,660	719,961	21,000	537,660	719,961
Abstinence Education	C	6,000	--	154,426	6,000	--	154,426
Special Health Services	F	12,000	467,994	2,365,476	12,000	467,994	2,365,476
Child Care Licensing	F	140,000	1,016,075	4,151,380	140,000	1,466,075	4,828,380
Child Lead Poison Prevention	F	31,460	--	927,396	31,460	--	927,396
Commun. Based Prim. Care	F	22,000	486,669	486,669	22,000	486,669	486,669
Migrant and Refugee Health	F	1,170	--	165,000	1,170	--	165,000
WIC Nutrition Services	F	113,500	--	36,600,000	113,500	--	36,600,000
Infant & Toddler Services	C	6,095	1,871,305	5,784,512	6,095	1,871,305	5,784,512
Health and Prevention	C	20,000	--	42,900	20,000	--	42,900
Immunizations	C	345,694	869,598	969,598	345,694	869,598	969,598
Total--KDHE			$7,352,319	$59,759,215		$7,802,319	$60,436,215

Expenditures for Children's Programs by Agency and Activity

		FY 2004 Actual Expenditures			FY 2005 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Department of Labor							
Child Labor Enforce. & Pres.	C	797	2,525	2,525	1,212	3,650	3,650
Total--Human Resources			**$ 268,983,082**	**$ 1,023,818,573**		**$ 319,605,513**	**$ 1,143,930,022**
Education							
Department of Education							
Operating Aid to USDs	C	443,302	1,908,501,315	2,094,966,661	443,302	2,046,977,374	2,209,853,590
Capital Improvement Aid	C	265,981	--	49,857,993	265,981	--	53,000,000
Nutrition Services	C	519,092	2,510,295	107,894,683	520,000	2,510,486	110,635,486
Special Education Services	C	80,137	249,877,851	332,854,164	81,740	252,865,193	345,510,193
Vocational Education	C	20,000	120,515	5,536,250	20,000	146,817	5,568,634
Parent Education	C	16,756	4,639,500	6,979,745	17,150	4,639,500	7,299,255
School Renovation Grants	C	30,400	--	432,271	N	--	--
Safety Education	C	19,639	10,000	1,578,280	19,533	10,000	1,610,000
Environmental Education	C	25,000	35,000	35,000	25,000	35,000	35,000
Drug Abuse Education	C	443,302	--	2,643,592	443,302	--	2,612,500
Agriculture Education	C	25,000	35,000	35,000	25,000	35,000	35,000
History Education	C	315,000	50,000	50,000	315,000	50,000	50,000
Vision Services	C	110	--	300,000	150	--	300,000
Communities in Schools	C	15,745	35,000	85,000	18,000	35,000	85,000
Total--Department of Education			$ 2,165,814,476	$ 2,603,248,639		$ 2,307,304,370	$ 2,736,594,658
School for the Blind							
Children's Services	C	1,268	4,417,492	5,041,316	1,278	4,587,303	5,116,307
School for the Deaf							
Children's Services	C	630	7,264,756	8,086,696	630	7,487,806	8,824,649
Subtotal--Department of Education			**$ 2,177,496,724**	**$ 2,616,376,651**		**$ 2,319,379,479**	**$ 2,750,535,614**
Emporia State University							
Center for Early Childhood Ed.	C	126	--	316,100	126	--	331,906
Reading Related Services	C	68	6,950	6,950	75	7,072	7,072
Expanding Your Horizons	C	308	1,650	12,230	300	1,650	12,230
Kolvalesky Mathematics	C	90	--	1,000	95	--	1,600
Master It	C	22	1,000	16,400	24	1,000	16,400
America Counts/Reads Prog.	C	126	--	33,322	126	--	26,492
Total--ESU			$ 9,600	$ 386,002		$ 9,722	$ 395,700
Fort Hays State University							
Herndon Clinic	C	485	225,237	473,637	485	233,120	487,730
Tiger Tots Nurtury Center	C	80	--	79,337	50	--	81,717
Kelly Center	F	250	65,352	65,352	250	67,313	67,313
Total--FHSU			$ 290,589	$ 618,326		$ 300,433	$ 636,760
Kansas State University							
Hoeflin St. House Daycare	C	28	102,471	252,742	28	102,471	260,324
Early Childhood Lab.	C	44	47,631	86,587	44	47,631	89,185
Family Center	F	350	196,940	268,498	350	193,078	276,553
Dispute Resolution Training	F	1,000	--	513,880	1,000	--	590,643
Ks. Child Care Training, Inc.	N	N	28,243	114,646	24,330	28,243	118,085
Speech--Hearing Center	C	265	201,472	278,453	265	201,472	286,807
Staff Assistance to USD 383	C	20	--	17,000	20	--	17,000
After School Child Care	C	42	9,224	61,093	42	9,224	62,925
Infant Program	C	8	6,073	92,905	8	6,073	95,692
Total--Kansas State			$ 592,054	$ 1,685,804		$ 588,192	$ 1,797,214

Expenditures for Children's Programs by Agency and Activity

		FY 2006 Base Budget			FY 2006 Governor's Recommendations		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Department of Labor							
Child Labor Enforce. & Pres.	C	1,362	4,000	4,000	1,362	4,000	4,000
Total--Human Resources			**$ 322,332,829**	**$ 1,172,382,979**		**$ 323,010,395**	**$ 1,177,670,269**
Education							
Department of Education							
Operating Aid to USDs	C	443,302	2,080,390,256	2,238,181,601	443,802	2,057,091,746	2,216,426,496
Capital Improvement Aid	C	265,981	--	56,150,000	265,981	--	56,150,000
Nutrition Services	C	520,000	2,510,486	113,235,486	520,000	2,510,486	113,235,486
Special Education Services	C	83,375	254,552,717	356,197,717	83,375	254,552,717	356,197,717
Vocational Education	C	20,000	149,184	5,498,368	20,000	149,184	5,498,368
Parent Education	C	17,125	4,789,500	7,289,500	17,125	4,789,500	7,289,500
School Renovation Grants	C	N	--	--	N	--	--
Safety Education	C	19,533	10,000	1,648,000	19,533	10,000	1,648,000
Environmental Education	C	25,000	35,000	35,000	25,000	35,000	35,000
Drug Abuse Education	C	443,302	--	2,612,500	443,302	--	2,612,500
Agriculture Education	C	25,000	35,000	35,000	25,000	35,000	35,000
History Education	C	315,000	50,000	50,000	315,000	50,000	50,000
Vision Services	C	150	--	300,000	150	--	300,000
Communities in Schools	C	20,000	35,000	85,000	20,000	35,000	85,000
Total--Department of Education			$ 2,342,557,143	$ 2,781,318,172		$ 2,319,258,633	$ 2,759,563,067
School for the Blind							
Children's Services	C	1,235	4,700,259	5,199,349	1,235	4,845,672	5,350,817
School for the Deaf							
Children's Services	C	630	7,507,336	8,724,047	630	7,907,019	9,332,355
Subtotal--Department of Education			**$ 2,354,764,738**	**$ 2,795,241,568**		**$ 2,332,011,324**	**$ 2,774,246,239**
Emporia State University							
Center for Early Childhood Ed.	C	126	--	355,038	126	--	355,038
Reading Related Services	C	75	7,100	7,100	75	7,100	7,100
Expanding Your Horizons	C	300	1,650	12,230	300	1,650	12,230
Kolvalesky Mathematics	C	80	--	1,600	80	--	1,600
Super Saturdays	C	24	1,000	16,400	24	1,000	16,400
America Counts/Reads Prog.	C	126	--	26,492	126	--	26,492
Total--ESU			$ 9,750	$ 418,860		$ 9,750	$ 418,860
Fort Hays State University							
Herndon Clinic	C	485	233,120	487,730	485	233,120	487,730
Tiger Tots Nurtury Center	C	50	--	81,717	50	--	81,717
Kelly Center	F	250	67,313	67,313	250	67,313	67,313
Total--FHSU			$ 300,433	$ 636,760		$ 300,433	$ 636,760
Kansas State University							
Hoeflin St. House Daycare	C	28	102,471	265,000	28	102,471	265,000
Early Childhood Lab.	C	44	47,631	90,000	44	47,631	90,000
Family Center	F	350	193,078	280,000	350	193,078	280,000
Dispute Resolution Training	F	1,000	--	600,000	1,000	--	600,000
Ks. Child Care Training, Inc.	N	N	28,243	145,000	N	28,243	145,000
Speech--Hearing Center	C	265	201,472	290,000	265	201,472	290,000
Staff Assistance to USD 383	C	20	--	18,000	20	--	18,000
After School Child Care	C	42	9,224	65,000	42	9,224	65,000
Infant Program	C	40	6,073	100,000	40	6,073	100,000
Total--Kansas State			$ 588,192	$ 1,853,000		$ 588,192	$ 1,853,000

Expenditures for Children's Programs by Agency and Activity

		FY 2004 Actual Expenditures			FY 2005 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
KSU--ESARP							
4-H Program	C	150,000	720,000	850,000	153,000	720,000	850,000
Youth Leadership Program	C	500	100,000	400,000	500	100,000	400,000
Leadership/Community	C	35,000	100,000	230,000	42,000	100,000	230,000
Army Youth & Teen Center	C	800	10,000	22,200	1,000	10,000	20,000
Youth Staff Dev./Training	N	25,000	27,000	105,700	30,000	27,000	105,700
Learning & Social Readiness	C	400	10,000	30,000	400	10,000	30,000
Parenting/Family Relationships	F	125,000	1,025,000	1,520,000	125,000	1,025,000	1,520,000
Nutrition	F	250,000	455,000	2,650,000	250,000	455,000	2,650,000
Mental & Emotional Wellness	F	50,000	230,000	2,893,000	50,000	230,000	2,893,000
Health Promotion	F	2,000	--	236,000	2,000	--	236,000
Building Communities	F	200,000	440,000	741,000	200,000	440,000	741,000
Total--KSU--ESARP			$ 3,117,000	$ 9,677,900		$ 3,117,000	$ 9,675,700
Pittsburg State University							
Preschool Lab	C	18	--	10,500	18	--	11,000
Ks. Council on Fitness	C	18,500	--	22,500	18,500	--	22,500
YES Program	C	367	17,982	35,964	475	17,995	35,990
America Reads Challenge	C	360	363	27,936	370	400	30,000
National Youth Sports	C	504	--	72,000	500	--	72,000
Special Ed. Summer Program	C	252	--	24,315	200	--	15,000
Curriculum & Instruction Prog.	C	385	--	10,663	450	--	10,000
Science Day	C	744	--	1,488	900	--	1,800
Career Exploration	C	321	--	2,634	380	--	2,445
Total--Pittsburg State University			$ 18,345	$ 208,000		$ 18,395	$ 200,735
University of Kansas							
Hilltop Child Dev. Center	C	260	1,768	1,277,797	260	1,768	1,345,406
Edna Hill Child Dev. Center	C	70	66,136	170,854	70	73,713	212,774
KU Center on DD Coordination	N	--	--	18,000	N	--	18,000
Parsons Outreach Clinic	C	55	--	1,800	50	--	2,000
Child Care FOCUS	C	890	--	59,735	900	--	65,000
Total--University of Kansas			$ 67,904	$ 1,528,186		$ 75,481	$ 1,643,180
KU Medical Center							
Special Health Services	C	1,242	--	163,476	1,267	--	147,597
Child Development Unit	C	1,443	--	13,200	1,486	--	14,520
Facial Rehabilitation	C	99	--	35,000	125	--	35,000
Spina Bifida Clinic	C	80	--	23,827	85	--	25,250
Cystic Fibrosis Grant	C	266	--	32,718	292	--	26,630
Pediatric Consultation Svcs.	C	58	--	15,360	180	--	10,760
Pediatric Seizure Clinic	C	910	--	19,200	1,000	--	19,200
Project EAGLE	C	120	--	2,132,272	200	--	2,132,272
KC Healthy Start	C	100	--	150,000	110	--	150,000
PKU, et al. Screening	C	1,938	--	58,500	1,700	--	73,982
Teen Pregnancy Case Mgmt.	C	65	--	130,922	85	--	190,922
Total--KU Medical Center			$ --	$ 2,774,475		$ --	$ 2,826,133
Wichita State University							
Economic Education	F	703	--	145,000	703	--	70,000
Child Development Center	C	96	--	552,383	96	--	664,207
Upward Bound	C	55	--	416,810	550	--	388,115
Upward Bound Math/Sci.	C	50	--	281,372	50	--	289,814
Build. Dreams Urban Youth	C	10	--	4,919	20	--	500
Health Screenings	C	6,000	7,380	7,380	6,325	7,564	7,564
Project Discovery	C	1,503	--	494,583	1,500	--	509,420
Spch.-Lang.-Hearing Clinic	C	2,010	85,190	459,445	2,015	87,320	470,931
Heskett Athletic Center	C	5,200	20,000	68,000	5,200	20,000	70,640

Expenditures for Children's Programs by Agency and Activity

		FY 2006 Base Budget			FY 2006 Governor's Recommendations		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
KSU--ESARP							
4-H Program	C	145,000	700,000	850,000	145,000	700,000	850,000
Youth Leadership Program	C	500	100,000	400,000	500	100,000	400,000
Leadership/Community	C	39,000	85,000	230,000	39,000	85,000	230,000
Army Youth & Teen Center	C	1,000	10,000	20,000	1,000	10,000	20,000
Youth Staff Dev./Training	N	30,000	27,000	105,700	30,000	27,000	105,700
Learning & Social Readiness	C	800	12,500	40,000	800	12,500	40,000
Parenting/Family Relationships	F	100,000	975,000	1,520,000	100,000	975,000	1,520,000
Nutrition	F	250,000	455,000	2,650,000	250,000	455,000	2,650,000
Mental & Emotional Wellness	F	50,000	200,000	2,893,000	50,000	200,000	2,893,000
Health Promotion	F	10,000	--	250,000	10,000	--	250,000
Building Communities	F	200,000	440,000	741,000	200,000	440,000	741,000
Total--KSU--ESARP			$ 3,004,500	$ 9,699,700		$ 3,004,500	$ 9,699,700
Pittsburg State University							
Preschool Lab	C	18	--	11,000	18	--	11,000
Ks. Council on Fitness	C	18,500	--	22,500	18,500	--	22,500
YES Program	C	475	18,000	36,000	475	18,000	36,000
America Reads Challenge	C	370	400	30,000	370	400	30,000
National Youth Sports	C	500	--	72,000	500	--	72,000
Special Ed. Summer Program	C	200	--	15,000	200	--	15,000
Curriculum & Instruction Prog.	C	450	--	10,000	450	--	10,000
Science Day	C	900	--	1,800	900	--	1,800
Career Exploration	C	380	--	2,445	380	--	2,445
Total--Pittsburg State University			$ 18,400	$ 200,745		$ 18,400	$ 200,745
University of Kansas							
Hilltop Child Dev. Center	C	260	1,768	1,385,768	260	1,768	1,385,768
Edna Hill Child Dev. Center	C	75	75,925	219,158	75	75,925	219,158
KU Center on DD Coordination	N	N	--	18,000	N	--	18,000
Parsons Outreach Clinic	C	50	--	2,000	50	--	2,000
Child Care FOCUS	C	900	--	65,000	900	--	65,000
Total--University of Kansas			$ 77,693	$ 1,689,926		$ 77,693	$ 1,689,926
KU Medical Center							
Special Health Services	C	1,292	--	147,597	1,292	--	147,597
Child Development Unit	C	1,530	--	14,955	1,530	--	14,955
Facial Rehabilitation	C	125	--	35,000	125	--	35,000
Spina Bifida Clinic	C	90	--	25,755	90	--	25,755
Cystic Fibrosis Grant	C	292	--	26,630	292	--	26,630
Pediatric Consultation Svcs.	C	180	--	10,760	180	--	10,760
Pediatric Seizure Clinic	C	1,000	--	19,200	1,000	--	19,200
Project EAGLE	C	160	--	2,132,272	160	--	2,132,272
KC Healthy Start	C	120	--	150,000	120	--	150,000
PKU, et al. Screening	C	1,700	--	73,982	1,700	--	73,982
Teen Pregnancy Case Mgmt.	C	85	--	190,922	85	--	190,922
Total--KU Medical Center			$ --	$ 2,827,073		$ --	$ 2,827,073
Wichita State University							
Economic Education	F	703	--	70,000	703	--	70,000
Child Development Center	C	96	--	664,207	96	--	664,207
Upward Bound	C	550	--	399,759	550	--	399,759
Upward Bound Math/Sci.	C	50	--	298,508	50	--	298,508
Build. Dreams Urban Youth	C	22	--	500	22	--	500
Health Screenings	C	7,000	7,753	7,753	7,000	7,753	7,753
Project Discovery	C	1,500	--	524,703	1,500	--	524,703
Spch.-Lang.-Hearing Clinic	C	2,020	89,503	482,705	2,020	89,503	482,705
Heskett Athletic Center	C	6,800	20,000	74,000	6,800	20,000	74,000

Expenditures for Children's Programs by Agency and Activity

		FY 2004 Actual Expenditures			FY 2005 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Wichita State University, Cont'd.							
GEAR UP	C	3,094	--	902,167	3,500	--	1,200,000
Dental Hygiene Clinic	C	1,800	34,626	44,726	1,800	35,492	45,694
America Reads	C	535	--	85,204	600	--	110,000
Physician Assistant	C	260	--	15,600	260	--	15,600
Teacher Education Majors	C	500	--	12,381	500	--	12,384
Communities in Schools	C	1,112	--	10,393	1,000	--	10,584
Health Career Pathways	C	550	--	7,174	550	--	8,776
Health Professions Tours	C	800	--	16,400	800	--	16,810
Total--Wichita State University			$ 147,196	$ 3,523,937		$ 150,376	$ 3,891,039
Subtotal--Regents Institutions			**$ 4,242,688**	**$ 20,402,630**		**$ 4,259,599**	**$ 21,066,461**
Arts Commission							
Programming for the Arts	C	1,547,404	1,171,948	1,614,487	1,547,404	1,138,465	1,666,222
State Historical Society							
Educational Programming	C	82,521	2,623	18,031	85,000	2,500	20,150
State Library							
Grants to Local Libraries	N	N	--	--	N	1,053,999	1,053,999
Kansas Library Network	C	N	156,167	156,167	N	156,167	156,167
Talking Books	C	N	10,513	10,513	N	10,513	10,513
Statewide Children's Services	C	N	--	45,000	80,000	--	45,000
Total--State Library			$ 166,680	$ 211,680		$ 1,220,679	$ 1,265,679
Total--Education			**$ 2,183,080,663**	**$ 2,638,623,479**		**$ 2,326,000,722**	**$ 2,774,554,126**
Public Safety							
Juvenile Justice Authority							
Juv. Account. Inc. Blk. Grant	C	6,810	--	2,053,569	5,448	--	1,603,234
Delinquency Prevention	C	18,484	--	890,368	15,480	--	745,684
Prevention Grant	C	17,336	--	5,265,119	18,000	--	5,563,855
Intake & Assessment	C	22,778	1,103,960	4,689,473	22,750	840,339	4,573,356
Supervised Probation	C	1,238	4,085,435	4,085,435	1,263	4,711,328	4,711,328
Case Mgmt & Services	C	2,097	5,175,398	5,375,398	2,103	5,507,484	5,211,303
Intervention	C	3,648	1,882,925	1,882,925	2,300	1,850,111	1,850,111
Delinq. Prevention Trust	C	2,308	--	296,957	3,500	--	300,000
Total--JJA	C	74,699	$ 12,247,718	$ 24,539,244	70,844	$ 12,909,262	$ 24,558,871
Atchison Juv.Correctional Fac.	C	143	6,000,704	6,352,438	148	5,839,767	6,348,809
Beloit Juv. Correctional Fac.	C	47	4,493,786	4,826,172	45	4,467,271	4,826,401
Larned Juv. Correctional Fac.	C	186	7,224,960	7,651,697	188	7,672,494	8,021,812
Topeka Juv. Correctional Fac.	C	672	12,338,051	13,400,020	587	13,995,787	14,539,685
Adjutant General							
STARBASE Education	C	2,956	--	441,356	3,500	--	460,000
Total--Public Safety			**$ 42,305,219**	**$ 57,210,927**		**$ 44,884,581**	**$ 58,755,578**
Agriculture & Natural Resources							
Kansas State Fair							
Educ. & Competitive Services	C	26,300	--	166,529	24,198	--	183,743
Department of Wildlife & Parks							
Wildlife Education	C	17,450	--	38,650	17,990	--	39,200
Hunter Education	C	12,640	--	165,800	12,700	--	169,950
Fishing Clinics	C	29,100	--	152,300	29,250	--	155,000

Expenditures for Children's Programs by Agency and Activity

		FY 2006 Base Budget			FY 2006 Governor's Recommendations		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Wichita State University, Cont'd.							
GEAR UP	C	4,000	--	2,000,000	4,000	--	2,000,000
Dental Hygiene Clinic	C	1,800	36,379	46,686	1,800	36,379	46,686
America Reads	C	600	--	110,000	600	--	110,000
Physician Assistant	C	260	--	15,600	260	--	15,600
Teacher Education Majors	C	500	--	12,384	500	--	12,384
Communities in Schools	C	1,000	--	10,584	1,000	--	10,584
Health Career Pathways	C	550	--	9,867	550	--	9,867
Health Professions Tours	C	850	--	17,230	850	--	17,230
Total--Wichita State University			$ 153,635	$ 4,744,486		$ 153,635	$ 4,744,486
Subtotal--Regents Institutions			**$ 4,152,603**	**$ 22,070,550**		**$ 4,152,603**	**$ 22,070,550**
Arts Commission							
Programming for the Arts	C	1,547,404	1,138,633	1,494,011	1,575,000	1,173,633	1,529,011
State Historical Society							
Educational Programming	C	85,000	2,500	20,150	85,000	2,500	20,150
State Library							
Grants to Local Libraries	N	N	1,053,999	1,053,999	N	1,053,999	1,053,999
Kansas Library Network	C	N	156,167	156,167	N	156,167	156,167
Talking Books	C	N	10,513	10,513	N	10,513	10,513
Statewide Children's Services	C	80,000	--	45,000	80,000	--	45,000
Total--State Library			$ 1,220,679	$ 1,265,679		$ 1,220,679	$ 1,265,679
Total--Education			**$2,361,279,153**	**$2,820,091,958**		**$2,338,560,739**	**$2,799,131,629**
Public Safety							
Juvenile Justice Authority							
Juv. Account. Inc. Blk. Grant	C	1,575	--	543,696	1,575	--	543,696
Delinquency Prevention	C	13,325	--	641,878	13,325	--	641,878
Prevention Grant	C	18,000	--	5,414,487	18,000	--	5,414,487
Intake & Assessment	C	22,750	4,689,473	4,689,473	22,750	4,689,473	4,689,473
Supervised Probation	C	1,289	4,727,298	4,727,298	1,289	4,727,298	4,727,298
Case Mgmt & Services	C	2,107	1,789,885	5,375,398	2,107	1,789,885	5,375,398
Intervention	C	3,500	1,850,111	1,850,111	3,500	3,849,704	3,849,704
Delinq. Prevention Trust	C	2,300	--	300,000	2,300	--	300,000
Total--JJA	C	64,846	$ 13,056,767	$ 23,542,341	64,846	$ 15,056,360	$ 25,541,934
Atchison Juv.Correctional Fac.	C	151	5,867,674	6,097,119	151	6,075,402	6,305,097
Beloit Juv. Correctional Fac.	C	42	4,508,445	4,794,631	42	4,609,697	4,898,757
Larned Juv. Correctional Fac.	C	190	7,848,989	7,906,884	190	8,012,838	8,070,962
Topeka Juv. Correctional Fac.	C	546	12,764,446	13,349,690	546	15,236,547	15,821,791
Adjutant General							
STARBASE Education	C	3,500	--	460,000	3,500	--	460,000
Total--Public Safety			**$ 44,046,321**	**$ 56,150,665**		**$ 48,990,844**	**$ 61,098,541**
Agriculture & Natural Resources							
Kansas State Fair							
Educ. & Competitive Services	C	26,600	--	183,770	26,600	--	183,770
Department of Wildlife & Parks							
Wildlife Education	C	18,500	--	40,000	18,500	--	40,000
Hunter Education	C	13,000	--	174,000	13,000	--	174,000
Fishing Clinics	C	29,750	--	158,000	29,750	--	158,000

Expenditures for Children's Programs by Agency and Activity

	FY 2004 Actual Expenditures				FY 2005 Governor's Estimate		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Department of Wildlife & Parks, Cont'd.							
Youth Challenge	C	42	--	500	45	--	510
Boating Education	C	10,445	--	20,285	10,600	--	21,100
Furharvester Education	C	589	--	4,945	625	--	5,100
Total--Wildlife & Parks			$ --	$ 382,480		$ --	$ 390,860
Total--Agriculture & Natural Resources			$ --	**$ 549,009**		$ --	**$ 574,603**
Transportation							
Department of Transportation							
Ks. Safety Belt Ed. Office	C	36,000	--	142,000	36,000	--	142,000
Drunk Driving Prevent. Pgm.	C	225,000	--	196,000	64,000	--	197,000
Youth Leadership Summit	C	1,500	--	60,000	1,000	--	90,000
School Traffic Officer Project	C	N	--	--	50,000	--	100,000
Care/Call	C	140,000	--	87,500	140,000	--	100,000
Pedest./Bicycle Safety Prog.	C	20,000	--	7,000	18,000	--	10,000
Child Passenger Safety	C	6,000	--	110,000	8,000	--	114,000
Total--Transportation			**$ --**	**$ 602,500**		**$ --**	**$ 753,000**
Total--Children's Programs			**$2,502,363,967**	**$3,737,291,803**		**$2,699,173,147**	**$3,996,986,156**

Expenditures for Children's Programs by Agency and Activity

		FY 2006 Base Budget			FY 2006 Governor's Recommendations		
	Type Served	Number Served	State General Fund	All Funding Sources	Number Served	State General Fund	All Funding Sources
Department of Wildlife & Parks, Cont'd.							
Youth Challenge	C	50	--	525	50	--	525
Boating Education	C	10,800	--	21,800	10,800	--	21,800
Furharvester Education	C	750	--	5,300	750	--	5,300
Total--Wildlife & Parks			$ --	$ 399,625		$ --	$ 399,625
Total--Agriculture & Natural Resources			$ --	**$ 583,395**		$ --	**$ 583,395**
Transportation							
Department of Transportation							
Ks. Safety Belt Ed. Office	C	42,000	--	143,000	42,000	--	143,000
Drunk Driving Prevent. Pgm.	C	67,000	--	197,000	67,000	--	197,000
Youth Leadership Summit	C	1,300	--	87,500	1,300	--	87,500
School Traffic Officer Project	C	50,000	--	100,000	50,000	--	100,000
Care/Call	C	185,000	--	174,500	185,000	--	174,500
Pedest./Bicycle Safety Prog.	C	18,000	--	10,000	18,000	--	10,000
Child Passenger Safety	C	9,000	--	120,000	9,000	--	120,000
Total--Transportation			**$ --**	**$ 832,000**		**$ --**	**$ 832,000**
Total--Children's Programs			**$2,736,753,939**	**$ 4,068,792,544**		**$2,719,657,614**	**$4,058,067,381**

Debt Policies & Practices

The State of Kansas uses various debt instruments to finance a portion of its capital expenditures. The Kansas Development Finance Authority (KDFA) issues revenue bonds for most capital projects of state agencies, with the exception of the Kansas Department of Transportation, which issues debt to finance highway and other transportation projects. KDFA is also working with the Department of Transportation to structure a transportation revolving loan fund to provide favorable finance terms to municipalities of the state for their transportation improvements. The Pooled Money Investment Board has issued loans for capital improvements in the past, and the debt for some of these is still outstanding. In addition, the Department of Administration administers a master lease purchase, third party financing program that can be used to acquire most types of capital equipment.

KDFA was created by the Legislature in 1987 as an independent instrumentality of the state to operate as a public corporation rather than as a state agency. It is charged by the Legislature with providing access to the capital markets to state agencies and other public and private organizations. KDFA accomplishes this purpose in part by issuing debt to fund capital improvements and certain public purpose programs. KDFA issues debt for local government projects, acquisition, and renovation of state office space, construction and renovation of state university facilities, prison construction and expansion, energy conservation improvements, and the IMPACT business development program administered by the Kansas Department of Commerce. KDFA also issues bonds to finance health care facilities, affordable multifamily housing, and beginning farmer loans.

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, 2004, various state agencies had legislatively authorized but unissued debt of $631,424,692. Although the amount of debt for financing capital improvement projects has increased in the past several years, it still constitutes a small part of the overall state budget. Of the 50 states, Kansas has been ranked among the lowest in per capita debt according to the *Statistical Abstract of the United States*. For this reason, the state has not needed financial control mechanisms, such as debt ceilings.

Ratings

Although the state has no general obligation debt, and thus no general obligation debt rating, KDFA works with the rating agencies to facilitate the state's issuer "shadow" credit rating, which is currently a "AA+" rating awarded by Standard & Poor's and an issuer rating of Aa1 by Moodys. Standard & Poor's credit rating reflects the state's general creditworthiness. Credit factors include a very low debt burden, continued economic diversification, and historically conservative and responsible fiscal management.

Moodys Aa1 rating is an issuer rating, which may be characterized as an implicit general obligation rating that reflects the state's history of favorable financial management, the strength and stability of the Kansas economy, and low debt levels. The rating is based on Kansas' traditionally strong fiscal discipline. Although the AA+ credit rating has not been lowered, Standard and Poor's placed Kansas on "negative watch" in 2002, principally because of diminished ending balances. Since that time, balances have begun to be replenished.

Major Debt Projects

Following are brief descriptions of selected projects that are debt financed, including mostly capital improvements but also retirement actuarial liabilities.

Department of Administration

Statehouse Renovation. The 2000 Legislature approved an issuance of bonds totaling $40.0 million for renovation of the Statehouse, starting with the east

wing. In addition, the 2001 Legislature, with the approval of the State Finance Council, authorized the issuance of another $15.0 million in bonds for an underground parking garage. The 2004 Legislature authorized an additional $19.8 million for Phase II of the Statehouse renovation. This year the Governor is recommending an additional $26.9 million of bonds to complete Phase III of the renovation. This authorization brings the total debt outstanding on the project to $101.7 million. This will add $2,350,999 to the FY 2006 debt service for this project, bringing the total debt service on all four bonds to $8,451,285.

KPERS Pension Obligation Bonds. The 2003 Legislature authorized the issuance of pension obligation bonds subject to the approval of the Joint Committee on Pensions, Investments and Benefits as well as the State Finance Council. On March 1, 2004, KDFA issued bonds totaling $500.0 million. Of the total, $437.2 million was deposited into the KPERS Fund, $57.8 million was used as capitalized interest, and $5.0 million was spent on issuance costs. The bond proceeds to the fund are invested by KPERS to reduce the $2.2 billion unfunded actuarial liability of the retirement system. An interest-only payment of $10.0 million is due in FY 2006, which is budgeted in the Department of Administration, rather than KPERS.

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 $1,756,004 in both FY 2005 and FY 2006. 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 Commerce

Purchase of Property. Bonds were issued to purchase the property located at 1430 SW Topeka Boulevard to accommodate what was a growing workforce at the Department of Labor. In FY 2006, the payment for principal is $65,000 and interest is $70,785. Under Executive Reorganization Order No. 31, this property was transferred from the Employment Services Program of the Department of Labor to the Department of Commerce. Commerce now makes the debt payments from its Workforce Investment Act federal funds and Wagner Peyser federal funds.

Department of Corrections

Ellsworth Housing Unit. To address in part the adult inmate population capacity problem, the Governor recommends authorizing bonds to convert a new minimum-security housing unit at the Ellsworth Correctional Facility. The recommendation will allow the Department of Corrections to move minimum security inmates currently occupying medium-security beds to the new housing unit and free up the medium beds. This project will involve the issuance of $3.5 million of bonds, which will require debt service payments from the State General Fund beginning in FY 2007.

Energy Conservation Bonds. The Department of Corrections has utilized energy conservation bonds at five of its eight correctional facilities in order to upgrade the infrastructure of the facilities to save money on operating costs. The five facilities that have utilized this program are Hutchinson, Lansing, Winfield, El Dorado, and Norton. The program is managed through the Facilities Conservation Improvement Program in the Department of Administration. The purpose of the program is to upgrade major infrastructure systems with more efficient equipment, such as boilers, shower heads, and toilets. To date, $11.7 million of projects have been bonded through this program. Each facility's projects are bonded over a ten-year period. The debt service on the bonds, which totals $1,390,403, is then paid with savings generated from utility costs. The Department of Corrections anticipates that all of its facilities will participate in this program over the next two years.

Kansas State Fair

Master Plan Improvements. The bonds that were authorized to finance the State Fair's Master Plan for improvement of the Fairgounds were issued in two

installments, the first on April 1, 2005, and the second on October 1, 2005. The debt service attributable to the first series of bonds started in FY 2003. The debt payment related to the second issue should have been approved a year ago for FY 2005. However, it was inadvertently omitted. Because the payment will be due April 1, 2005, it is necessary to recommend supplemental funds. Accordingly, the Governor includes $2,247,905 for FY 2005 for this purpose. Of that amount $1,547,905 is financed from the State General Fund, $400,000 from the State Fair Capital Improvements Fund, and $300,000 by the City of Hutchinson and Reno County.

Department of Transportation

Comprehensive Transportation Program. The 1999 Kansas Legislature approved the Comprehensive Transportation Program (CTP) to continue improving and developing transportation in Kansas, especially the State Highway System. As part of the CTP, the Secretary of Transportation was authorized to issue $995.0 million in new bonds between FY 1999 and FY 2010. An additional $277.0 million in bonds was approved by the 2001 Legislature, bringing the total to $1,272.0 million.

Bonds issued under the CTP are being retired with revenues from increased motor fuel taxes and motor vehicle registration fees. The first $325.0 million in CTP bonds was issued in FY 2000. KDOT issued $350.0 million in FY 2001 and another $197.0 million in CTP bonds in FY 2004. The final $347.0 million in CTP bonds was issued in early FY 2005.

The 2004 Legislature authorized the issuance of $150.0 million in bonds. These bonds will be repaid through an appropriation from the State General Fund to the Department of Administration, starting in FY 2008. In addition to these bonds, up to $60.0 million in bonding authority was also authorized. This bonding authority, if it is needed, will be used to offset potential shortfalls in anticipated federal receipts. However, the total amount to be authorized cannot exceed the amount of the projected shortfall, or $60.0 million, whichever is the lesser amount. The Department plans to issue bonds that are backed by the State General Fund, beginning in FY 2007 with $100.0 million and the final $50.0 million in FY 2008.

Indebtedness of the State

	FY 2003 Actual**	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	Prin. Balance June 30, 2006 Estimate
Bonds					
Dept. of Administration*					
Principal	$ 10,656,717	11,697,586	14,417,499	14,120,336	682,016,158
Interest	7,343,487	7,736,699	38,152,891	34,385,741	--
Dept. of Commerce & Housing					
Principal	7,715,000	8,565,000	8,930,000	9,335,000	33,490,000
Interest	3,033,216	2,684,484	2,312,873	1,909,744	--
KS Public Employees Retirement System					
Principal	--	--	2,195,000	2,240,000	21,325,000
Interest	--	493,616	1,017,697	976,709	--
Insurance Dept.					
Principal	130,000	140,000	150,000	160,000	275,000
Interest	52,483	44,300	35,358	25,635	--
Total--General Government	**$ 28,930,903**	**$ 31,361,685**	**$ 67,211,318**	**$ 63,153,165**	**$ 737,106,158**
Dept. of Social & Rehabilitation Services					
Principal	--	765,000	2,670,000	2,810,000	75,320,000
Interest	--	3,143,208	3,828,748	3,694,463	--
Dept. of Human Resources					
Principal	180,000	200,000	205,000	210,000	4,690,000
Interest	208,520	212,718	207,418	201,918	--
Dept. of Health & Environment					
Principal	13,225,000	15,850,000	19,345,000	22,755,000	621,825,000
Interest	25,583,589	24,917,388	28,587,367	31,934,192	--
Total--Human Resources	**$ 39,197,109**	**$ 45,088,314**	**$ 54,843,533**	**$ 61,605,573**	**$ 701,835,000**
Kansas Board of Regents					
Principal	9,360,000	9,805,000	12,275,000	12,135,000	89,831,913
Interest	5,636,989	5,471,714	4,532,088	4,746,249	--
Emporia State University					
Principal	461,000	471,000	481,000	501,000	3,481,571
Interest	201,313	188,120	174,420	160,195	--
Fort Hays State University					
Principal	205,000	185,000	205,000	205,000	5,875,000
Interest	137,468	226,429	243,314	239,214	--
Kansas State University					
Principal	2,145,000	2,245,000	2,560,000	2,620,000	57,600,000
Interest	1,131,908	2,766,315	2,923,275	2,790,248	--
Pittsburg State University					
Principal	335,000	315,000	325,000	335,000	10,500,000
Interest	450,229	461,643	485,947	488,200	--
University of Kansas					
Principal	2,855,000	3,245,000	5,275,000	3,965,000	54,865,000
Interest	2,958,162	3,124,903	2,910,017	2,712,757	--
University of Kansas Medical Center					
Principal	455,000	300,000	315,000	1,210,000	55,660,000
Interest	396,278	2,774,670	2,745,240	2,717,903	--
Wichita State University					
Principal	600,000	720,000	1,750,000	1,830,000	21,920,000
Interest	1,333,538	1,312,044	1,184,100	1,103,510	--
Total--Education	**$ 28,661,885**	**$ 33,611,838**	**$ 38,384,401**	**$ 37,759,276**	**$ 299,733,484**

**Dept. of Administration includes the master lease for financing capital outlay equipment.*

***The actual FY 2003 totals have been adjusted from what was reported a year ago to exclude principal refundings.*

Indebtedness of the State

	FY 2003 Actual**	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate	Prin. Balance June 30, 2006 Estimate
Adjutant General					
Principal	175,000	215,000	225,000	850,000	14,480,000
Interest	207,828	286,962	669,619	644,290	--
Dept. of Corrections					
Principal	10,735,000	9,240,000	7,745,000	4,965,000	30,650,000
Interest	2,794,238	2,369,846	1,946,989	1,677,930	--
Juvenile Justice Authority					
Principal	1,975,000	2,060,000	2,155,000	2,255,000	44,135,000
Interest	2,625,448	2,537,748	2,444,753	2,345,903	--
Highway Patrol					
Principal	385,000	630,000	665,000	695,000	4,665,000
Interest	117,363	343,925	277,856	252,106	--
Kansas Bureau of Investigation					
Principal	205,000	210,000	230,000	265,000	1,115,000
Interest	106,575	95,680	24,537	38,240	
Total--Public Safety	**$ 19,326,452**	**$ 17,989,161**	**$ 16,383,754**	**$ 13,988,469**	**$ 95,045,000**
State Fair Board					
Principal	--	630,000	1,000,000	1,050,000	25,880,000
Interest	1,105,514	770,913	1,247,905	1,200,044	--
Total--Agriculture & Natural Resources	**$ 1,105,514**	**$ 1,400,913**	**$ 2,247,905**	**$ 2,250,044**	**$ 25,880,000**
Dept. of Transportation					
Principal	54,410,000	28,350,000	38,460,000	46,755,000	1,842,235,000
Interest	61,640,346	51,661,680	74,365,171	85,607,440	--
Total--Transportation	**$116,050,346**	**$80,011,680**	**$112,825,171**	**$132,362,440**	**$1,842,235,000**
Total					
Principal	**$ 116,207,717**	**$ 95,838,586**	**$ 121,578,499**	**$ 131,266,336**	**$ 3,701,834,642**
Interest	**$ 117,064,492**	**$ 113,625,005**	**$ 170,317,583**	**$ 179,852,631**	**$ --**
Total Bonded Indebtedness	**$ 233,272,209**	**$ 209,463,591**	**$ 291,896,082**	**$ 311,118,967**	**$ 3,701,834,642**

Loans Outstanding--Pooled Money Investment Board

Dept. of Administration					
Principal	728,667	734,066	737,395	742,235	719,938
Interest	201,679	148,216	98,619	--	--
Kansas State University					
Principal	207,411	212,521	--	--	--
Interest	18,240	10,386	--	--	--
Kansas Water Office					
Principal	221,992	226,892	229,946	232,039	--
Interest	15,485	8,267	4,204	--	--
Total					
Principal	**$ 1,158,070**	**$ 1,173,479**	**$ 967,341**	**$ 974,274**	**$ 719,938**
Interest	**$ 235,403**	**$ 166,869**	**$ 102,823**	**$ --**	**$ --**
Total PMIB Loans	**$ 1,393,474**	**$ 1,340,348**	**$ 1,070,164**	**$ 974,274**	**$ 719,938**

Source: Kansas Development Finance Authority & PMIB

Capital Budget Summary

FY 2005 Expenditures

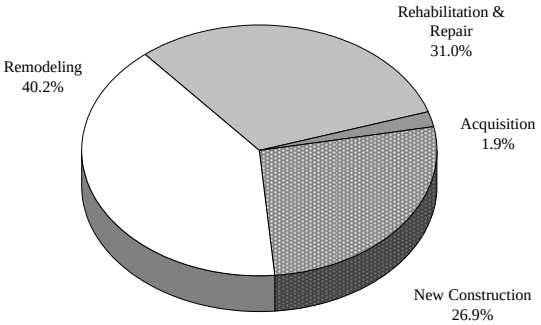
The FY 2005 capital budget approved by the 2004 Legislature totaled $567,029,837 from all funding sources. The estimated expenditures for capital improvements in the current fiscal year, as revised by the Governor, amount to $882,646,439, an increase of $315,616,602. Most of the increase in the revised estimates represent monies from FY 2004 that were not spent or encumbered by the time the fiscal year closed. Much of that expenditure authority transferred over to FY 2005, allowing projects to be continued or completed in this fiscal year. The largest amount of carryover funds, $309.9 million, occurred in the Department of Transportation, but sizeable "shifting" also happened with Regents projects funded from the Educational Building Fund and with a variety of projects financed from various special revenue funds. On the other hand, expenditures for Regents projects financed from restricted funds dropped by $13.3 million as a result of changing timetables for projects.

The Governor's recommendation also adds supplemental funding for new capital items, including $1.0 million for the principal debt service payment on the State Fair's master plan that was omitted from last year's approved budget, $1.3 million for the principal debt service payment on the Aviation Research project at Wichita State University that was omitted a year ago, $125,000 for repair of storm damage to the Pawnee Indian Village historic site under the Historical Society, and $800,000 for the Community Lakes Leasing Program in the Department of Wildlife and Parks.

FY 2006 Expenditures

The FY 2006 capital budget recommended by the Governor totals $1,020,968,011 from all funding sources, $14,320,096 of which is from the State General Fund. The total from all funding sources is an increase of $138.3 million, or 16.7 percent, compared to FY 2005. The largest increase is found again in the Department of Transportation because of a large number of scheduled CIP projects being let this fiscal year and secondarily in Regents projects financed from restricted monies. These increases are in contrast to the pattern of most capital costs, which show a decrease from FY 2005 to FY 2006, because of the "bulge" in FY 2005 that occurs because of the carryover funds. Major new expenditures in FY 2006 include $2.4 million for the debt service on the next phase of the Statehouse renovation project, $5.0 million in repair for Regents facilities, $4.9 million for the Regents Research Initiative, and $200,000 for a ramp for the disabled at the Memorial Building.

How It Is Spent



Fiscal Year 2006

In past years, this report has presented a pie chart showing expenditures by project type. However, one of the items was debt service, which is really a funding source, not a project type. Therefore, for FY 2006, this chart has been separated into two pie charts on capital expenditures. The one above now consistently shows project type. The new term "acquisition" denotes those instances in which the state is merely buying a building, not necessarily improving a facility. The other chart has been relocated to the section concerning financing on the next page.

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

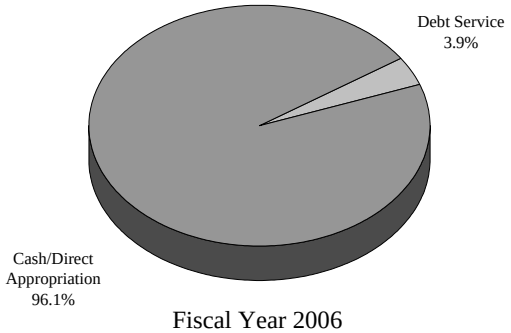
the Division of the Budget for development of the Governor's recommendations. They are also reviewed by the Fiscal Section of the Kansas Legislative Research Department as staff to the Joint Committee on State Building Construction as well as the "appropriation" committees of the Kansas House and Senate. 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.

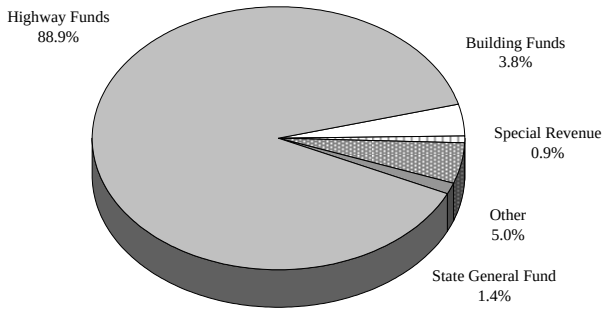
How It Is Financed
By Funding Method



Fiscal Year 2006

Transportation projects are by far the largest part of the state's capital budget. They constitute 86.5 percent of the FY 2005 expenditures for capital improvements and, as indicated by the pie chart in the next column showing expenditures by funding source, 88.9 percent of FY 2006 capital expenditures. The State Highway Fund is the single largest source of funding for capital improvements in the state budget. The fund receives its revenues primarily through highway user fees on motor fuel, vehicle registrations, and a one-fourth percent-dedicated sales tax.

How It Is Financed
By Funding Source



Fiscal Year 2006

The three dedicated funding sources that make up most of the remainder of the capital budget are the Educational Building Fund (EBF), the State Institutions Building Fund (SIBF), and the Correctional Institutions Building Fund (CIBF). The EBF and the SIBF receive revenues from a mill tax levy based on the assessed valuation of all tangible taxable property in the state as of January 1 of each year. The CIBF receives its revenues from lottery and racing activities. The table on the next page shows the status of the building funds.

Educational Building Fund. A year ago, for FY 2005, more expenditures were authorized from the EBF than the fund could support. The Governor recommended and the Legislature approved a lapse in expenditure authority for that year sufficient to keep the obligations of the fund within available resources. Now a year later, with the effects of the property tax accelerator law mostly past and with more revenues in FY 2005 than projected, the fund has stabilized. For FY 2006, the Governor recommends $15.0 million for the ongoing debt service payment for Crumbling

Classroom projects and another $15.0 million for rehabilitation and repair. It is expected that this level of funding can be sustained for at least the next few fiscal years with an estimated carryover balance of approximately $1.0 million as a buffer against any fluctuations in new revenues.

State Institutions Building Fund. 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.

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.

Juvenile Correctional Facilities. The Kansas Juvenile Correctional Complex (KJCC) opened in September 2004. The Governor recommends the merging of the Topeka Juvenile Correctional Complex and the new Kansas Juvenile Correctional Complex into one agency, to be known as the Topeka Juvenile Correctional Facility. In addition to the merger, the Governor recommends transferring all offenders and staff to the new 225-bed maximum security facility. The Governor recommends $605,884, all from the State General Fund, and 4.00 FTE positions for the operating costs of the merged Topeka Juvenile Correctional Facility.

Status of State Building Funds

	FY 2003 Actual	FY 2004 Actual	FY 2005 Gov. Est.	FY 2006 Gov. Rec.	FY 2007 Estimate	FY 2008 Estimate
Educational Building Fund						
Beginning Balance	$ 9,121,546	$ 6,602,449	$ 6,089,057	$ 1,783,955	$ 1,015,433	$ 1,018,581
Released Encumbrances	65,924	504,562	--	--	--	--
Property Tax	22,652,193	23,244,087	24,812,513	26,597,555	27,271,695	28,226,205
Motor Vehicle Taxes	2,881,922	2,126,782	2,155,700	2,990,150	3,094,805	3,203,123
Resources Available	$ 34,721,585	$ 32,477,880	$ 33,057,270	$ 31,371,660	$ 31,381,933	$ 32,447,909
Expenditures	$ 28,119,136	$ 26,388,823	$ 31,273,315	$ 30,356,227	$ 30,363,352	$ 30,370,619
State Institutions Building Fund						
Beginning Balance	$ 11,946,144	$ 15,385,641	$ 15,372,013	$ 4,859,224	$ 4,916,386	$ 5,500,358
Released Encumbrances	161,237	1,268,990	--	--	--	--
Property Tax	11,326,035	11,621,968	12,406,256	13,298,777	13,635,848	14,113,102
Motor Vehicle Taxes	1,441,279	1,063,391	1,077,850	1,495,075	1,547,402	1,601,561
Vet Cemetery Repayment	--	--	--	--	--	355,000
Resources Available	$ 24,874,695	$ 29,339,990	$ 28,856,119	$ 19,653,076	$ 20,099,636	$ 21,570,021
Expenditures	$ 9,489,054	$ 13,967,977	$ 23,996,895	$ 14,736,690	$ 14,599,278	$ 14,608,866
Correctional Institutions Building Fund						
Beginning Balance	$ 2,677,140	$ 1,585,102	$ 2,046,674	$ --	$ --	$ --
Released Encumbrances	21,756	7,051	--	--	--	--
Gaming Revenues	4,992,190	4,992,062	4,992,000	4,992,000	4,992,000	4,992,000
Resources Available	$ 7,691,086	$ 6,584,215	$ 7,038,674	$ 4,992,000	$ 4,992,000	$ 4,992,000
Expenditures	$ 6,105,984	$ 4,537,541	$ 7,038,674	$ 4,992,000	$ 4,992,000	$ 4,992,000

Recommendations

Following is a description of capital improvement projects by agency that are included in the Governor's recommendations. Capital expenditures are listed by agency in Schedules 6.1 and 6.2 and by project in the table at the end of this section.

General Government

Department of Administration

Rehabilitation & Repair. The Governor's recommendation for FY 2005 includes estimated expenditures totaling $567,119 for rehabilitation and repair, of which $367,119 is from the State General Fund and $200,000 from the State Buildings Depreciation Fund. Of the State General Fund amount, $45,843 is a carry forward amount for maintenance projects at the Statehouse and Cedar Crest, and $77,390 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 2006. In addition, the Governor recommends $300,000 from the State General Fund for rehabilitation and repair in FY 2006. 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.

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 $135.0 million. For FY 2005, the debt service totals $6,100,286, of which $3,370,286 is interest and $2,875,000 is principal. All funding for debt service is from the State General Fund. For FY 2006, the Governor recommends $8,451,285 for debt service, of which $4,566,285 is interest and $3,885,000 is principal. The increase for FY 2006 is due to an additional $26.9 million in bonding to begin restoration of the west wing, which is recommended for an FY 2005 letting.

Judicial Center Improvements. The Governor recommends $100,360 from the State General Fund for Judicial Center improvements in FY 2005. 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 $40,360 is for interest. In FY 2006, the Governor recommends $100,360 from the State General Fund to pay debt service, of which $60,000 is for principal and $40,360 is for interest.

Improvements to State Facilities. The Governor recommends $763,650 for FY 2005, $428,650 for interest and $335,000 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 $774,412 for FY 2006, of which $414,412 is interest and $360,000 is principal. In FY 2006, 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 both FY 2005 and FY 2006 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 $1,464,889 for FY 2005 from the State General Fund for the debt service payment on the energy conservation improvement bonds issued by the Kansas Development Finance Authority prior to FY 1999. Of that amount, $1,305,000 is principal and $159,889 is interest. For FY 2006, debt service is estimated to total $1,043,516, $995,000 of which is principal and $48,516 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 2005, $562,250 from the State Buildings Operating Fund is recommended for the principal amount. An additional $133,253 for the interest payment is included in the operating budget, for a total of $695,503. The FY 2006 principal debt service payment totals $562,250 and the interest payment $88,835.

Printing Plant Debt Service. The Governor recommends $171,816 for FY 2005 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 $14,963, is recommended as part of the operating budget. For FY 2006, $175,145 is recommended from the same fund for the principal portion of the debt service. To finance the interest portion, $9,783 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 $433,801 for FY 2005, $218,801 in interest and $215,000 in principal. For FY 2006, the total is $434,230, of which $209,230 is interest and $225,000 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 2005. Of this amount, $19,915 is interest and $18,323 is principal. For FY 2006, the total payment is $38,238, with the principal portion $20,042 and interest $18,196.

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 2005. The state uses these facilities for storing maintenance equipment. The principal is $29,423 and interest is $14,800. For FY 2006, the total is also $44,223, $32,690 for principal and $11,533 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 2005, the Governor recommends $1,229,397 for interest, with a principal payment of $820,000, and in FY 2006 a total of $2,237,397 is recommended, with $1,192,397 of interest and $1,045,000 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.

Department of Commerce

Rehabilitation & Repair. The Governor recommends a total of $80,000 for general rehabilitation and repair in both FY 2005 and 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 Workforce Investment Act Fund and the Wagner Peyser Fund. The debt payment in FY 2005 includes $72,660 for principal and $60,000 for interest. In FY 2006, the payment for principal is $65,000 and the interest is $70,785.

Insurance Department

Contingent Building Repairs. The Governor recommends $30,000 in FY 2006 for unforeseen repairs to the Insurance Department Building from the Contingent Building Repairs Fund. The approved amount for FY 2005 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 the Contingent Building Repairs Fund in FY 2006 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 the Contingent Building Repairs Fund 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 $200,000 from the Contingent Building Repairs Fund in FY 2005 to address the antiquated heating/cooling systems in the 75-year-old building. The upgrades will make it possible to maintain even temperatures throughout the year.

Exterior Lighting. The Governor recommends $10,000 from the Contingent Building Repairs Fund in FY 2005 to install additional lighting on the exterior of the Insurance Building. Currently there are two antique lamps that light only the south entrance of the building.

Insurance Building Debt Service. The 1991 Legislature authorized the purchase of the Insurance Building at 420 SW 9th Street in Topeka, and the Kansas Development Finance Authority issued bonds in the amount of $1,795,000 to finance the purchase. The Governor recommends $185,358 from the Insurance Department Principal and Interest Payment Fund, which includes $150,000 for the principal and $35,358 for the interest payment in FY 2005. For FY 2006, the Governor's recommendation of $185,635

includes principal payments of $160,000 and interest payments of $25,635.

Judiciary

Partial Renovation of the Judicial Center. The Judiciary requests $134,692 in FY 2005 and $153,473 in FY 2006 to renovate parts of the Judicial Center to house new judges and their staff. The Court of Appeals will expand by four members between FY 2003 and FY 2007. The FY 2005 amount is for the space related to the second new judge and the third in FY 2006.

Human Resources

Social & Rehabilitation Services

Rehabilitation & Repair—Chanute Office Building. The Governor recommends $300,000 in each of FY 2005 and FY 2006 for routine maintenance and rehabilitation and repair projects at the Chanute Office Building. The funds recommended for FY 2005 will be used for window replacement and electrical system upgrades. The funds recommended for FY 2006 will be used to replace the roof. 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 and ensured that funding will be available for the future capital improvement needs of the state hospitals and other state agencies that regularly use the State Institutions Building 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 $7.4 million for FY 2005 and $1.4 million for FY 2006.

Debt service payments on the rehabilitation and repair bonds begin in FY 2005 and the Governor recommends $2.6 million, $1.5 million for debt service interest and $1.1 million for debt service principal for this year. For FY 2006, 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 will be completed in FY 2005. The facility will replace the three separate buildings on the Larned State Hospital campus currently used to treat security patients. For FY 2005, the Governor recommends $3,909,212 from the State Institutions Building Fund to finance the debt service payments for the new State Security Hospital. Of the recommended amount, $2,319,212 will be used for the debt service interest and $1,590,000 will be used for debt service principal. For FY 2006, $3,910,762 from the SIBF is recommended. Of that amount, $2,270,762 will be used for the debt service interest and $1,640,000 will be used for debt service principal.

The amounts available for expenditure in FY 2005 for each of the state hospitals represent unspent monies from FY 2004 that carried over into FY 2005. Rehabilitation and repair funds for FY 2006 are budgeted in the central office of SRS and will be distributed after FY 2006 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 $55,668 from the State Institutions Building Fund for FY 2005. Capital improvement expenditures for FY 2006 will be allocated systemwide by the Department of Social and Rehabilitation Services.

Larned State Hospital

Rehabilitation & Repair. The Governor's recommendation for ongoing rehabilitation and repair projects for FY 2005 is $190,526 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 $46,738 from the State Institutions Building Fund in FY 2005 for ongoing rehabilitation and repair projects.

Parsons State Hospital & Training Center

Rehabilitation & Repair. Ongoing rehabilitation and repair projects at Parsons State Hospital and Training Center will be funded through the Governor's recommendation of $129,413 from the State Institutions Building Fund in FY 2005.

Rainbow Mental Health Facility

Rehabilitation & Repair. An amount of $7,237 is recommended by the Governor from the State Institutions Building Fund for FY 2005 for ongoing rehabilitation and repair projects.

Department of Labor

Rehabilitation & Repair. A total of $60,000 is recommended by the Governor in special revenue funds for general rehabilitation and repair in FY 2005. This money will be used for upkeep on various buildings across the state. The projects include roofing, overlaying of parking lots, mudjacking or replacing sidewalks, painting, carpeting, and caulking. The recommendation for FY 2006 is $40,000 from special revenue funds.

Headquarters Debt Service. Bonds were issued on behalf of the Department of Labor for two capital improvement projects. One set of bonds was issued to finance a renovation of the Department's headquarters, which is located at 401 SW Topeka Blvd. in Topeka. The debt payment in FY 2005 includes $145,000 for principal and $134,758 for interest. In FY 2006, the principal is $145,000 and the interest is $131,134. These payments are financed by the Special Employment Security Fund. In addition, the Department was authorized during the last legislative session to use the remaining unspent balance from these bond proceeds to renovate other workspaces, as determined by the Secretary of Labor.

The other set of bonds was issued to purchase the property located at 1430 SW Topeka Blvd. Ownership of this property was transferred from the Department of Labor to the Department of Commerce at the end of FY 2004. Debt service payments are included in the Department of Commerce's budget.

Roof Repair. In FY 2006, the Governor recommends a total of $33,255 in special revenue funds to repair the roofs of the Department of Labor's buildings located at 414 and 416 SW Jackson in Topeka.

Commission on Veterans Affairs

Rehabilitation & Repair. For rehabilitation and repair at the Kansas Soldiers Home, the Governor recommends $103,265 in FY 2005 and $257,130 in FY 2006 from the State Institutions Building Fund. The funding will be used to renovate cottages, complete projects to meet ADA requirements, and attend to general repair and upkeep of the facility. For the Kansas Veterans Home, the SIBF recommendation for rehabilitation and repair is $206,897 for FY 2005 and $100,000 for FY 2006. This recommended amount will serve as matching funds for a U.S. Department of Veterans Affairs grant intended for weatherization; tuckpointing and sealing Bleckley, Funston, and Triplett Halls; as well as for general repairs at the Veterans Home.

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 $3,156,806 in FY 2005 from the Veterans Cemeteries Federal Construction Grant Fund for these projects.

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 $748,884 for FY 2005. Of this amount, $73,600 was appropriated from the State Institutions Building Fund in FY 2001 and $675,284 is from the federal Home Construction Grant Fund.

Veterans Home Heating, Ventilation, & Air Conditioning Replacement. The Kansas Veterans Home has received a federal grant from the U.S. Department of Veterans Affairs to replace the HVAC systems in Donlon Hall, Bleckley Hall, and the Holly Power Plant. The systems in these buildings are the original equipment that was phased in from 1966 to 1971 and were not replaced as part of the Home's renovation. The emphasis at that time was to keep project costs as low as possible; however, the current systems are not energy efficient and require constant time, money, and attention to keep them running. This project was accepted by the U.S. Department of Veterans Affairs for a federal grant. The 2002 Legislature included new appropriations of $587,825 for each of FY 2004 and FY 2005 from the State Institutions Building Fund as matching funds for this grant. For FY 2005, the Governor recommends expenditures of $2,935,979 to complete this project. Of this amount, $655,361 is reappropriated from the State Institutions Building Fund, and $2,280,618 is federal grant proceeds. For FY 2006, the Governor recommends $38,350 from federal grant proceeds for any additional expenditures in finishing the project.

Education

School for the Blind

Rehabilitation & Repair. For FY 2005, the Governor recommends $151,785 from the State Institutions Building Fund for rehabilitation and repair projects. The Brighton Building has 4.5' x 4.5' restrooms with 23" doors that are not ADA compliant. Each restroom and the kitchen have the 1961 original fixtures and appliances. Since the areas are adjoining, the proposed remodeled space will create an ADA compliant unisex restroom plus a small kitchen that includes a refrigerator and a microwave. Another improvement in the Brighton Building is needed because of the increased use of this building as an activity and student commons area. The agency will refinish the locker room floors, install fiberglass or poly-material partitions in the restrooms, install fiberglass lockers, and upgrade plumbing fixtures. For FY 2006, the Governor recommends $188,064 for rehabilitation and repair projects from the State Institutions Building Fund.

School for the Deaf

Rehabilitation & Repair. For FY 2005, the Governor recommends $175,000 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 2006, the Governor recommends $180,000 for rehabilitation and repair projects to make the repairs similar to those listed above.

Roth Dorm Renovation. The Governor recommends $1,226,821 for dormitory renovation in FY 2005 and $805,190 in FY 2006 from the State Institutions Building Fund. FY 2006 will be the fifth year of an eight-year renovation project. The financing is from the State Institutions Building Fund. Since the dormitories were built seven decades ago, they fail to meet present day code requirements or program needs for the students. The School's plan is to renovate each floor in the old dorm to code until all six dormitory areas are finished.

This renovation project started in August 2002 with the construction of twin fire escape towers to the girls' and boys' dormitory wings. The work consisted of initial earthwork and pouring of footings to fabricate the steel decking with stairs to match the brick exterior of the building constructed in 1935. A new roofing deck was added after all the windows had been removed or installed. The next step in the renovation is remodeling the interior of the three floors in the boys' and girls' living areas. New fire escape doors cut into the existing exterior wall allows access to the new fire escape. Also new plumbing, electrical, and HVAC systems are in progress in the building.

Heating & Air Conditioning Debt Service. The Governor recommends $25,222 to make the debt service payment on the heating and air conditioning renovation in FY 2005 and $52,021 in FY 2006 from the State General Fund. The new HVAC system will be more efficient and cost effective over time.

Key Card Entry System. The Governor recommends $112,000 in FY 2005 for security and safety upgrades to many school buildings so that the entire campus has an effective security system that will match the new dorm renovation. In FY 2006, the Governor recommends $108,000 for these upgrades. The financing is from the State Institutions Building Fund.

Parks Bilger/Taylor Gym Roof. In FY 2005, the Governor recommends $136,325 from the State Institutions Building Fund for roof repair. Many of the School's buildings have flat roofs that leak. These buildings are showing roof deterioration, thus requiring repair to prevent major building damage and possible damage in the instructional areas within the School.

Roth Roof Replacement. In FY 2005, the Governor also recommends $40,194 from the State Institutions Building Fund for roof repair on the Roth Building to correct the same problem with a flat roof on the Roth dormitory. This building is also showing roof deterioration, thus requiring repair to prevent major building damage.

Roberts Dorm Renovation. In FY 2005, the Governor recommends $92,719 for renovation of the Roberts Building on the School campus. This renovation will upgrade the building in safety and code issues related to dorm living. Financing is from the State Institutions Building Fund.

Board of Regents

Rehabilitation & Repair. The Governor recommends $15.0 million in FY 2006 from the Educational Building Fund (EBF) for the ongoing rehabilitation and repair of campus facilities. 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 2006 from the EBF, using a consensus process between the Division of the Budget and Legislative Research in estimating property tax revenues.

Crumbling Classroom Debt Service. For both FY 2005 and FY 2006, 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 2005 is $10,005,800 and $4,994,200, respectively, and for FY 2006 is $10,205,800 and $4,794,200. These bond issues were approved during the 1996 Legislative Session upon the Governor's recommendation. The initial bonds of $50.0 million were issued in November 1996, and another $110.0 million was issued in October 1997. 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.

Tenant Upgrades. The Governor recommends $5,635 for both FY 2005 and FY 2006 from the State General Fund for payments that are made to the Department of Administration for tenant upgrades. The upgrades were done for the Board of Regents relocation into the Curtis Building.

Research Initiative Debt Service. The Governor recommends $4,909,913 in FY 2006 from restricted use funds to pay $1.5 million in principal and $3,409,913 in interest on the research initiative bonds. 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 time

the universities will assume responsibility from revenue generated by the facilities. A transfer from the State General Fund is recommended by the Governor to pay for the state's responsibility on the debt service beginning in FY 2005.

Emporia State University

Rehabilitation & Repair. The Governor recommends $886,877 in FY 2005 from the Educational Building Fund, of which $399,000 is from the allocation of new funds from the Board of Regents, and $487,877 is reappropriated from FY 2004. In addition, $17,233 is recommended from restricted use funds in both FY 2005 and FY 2006. 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 2005 and FY 2006 from campus parking fees.

Residence Hall Debt Service. Financing of the debt service on the residence halls comes from student fees. The Governor recommends $210,000 in FY 2005 and $220,000 in FY 2006 to pay the principal 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 $100,000 for principal bond payments in FY 2005 and $105,000 in FY 2006. Planning and construction for the building are financed through student fees.

Memorial Union Renovation. Funds are budgeted annually for continuing improvements to the Student Union. For the next several years, most of the available funds will be directed toward code compliance issues and repairs related to the Americans with Disabilities Act. The Governor recommends $131,000 for each of FY 2005 and FY 2006 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 $40,000 in FY 2005 and $45,000 in FY 2006 from restricted fees for debt service on the construction of new dormitories for men.

Fort Hays State University

Rehabilitation & Repair. The Governor recommends $736,523 in FY 2005 from the Educational Building Fund, of which $474,000 is from the allocation of new funds from the Board of Regents and $262,523 is reappropriated.

Student Housing Debt Service. The Governor recommends $145,000 in both FY 2005 and FY 2006 to pay the principal on the bonds from restricted fees. The bonds finance the renovation and remodeling of student dormitories.

Parking Improvements. To finance parking improvements on campus, the Governor recommends $150,000 in FY 2005 and $300,000 in FY 2006. These improvements are funded by parking fees.

Lewis Field Stadium Renovation Debt Service. The Governor recommends $60,000 in both FY 2005 and FY 2006 to make the principal payment on bonds from restricted fees. The bonds are financing the remodeling of the stadium.

Kansas State University

Rehabilitation & Repair. The Governor's recommendation includes $4,233,550 from the Educational Building Fund for rehabilitation and repair of campus facilities in FY 2005. Of this amount, $2,041,000 is a transfer of new funds from the Board of Regents. In addition, $2,060,000 is recommended from other funding sources in both FY 2005 and FY 2006.

Lease-Purchase of Aeronautical Center. The Governor recommends $189,446 in each of FY 2005 and FY 2006 from the State General Fund for the 11th and 12th payments in a lease-purchase agreement with the Salina Airport Authority. The payments have allowed the College to acquire the International Training Center and a recently-completed laboratory for the Airframe and Powerplant Program. The lease-purchase agreement is for 20 years.

University Debt Service. The Governor recommends $3,823,824 in FY 2005 and $3,018,314 in FY 2006 from special revenue funds for principal payments on various projects funded through revenue bonds. These include housing projects, parking lot projects, and a building renovation project.

Parking Lot Improvements. To finance parking improvements, the Governor recommends $800,000 for each of FY 2005 and FY 2006 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 Residence Halls. The renovation of Ford, Marlatt, Putnam, and Goodnow Halls will convert the old-style student rooms with gang showers to suites with private bathrooms. The project will also include improvements, such as electrical, plumbing, sprinkler systems, and environmental systems. The Governor recommends $2.0 million in FY 2005 and $1,725,000 in FY 2006 from dormitory fees for this project.

Jardine Apartment Housing. The Governor recommends $750,000 in FY 2006 from restricted use funds to begin redevelopment of this student housing complex.

Aircraft Runway Improvements. The Governor recommends $1.0 million in FY 2006 from restricted use funds to make improvements to the University's runway in Salina.

KSU—Extension Systems & Agricultural Research Programs

Rehabilitation & Repair. For the rehabilitation and repair of university buildings, the Governor recommends $100,000 in both FY 2005 and FY 2006 from the Restricted Fees Fund.

Pittsburg State University

Rehabilitation & Repair. Funds for rehabilitation and repair are initially appropriated to the Board of Regents. The Governor recommends $681,295 in FY 2005 from the Educational Building Fund, $456,000 of which is from the allocation of new funds from the Board of Regents, and $474,552 is reappropriated from FY 2004. In addition, $1.2 million is recommended from restricted use funds in FY 2005 and $750,000 in FY 2006.

Parking Improvements. To finance parking lot improvements, the Governor recommends $200,000 in both FY 2005 and FY 2006 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 $85,000 in both FY 2005 and in FY 2006 to make the principal payment on bonds issued to renovate the student center. In addition, the Governor recommends $250,000 in both FY 2005 and FY 2006 from student fees to complete several remodeling projects at the Center.

Horace Mann Debt Service. The Governor recommends $125,000 in FY 2005 and $130,000 in FY 2006 for debt service principal payments on the renovation of the Horace Mann Administration Building. These debt service payments are made from restricted fees.

Student Health Center & Hospital Improvements. The Governor recommends $100,000 in FY 2005 and $750,000 in FY 2006 from restricted fees to expand the Student Health Center reception area, complete remodeling projects, and provide space for another physician.

Readiness 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 $13.5 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 2005, the Governor recommends $258,257 from the Educational Building Fund for the project. For FY 2006, the Governor recommends $1,913,594 from restricted use funds for these projects.

Polymer Research Center. For FY 2006, the Governor recommends the use of $324,450 in restricted use funds to begin construction of the Polymer Research Center. Additional private funding

of $2.7 million will complete the project in FY 2007. The Center will be used to research and develop bio-based polymers for higher-grade plastics. The research will focus on transforming farm crops, such as soybeans, to replace petroleum-based ingredients used in plastics.

Energy Conservation Debt Service. The Governor recommends $122,716 in FY 2005 and $128,567 in FY 2006 from the State General Fund to pay the principal part of the debt service on energy conservation bonds. The energy conservation projects are designed to generate sufficient savings to pay for the debt service.

Willard Hall Debt Service. The Governor recommends $115,000 in FY 2005 and $120,000 in FY 2006 from restricted fees for Willard Hall. These are the principal payments on the debt service. This residence hall was remodeled for the traditional dormitory style into suites.

University of Kansas

Rehabilitation & Repair. An amount of $5,862,025 is recommended by the Governor from the Educational Building Fund for rehabilitation and repair of campus facilities in FY 2005. Of this amount, $3,827,025 is a reappropriation from FY 2004 and $2,035,000 is a distribution of new funds from the Board of Regents. The Governor also recommends expenditures of $1,968,675 in FY 2005 and $609,939 in FY 2006 from restricted use fee funds to make additional repairs and improvements.

Parking Improvements. The Governor recommends $400,000 in both FY 2005 and in FY 2006 from parking fees for the completion of various parking improvements on the campus.

Allen Field House. The University plans to continue with its repair and remodeling of Allen Field House. The University will provide $615,747 in FY 2005 and $11,294,253 in FY 2006 from restricted use funds to add a Hall of Athletics, enhance the main entrance, and make repairs to the athletic facility.

Wescoe Hall. The Governor recommends $1,750,000 from restricted use funds to remodel Wescoe Hall in FY 2006. This building houses many student classrooms and faculty offices. In addition to making repairs, the project will provide additional office space for teaching staff.

Molecular Library Center. The Governor recommends $220,182 in FY 2005 and $5,534,936 in FY 2006 for the Molecular Library Center. The funding assumes that the University will receive a federal grant. The Center will provide space for the Chemical Methodologies and Library Development Program and high through-put screening labs.

University Debt Service. The Governor recommends $4,036,521 in FY 2005 and $4,166,521 in FY 2006 from special revenue funds for principal payments on various projects funded through revenue bonds. These projects include housing projects, parking lot projects, the Regents Center, Student Union renovations, and the Watkins Health Center.

Mallott Hall Medicinal Chemistry. For FY 2005, the Governor recommends a $2,301,498 remodeling project that will be funded through restricted fees. The remodeled labs will be used as synthetic chemistry facilities and will be primarily occupied by these faculty members with the most pressing need for space. A portion of the renovated space will be reserved for temporary use by other faculty for the synthetic chemistry related portions of their projects.

Campus Landscape Master Plan. The plan was completed in fall 2000 as a follow-up to the work on the Lawrence campus developmental plan. The Landscape Master Plan provides direction for the development and maintenance of landscaping and proposes a system to direct signage development on campus. For the implementation of this plan, the Governor recommends restricted use funds in the amount of $1,420,080 in FY 2006.

New Scholarship Hall. The University of Kansas plans to build a scholarship hall for women at the Lawrence campus. The project is expected to be completed in FY 2006 with the final expenditures of $2,864,460 in FY 2005 and $198,026 in FY 2006. This is the first of two new halls that will provide affordable housing. This hall will have 12 suites for four women each, a director's apartment, and a president and proctor suite. Sited on the east edge of the campus, the hall will be designed and detailed to complement the surrounding residential area.

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 $2,820,000 in FY 2005.

University of Kansas Medical Center

Rehabilitation & Repair. To fund rehabilitation and repair projects, the Governor recommends $1,378,693 from the Educational Building Fund for Medical Center facilities in FY 2005. This recommendation includes a reappropriation of $663,693 from FY 2004. In addition, $4,876 from restricted use funds is recommended for FY 2005.

Parking Facility No. 3. The Governor recommends $300,000 in FY 2005 and $7.7 million in FY 2006 from restricted use funds to build a parking garage at the Medical Center. 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 $1.2 million in FY 2005 and $550,000 in FY 2006. Expenditures will be from parking fee funds.

University Debt Service. The Governor recommends $215,000 in FY 2005 and $330,000 in FY 2006 from restricted use funds. The recommendation will fund the principal payments for the Medical Center's Research Support Facility in both years.

Wichita State University

Rehabilitation & Repair. A total of $1,906,255 is recommended for FY 2005 from the Educational Building Fund for rehabilitation and repair of campus facilities. Of this amount, $1,035,255 is a reappropriation from FY 2004, and $871,000 is a distribution of new money from the Board of Regents.

Parking & Housing Debt Service. The Governor recommends $750,000 in FY 2005 and $780,000 in FY 2006 from restricted fees for payment of principal on a bonded project to renovate campus parking and housing.

Aviation Research Debt Service. The Governor recommends $1.0 million in FY 2005 and $1,050,000 in FY 2006 to pay the principal on $13.0 million in bonds. The revenues are funding equipment for aviation research at the University.

Historical Society

Rehabilitation & Repair. The Governor recommends $250,000 from the State General Fund in FY 2005 and $125,000 from the State General Fund in FY 2006 to handle routine and emergency repairs at the state historic sites and the Kansas Museum of History. In addition, $479,469 in special revenue funds is recommended in FY 2005 and $348,400 in special revenue funds is recommended in FY 2006 for rehabilitation and repair projects at the historic sites. This will allow the agency to complete repair projects that have been delayed because of limited State General Fund financing during FY 2003 and FY 2004.

Public Safety

Department of Corrections

Rehabilitation & Repair. The Governor recommends rehabilitation and repair projects totaling $2.1 million in FY 2005 and $3.2 million in FY 2006. 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 Bonds Debt Service. The Governor recommends expenditures of $1,334,000 from the State General Fund in FY 2005 for the debt service payment in association with relocation of the Reception and Diagnostic Unit to El Dorado. Of this amount, $739,000 is for interest and $595,000 is for principal. For FY 2006, $1,336,000 is recommended from the State General Fund, including $625,000 for principal and $711,000 for interest.

Labette Correctional Conservation Camp Debt Service. This debt service is utilized to pay off a 100-bed expansion project that was authorized in 1997. For FY 2005, the Governor recommends a debt service payment of $161,000, including $125,000 for principal and $36,000 for interest. This amount will be paid from the State General Fund. For FY 2006, the Governor recommends $161,000 from the State General Fund for this payment, including $130,000 for principal and $31,000 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 $1,625,000 from the State General Fund in FY 2005, including $1,370,000 for principal and $255,000 for interest. For FY 2006, the Governor recommends $1,620,000 from the State General Fund, including $1,430,000 for the principal payment and $190,000 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 2005, a total of $164,000 from the State General Fund is recommended for the debt service payment for the Wichita Work Release Facility. Of this amount, $150,000 is for principal and $14,000 is for interest. For FY 2005, the Governor recommends $170,000 from the State General Fund, including $165,000 for principal and $5,000 for interest.

Revenue Refunding Bonds Debt Service. This issue paid for the original construction of El Dorado and Larned Correctional Facilities. The Governor recommends $5,327,000 from all funding sources in FY 2005 for the debt service payment for the revenue refunding bonds. Of this amount, $4,555,000 is for principal and $772,000 is for interest. Of the amount budgeted for principal, $2,865,303 is from the State General Fund, and $1,689,697 is from the Correctional Institutions Building Fund.

For FY 2006, the Governor recommends $2,265,000. Of this amount, $1,689,697 is for principal and $575,303 is for interest. The principal portion of the payment will be paid from the CIBF and the interest will be paid from the State General Fund.

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 2005, 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, $950,000 is for principal and $68,000 is for interest. For FY 2006, the Governor recommends $1,018,000 from the State General Fund, including $995,000 for principal and $23,000 for interest.

Kansas Correctional Industries (KCI)—Rehabilitation & Repair. For FY 2005, the Governor recommends expenditures of $90,000 from the Correctional Industries Fund for the rehabilitation and repair of various correctional industries buildings. For FY 2006, the Governor recommends $50,000 from the Correctional Industries Fund for this purpose.

KCI—Showroom & Warehouse. For FY 2005, 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, as well as store merchandise and materials.

KCI—New Manufacturing Building. For FY 2006, 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 would 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 $67,238 from the Correctional Institutions Building Fund for general repairs and construction for FY 2005. These funds were reappropriated from FY 2004 for ongoing projects.

Energy Conservation Debt Service. In FY 2005, the El Dorado Correctional Facility was selected to

participate in an energy conservation program to identify improvements that would generate utility savings. These improvements have been made through a master lease agreement with annual debt payments. As part of the program, if the estimated savings are not generated, the company providing the funds will make up the difference. The total cost of the project at the facility is $2,643,865, with a ten-year lease term. For FY 2005, the Governor recommends $124,094 from the State General Fund for this debt payment, including $61,784 for interest and $62,310 for principal. For FY 2006, the Governor recommends $251,977 from the State General Fund for this debt payment, including $80,546 for interest and $171,431 for principal.

Ellsworth Correctional Facility

Rehabilitation & Repair. For FY 2005, the Governor recommends $24,784 from the Correctional Institutions Building Fund for general repairs and construction. These funds were reappropriated from FY 2004 for ongoing projects.

Hutchinson Correctional Facility

Rehabilitation & Repair. For ongoing rehabilitation and repair projects, the Governor recommends $936,181 from the Correctional Institutions Building Fund in FY 2005. These funds were reappropriated from FY 2004.

Energy Conservation Debt Service. The total cost of the debt on energy projects at the facility is $2,748,100, with a ten-year lease term. For FY 2005, the Governor recommends $330,629 from the State General Fund for this debt payment, including $102,755 for interest and $227,874 for principal. For FY 2006, the Governor recommends $330,629 from the State General Fund for this debt payment, including $92,852 for interest and $237,777 for principal.

Lansing Correctional Facility

Rehabilitation & Repair. For rehabilitation and repair, the Governor recommends $1,390,658 from the Correctional Institutions Building Fund in FY 2005.

Energy Conservation Debt Service. The total cost of the debt on energy projects at this correctional facility is $4,332,415, with a ten-year lease term beginning in FY 2005. For FY 2005, the Governor recommends $433,242 from the State General Fund for this lease payment, including $126,989 for interest and $306,253 for principal. For FY 2006, the Governor recommends $433,242 from the State General Fund for this lease payment, including $115,894 for interest and $317,348 for principal.

Larned Correctional Mental Health Facility

Rehabilitation & Repair. For FY 2005, the Governor recommends $53,500 from the Correctional Institutions Building Fund for ongoing rehabilitation and repair projects. This funding was reappropriated from FY 2004.

Norton Correctional Facility

Rehabilitation & Repair. For FY 2005, the Governor recommends $166,536 from the Correctional Institutions Building Fund for ongoing rehabilitation and repair. This funding was reappropriated from FY 2004.

Energy Conservation Debt Service. The total cost of the debt on energy projects at the facility is $2,086,647, with a ten-year lease term beginning in FY 2004. For FY 2005, the Governor recommends $203,865 from the State General Fund for this payment, including $65,826 for interest and $138,039 for principal. For FY 2006, the Governor recommends $203,865 from the State General Fund for this payment, including $60,193 for interest and $143,672 for principal.

Topeka Correctional Facility

Rehabilitation & Repair. The Governor recommends $181,058 from the Correctional Institutions Building Fund for ongoing rehabilitation and repair projects in FY 2005. These funds were reappropriated from the previous fiscal year and will be used to ensure the facility is properly maintained.

Winfield Correctional Facility

Rehabilitation & Repair. For FY 2005, the Governor recommends $329,639 from the Correctional Institutions Building Fund for ongoing rehabilitation and repair projects.

Energy Conservation Bonds Debt Service. The total cost of the project at the facility is $1,763,907, with a ten-year lease term beginning in FY 2004. For FY 2005, the Governor recommends $170,691 from the State General Fund for this lease payment, including $55,115 for interest and $115,576 for principal. For FY 2006, the Governor recommends $170,691 from the State General Fund for this lease payment, including $50,398 for interest and $120,293 for principal.

Juvenile Justice Authority

Rehabilitation & Repair. The Governor recommends $1,014,680 in FY 2005 and $1,126,000 in FY 2006 from the State Institutions Building Fund for rehabilitation projects at the Juvenile Correctional Facilities. Projects that will be completed in FY 2005 include repairing sidewalks at Larned, Atchison, and Topeka and replacing steam valves and exterior doors at Atchison. The projects to be completed in FY 2006 include replacing HVAC controls at Atchison and Topeka; Americans with Disabilities Act upgrades at Topeka; and lock replacements at Atchison.

Facility Planning & Remodeling. For FY 2005 the Governor recommends $503,512 from the State Institutions Building Fund for juvenile correctional facility planning and remodeling needs. This funding will be used to purchase furniture and equipment for the Kansas Juvenile Correctional Complex. The entire amount is a reappropriation from FY 2004.

Facility Construction Debt Service. For FY 2005, the Governor recommends $2,006,181 from the State Institutions Building Fund for the principal payment and $2,291,013 for the interest payment on the debt for facility construction and expansion of juvenile correctional facilities. For FY 2006, the Governor recommends $1,795,000 for the principal payment and $2,205,512 for the interest payment for this purpose. Bonds were issued in FY 2002 to build a 210-bed maximum-security and reception and diagnostic center adjacent to the Topeka Juvenile Correctional Facility, 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 of 2004.

New Backup Generator. For FY 2005, the Governor recommends $494,908 from the State Institutions Building Fund to install a backup generator at the Topeka Juvenile Correctional Facility. The Facility has experienced several power outages over the last few years, lasting for a few minutes to several hours. These outages incapacitate the Facility's safety and security systems, thus creating an unsafe environment for both staff and offenders.

Atchison Juvenile Correctional Facility

Rehabilitation & Repair. The Governor recommends $251,878 from the State Institutions Building Fund in FY 2005 from various rehabilitation and repair projects. The entire amount has been reappropriated from FY 2004.

Beloit Juvenile Correctional Facility

Rehabilitation & Repair. The Governor recommends $105,087 from the State Institutions Building Fund for various rehabilitation and repair services, which includes $96,200 for emergency rehabilitation and repair to the boiler system. This repair was necessary to ensure the safety of the juvenile offenders and staff within the facility.

Topeka Juvenile Correctional Facility

Rehabilitation & Repair. The Governor recommends $18,241 from the State Institutions Building Fund in FY 2005 from various rehabilitation and repair projects. The entire amount has been reappropriated from FY 2004 and will be used to winterize the vacated living units at the former Topeka Juvenile Correctional Facility made necessary by the movement of offenders and staff to the new maximum security facility.

Adjutant General

Armory Repair Debt Service. The Adjutant General's Department was authorized to issue $22.0 million in bonds to fund the Armory Rehabilitation Plan over a five-year period starting in FY 2001. The plan will rehabilitate selected existing state-owned armories statewide 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, and $6.0 million in June 2004. The State Finance Council authorized the final $6.0 million in October 2004, which will be issued in late FY 2005.

For FY 2005, the Governor recommends $624,584 from the State General Fund to finance debt service payment on bonds issued for the Armory Rehabilitation Plan. Of the recommended amount, $225,000 will be used for debt service principal and $399,584 for debt service interest. The Governor recommends $1,494,290 in FY 2006 from the State General Fund to finance the debt service payment. Of the recommended amount, $850,000 will be used for debt service principal and $644,290 for debt service interest. The debt service payments for the $6.0 million authorized by the State Finance Council in October 2004 will not start until FY 2007 and are not reflected in this document.

Highway Patrol

Rehabilitation, Repair, & Scale Replacement. The Governor recommends $283,178 in FY 2005 and $291,509 in FY 2006 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 Motor Carrier Inspection Fund.

Training Center Debt Service. The Governor recommends $425,000 in FY 2005 from the Highway Patrol Training Center Fund to finance debt service on the agency's Training Center in Salina. For FY 2006, $445,000 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 2005, the Governor, for the purpose of paying the debt service principal on the Highway Patrol fleet facility, recommends $200,000 from the Motor Carrier Inspection Fund. In FY 2006, $205,000 is recommended for the same purpose. The facility was purchased using bonds that were issued in November 2001.

Port Modernization Debt Service. An amount of $41,817 is recommended from the Motor Carrier Inspection Fund by the Governor in FY 2005 for port modernization. In FY 2006, $43,957 is recommended for the same purpose. 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.

Olathe Vehicle Inspection Facility Debt Service. The Governor recommends $40,000 from the Vehicle Identification Number Fee Fund in FY 2005 to finance the debt service on bonds issued for the purchase of the Vehicle Inspection Facility in Olathe. In FY 2006, the Governor recommends $45,000 for the same purpose. These amounts represent the principal portion of the debt.

Kansas Bureau of Investigation

Headquarters Building Debt Service. The Governor recommends $230,000 in FY 2005 and $245,000 in FY 2006 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 $83,905 in FY 2005 and $70,958 in FY 2006 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 2005, the Governor recommends $103,530 from the State Fair Capital Improvements Fund for various rehabilitation

and repair projects on the State Fairgrounds in Hutchinson. For FY 2006, the Governor recommends $405,601 from the State Fair Capital Improvements Fund for rehabilitation and repair projects. Included in the recommendation are $44,101 for maintenance contract expenditures and $61,500 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 2005, the Governor recommends $2,247,905 for debt service payments. The principal portion is $1.0 million and the interest is $1,247,905. The financing is $1,547,905 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 2006, the Governor recommends $2,250,043 for debt service payments. The principal total is $1,050,000 and the interest is $1,200,043. The financing is $1,550,043 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. This includes the restored $300,000 State General Fund revenue transfer for FY 2006.

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 $8.1 million from all funding sources for rehabilitation and repair in FY 2005. For FY 2006, the recommendation is $2.0 million from all funding sources. The categories of rehabilitation and repair that are emphasized by these recommendations are general rehabilitation and repair, ADA accessibility, and road and bridge maintenance.

General rehabilitation and repair includes maintenance of the facilities managed by the Department. For FY 2005, the Governor recommends $5,519,169 from all funding sources. Of this amount, $184,537 is from the Parks Fee Fund, $664,835 is from the Wildlife Fee Fund, $1,972,475 is from the Land and Water Conservation Fund, $521,580 is from the Federal Grant Fund, $835,742 is from the Wildlife Conservation Fund—State, and $1,340,000 is from the Wildlife Conservation Fund—Federal. The Governor also recommends $65,303 of the FY 2005 financing specifically for ADA accessibility from the Wildlife Fee Fund. For FY 2006, the total for rehabilitation and repair is $791,165, including $641,165 from the federal Land and Water Conservation Fund and $150,000 from the Wildlife Fee Fund.

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 $2,526,977 from the State Highway Fund for FY 2005. Of this amount, $1,740,698 is for access roads and $786,279 is for bridges. For FY 2006, the Governor's budget recommendation totals $1.2 million from the State Highway Fund, of which $1.0 million is for roads and $200,000 is for bridges.

Boating Access & Development. In recognition of the U.S. Fish and Wildlife Service mandate to provide boating access in Kansas, the Governor recommends expenditures of $1,854,553 for boating access and development for FY 2005 and $875,370 in FY 2006. In FY 2005, the funding sources will be the Wildlife Fee Fund at $1,733,631 and the Boating Fee Fund at $120,922. In FY 2006, the Wildlife Fee Fund—State will fund $75,370 and the Wildlife Fee Fund—Federal will fund $800,000.

Coast Guard Boating Projects. To begin a program to provide secure, off-season storage facilities for the Department's powerboats in FY 2006, the Governor recommends expenditure of $105,000 from the Boating Fee Fund—Federal.

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 $1,426,765 from special revenue funds for land and wetlands acquisition, development, and rehabilitation in FY 2005. Of this amount, $674,925 is for land and $751,840 is for wetlands. Financing for land acquisition and development is from the Wildlife Conservation Fund, and financing for wetlands includes $409,840 from the Migratory Waterfowl Propagation and Protection Fund and $342,000 from the Wildlife Conservation Fund—Federal.

For FY 2006, the Governor recommends $850,000 for both land and wetlands development. The recommendation includes $650,000 from the Wildlife Conservation Fund—State for land and $200,000 from the Migratory Waterfowl Propagation and Protection Fund.

Water Intake Line at Milford Hatchery. For FY 2005, the Governor recommends $1,227,287 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 $794,732 from the Boating Fee Fund for river access in FY 2005. In the past, the Department has worked with communities to construct boat ramps at St. George, White Cloud, Atchison, and Kaw Point and is currently undertaking the construction of a new ramp at Lecompton.

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, the Governor recommends $100,000 from the Parks Fee Fund for FY 2005. For FY 2006, the Governor recommends $115,000 from the State Water Plan Fund and $500,000 from the Roads Fund.

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 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 Governor recommends a $1.2 million loan from the Pooled Money Investment Board to supply operating funds for this project. All reimbursements from the federal government will be used to repay this loan.

Prairie Spirit Rail Trail. For completion of the last section of the Prairie Spirit Rail Trail, which will consist of an additional 16 miles between Welda and Iola, the Governor recommends $812,562 from a Federal Transportation Enhancement Grant for FY 2006. The additional cost of completing the trail, $203,141, will be paid for by the Kansas Department of Transportation through the use of Kansas toll credits. The existing 33 miles of the trail between Ottawa and Welda consist of a multi-purpose path with a 12-foot wide surface of compact crushed limestone. When complete, the Prairie Spirit Rail Trail will span more than 50 miles.

Crawford State Fishing Lake Sewer Project. For FY 2005, the Governor recommends $49,047 from the State General Fund to enable the State Fishing Lake and hatchery in Crawford County to connect to the Crawford County Sewer District No. 4. The change from using septic tanks and lagoons to county sewer service has been planned and funded since 2003, but could not be completed because of delays in planning by the county. The county now states that it is ready to proceed with the project.

Transportation

Kansas Department of Transportation

The Governor recommends $763.1 million in FY 2005 and $908.0 million in FY 2006 for the Department of Transportation's capital improvement projects. The table above summarizes the recommendations for the expenditures that are related to the Comprehensive Transportation Plan by major classification of expenditure. Included in the FY 2006 budget are funds for rehabilitation and repair projects, replacement of deteriorated roofs on agency facilities,

Comprehensive Transportation Plan Construction Costs
(*Dollars in Thousands*)

	FY 2005	FY 2006
Routine Maintenance	125,196	133,639
Substantial Maintenance	210,348	184,998
Major Mods.-Priority Bridge	506,816	361,364
System Enhancements	97,587	110,205
Total	$939,947	$790,206

and the replacement of deteriorated equipment storage sheds at the area and sub-area shops. The totals in the table on the previous page will not match the total cited above because it includes only the Routine and Substantial Maintenance Programs and the agency's Priority Bridge and System Enhancement Projects.

Expenditures for Capital Improvements by Project

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Educational Building Fund					
Board of Regents					
Crumbling Classroom Debt Service	9,805,800	10,005,800	10,205,800	--	10,205,800
Rehabilitation & Repair	--	--	10,000,000	--	15,000,000
Emporia State University					
Rehabilitation & Repair	459,551	886,877	--	--	--
Fort Hays State University					
Rehabilitation & Repair	820,634	736,523	--	--	--
Kansas State University--Main Campus					
Rehabilitation & Repair	3,224,449	4,233,550	--	--	--
Kansas State University--ESARP					
Grain Science Center	456,582	--	--	--	--
Pittsburg State University					
Rehabilitation & Repair	739,229	681,295	--	--	--
Armory/Classroom/Recreation Center	--	258,257	--	--	--
University of Kansas					
Rehabilitation & Repair	2,566,878	5,862,025	--	--	--
University of Kansas Medical Center					
Rehabilitation & Repair	1,418,405	1,378,693	--	--	--
Wichita State University					
Rehabilitation & Repair	1,703,095	1,906,255	--	--	--
Subtotal--EBF	21,194,623	25,949,275	20,205,800	--	25,205,800
Crumbling Classrooms Interest	5,194,200	4,994,200	4,794,200	--	4,794,200
State Building Insurance Premium	--	329,840	356,227	--	356,227
Total--EBF	**$ 26,388,823**	**$ 31,273,315**	**$ 25,356,227**	**$ --**	**$ 30,356,227**
State Institutions Building Fund					
Department of Social & Rehabilitation Services					
State Hospital Rehabilitation & Repair	2,699,585	7,352,587	1,406,300	--	1,406,300
State Security Hospital Debt Service	765,000	1,590,000	1,640,000	--	1,640,000
State Hospital Rehabilitation & Repair Debt Serv.	--	1,080,000	1,170,000	--	1,170,000
Kansas Neurological Institute					
Rehabilitation & Repair	377,374	55,668	--	--	--
Larned State Hospital					
Rehabilitation & Repair	204,250	190,526	--	--	--
Osawatomie State Hospital					
Rehabilitation & Repair	26,221	46,738	--	--	--
Parsons State Hospital & Training Center					
Rehabilitation & Repair	583,832	129,413	--	--	--
Rainbow Mental Health Facility					
Rehabilitation & Repair	33,987	7,237	--	--	--
Commission on Veterans Affairs					
Rehabilitation & Repair--Veterans Homes	174,311	310,162	327,906	--	357,130
Soldiers Home Facility Conservation Imp. Proj.	540,691	73,600	84,554	--	--
Winfield Veterans Home HVAC Replacement	632,065	655,361	20,650	--	--
School for the Blind					
Rehabilitation & Repair	120,826	151,785	142,460	45,604	188,064
School for the Deaf					
Rehabilitation & Repair	--	175,000	175,000	5,000	180,000
Roth Dorm Renovation	220,327	1,226,821	529,794	883,304	805,190
Construct Key Card Entry System	--	112,000	108,000	108,000	108,000
Parks Bilger/Taylor Gym Roof Replacement	--	136,325	--	--	--
Roth Roof Replacement	--	40,194	--	--	--
Roberts Dorm Renovation	--	92,719	--	--	--
Juvenile Justice Authority					
Rehabilitation & Repair	184,288	1,014,680	1,126,000	--	1,126,000

Expenditures for Capital Improvements by Project

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Facility Planning & Remodeling	1,051,883	503,512	--	--	--
Facility Construction Debt Service	1,515,269	2,006,181	1,795,000	--	1,795,000
Construct New Maintenance Building at AJCF	--	--	--	1,316,416	--
Renovate Dietary Bldg. at TJCF	--	--	--	587,001	--
Raze Two Living Units at TJCF	--	--	--	264,366	--
New Backup Generator at TJCF	--	494,908	--	--	--
Atchison Juvenile Correctional Facility					
Rehabilitation & Repair	148,560	251,878	--	--	--
Beloit Juvenile Correctional Facility					
Rehabilitation & Repair	143,821	105,087	--	--	--
Topeka Juvenile Correctional Facility					
Rehabilitation & Repair	390,409	18,241	--	--	--
Subtotal--SIBF	9,812,699	17,820,623	8,525,664	3,209,691	8,775,684
Juvenile Justice Projects--Interest	2,185,813	2,291,013	2,205,512	--	2,205,512
SRS Projects--Interest	1,969,465	3,828,748	3,694,462	--	3,694,462
State Building Insurance Premium	--	56,511	61,032	--	61,032
Total--SIBF	**$ 13,967,977**	**$ 23,996,895**	**$ 14,486,670**	**$ 3,209,691**	**$ 14,736,690**
Correctional Institutions Building Funds					
Department of Corrections					
Rehabilitation & Repair	135,049	2,147,408	3,302,303	--	3,246,170
Revenue Refunding Debt Service	1,689,697	1,689,697	1,689,697	--	1,689,697
El Dorado Correctional Facility					
Rehabilitation & Repair	139,220	67,238	--	--	--
Ellsworth Correctional Facility					
Rehabilitation & Repair	220,510	24,784	--	--	--
Hutchinson Correctional Facility					
Rehabilitation & Repair	817,250	936,181	--	--	--
Lansing Correctional Facility					
Rehabilitation & Repair	519,247	1,390,658	--	--	--
Larned Correctional Mental Health Facility					
Rehabilitation & Repair	59,633	53,500	--	--	--
Norton Correctional Facility					
Rehabilitation & Repair	154,413	166,536	--	--	--
Topeka Correctional Facility					
Rehabilitation & Repair	128,078	181,058	--	--	--
Winfield Correctional Facility					
Rehabilitation & Repair	674,444	329,639	--	--	--
Subtotal--CIBF	4,537,541	6,986,699	4,992,000	--	4,935,867
State Building Insurance Premium	--	51,975	56,133	--	56,133
Total--CIBF	**$ 4,537,541**	**$ 7,038,674**	**$ 5,048,133**	**$ --**	**$ 4,992,000**
State General Fund					
Department of Administration					
Energy Conservation Improvement Projects	1,735,000	1,305,000	995,000	--	995,000
Judicial Center Improvements	55,000	60,000	60,000	--	60,000
Statehouse Improvements	1,900,000	2,875,000	2,730,000	1,155,000	3,885,000
Rehabilitation & Repair of State Buildings	17,163	189,729	200,000	--	200,000
Rehabilitation & Repair of Judicial Center	27,726	177,390	100,000	--	100,000
Capitol Complex Infrastructure Study	--	--	--	400,000	--
Cedar Crest Access & Surveillance	--	--	--	75,000	--
Statehouse Chilled Water Renovation/Resizing	--	--	--	3,679,803	--

Expenditures for Capital Improvements by Project

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Add DDC Controls to Memorial Hall VAV Boxes	--	--	--	252,000	--
Retrofit Judicial Center Light Fixtures	--	--	--	180,000	--
West Hall Utility Upgrade	--	--	--	389,277	--
Replace Wichita State Office Building Carpet	--	--	--	123,000	--
Install Capitol Complex Parking Lot Cameras	--	--	--	55,000	--
Replace Old Capitol Complex Security Cameras	--	--	--	25,000	--
Additional Closed Circ. Cameras in Witchita Bldg.	--	--	--	20,000	--
Renovate Eastman Building	--	--	--	896,825	--
Renovate Ray Building	--	--	--	3,656,602	--
Refurbish Landon Building Elevators	--	--	--	1,168,000	--
Replace Controls for Landon Building Chillers	--	--	--	98,720	--
Construct Fence at Topeka State Hosp. Cemetery	--	--	--	73,000	50,000
Construct McClennan Park Toilets	--	--	--	160,000	--
Upgrade Controls on Landon Building Generators	--	--	--	44,000	--
Provide Ventilation Relief in Landon Building	--	--	--	423,061	--
Remodel Landon Building	--	--	--	6,854,853	--
Install Emerg. Generator Exhaust Sys. in Landon	--	--	--	300,000	--
Replace South Forbes Parking Lot	--	--	--	91,800	--
Cedar Crest & McClennan Park Signage	--	--	--	55,000	--
Upgrade Landon Bldg. Emerg. Stairwell Security	--	--	--	62,000	--
Replace Dillon House Roof	--	--	--	90,800	--
Replace Dillon House Windows	--	--	--	30,000	--
Replace West Hall Windows	--	--	--	120,000	--
Forbes 740 Cooling Tower Replacement	--	--	--	120,000	--
Construct New Forbes Chilled Water Plant	--	--	--	1,862,143	--
Renovate Forbes Bldg. No. 740	--	--	--	9,673,476	--
Inspect & Replace Façade on Landon Building	--	--	--	50,000	--
Install Passive Accessible Ent. in Memorial Hall	--	--	--	200,000	200,000
Forbes Bldg. No. 725 Cooling Tower Replacement	--	--	--	120,000	--
Judicial Center Improvements	--	--	--	757,600	--
Upgrade Landon Building Chiller Room	--	--	--	98,410	--
Upgrade Landon Bldg. Fire Detect. & Notification	--	--	--	754,503	--
Replace Landon Building Fire Pump	--	--	--	75,000	--
Install Landon Building Fire Suppression System	--	--	--	451,044	--
Install Judicial Center Fire Suppression System	--	--	--	500,000	--
Repair South Steps of Judicial Center	--	--	--	60,000	--
Clean, Caulk, & Seal Exter. Stone of Judicial Cntr.	--	--	--	92,000	--
Upgrade Judicial Center HVAC	--	--	--	370,200	--
Replace Fire Alarm in Judicial Center	--	--	--	420,660	--
Replace Tunnel from Statehouse to Curtis Bldg.	--	--	--	3,820,000	--
Replace/Rewire Landon Building Transformers	--	--	--	40,000	--
Re-Roof Forbes Bldg. No. 725	--	--	--	51,153	--
Repair Landon Building Northwest Roof	--	--	--	86,000	--
Forbes Bldg. No. 740 Tuckpoint & Seal	--	--	--	60,000	--
Re-Roof & Repair Barrel Vault of Ray Building	--	--	--	251,680	--
Upgrade Access Control & Surveillance of KJC	--	--	--	101,500	--
Replace West Complex Heating Boiler	--	--	--	500,000	--
Replace Memorial Hall Chiller	--	--	--	299,897	--
Install Lighting Sensors in Landon Building	--	--	--	49,000	--
Replace Landon Building Chiller	--	--	--	728,992	--
Replace DISC HVAC in Landon Building	--	--	--	1,400,000	--
Judiciary					
Partial Renov. of Judicial Center for New Judge	--	134,692	153,473	--	153,473
Kansas Neurological Institute					
Rehabilitation & Repair	3,624	--	--	--	--

Expenditures for Capital Improvements by Project

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Larned State Hospital					
Rehabilitation & Repair	5,820	--	--	--	--
Department of Labor					
Headquarters Renovation Debt Service	8,400	--	--	--	--
School for the Deaf					
Replace Heating & Air System--Debt Service	--	25,222	52,021	--	52,021
Board of Regents					
Master Lease--Upgrades to Curtis Building	5,635	5,635	5,635	--	5,635
Emporia State University					
William Allen White Library Addition	--	--	--	425,036	--
Fort Hays State University					
Rehabilitation & Repair	59,500	--	--	--	--
Picken Hall Renovation	--	--	--	260,000	--
Kansas State University--Main Campus					
Rehabilitation & Repair	143,091	--	--	--	--
Renovate Memorial Stadium	--	--	--	500,000	--
Lease-Purchase of Aeronautical Center	189,446	189,446	189,446	--	189,446
Kansas State University--ESARP					
Rehabilitation & Repair	82,776	--	--	--	--
Pittsburg State University					
Rehabilitation & Repair	56,115	--	--	--	--
Energy Conservation Debt Service	117,150	122,716	128,567	--	128,567
Construct Armory/Classroom/Recreation Center	--	--	--	1,005,795	--
University of Kansas					
Rehabilitation & Repair	2,756,288	--	--	--	--
Energy Conservation Performance Debt Service	--	645,433	645,433	--	645,433
University of Kansas Medical Center					
Rehabilitation & Repair	257,995	--	--	--	--
Upgrade Applegate Energy Center	--	--	--	5,990,000	--
Wichita State University					
Rehabilitation & Repair	3,335	--	--	--	--
Aviation Research Initiative Debt Service	--	1,000,000	1,050,000	--	1,050,000
Energy Study	--	--	--	145,000	--
Historical Society					
Emergency Repairs	47,074	250,000	125,000	--	125,000
Historic Sites Preservation & Development	--			405,623	--
Museum Rehabilitation	--	--	--	419,358	--
Engineered Systems Survey & Plan	--	--	--	92,100	--
Department of Corrections					
Rehabilitation & Repair	13,597	--	--	1,689,697	--
Ellsworth Correctional Facility Debt Service	1,310,000	1,370,000	1,430,000	--	1,430,000
Revenue Refunding Debt Service	3,987,113	2,865,303	--	--	--
Labette Correct. Conservation Camp Debt Serv.	120,000	125,000	130,000	--	130,000
RDU Relocation Debt Service	565,000	595,000	625,000	--	625,000
Topeka & Lansing Correctional Facil. Debt Serv.	905,000	950,000	995,000	--	995,000
Wichita Work Release Facility Debt Service	140,000	150,000	165,000	--	165,000
Hutchinson Correctional Facility					
Energy Conservation Debt Service	218,382	227,874	237,777	--	237,777
El Dorado Correctional Facility					
Energy Conservation Debt Service	--	62,310	171,431	--	171,431
Lansing Correctional Facility					
Energy Conservation Debt Service	--	306,253	317,348	--	317,348
Norton Correctional Facility					
Rehabilitation & Repair	3,760	--	--	--	--
Energy Conservation Debt Service	48,000	138,039	143,672	--	143,672

Expenditures for Capital Improvements by Project

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Winfield Correctional Facility					
Energy Conservation Debt Service	57,000	115,576	120,293	--	120,293
Atchison Juvenile Correctional Facility					
Rehabilitation & Repair	4,655	--	--	--	--
Beloit Juvenile Correctional Facility					
Rehabilitation & Repair	36,040	--	--	--	--
Topeka Juvenile Correctional Facility					
Rehabilitation & Repair	4,989	--	--	--	--
Adjutant General					
Armory Repair & Debt Service	215,001	225,000	850,000	--	850,000
State Defense Building Fire Alarm System	--	--	--	60,661	--
Topeka Armory Asphalt Driveway	--	--	--	65,513	--
Topeka Armory Asphalt Parking	--	--	--	150,390	--
State Defense Building Driveway	--	--	--	161,745	--
State Defense Building Northeast Parking Area	--	--	--	705,070	--
Kansas Bureau of Investigation					
Headquarters Building Acquisition Debt Service	210,000	230,000	245,000	--	245,000
Kansas State Fair					
Master Plan Debt Service	270,270	1,000,000	1,050,000	--	1,050,000
Department of Wildlife & Parks					
Rehabilitation & Repair	4,041	--	--	--	--
Prairie Spirit Rail Trail Development	--	--	203,141	--	--
Crawford State Fishing Lake Sewer Project	--	49,047	--	--	--
Total--State General Fund	**$ 15,583,986**	**$ 15,389,665**	**$ 13,118,237**	**$ 55,547,987**	**$ 14,320,096**
Regents Restricted Funds					
Board of Regents					
Research Initiative Debt Service	--	1,500,000	1,500,000	--	1,500,000
Emporia State University					
Rehabilitation & Repair	123,420	17,233	17,233	--	17,233
Residence Hall Debt Service	200,000	210,000	220,000	--	220,000
Student Union Renovation	131,000	131,000	131,000	--	131,000
Twin Towers Men's Dormitory Debt Service	40,000	40,000	45,000	--	45,000
Student Recreational Building Debt Service	100,000	100,000	105,000	--	105,000
Parking Lot Improvements	64,899	90,000	90,000	--	90,000
Fort Hays State University					
Rehabilitation & Repair	23,619	--	--	--	--
Student Housing Debt Service	130,000	145,000	145,000	--	145,000
Lewis Field Stadium Renovation Debt Service	55,000	60,000	60,000	--	60,000
Parking Improvements	208,914	150,000	300,000	--	300,000
Kansas State University--Main Campus					
Rehabilitation & Repair	2,914,196	2,060,000	2,060,000	--	2,060,000
Oracle Project Debt Service	401,998	398,314	398,314	--	398,314
Student Union Renovation	325,000	340,000	355,000	--	355,000
Energy Conservation Improvement Projects	--	--	1,525,000	--	1,525,000
Farrell Library Expansion	145,000	155,000	160,000	--	160,000
Plant Science Building Addition	207,411	865,510	--	--	--
Recreation Complex Construction	390,000	415,000	435,000	--	435,000
Ackert Hall Addition Debt Service	85,000	90,000	90,000	--	90,000
Ackert Hall Addition	46,834	--	--	--	--
Parking Improvements	170,283	800,000	800,000	--	800,000
Parking Improvements Debt Service	240,000	450,000	--	--	--
Salina Housing Renovation	50,000	55,000	55,000	--	55,000
Housing Facilities Debt Service	1,010,000	1,055,000	--	--	--

Expenditures for Capital Improvements by Project

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Kansas State University--Main Campus, Cont'd.					
Renovation of Residence Halls	1,031,023	2,000,000	1,725,000	--	1,725,000
Construct Jardine Apartment Housing	--	--	750,000	--	750,000
Salina Runway Improvements	--	--	1,000,000	--	1,000,000
Kansas State University--ESARP					
Rehabilitation & Repair	692,813	100,000	100,000	--	100,000
Kansas State University--Vet Med					
Rehabilitation & Repair	5,003	--	--	--	--
Pittsburg State University					
Rehabilitation & Repair	818,822	1,200,000	750,000	--	750,000
Construct Polymer Research Center	--	--	324,450	--	324,450
Student Health Center & Hospital Improvements	--	100,000	750,000	--	750,000
Overman Student Center Improvements	56,282	250,000	250,000	--	250,000
Overman Student Center Debt Service	85,000	85,000	85,000	--	85,000
Parking Improvements	204,898	200,000	200,000	--	200,000
Readiness Center	--	--	1,913,594	--	1,913,594
Willard Hall Debt Service	110,000	115,000	120,000	--	120,000
Horace Mann Debt Service	120,000	125,000	130,000	--	130,000
University of Kansas					
Rehabilitation & Repair	4,027,515	1,968,675	609,939	--	609,939
Energy Performance Debt Service	--	6,088	6,088	--	6,088
Student Union Renovation Debt Service	810,000	840,000	870,000	--	870,000
Student Recreation & Fitness Center Debt Service	310,000	320,000	335,000	--	335,000
Parking Garages Debt Service	950,000	1,005,000	1,035,000	--	1,035,000
Edwards Campus Expansion	230,000	240,000	250,000	--	250,000
Continuing Education Facility Debt Service	125,000	130,000	135,000	--	135,000
Construct Child Care Facility Debt Service	110,000	115,000	120,000	--	120,000
Bioscience Research Debt Service	275,000	280,000	300,000	--	300,000
Student Dormitories Remodeling Debt Service	435,000	455,000	470,000	--	470,000
Construct New Scholarship Hall	135,540	2,864,460	198,026	--	198,026
Construct Molecular Library Center	--	220,182	5,534,936	--	5,534,936
Construct Interdisciplinary Research Center	--	--	--	55,800,000	--
Remodel Allen Field House	90,000	615,747	11,294,253	--	11,294,253
Remodel Wesco Hall	--	--	1,750,000	--	1,750,000
Construct Multicultural Resource Center	180,000	2,820,000	--	--	--
Landscape Plan Development	750,000	--	1,420,080	--	1,420,080
Parking Improvements	--	400,000	400,000	--	400,000
Mallot Hall Remodeling	--	2,301,498	--	--	--
University of Kansas Medical Center					
Rehabilitation & Repair	1,301,230	4,876	--	--	--
University Debt Service	205,000	215,000	330,000	--	330,000
Center on Health & Aging Debt Service	105,000	--	--	--	--
Parking Lot & Garage Improvements	732,336	1,200,000	550,000	--	550,000
Construct Parking Facility No. 3	--	300,000	7,700,000	--	7,700,000
Wichita State University					
Rehabilitation & Repair	25,198	--	--	--	--
Parking Construction Debt Service	270,000	285,000	300,000	--	300,000
Dormitory Renovation Debt Service	450,000	465,000	480,000	--	480,000
Total--Regents Restricted Funds	**$ 21,703,234**	**$ 30,353,583**	**$ 50,677,913**	**$ 55,800,000**	**$ 50,677,913**
Special Revenue Funds					
Department of Administration					
Paint & Grounds Shop Debt Service	16,742	18,323	20,042	--	20,042
Motor Pool Building Debt Service	--	29,423	32,690	--	32,690

Expenditures for Capital Improvements by Project

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Department of Administration, Cont'd.					
Build Topeka State Hospital Cemetery Memorial	--	--	--	20,000	--
Repairs for State Parking Lots	--	95,000	95,000	--	95,000
Judicial Center Rehabilitation & Repair	14,258	--	--	--	--
Department of Commerce					
Rehabilitation & Repair	--	80,000	80,000	--	80,000
HVAC Replacement at Topeka Workforce Bldg.	--	--	238,500	--	238,500
Replace Roof at Topeka Workforce Building	--	--	138,000	--	138,000
Debt Serv. on Purchase of 1430 SW Topeka Blvd.	--	72,660	65,000	--	65,000
Insurance Department					
Rehabilitation & Repair	160,525	30,000	30,000	--	30,000
Carpet Replacement & Flooring	--	30,000	30,000	--	30,000
Energy Conservation Projects	--	200,000	--	--	--
Upgrade Exterior Lighting	--	10,000	--	--	--
Retaining Wall/Erosion Prevention	--	--	25,000	--	25,000
Repayment of Loan to Pooled Money Invest. Fund	2,000,000	--	--	--	--
Insurance Building Acquisition Debt Service	140,000	150,000	160,000	--	160,000
Department of Social & Rehabilitation Services					
Rehabilitation & Repair--Chanute Office Building	21,028	300,000	300,000	--	300,000
Department of Labor					
Rehabilitation & Repair	51,564	60,000	40,000	--	40,000
Repair Roofs	--	--	--	--	33,255
Headquarters Acquisition Debt Service	191,600	145,000	145,000	--	145,000
Purchase Land for Parking Lot at Headquarters	48,775	--	--	--	--
Commission on Veterans Affairs					
Rehabilitation & Repair	--	--	1,300	--	1,300
Soldiers Home Federal Home Construction Grant	1,013,196	675,284	157,130	--	--
Veterans Home Federal Construction Grant	2,416,159	2,280,618	37,050	--	37,050
Construct Veterans Cemeteries	5,451,445	3,156,806	3,754,980	--	--
Historical Society					
Rehabilitation & Repair--Historical Sites	680,926	479,469	348,400	--	348,400
Department of Corrections--Industries					
Rehabilitation & Repair	212,059	90,000	50,000	--	50,000
New Manufacturing Building	--	--	450,000	--	450,000
Showroom & Warehouse	--	535,000	--	--	--
Ellsworth Correctional Facility					
Rehabilitation & Repair	9,255	--	--	--	--
Juvenile Justice Authority					
LJCF & TJCF Debt Service	435,000	--	--	--	--
Juvenile Correctional Facility Remodeling	133,018	--	--	--	--
Adjutant General					
Rehabilitation & Repair--National Guard Bureau	1,858,116	--	--	--	--
Highway Patrol					
Port Modernization--I-70 & I-35	--	41,817	43,957	--	43,957
Rehabilitation & Repair, Scale Replacement	50,000	283,178	291,509	--	291,509
Olathe Vehicle Inspection Facility Debt Service	--	40,000	45,000	--	45,000
Fleet Facility Debt Service	225,000	200,000	205,000	--	205,000
Training Center Debt Service	405,000	425,000	445,000	--	445,000
Kansas State Fair					
Rehabilitation & Repair	477,370	103,530	105,601	--	405,601
Department of Wildlife & Parks					
Rehabilitation & Repair	3,833,673	8,111,449	1,991,165	--	1,991,165
Land/Wetland Acquisition & Development	377,038	1,426,765	850,000	--	850,000
Circle K Improvements	--	--	--	40,000	--
River Access	169,820	794,732	--	--	--

Expenditures for Capital Improvements by Project

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Department of Wildlife & Parks, Cont'd.					
Planning & Development of State Park No. 24	--	100,000	615,000	--	615,000
Prairie Spirit Rail Trail Development	284	--	812,562	--	812,562
Construct Water Intake Line at Milford Hatchery	54,823	1,227,287	--	--	--
Boating Access & Development	562,518	1,854,553	875,370	--	875,370
Coast Guard Boating Projects	--	--	105,000	--	105,000
Construct Cheyenne Bottoms Visitors Center	25,689	--	--	--	--
Total--Special Revenue Funds	**$ 21,034,881**	**$ 23,045,894**	**$ 12,583,256**	**$ 60,000**	**$ 9,004,401**
State Highway Fund					
Kansas Department of Transportation					
Rehabilitation & Repair--KDOT Buildings	7,667,432	6,479,334	12,240,341	--	3,553,734
Design Contracts	23,895,783	30,608,240	8,529,735	--	8,529,735
Construction Operations	192,006,570	76,840,263	77,903,864	3,131,107	82,739,777
Construction Contracts	406,189,428	202,175,000	446,485,000	--	446,485,000
City/County Construction	133,723,693	198,189,863	134,987,004	--	134,987,004
Debt Service	28,350,000	38,460,000	46,755,000	--	46,755,000
Substantial Maintenance	143,840,733	210,348,000	184,998,000	--	184,998,000
Total--State Highway Fund	**$ 935,673,639**	**$ 763,100,700**	**$ 911,898,944**	**$ 3,131,107**	**$ 908,048,250**
Total--State Capital Improvements	**$ 1,029,540,603**	**$ 882,646,439**	**$ 1,022,001,814**	**$ 117,748,785**	**$ 1,020,968,011**
Off-Budget Expenditures					
Department of Administration					
Rehabilitation & Repair	289,586	200,000	200,000	--	200,000
Power Distribution Installation	26,596	--	--	--	--
West Campus Remodeling	60,354	--	--	--	--
New Docking Lighting Control System	70,961	--	--	--	--
Docking Renovation Study	151,924	--	--	--	--
Eisenhower Building Debt Service	--	820,000	1,045,000	--	1,045,000
Improvements to State Facilities Debt Service	306,386	335,000	360,000	--	360,000
Memorial Hall Debt Service	205,000	215,000	225,000	--	225,000
Landon Building Debt Service	562,250	562,250	562,250	--	562,250
Printing Plant Debt Service	166,417	171,816	175,145	--	175,145
Motor Pool Shop Debt Service	26,484	--	--	--	--
Total--Off-Budget Expenditures	**$ 1,576,372**	**$ 2,104,066**	**$ 2,367,395**	**$ --**	**$ 2,367,395**

The Budget Process: A Primer

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 2006 Governor's Budget Report*, the actual fiscal year is FY 2004, the current fiscal year is FY 2005, and the budget year is FY 2006.

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 2006 is $4.81 billion, which is subject to revision in April 2005. This estimate and the assumptions upon which it is based are discussed in the State General Fund Revenues section of this volume. A complete discussion of the economy is included in *The Governor's Economic and Demographic Report*. This report is prepared by the Division of the Budget and a Wichita State University economist.

Budget Balancing Mechanisms. This term refers to KSA 75-6701 to 75-6704. The purpose of the law is to ensure an adequate operating balance in the State General Fund. The practical effect of this provision is to target the ending balance in the State General Fund to be at least 7.5 percent of authorized expenditures and demand transfers in the budget year. During the 2004 Legislative Session the statutes were amended for FY 2005 to suspend the State General Fund ending balance requirement for that year. For FY 2006, the Governor submitted two budgets. One conforms to the statutory requirement for a 7.5 percent ending balance. The other budget, the one reflecting the Governor's priorities, does not target a specific reserve percentage. Rather, the goal is to ensure that available funds cover the level of expenditures recommended.

The "spending lid" statute requires that *The Governor's Budget Report* and actions of the Legislature comply with its provisions. An "Omnibus Reconciliation Spending Limit Bill" must be the last appropriation bill passed by the Legislature. The purpose of the bill is to reconcile State General Fund expenditures and revenues by reducing expenditures, if necessary, to meet the provisions of the "spending lid."

The final provision of the "spending lid" act allows the Governor to reduce State General Fund expenditures in the current fiscal year, when the Legislature is not in session, by an amount not to exceed that necessary to retain an ending balance in the State General Fund of $100.0 million. The Governor must make the reductions "across-the-board" by reducing each line item of expenditure by a fixed percentage. The only exceptions are debt service obligations, state retirement contributions for school employees, and transfers to the School District Capital Improvements Fund. The reductions must be approved by the State Finance Council.

In addition to the "spending lid" act, the Governor has the authority under a statutory allotment system to limit expenditures of the State General Fund and special revenue funds when it appears that available monies are insufficient to cover expenditure obligations. This authority applies to agencies of the Executive Branch but not the Legislature or the Judiciary. Allotments can be made on a case-by-case basis and do not have to be across the board. Agencies have the right to appeal any allotment amount and the Governor makes the final determination. 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 resources, education, public safety, agriculture and natural resources, and transportation. Category of expenditure classifies expenditures by budgeting and accounting objects of expenditure (state operations; aid to local governments; other assistance, grants, and benefits; and capital improvements).

Each of the six functions of government is discussed in a section of this volume. The following is a brief description of each function.

FY 2006 Expenditures by Function

(Dollars in Millions)

	SGF	All Funds
General Government	$ 210.0	$ 656.7
	4.3%	*5.8%*
Human Resources	$ 1,131.8	$ 3,804.9
	23.4%	*33.8%*
Education	$ 3,104.5	$ 4,740.3
	64.1%	*42.1%*
Public Safety	$ 366.1	$ 531.3
	7.6%	*4.7%*
Agriculture & Natural Resources	$ 28.2	$ 162.0
	0.6%	*1.4%*
Transportation	$ --	$ 1,372.6
	--	*12.2%*
Total	$ 4,840.6	$ 11,267.8
	100.0%	*100.0%*

Totals may not add because of rounding.

General Government includes state agencies with both administrative and regulatory functions. These agencies include the state's elected officials (Governor, Secretary of State, etc.) and the Department of Administration. 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 5.8 percent of total expenditures and 4.3 percent of State General Fund expenditures recommended by the Governor for FY 2006 are for General Government.

Agencies in the *Human Resources* function provide services to individuals. Such services include the nutrition programs of the Department on Aging; care of the developmentally disabled 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. Recommended Human Resources expenditures for FY 2006 constitute 33.8 percent of all recommended expenditures and 23.4 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 42.1 percent of total expenditures for FY 2006 and 64.1 percent of the State General Fund expenditures.

Public Safety agencies ensure the safety and security of Kansas citizens. Agencies in this function include the Department of Corrections and law enforcement agencies. Also included are the Juvenile Justice Authority and the juvenile correctional facilities, the Highway Patrol, and the Kansas Bureau of Investigation. Public Safety expenditures constitute 4.7 percent of the total recommended expenditures for the FY 2006 budget and 7.6 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 2006 expenditures recommended by the Governor constitute 1.4 percent of total expenditures and 0.6 percent of State General Fund expenditures. Agencies included in this function are the Department of Agriculture, the

Division of Environment of the Department of Health and Environment, and the Department of Wildlife and Parks.

Transportation includes only the Department of Transportation. Responsibilities of this agency include maintenance and construction of highways in Kansas. Recommended expenditures constitute 12.2 percent of the total recommended budget for FY 2006 and no State General Fund expenditures.

Categories of expenditure are based on accounting objects of expenditure. The four general categories are state operations; aid to local governments; other assistance, grants, and benefits; and capital improvements. The first three categories constitute what are called operating expenditures.

Following is a brief guide to the general categories of expenditure:

State Operations includes expenses incurred conducting the day-to-day business of state government. The largest category of these costs is the salaries and wages paid to state employees. Expenditures in this category constitute 29.9 percent of the FY 2006 total budget and 28.0 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 $1,716.6 million for FY 2006. This category constitutes 29.2 percent of the FY 2006 total budget and 51.6 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 31.8 percent of total expenditures in FY 2006 and 20.1 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 9.1 percent of total expenditures in FY 2006 and 0.3 percent of State General Fund expenditures. Included in this volume are separate sections on capital improvements and debt service.

FY 2006 Expenditures by Category

(Dollars in Millions)

	SGF	All Funds
State Operations	$ 1,354.4	$ 3,374.2
	28.0%	*29.9%*
Aid to Local Governments	$ 2,496.3	$ 3,285.8
	51.6%	*29.2%*
Other Assistance, Grants, & Benefits	$ 975.6	$ 3,586.8
	20.1%	*31.8%*
Capital Improvements	$ 14.3	$ 1,021.0
	0.3%	*9.1%*
Total	$ 4,840.6	$ 11,267.8
	100.0%	*100.0%*

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 2006, 18.9 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 divided into three parts: supplemental appropriations, capital improvement appropriations, and budget year expenditure authority for all agencies except biennial agencies, whose expenditure authorizations cover a two-year period. The appropriations are simultaneously considered by the Ways and Means Committee of the Senate and the Appropriations Committee of the House.

The chairpersons of the committees appoint subcommittees to consider appropriations for various agencies. Subcommittees vary in size. Usually between two and five persons are named to a subcommittee. After reviewing the budget requests, the subcommittee drafts a report which details all budgetary adjustments to the Governor's budget recommendations that the subcommittee wishes to make. The subcommittee report may contain administrative or programmatic recommendations.

The subcommittee report is presented to the full committee for consideration. A committee may adjust the recommendations of its subcommittee in any area or it may adopt the entire report as submitted. The appropriations are reprinted 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	Prepare 5-year capital improvement plans for submission July 1		Prepare budgets in budget system & submit to Budget Division & Legislative Research							Review budgets & request amendments to update the Governor's recommend-ations		
Governor & Budget Division	Budget Division issues instructions & allocations to agencies in developing budget requests	Budget Division conducts agency budget training, analyzes capital projects, & makes on-site agency visits			Budget staff analyzes agency budget requests & makes preliminary recommendations	Budget Division recommend-ations provided to agencies & agency appeals are heard	Governor develops recommend-ations to the Legislature & Budget Division prepares budget documents	Governor submits *Budget Report* to Legislature by 8th calendar day of the Session (21st day for new Governor)	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			Budget Division reconciles final budget numbers with legislative fiscal staff & prepares post-session report
Consensus Revenue Estimating Group						Project State General Fund revenues					Project State General Fund revenues	
Legislative Fiscal Staff	Legislative fiscal staff prepares *Fiscal Facts, Appropriations Report*, & works with interim legislative committees				Legislative fiscal staff analyzes agency budget requests, begins to prepare Budget Analysis, & continues to work with interim committees			Fiscal staff analyzes Governor's budget recommend-ations & completes the Budget Analysis	Legislative fiscal staff works with subcommittees & budget committees of Senate Ways & Means & House Appropriations on finalizing the budget		Fiscal staff prepares items for Omnibus Bill consideration & works with Legislature to develop Omnibus Bill	Legislative fiscal staff reconciles final budget numbers with Budget Division & prepares post-session report
Legislature		Legislative interim committees review assigned topics; House Appropriations, Senate Ways & Means, Legislative Post Audit, & State Building Committee tour state (October of odd numbered years)						Subcommittees of House Appropriations & Senate Ways & Means begin review of agency budgets	Appropriations bills are reviewed & acted upon in the House & Senate	Conference Committees resolve differences in appropriations bills	Omnibus Bill considered & acted upon	Legislature adjourns

Glossary

Appropriation

An amount of money for a particular purpose that an agency is authorized to spend during a fiscal year. In Kansas, the entire amount is available at the start of the fiscal year. Allotments to agencies during the fiscal year are authorized only in emergencies.

Base Budget

A level of expenditure for the forthcoming fiscal year based on the approved budget of the preceding year, as adjusted for the deletion of one-time expenses and the addition of funds to annualize partial year funding in the preceding fiscal year or for caseloads in entitlement programs. The base budget serves as the reference point for enhancements and reduced resource deletions.

Biennial Budget

A budget which plans revenues and expenditures for the two forthcoming fiscal years, rather than one year. The 1994 Legislature enacted legislation requiring fee-funded agencies to submit biennial budgets beginning on September 15, 1994, for FY 1996 and FY 1997. The 2001 Legislature made the budget of the Ethics Commission biennial. All other agencies submit annual requests.

Budget

A plan of operation, including an estimate of proposed expenditures and the means to finance them, to meet the needs of the public.

Capital Improvements

Projects involving new construction, remodeling, rehabilitation and repair, razing, and the principal portion of debt service for a capital expense. The interest portion of the debt is an operating expense.

Classified Temporary Positions

An appointment not exceeding 999 hours of employment in a 12-month period. Temporary positions do not count toward the agency's FTE position limitation. Employees in these positions do not generally receive fringe benefits.

Decrements

The decremental decrease in expenditures or positions, or both, to reduce or delete a service or program, primarily when revenues are insufficient to continue support at the base budget level.

Enhancements

The incremental increase in expenditures or positions to expand a service or program or provide a new one.

Expenditure

The actual payment of money out of any state fund or the commitment to make such a payment in the form of an encumbrance, either firm or contingent.

Expenditure Limitation

A limitation placed on expenditures that can be made from a special revenue fund.

Expenditures, Non-Reportable

Disbursements that do not result in a net reduction of statewide assets. An example is a refund, where an agency is reimbursed for an item. Also non-reportable are certain "off budget" expenditures, most occurring in the Department of Administration. For example, dollars are spent in many state agencies' budgets for printing services provided by the Division of Printing. Those dollars are spent again for the salaries, utilities, equipment, paper supplies, and other operating costs of the Printing Plant. To avoid reporting expenditures twice, the agencies' printing costs are treated as reportable and the Printing Plant's are non-reportable.

Fiscal Year

A 12-month period beginning July 1 and ending June 30 of the following year that is used as the state budget, accounting, and appropriation period.

Fringe Benefits

State expenditures for retirement, social security, workers compensation, unemployment insurance, state leave payment assessment upon retirement (including sick and annual leave), and group health insurance.

Full-Time Equivalent (FTE) Positions

State employee positions that are permanent and either full-time or part-time but mathematically equated to full-time, e.g., two half-time positions equal one full-time position. Limited term positions are included in the limitation. Teaching positions contracted for nine or more months are considered 1.0 FTE position.

Functions of Government

The six classifications into which similar agencies are grouped to reflect the basic purposes of state government: General Government, Human Resources, Education, Public Safety, Agriculture 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 transferring 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 and racing activities. Most monies are appropriated directly from this fund to various agencies. However, with the KEOIF and KEIEP funds in the Department of Commerce, EDIF monies are transferred to and spent out of them.

Educational Building Fund

A fund for constructing, equipping, and repairing buildings at state universities. Income is derived from a one-mill, statewide levy on property subject to ad valorem taxation.

Employment Security Fund

The fund from which unemployment benefits are paid. Deposits consist of employer taxes, contributions, fines, and penalties levied on employers for unemployment benefits; federal grants for federal employees, former military personnel, and extended benefits; and interest earned on unemployment trust funds deposited in the U.S. Treasury.

Enterprise Funds

Funds that account for charges for services, usually of a commercial nature, rendered to the public for compensation. An example is accounting for dormitory operations at state universities.

Highway Funds

The State Highway Fund and several other special purpose funds. Receipts are dedicated to the maintenance and construction of state and local streets and highways and to operations of the Department of Transportation and the Department of Revenue's Division of Motor Vehicles. Revenue sources include motor fuel taxes, motor vehicle registration taxes, driver's license fees, special vehicle permits, federal funds, and proceeds from the sale of bonds.

Intra-Governmental Service Funds

Funds that account for the provision of goods and services by state agencies for other state agencies. Through these 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

The employee retirement funds managed by the Kansas Public Employees Retirement System. Employees of participating state and local governments are eligible to receive retirement benefits from these funds, which are financed by investment earnings and employer and employee contributions.

Shared Tax Collection Funds

A distribution of tax revenues, state and local-initiated, to local governments. If the revenue is from a locally-passed tax, the state collects the tax and remits it to the local government. If a statewide tax, the appropriate percentage is remitted to the local government.

Special Revenue Funds

Funds into which statutorily-earmarked receipts are deposited. There are many of these funds, and the revenues consist largely of special fees or levies assessed by the state as well as federal grant-in-aid receipts. Generally, these monies must be expended for purposes specified by state statutes or, in the case of federal grants, for purposes specified by the federal government. A special class of these funds is the agency fee fund, which consists of fee receipts collected by an agency and retained in its budget.

State Emergency Fund

A fund used to meet state obligations arising from natural disasters, match federal payments to individuals and families, and offer rewards to catch wanted criminals. The State Finance Council, a joint legislative/executive body that generally meets when the Legislature is not in session, is empowered to authorize expenditures from the fund. A small balance is retained for payment of rewards. When the Council approves payments for emergencies, the Director of the Budget certifies the amount, up to $10.0 million, and Accounts and Reports transfers monies from the State General Fund to this fund.

State Gaming Revenues Fund

This is a clearing fund that disburses receipts from lottery sales, taxes, and fees on racing activities in accordance with a statutorily-prescribed formula. Of all receipts to the fund, a specific amount is designated for the Problem Gambling Grant Fund. Of the amount remaining, 85.0 percent is transferred to the Economic Development Initiatives Fund, 10.0 percent to the Correctional Institutions Building Fund, and 5.0 percent to the Juvenile Detention Facilities Fund. Revenues in excess of the statutory formula go to the State General Fund.

State General Fund

A fund for revenues not dedicated for special purposes. It is used to finance government operations not provided for by special revenue funds. The principal revenue sources for the State General Fund include individual and corporate income taxes, sales and compensating use taxes, severance and other excise taxes, the estate tax, and interest earnings.

State Institutions Building Fund

A fund 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 2006 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

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Summary of State Expenditures					
State Operations	2,976,278,819	3,250,477,490	3,263,586,390	187,768,085	3,374,207,277
Aid to Local Governments	3,062,169,384	3,245,438,654	3,414,777,558	215,239,373	3,285,843,758
Other Assistance	3,129,270,269	3,434,674,824	3,376,501,419	163,838,185	3,586,826,078
Subtotal--Operating Expenditures	**$9,167,718,472**	**$9,930,590,968**	**$10,054,865,367**	**$566,845,643**	**$10,246,877,113**
Capital Improvements	1,029,540,603	882,646,439	1,022,001,814	126,548,785	1,020,968,011
Total Expenditures	**$10,197,259,075**	**$10,813,237,407**	**$11,076,867,181**	**$693,394,428**	**$11,267,845,124**
Expenditures by Object					
Salaries & Wages	1,908,575,382	2,052,686,777	2,071,670,290	76,504,929	2,129,942,239
Contractual Services	731,444,235	810,879,597	794,595,413	40,635,428	809,317,348
Commodities	152,028,851	170,577,702	164,597,551	2,057,762	164,334,999
Capital Outlay	106,715,842	113,852,540	110,050,857	15,376,297	112,438,410
Debt Services	77,514,509	102,480,874	122,672,279	1,195,999	123,868,278
Operating Adjustments	--	--	--	51,997,670	34,306,003
Subtotal--State Operations	**$2,976,278,819**	**$3,250,477,490**	**$3,263,586,390**	**$187,768,085**	**$3,374,207,277**
Aid to Local Governments	3,062,169,384	3,245,438,654	3,414,777,558	215,239,373	3,285,843,758
Other Assistance	3,129,270,269	3,434,674,824	3,376,501,419	163,838,185	3,586,826,078
Subtotal--Operating Expenditures	**$9,167,718,472**	**$9,930,590,968**	**$10,054,865,367**	**$566,845,643**	**$10,246,877,113**
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Total Expenditures	**$10,197,259,075**	**$10,813,237,407**	**$11,076,867,181**	**$693,394,428**	**$11,267,845,124**
Expenditures by Fund Class					
State General Fund	4,316,450,964	4,680,289,482	4,709,210,254	516,138,214	4,840,571,942
Water Plan	14,472,626	15,890,002	14,815,076	1,310,000	17,589,283
EDIF	39,377,905	39,906,048	39,537,021	1,650,576	38,200,881
Children's Initiatives Fund	41,088,164	52,387,840	52,190,293	585,513	53,194,338
State Budget Stabilization Fund	14,258	--	--	--	--
State Highway Fund	1,341,432,791	1,183,615,762	1,356,297,396	5,376,639	1,354,486,787
Educational Building Fund	26,388,823	31,273,315	25,356,227	--	30,356,227
State Institutions Building Fund	13,967,977	23,996,895	14,736,670	3,209,691	14,736,690
Correctional Building Fund	4,537,541	7,038,674	5,048,133	--	4,992,000
Other Funds	4,399,528,026	4,778,839,389	4,859,676,111	165,123,795	4,913,716,976
Total--Expenditures	**$10,197,259,075**	**$10,813,237,407**	**$11,076,867,181**	**$693,394,428**	**$11,267,845,124**

Schedule 1.2--State Expenditures from the State General Fund

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Salaries & Wages	919,061,748	979,628,372	993,670,752	71,104,848	1,024,922,235
Other Operating Expenditures	272,577,844	263,538,061	278,391,784	91,904,505	329,433,834
Subtotal--Operating Expenditures	**$ 1,191,639,592**	**$ 1,243,166,433**	**$ 1,272,062,536**	**$ 163,009,353**	**$ 1,354,356,069**
Aid to Local Governments	2,325,455,540	2,479,610,676	2,514,872,796	206,146,432	2,496,297,642
Other Assistance	783,771,846	942,122,708	909,156,685	82,634,442	975,598,135
Subtotal--Operating Expenditures	**$ 4,300,866,978**	**$ 4,664,899,817**	**$ 4,696,092,017**	**$ 451,790,227**	**$ 4,826,251,846**
Capital Improvements	15,583,986	15,389,665	13,118,237	64,347,987	14,320,096
Total Expenditures	**$ 4,316,450,964**	**$ 4,680,289,482**	**$ 4,709,210,254**	**$ 516,138,214**	**$ 4,840,571,942**
State Operations					
General Government	159,568,677	175,529,150	194,084,955	9,755,036	198,656,378
Human Resources	174,550,894	175,739,459	178,269,528	19,988,633	189,205,464
Education	568,688,822	592,042,880	591,882,373	99,085,534	630,411,921
Public Safety	264,285,402	273,633,155	281,377,484	32,344,517	309,452,132
Agriculture & Natural Resources	24,545,797	26,221,789	26,448,196	1,835,633	26,630,174
Subtotal--State Operations	**$ 1,191,639,592**	**$ 1,243,166,433**	**$ 1,272,062,536**	**$ 163,009,353**	**$ 1,354,356,069**
Aid to Local Governments					
General Government	447,454	893,808	840,170	--	470,570
Human Resources	19,085,940	18,432,227	18,767,799	9,035,615	19,264,174
Education	2,276,667,669	2,429,066,318	2,463,413,848	195,743,817	2,445,754,919
Public Safety	29,254,477	30,777,832	30,807,979	1,000,000	30,807,979
Agriculture & Natural Resources	--	440,491	1,043,000	367,000	--
Subtotal--Aid to Local Governments	**$ 2,325,455,540**	**$ 2,479,610,676**	**$ 2,514,872,796**	**$ 206,146,432**	**$ 2,496,297,642**
Other Assistance					
General Government	1,866,228	5,055,640	5,024,708	2,328,286	5,274,708
Human Resources	744,833,065	891,756,636	861,752,512	72,892,579	923,280,378
Education	22,948,568	25,231,353	24,764,698	1,857,200	26,169,698
Public Safety	14,123,985	20,079,079	17,614,767	5,556,377	20,373,351
Agriculture & Natural Resources	--	--	--	--	500,000
Subtotal--Other Assistance	**$ 783,771,846**	**$ 942,122,708**	**$ 909,156,685**	**$ 82,634,442**	**$ 975,598,135**
Capital Improvements					
General Government	3,734,889	4,741,811	4,238,473	43,471,999	5,643,473
Human Resources	17,844	--	--	--	--
Education	3,718,405	2,238,452	2,196,102	18,042,912	2,196,102
Public Safety	7,838,537	7,360,355	5,430,521	2,833,076	5,430,521
Agriculture & Natural Resources	274,311	1,049,047	1,253,141	--	1,050,000
Subtotal--Capital Improvements	**$ 15,583,986**	**$ 15,389,665**	**$ 13,118,237**	**$ 64,347,987**	**$ 14,320,096**
Total Expenditures	**$ 4,316,450,964**	**$ 4,680,289,482**	**$ 4,709,210,254**	**$ 516,138,214**	**$ 4,840,571,942**

Schedule 2.1--Expenditures from All Funding Sources by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration	29,569,996	29,155,533	38,117,918	47,016,284	38,582,482
Kansas Corporation Commission	17,273,862	18,887,452	18,988,361	132,000	19,638,686
Citizens Utility Ratepayer Board	554,515	673,595	637,580	86,336	735,067
Kansas Human Rights Commission	1,716,439	1,836,650	1,825,897	131,252	1,899,946
Board of Indigents Defense Services	16,366,973	18,515,189	18,453,517	91,000	18,657,348
Health Care Stabilization	29,500,769	29,090,092	29,137,594	--	29,189,479
Kansas Public Employees Retirement Sys.	25,936,273	32,904,677	35,732,710	--	35,957,795
Department of Commerce	50,138,650	92,872,573	93,270,575	662,729	93,892,234
Kansas Technology Enterprise Corporation	14,120,546	14,962,485	14,577,044	950,000	14,991,833
Kansas, Inc.	405,865	547,222	546,508	87,847	573,449
Kansas Lottery	52,902,274	59,718,383	61,046,846	234,000	61,210,240
Kansas Racing & Gaming Commission	6,046,457	5,976,508	6,164,907	2,487,849	6,143,531
Department of Revenue	80,102,092	85,255,087	85,788,545	438,800	88,871,784
Board of Tax Appeals	1,513,542	1,731,626	1,565,773	--	1,642,592
Abstracters Board of Examiners	18,869	21,315	21,315	--	22,358
Board of Accountancy	216,029	264,809	267,998	3,000	280,241
Banking Department	5,523,927	7,156,416	6,452,445	214,653	6,858,710
Board of Barbering	124,091	131,275	131,638	--	136,808
Behavioral Sciences Regulatory Board	465,479	580,869	546,894	--	568,376
Board of Cosmetology	591,637	794,025	736,132	166,000	757,432
Department of Credit Unions	807,471	938,176	910,186	12,600	968,691
Kansas Dental Board	344,637	344,017	344,451	15,000	298,866
Governmental Ethics Commission	559,746	629,725	609,308	--	639,772
Board of Healing Arts	2,357,253	2,525,211	2,390,323	92,799	2,659,350
Hearing Aid Board of Examiners	18,870	27,331	25,578	--	26,680
Board of Mortuary Arts	200,298	247,971	240,445	--	250,154
Board of Nursing	1,401,739	1,631,909	1,468,825	--	1,539,427
Board of Examiners in Optometry	98,457	114,388	117,117	--	121,795
Board of Pharmacy	590,598	699,830	637,408	20,000	613,848
Real Estate Appraisal Board	233,416	269,903	262,257	--	262,324
Kansas Real Estate Commission	705,349	829,721	862,661	31,200	927,444
Office of the Securities Commissioner	1,946,374	2,428,596	2,273,455	225,088	2,481,591
Board of Technical Professions	485,128	627,363	526,556	--	539,050
Board of Veterinary Examiners	261,754	257,723	293,545	--	273,825
Office of the Governor	12,847,294	15,356,767	15,148,112	--	15,290,475
Office of the Lieutenant Governor	104,830	137,361	167,439	--	175,737
Attorney General	12,943,827	16,437,821	14,276,646	1,637,069	15,628,169
Insurance Department	22,440,092	22,135,248	22,283,812	--	22,739,922
Secretary of State	3,664,458	10,896,109	19,951,325	--	19,642,857
State Treasurer	9,834,715	11,447,809	132,716,462	--	13,166,716
Legislative Coordinating Council	558,568	713,614	716,822	--	758,807
Legislature	11,623,010	14,031,364	15,234,995	--	15,493,650
Legislative Research Department	2,584,930	2,968,016	2,981,973	--	3,158,390
Legislative Division of Post Audit	1,694,380	1,970,209	1,999,292	--	2,098,936
Revisor of Statutes	2,284,249	2,589,154	2,595,741	--	2,721,134
Judiciary	95,770,352	106,203,088	110,542,282	6,478,616	113,147,955
Judicial Council	360,989	392,385	416,479	--	436,517
Total--General Government	**$ 519,811,069**	**$ 617,926,590**	**$ 764,003,692**	**$ 61,214,122**	**$ 656,672,473**
Human Resources					
Social & Rehabilitation Services	2,145,790,919	2,552,104,741	2,464,705,285	152,694,321	2,677,930,554
Kansas Neurological Institute	25,037,420	25,273,379	25,988,715	486,970	27,311,688
Larned State Hospital	36,152,604	40,501,821	40,113,019	6,759,678	43,295,262
Osawatomie State Hospital	19,889,431	20,796,098	20,782,800	634,803	22,106,197

Schedule 2.1--Expenditures from All Funding Sources by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Parsons State Hospital & Training Center	21,143,131	21,655,754	21,519,553	329,092	22,960,958
Rainbow Mental Health Facility	7,105,498	7,018,668	7,411,639	45,961	7,589,665
Subtotal--SRS	**$ 2,255,119,003**	**$ 2,667,350,461**	**$ 2,580,521,011**	**$160,950,825**	**$ 2,801,194,324**
Department on Aging	400,991,615	429,726,354	435,284,126	29,637,328	440,882,767
Health & Environment--Health	134,776,263	129,876,187	127,852,315	4,614,705	130,943,577
Department of Labor	544,125,134	390,715,495	410,627,555	85,000	412,637,013
Commission on Veterans Affairs	24,974,237	23,065,069	20,434,932	1,494,749	18,139,789
Kansas Guardianship Program	1,019,048	1,043,236	1,034,615	51,731	1,071,121
Total--Human Resources	**$ 3,361,005,300**	**$ 3,641,776,802**	**$ 3,575,754,554**	**$196,834,338**	**$ 3,804,868,591**
Education					
Department of Education	2,626,759,541	2,765,313,818	2,807,591,811	146,853,557	2,785,836,706
School for the Blind	5,031,991	5,125,632	5,153,745	162,883	5,350,817
School for the Deaf	8,086,695	9,705,914	8,645,933	1,228,648	9,332,355
Subtotal--Department of Ed.	**$ 2,639,878,227**	**$ 2,780,145,364**	**$ 2,821,391,489**	**$148,245,088**	**$ 2,800,519,878**
Board of Regents	180,546,448	196,197,362	203,186,224	145,681,454	250,232,573
Emporia State University	61,110,175	69,118,326	66,477,525	425,036	66,477,525
Fort Hays State University	64,933,848	70,092,254	68,922,414	260,000	68,922,414
Kansas State University	386,341,829	435,145,662	424,577,337	500,000	424,577,337
Kansas State University--ESARP	110,484,326	120,946,966	120,986,594	--	120,986,594
KSU--Veterinary Medical Center	24,768,977	34,219,717	28,529,201	--	28,529,201
Pittsburg State University	67,263,242	73,667,313	75,182,021	1,005,795	75,182,021
University of Kansas	436,703,262	478,094,829	477,641,132	64,600,000	477,641,132
University of Kansas Medical Center	221,073,488	237,463,816	241,430,964	5,990,000	241,800,964
Wichita State University	158,204,470	172,150,545	167,488,579	145,000	167,488,579
Subtotal--Regents	**$ 1,711,430,065**	**$ 1,887,096,790**	**$ 1,874,421,991**	**$218,607,285**	**$ 1,921,838,340**
Kansas Arts Commission	2,061,236	2,153,573	1,998,997	280,235	2,061,346
Historical Society	8,805,282	9,168,727	8,765,383	1,322,012	9,138,931
State Library	6,485,979	6,661,187	6,691,095	4,564,419	6,763,311
Total--Education	**$ 4,368,660,789**	**$ 4,685,225,641**	**$ 4,713,268,955**	**$373,019,039**	**$ 4,740,321,806**
Public Safety					
Department of Corrections	102,318,117	107,593,975	106,989,972	20,076,398	123,002,890
El Dorado Correctional Facility	20,794,795	21,367,520	21,292,452	234,585	22,332,380
Ellsworth Correctional Facility	10,633,921	10,874,570	10,847,997	221,871	11,387,824
Hutchinson Correctional Facility	25,189,810	26,188,047	25,256,998	233,846	26,510,076
Lansing Correctional Facility	32,023,501	34,396,368	33,081,930	159,463	34,772,062
Larned Correctional Mental Health Facility	7,973,240	8,362,328	8,316,747	111,043	8,757,419
Norton Correctional Facility	12,310,399	12,907,627	12,698,030	132,259	13,336,604
Topeka Correctional Facility	11,329,476	11,921,169	11,699,531	79,260	12,295,513
Winfield Correctional Facility	10,749,255	10,839,105	10,411,363	354,195	10,910,278
Subtotal--Corrections	**$ 233,322,514**	**$ 244,450,709**	**$ 240,595,020**	**$ 21,602,920**	**$ 263,305,046**
Juvenile Justice Authority	55,174,980	57,117,533	52,579,084	10,237,905	54,709,077
Atchison Juvenile Correctional Facility	6,345,239	6,348,809	6,097,119	282,782	6,305,097
Beloit Juvenile Correctional Facility	4,826,172	4,826,401	4,794,631	160,491	4,898,757
Larned Juvenile Correctional Facility	7,651,697	8,021,812	7,906,884	456,284	8,070,962
Topeka Juvenile Correctional Facility	13,400,020	14,539,685	15,194,694	2,014,463	15,821,791
Subtotal--Juvenile Justice	**$ 87,398,108**	**$ 90,854,240**	**$ 86,572,412**	**$ 13,151,925**	**$ 89,805,684**
Adjutant General	40,072,944	48,308,001	43,281,253	5,874,190	44,654,105
Emergency Medical Services Board	1,013,143	1,908,202	979,132	279,445	1,200,666
State Fire Marshal	3,371,443	4,223,786	4,006,011	919,385	4,209,644
Highway Patrol	63,189,400	92,024,350	93,551,252	1,883,552	98,049,845
Kansas Bureau of Investigation	22,109,407	21,745,672	21,517,210	8,242,522	22,721,741

Schedule 2.1--Expenditures from All Funding Sources by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Kansas Parole Board	414,897	449,387	433,858	--	458,053
Sentencing Commission	2,274,600	6,193,663	5,966,000	42,882	6,913,123
Total--Public Safety	**$ 453,166,456**	**$ 510,158,010**	**$ 496,902,148**	**$ 51,996,821**	**$ 531,317,907**
Agriculture & Natural Resources					
Department of Agriculture	20,708,517	22,124,407	21,684,563	594,709	22,973,412
Animal Health Department	2,048,622	2,754,699	2,298,556	296,582	2,463,485
State Conservation Commission	9,806,838	11,430,761	9,704,719	1,722,517	11,882,477
Health & Environment--Environment	58,726,968	64,043,432	63,758,749	964,156	65,529,426
Kansas State Fair	5,388,316	6,253,064	6,273,368	25,000	6,667,186
Kansas Water Office	5,702,539	6,016,678	6,256,912	--	6,347,863
Department of Wildlife & Parks	42,181,342	53,198,941	45,209,847	1,350,505	46,145,927
Total--Agriculture & Natural Resources	**$ 144,563,142**	**$ 165,821,982**	**$ 155,186,714**	**$ 4,953,469**	**$ 162,009,776**
Transportation					
Kansas Department of Transportation	1,350,052,319	1,192,328,382	1,371,751,118	5,376,639	1,372,654,571
Total--Transportation	**$ 1,350,052,319**	**$ 1,192,328,382**	**$ 1,371,751,118**	**$ 5,376,639**	**$ 1,372,654,571**
Total Expenditures	**$10,197,259,075**	**$10,813,237,407**	**$11,076,867,180**	**$693,394,428**	**$11,267,845,124**

Schedule 2.2--Expenditures from the State General Fund by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration	18,487,054	20,752,973	30,141,304	46,996,284	30,493,416
Kansas Human Rights Commission	1,367,891	1,408,829	1,396,556	131,252	1,472,125
Board of Indigents Defense Services	15,779,202	17,952,213	17,873,517	91,000	18,077,347
Kansas Public Employees Retirement System	--	3,212,624	3,211,692	--	3,211,692
Department of Commerce	--	261,838	266,554	--	231,885
Kansas, Inc.	--	--	--	50,000	--
Department of Revenue	19,494,315	20,046,408	19,710,909	388,000	20,678,285
Board of Tax Appeals	1,507,758	1,479,018	1,296,773	--	1,371,092
Governmental Ethics Commission	434,051	493,771	474,580	--	496,973
Office of the Governor	1,885,879	2,294,753	2,217,387	--	2,325,610
Office of the Lieutenant Governor	104,830	137,361	167,439	--	175,737
Attorney General	4,178,178	4,592,172	3,822,461	1,518,897	5,235,609
Secretary of State	836,591	687,397	462,848	--	--
State Treasurer	245,928	--	--	--	--
Legislative Coordinating Council	558,568	713,614	716,822	--	758,807
Legislature	11,545,119	13,946,864	14,976,181	--	15,234,836
Legislative Research Department	2,555,535	2,890,209	2,903,833	--	3,075,699
Legislative Division of Post Audit	1,694,380	1,970,209	1,999,292	--	2,098,936
Revisor of Statutes	2,284,249	2,589,154	2,595,741	--	2,721,134
Judiciary	82,657,720	90,791,002	99,954,417	6,379,888	102,385,946
Total--General Government	**$ 165,617,248**	**$ 186,220,409**	**$ 204,188,306**	**$ 55,555,321**	**$ 210,045,129**
Human Resources					
Social & Rehabilitation Services	710,424,823	835,083,480	803,993,419	78,909,676	872,695,709
Kansas Neurological Institute	10,015,185	10,307,479	11,078,482	281,052	12,311,455
Larned State Hospital	26,021,187	29,682,749	29,484,132	6,721,916	31,508,470
Osawatomie State Hospital	8,327,622	8,035,978	8,049,418	494,686	9,086,679
Parsons State Hospital & Training Center	6,926,001	7,281,343	7,274,555	173,338	8,605,960
Rainbow Mental Health Facility	4,051,440	3,678,849	3,848,464	39,560	3,838,339
Subtotal--SRS	**$ 765,766,258**	**$ 894,069,878**	**$ 863,728,470**	**$ 86,620,228**	**$ 938,046,612**
Department on Aging	146,827,504	167,736,060	171,312,864	12,697,614	167,647,273
Health & Environment--Health	16,811,703	16,480,383	16,598,845	1,197,425	17,230,145
Department of Labor	1,961,756	591,698	331,702	85,000	345,330
Commission on Veterans Affairs	6,101,474	6,007,067	5,783,343	1,264,829	7,409,535
Kansas Guardianship Program	1,019,048	1,043,236	1,034,615	51,731	1,071,121
Total--Human Resources	**$ 938,487,743**	**$1,085,928,322**	**$1,058,789,839**	**$101,916,827**	**$1,131,750,016**
Education					
Department of Education	2,174,689,127	2,316,424,490	2,351,697,880	145,488,757	2,328,399,370
School for the Blind	4,417,492	4,587,303	4,700,259	117,279	4,845,672
School for the Deaf	7,264,756	7,487,806	7,507,336	232,344	7,907,019
Subtotal--Department of Ed.	**$2,186,371,375**	**$2,328,499,599**	**$2,363,905,475**	**$145,838,380**	**$2,341,152,061**
Board of Regents	127,637,197	140,463,236	138,934,372	145,598,586	180,888,457
Emporia State University	29,633,548	31,004,569	31,006,452	425,036	31,006,452
Fort Hays State University	30,398,803	31,917,627	31,879,264	260,000	31,879,264
Kansas State University	101,653,621	104,660,954	104,668,061	500,000	104,668,061
Kansas State University--ESARP	46,678,416	48,661,933	48,660,568	--	48,960,568
KSU--Veterinary Medical Center	9,568,048	9,989,497	9,988,928	--	9,988,928
Pittsburg State University	32,128,091	33,576,984	33,570,974	1,005,795	33,570,974
University of Kansas	132,033,121	136,641,468	136,646,183	8,800,000	136,646,183
University of Kansas Medical Center	100,389,199	104,052,003	104,044,508	5,990,000	104,414,508
Wichita State University	63,522,168	66,889,335	66,810,586	145,000	68,810,586
Subtotal--Regents	**$ 673,642,212**	**$ 707,857,606**	**$ 706,209,896**	**$162,724,417**	**$ 750,833,981**

Schedule 2.2--Expenditures from the State General Fund by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Kansas Arts Commission	1,504,038	1,481,857	1,482,744	280,235	1,534,154
Historical Society	5,581,545	5,812,005	5,700,970	1,322,012	5,982,292
State Library	4,924,294	4,927,936	4,957,936	4,564,419	5,030,152
Total--Education	**$2,872,023,464**	**$3,048,579,003**	**$3,082,257,021**	**$314,729,463**	**$3,104,532,640**
Public Safety					
Department of Corrections	82,331,329	83,739,471	85,997,496	20,059,032	101,594,503
El Dorado Correctional Facility	20,468,141	21,163,802	21,170,186	234,585	22,209,809
Ellsworth Correctional Facility	10,376,040	10,791,955	10,810,054	221,871	11,349,758
Hutchinson Correctional Facility	24,114,962	24,989,148	24,994,280	233,846	26,232,053
Lansing Correctional Facility	31,395,903	32,845,710	32,921,930	159,463	34,612,062
Larned Correctional Mental Health Facility	7,911,578	8,308,828	8,312,247	111,043	8,752,919
Norton Correctional Facility	12,013,675	12,545,540	12,517,354	132,259	13,155,522
Topeka Correctional Facility	10,042,247	10,345,727	10,564,038	79,260	11,160,020
Winfield Correctional Facility	9,885,079	10,272,691	10,202,782	354,195	10,701,697
Subtotal--Corrections	**$ 208,538,954**	**$ 215,002,872**	**$ 217,490,367**	**$ 21,585,554**	**$ 239,768,343**
Juvenile Justice Authority	28,536,841	30,508,156	28,637,686	7,484,609	30,745,119
Atchison Juvenile Correctional Facility	6,000,704	5,839,767	5,867,674	282,782	6,075,402
Beloit Juvenile Correctional Facility	4,493,786	4,467,271	4,508,445	160,491	4,609,697
Larned Juvenile Correctional Facility	7,224,960	7,672,494	7,848,989	456,284	8,012,838
Topeka Juvenile Correctional Facility	12,338,051	13,995,787	14,609,450	2,014,463	15,236,547
Subtotal--Juvenile Justice	**$ 58,594,342**	**$ 62,483,475**	**$ 61,472,244**	**$ 10,398,629**	**$ 64,679,603**
Adjutant General	5,515,313	5,040,269	5,495,361	1,563,251	5,773,847
Highway Patrol	28,928,830	30,688,004	32,009,270	--	35,647,855
Kansas Bureau of Investigation	11,915,089	12,122,058	12,493,262	8,186,536	13,129,703
Kansas Parole Board	414,897	449,387	433,858	--	458,053
Sentencing Commission	1,594,976	6,064,356	5,836,389	--	6,606,579
Total--Public Safety	**$ 315,502,401**	**$ 331,850,421**	**$ 335,230,751**	**$ 41,733,970**	**$ 366,063,983**
Agriculture & Natural Resources					
Department of Agriculture	9,453,389	9,563,094	9,590,502	522,002	10,485,429
Animal Health Department	575,245	644,357	645,830	356,008	779,349
State Conservation Commission	564,578	1,032,618	1,636,940	405,802	1,146,189
Health & Environment--Environment	9,291,465	10,173,464	9,602,921	657,816	9,910,933
Kansas State Fair	538,103	1,547,905	1,550,044	--	1,550,044
Kansas Water Office	1,229,529	1,402,523	1,760,481	--	1,450,692
Department of Wildlife & Parks	3,167,799	3,347,366	3,957,619	261,005	2,857,538
Total--Agriculture & Natural Resources	**$ 24,820,108**	**$ 27,711,327**	**$ 28,744,337**	**$ 2,202,633**	**$ 28,180,174**
Total Expenditures	**$4,316,450,964**	**$4,680,289,482**	**$4,709,210,254**	**$516,138,214**	**$4,840,571,942**

Schedule 2.3--Expenditures from the Children's Initiatives Fund by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Human Resources					
Social & Rehabilitation Services					
Children's Cabinet Accountability Fund	249,682	541,802	541,802	--	541,802
Children's Mental Health Initiative	1,800,000	3,800,000	3,800,000	--	3,800,000
Family Centered System of Care	5,000,000	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	1,399,999	1,400,000	1,400,000	--	1,400,000
Community Services for Child Welfare	3,106,231	3,492,101	3,492,101	--	3,492,101
HealthWave	463,748	2,000,000	2,000,000	--	2,000,000
Smart Start Kansas	2,891,399	8,895,491	8,895,491	--	8,895,491
Medical Assistance	1,000,000	3,000,000	3,000,000	--	3,000,000
Immunization Outreach	500,000	500,000	500,000	--	500,000
Family Preservation	2,243,770	2,957,899	2,957,899	--	2,957,899
CMHC Children's Program Grants	2,000,000	--	--	--	--
School Violence Prevention	228,000	228,000	228,000	--	228,000
Children's Cabinet Administration	227,250	--	--	--	--
Attendant Care for Independent Living	--	50,000	50,000	--	50,000
Total--SRS	**$ 22,110,079**	**$ 32,865,293**	**$ 32,865,293**	**$ --**	**$ 32,865,293**
Health & Environment--Health					
Healthy Start/Home Visitor	250,000	250,000	250,000	--	250,000
Infants & Toddlers Program	800,000	800,000	800,000	--	800,000
Smoking Prevention Grants	500,000	500,000	500,000	--	500,000
Total--Health & Environment	**$ 1,550,000**	**$ 1,550,000**	**$ 1,550,000**	**$ --**	**$ 1,550,000**
Total--Human Resources	**$ 23,660,079**	**$ 34,415,293**	**$ 34,415,293**	**$ --**	**$ 34,415,293**
Education					
Department of Education					
Reading & Vision Research	300,000	300,000	300,000	--	300,000
Parent Education Program	2,340,245	2,659,755	2,500,000	--	2,500,000
Four-Year-Old At-Risk Program	4,500,000	4,500,000	4,500,000	--	5,504,045
Special Education	1,225,000	1,225,000	1,225,000	--	1,225,000
Total--Department of Ed.	**$ 8,365,245**	**$ 8,684,755**	**$ 8,525,000**	**$ --**	**$ 9,529,045**
University of Kansas Medical Center					
Tele-Kid Health Care Link	212,208	287,792	250,000	--	250,000
Total--Regents	**$ 212,208**	**$ 287,792**	**$ 250,000**	**$ --**	**$ 250,000**
Total--Education	**$ 8,577,453**	**$ 8,972,547**	**$ 8,775,000**	**$ --**	**$ 9,779,045**
Public Safety					
Juvenile Justice Authority					
Juvenile Prevention Program Grants	5,265,119	5,563,855	5,414,487	585,513	5,414,487
Juvenile Graduated Sanctions Grants	3,585,513	3,436,145	3,585,513	--	3,585,513
Total--Public Safety	**$ 8,850,632**	**$ 9,000,000**	**$ 9,000,000**	**$ 585,513**	**$ 9,000,000**
Total Expenditures	**$ 41,088,164**	**$ 52,387,840**	**$ 52,190,293**	**$ 585,513**	**$ 53,194,338**

Schedule 2.4--Expenditures from the EDIF Fund by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Commerce					
Older Kansans Employment Program	--	239,430	239,430	--	239,430
Operating Grant	14,144,048	15,355,387	15,482,756	662,729	15,665,118
Total--Department of Commerce	**14,144,048**	**15,594,817**	**15,722,186**	**662,729**	**15,904,548**
Kansas Technology Enterprise Corporation					
University & Strategic Research	5,219,020	5,711,372	5,394,315	75,000	5,550,950
Commercialization	1,375,994	1,454,494	1,354,494	555,000	1,715,082
Mid-America Mfg. Technology Center	1,533,178	1,533,177	1,533,177	38,000	1,586,478
Product Development	1,464,147	1,468,030	1,468,030	282,000	1,386,562
Operations	1,441,058	1,656,310	1,745,572	--	1,671,984
Total--KTEC	**$ 11,033,397**	**$ 11,823,383**	**$ 11,495,588**	**$ 950,000**	**$ 11,911,056**
Kansas, Inc.					
Operations	243,007	315,906	316,585	37,847	382,615
Total--General Government	**$ 25,420,452**	**$ 27,734,106**	**$ 27,534,359**	**$ 1,650,576**	**$ 28,198,219**
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	10,331,250	6,957,162	6,957,162	--	6,957,162
Technology Innovation & Internship	182,039	183,945	180,500	--	180,500
Total--Board of Regents	**13,078,289**	**9,706,107**	**9,702,662**	**--**	**9,702,662**
Kansas State University--ESARP					
Agriculture Experiment Stations	--	300,000	300,000	--	--
Wichita State University					
Aviation Research	879,164	2,120,835	2,000,000	--	--
Kansas Arts Commission					
Other Assistance	--	35,000	--	--	--
Total--Education	**$ 13,957,453**	**$ 12,161,942**	**$ 12,002,662**	**$ --**	**$ 9,702,662**
Agriculture & Natural Resources					
State Conservation Commission					
Wind Energy Conservation Easements	--	--	--	--	300,000
Kansas Water Office					
Project Water Education for Teachers	--	10,000	--	--	--
Total--Agriculture & Natural Resources	**$ --**	**$ 10,000**	**$ --**	**$ --**	**$ 300,000**
Total Expenditures	**$ 39,377,905**	**$ 39,906,048**	**$ 39,537,021**	**$ 1,650,576**	**$ 38,200,881**

Schedule 2.5--Expenditures from the State Water Plan Fund by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Education					
University of Kansas					
Geological Survey	39,999	40,000	40,000	--	40,000
Total--Education	**$ 39,999**	**$ 40,000**	**$ 40,000**	**$ --**	**$ 40,000**
Agriculture & Natural Resources					
Department of Agriculture					
Floodplain Management	63,241	66,767	66,852	--	68,773
Water Appropriations	62,857	181,749	181,749	--	187,925
Interstate Water Issues	234,887	247,995	248,859	--	254,986
Water Use Study	59,456	59,781	60,018	--	60,018
Subbasin Water Resources Management	464,546	489,205	540,682	--	554,369
Total--Department of Agriculture	**$ 884,987**	**$ 1,045,497**	**$ 1,098,160**	**$ --**	**$ 1,126,071**
State Conservation Commission					
Nonpoint Source Pollution Assistance	2,779,660	3,007,653	2,799,520	--	2,799,520
Aid to Conservation Districts	1,043,000	1,043,000	--	--	1,044,000
Watershed Dam Construction	279,135	435,576	352,499	--	352,499
Water Quality Buffer Initiatives	161,049	424,139	307,157	--	307,157
Irrigation Transition Program	--	--	--	1,310,000	1,310,000
Riparian and Wetland Program	230,066	270,196	249,782	--	249,782
Water Resources Cost-Share	3,602,891	4,120,805	3,495,218	--	3,495,218
Total--Conservation Commission	**$ 8,095,801**	**$ 9,301,369**	**$ 7,204,176**	**$ 1,310,000**	**$ 9,558,176**
Health & Environment					
Contamination Remediation	1,060,887	989,107	983,867	--	983,867
Local Environmental Protection Program	1,674,856	1,502,737	1,502,737	--	1,502,737
Nonpoint Source Program	347,259	403,818	385,975	--	385,975
TMDL Initiatives	296,669	297,004	323,338	--	323,338
Watershed Rest. & Protect. Plans (WRAPS)	--	--	800,000	--	800,000
Total--Health & Environment	**$ 3,379,671**	**$ 3,192,666**	**$ 3,995,917**	**$ --**	**$ 3,995,917**
Kansas Water Office					
Assessment and Evaluation	81,235	218,078	650,602	--	650,602
Federal Cost-Share Programs	16,000	72,094	--	--	--
GIS Data Access and Support Center	250,000	247,405	247,405	--	247,405
GIS Data Base Development	431,289	450,151	409,132	--	409,132
MOU--Storage Operations and Maintenance	40,000	--	--	--	--
Ogallala Aquifer Institute	237,477	240,036	237,945	--	237,945
PMIB Loan Payment for Storage	34,916	--	--	--	--
Public Information	367,830	392,296	--	--	392,296
Stream Gauging	310,423	180,131	246,150	--	246,150
Technical Assistance to Water Users	179,687	313,205	313,205	--	313,205
Water Planning Process	55,000	39,690	60,000	--	60,000
Water Resource Education	3,311	120,000	120,000	--	120,000
Weather Modification	25,000	37,384	37,384	--	37,384
Total--Water Office	**$ 2,032,168**	**$ 2,310,470**	**$ 2,321,823**	**$ --**	**$ 2,714,119**
Department of Wildlife & Parks					
Stream Monitoring	40,000	--	40,000	--	40,000
River Access	--	--	115,000	--	115,000
Total--Wildlife & Parks	**$ 40,000**	**$ --**	**$ 155,000**	**$ --**	**$ 155,000**
Total--Agriculture & Natural Resources	**$ 14,432,627**	**$ 15,850,002**	**$ 14,775,076**	**$ 1,310,000**	**$ 17,549,283**
Total Expenditures	**$ 14,472,626**	**$ 15,890,002**	**$ 14,815,076**	**$ 1,310,000**	**$ 17,589,283**

Schedule 3.1--Expenditures from All Funding Sources for State Operations by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration	22,682,507	17,880,782	26,891,145	1,195,999	25,695,070
Kansas Corporation Commission	16,864,370	18,218,225	18,469,134	132,000	18,969,459
Citizens Utility Ratepayer Board	554,515	673,595	637,580	86,336	735,067
Kansas Human Rights Commission	1,716,439	1,836,650	1,825,897	131,252	1,899,946
Board of Indigents Defense Services	16,366,673	18,515,189	18,453,517	91,000	18,657,348
Health Care Stabilization	6,255,737	4,266,014	4,313,516	--	4,365,401
Kansas Public Employees Retirement Sys.	25,936,273	29,692,053	32,521,018	--	32,746,103
Department of Commerce	11,938,878	41,141,977	41,444,551	562,729	42,066,210
Kansas Technology Enterprise Corp.	2,471,385	2,714,606	2,746,222	--	2,725,256
Kansas, Inc.	405,865	547,222	546,508	87,847	573,449
Kansas Lottery	20,876,828	21,755,093	22,356,892	234,000	22,520,286
Kansas Racing & Gaming Commission	4,171,304	4,589,686	4,818,085	2,487,849	4,796,709
Department of Revenue	69,680,010	75,263,037	75,796,495	438,800	78,879,734
Board of Tax Appeals	1,513,542	1,731,626	1,565,773	--	1,642,592
Abstracters Board of Examiners	18,869	21,315	21,315	--	22,358
Board of Accountancy	216,029	264,809	267,998	3,000	280,241
Banking Department	5,353,127	7,111,416	6,407,445	214,653	6,813,710
Board of Barbering	124,091	131,275	131,638	--	136,808
Behavioral Sciences Regulatory Board	465,454	580,869	546,894	--	568,376
Board of Cosmetology	591,637	794,025	736,132	166,000	757,432
Department of Credit Unions	807,471	938,176	910,186	12,600	968,691
Kansas Dental Board	344,637	344,017	344,451	15,000	298,866
Governmental Ethics Commission	559,746	629,725	609,308	--	639,772
Board of Healing Arts	2,357,253	2,525,211	2,390,323	92,799	2,659,350
Hearing Aid Board of Examiners	18,870	27,331	25,578	--	26,680
Board of Mortuary Arts	200,298	247,971	240,445	--	250,154
Board of Nursing	1,401,739	1,631,909	1,468,825	--	1,539,427
Board of Examiners in Optometry	98,457	114,388	117,117	--	121,795
Board of Pharmacy	589,098	699,830	637,408	20,000	613,848
Real Estate Appraisal Board	233,416	269,903	262,257	--	262,324
Kansas Real Estate Commission	705,349	829,721	862,661	31,200	927,444
Office of the Securities Commissioner	1,940,874	2,423,596	2,268,455	225,088	2,476,591
Board of Technical Professions	485,128	627,363	526,556	--	539,050
Board of Veterinary Examiners	261,754	257,723	293,545	--	273,825
Office of the Governor	2,497,644	3,238,697	3,030,042	--	3,172,405
Office of the Lieutenant Governor	104,830	137,361	167,439	--	175,737
Attorney General	7,435,753	8,453,392	7,773,050	1,637,069	9,124,573
Insurance Department	9,534,482	10,702,852	10,788,812	--	11,244,922
Secretary of State	3,644,458	10,472,871	7,631,325	--	7,692,457
State Treasurer	2,457,835	2,367,809	2,392,462	--	4,066,716
Legislative Coordinating Council	558,568	713,614	716,822	--	758,807
Legislature	11,622,910	14,031,364	15,234,995	--	15,493,650
Legislative Research Department	2,584,930	2,968,016	2,981,973	--	3,158,390
Legislative Division of Post Audit	1,694,380	1,970,209	1,999,292	--	2,098,936
Revisor of Statutes	2,284,249	2,589,154	2,595,741	--	2,721,134
Judiciary	94,411,533	103,665,362	108,324,182	6,478,616	110,929,855
Judicial Council	360,989	392,385	416,479	--	436,517
Total--General Government	**$ 357,400,184**	**$ 420,999,414**	**$ 435,507,484**	**$ 14,343,837**	**$ 447,523,471**
Human Resources					
Social & Rehabilitation Services	297,003,571	317,130,809	317,257,931	21,837,824	324,443,958
Kansas Neurological Institute	24,656,232	25,217,711	25,988,715	486,970	27,311,688

Schedule 3.1--Expenditures from All Funding Sources for State Operations by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Larned State Hospital	35,942,411	40,311,295	40,113,019	6,759,678	43,295,262
Osawatomie State Hospital	19,861,672	20,747,760	20,781,200	634,803	22,104,597
Parsons State Hospital & Training Center	20,559,047	21,526,341	21,519,553	329,092	22,960,958
Rainbow Mental Health Facility	7,070,754	7,010,831	7,411,039	45,961	7,589,065
Subtotal--SRS	**$ 405,093,687**	**$ 431,944,747**	**$ 433,071,457**	**$ 30,094,328**	**$ 447,705,528**
Department on Aging	15,597,070	14,506,165	14,862,257	407,313	15,243,089
Health & Environment--Health	52,762,787	56,423,247	54,491,285	425,000	56,542,842
Department of Labor	59,662,220	38,212,560	37,842,555	85,000	39,818,758
Commission on Veterans Affairs	14,744,284	15,913,238	16,051,362	1,494,749	17,744,309
Kansas Guardianship Program	1,019,048	1,043,236	1,034,615	51,731	1,071,121
Total--Human Resources	**$ 548,879,096**	**$ 558,043,193**	**$ 557,353,531**	**$ 32,558,121**	**$ 578,125,647**
Education					
Department of Education	23,776,092	29,104,182	26,572,007	579,800	28,062,927
School for the Blind	4,901,934	4,973,847	5,011,285	117,279	5,162,753
School for the Deaf	7,849,368	7,897,633	7,781,118	232,344	8,187,144
Subtotal--Department of Education	**$ 36,527,394**	**$ 41,975,662**	**$ 39,364,410**	**$ 929,423**	**$ 41,412,824**
Board of Regents	20,465,426	23,224,802	22,915,690	98,193,018	57,420,898
Emporia State University	53,788,750	61,313,679	59,539,755	--	59,539,755
Fort Hays State University	56,492,797	62,022,627	61,989,462	--	61,989,462
Kansas State University--Main Campus	268,216,669	293,520,520	287,385,056	--	287,385,056
Kansas State University--ESARP	101,775,694	113,316,126	113,380,560	--	113,380,560
Kansas State University--Vet Med	24,760,140	34,208,706	28,519,213	--	28,519,213
University of Kansas	388,730,139	428,918,185	424,179,841	--	424,179,841
Pittsburg State University	57,692,217	63,557,750	63,558,115	--	63,558,115
University of Kansas Medical Center	202,759,935	228,221,399	226,753,194	--	226,753,194
Wichita State University	141,681,766	154,731,813	151,896,102	--	151,896,102
Subtotal--Regents	**$1,316,363,533**	**$1,463,035,607**	**$1,440,116,988**	**$ 98,193,018**	**$1,474,622,196**
Kansas Arts Commission	507,223	557,101	554,658	27,000	582,007
Historical Society	6,636,117	7,029,498	6,882,223	331,761	7,205,771
State Library	2,189,329	2,294,573	2,338,303	92,000	2,410,519
Total--Education	**$1,362,223,596**	**$1,514,892,441**	**$1,489,256,582**	**$ 99,573,202**	**$1,526,233,317**
Public Safety					
Department of Corrections	77,121,977	79,325,355	80,401,760	18,386,701	96,470,811
El Dorado Correctional Facility	20,654,549	21,237,972	21,121,021	234,585	22,160,949
Ellsworth Correctional Facility	10,402,396	10,849,786	10,847,997	221,871	11,387,824
Hutchinson Correctional Facility	24,152,597	25,023,992	25,019,221	233,846	26,272,299
Lansing Correctional Facility	31,503,255	32,699,457	32,764,582	159,463	34,454,714
Larned Correctional Mental Health Facility	7,913,539	8,308,828	8,316,747	111,043	8,757,419
Norton Correctional Facility	12,104,126	12,603,052	12,554,358	132,259	13,192,932
Topeka Correctional Facility	11,201,398	11,740,111	11,699,531	79,260	12,295,513
Winfield Correctional Facility	10,017,738	10,393,890	10,291,070	354,195	10,789,985
Subtotal--Corrections	**$ 205,071,575**	**$ 212,182,443**	**$ 213,016,287**	**$ 19,913,223**	**$ 235,782,446**
Juvenile Justice Authority	6,716,808	6,568,392	6,016,176	928,232	6,146,576
Atchison Juvenile Correctional Facility	6,192,024	6,096,931	6,097,119	282,782	6,305,097
Beloit Juvenile Correctional Facility	4,621,081	4,721,314	4,794,631	160,491	4,898,757
Larned Juvenile Correctional Facility	7,651,697	8,021,812	7,906,884	456,284	8,070,962
Topeka Juvenile Correctional Facility	13,004,622	14,521,444	15,194,694	2,014,463	15,821,791
Subtotal--Juvenile Justice	**$ 38,186,232**	**$ 39,929,893**	**$ 40,009,504**	**$ 3,842,252**	**$ 41,243,183**
Adjutant General	23,849,535	26,375,446	28,968,402	787,663	30,341,254
Emergency Medical Services Board	726,700	1,080,774	862,882	179,445	984,416
State Fire Marshal	3,354,943	3,960,398	3,756,011	919,385	3,959,644

Schedule 3.1--Expenditures from All Funding Sources for State Operations by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Highway Patrol	58,596,012	63,690,755	65,973,790	1,883,552	70,472,383
Kansas Bureau of Investigation	20,443,489	19,926,778	19,909,916	8,242,522	21,114,447
Kansas Parole Board	414,897	449,387	433,858	--	458,053
Sentencing Commission	549,865	693,663	691,600	42,882	753,123
Total--Public Safety	**$ 351,193,248**	**$ 368,289,537**	**$ 373,622,250**	**$ 35,810,924**	**$ 405,108,949**
Agriculture & Natural Resources					
Department of Agriculture	20,681,757	22,099,114	21,684,563	594,709	22,973,412
Animal Health Department	2,048,122	2,754,699	2,298,556	296,582	2,463,485
State Conservation Commission	2,005,744	2,444,408	2,456,249	45,517	2,523,007
Health & Environment--Environment	51,976,098	56,669,793	56,834,904	964,156	58,605,581
Kansas State Fair	4,640,676	5,149,534	5,117,767	25,000	5,211,585
Kansas Water Office	5,702,539	6,016,678	6,256,912	--	6,347,863
Department of Wildlife & Parks	35,213,950	38,074,820	38,172,609	1,310,505	39,311,830
Total--Ag. & Natural Resources	**$ 122,268,886**	**$ 133,209,046**	**$ 132,821,560**	**$ 3,236,469**	**$ 137,436,763**
Transportation					
Kansas Department of Transportation	234,313,809	255,043,859	275,024,983	2,245,532	279,779,130
Total--Transportation	**$ 234,313,809**	**$ 255,043,859**	**$ 275,024,983**	**$ 2,245,532**	**$ 279,779,130**
Total Expenditures	**$2,976,278,819**	**$3,250,477,490**	**$3,263,586,390**	**$ 187,768,085**	**$3,374,207,277**

Schedule 3.2--Expenditures from the State General Fund for State Operations by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration	12,440,720	13,832,268	23,772,718	1,195,999	22,469,830
Kansas Human Rights Commission	1,367,891	1,408,829	1,396,556	131,252	1,472,125
Board of Indigents Defense Services	15,778,902	17,952,213	17,873,517	91,000	18,077,347
Department of Commerce	--	261,838	266,554	--	231,885
Kansas, Inc.	--	--	--	50,000	--
Department of Revenue	19,494,290	20,046,408	19,710,909	388,000	20,678,285
Board of Tax Appeals	1,507,758	1,479,018	1,296,773	--	1,371,092
Governmental Ethics Commission	434,051	493,771	474,580	--	496,973
Office of the Governor	1,885,879	2,294,753	2,217,387	--	2,325,610
Office of the Lieutenant Governor	104,830	137,361	167,439	--	175,737
Attorney General	4,176,366	4,592,172	3,822,461	1,518,897	5,235,609
Secretary of State	836,591	264,159	93,248	--	--
State Treasurer	245,928	--	--	--	--
Legislative Coordinating Council	558,568	713,614	716,822	--	758,807
Legislature	11,545,019	13,946,864	14,976,181	--	15,234,836
Legislative Research Department	2,555,535	2,890,209	2,903,833	--	3,075,699
Legislative Division of Post Audit	1,694,380	1,970,209	1,999,292	--	2,098,936
Revisor of Statutes	2,284,249	2,589,154	2,595,741	--	2,721,134
Judiciary	82,657,720	90,656,310	99,800,944	6,379,888	102,232,473
Total--General Government	**$ 159,568,677**	**$ 175,529,150**	**$ 194,084,955**	**$ 9,755,036**	**$ 198,656,378**
Human Resources					
Social & Rehabilitation Services	97,348,806	95,952,907	98,314,400	10,194,208	101,497,254
Kansas Neurological Institute	10,011,371	10,307,479	11,078,482	281,052	12,311,455
Larned State Hospital	26,015,244	29,682,749	29,484,132	6,721,916	31,508,470
Osawatomie State Hospital	8,326,189	8,034,378	8,047,818	494,686	9,085,079
Parsons State Hospital & Training Center	6,926,001	7,281,343	7,274,555	173,338	8,605,960
Rainbow Mental Health Facility	4,050,943	3,678,249	3,847,864	39,560	3,837,739
Subtotal--SRS	**$ 152,678,554**	**$ 154,937,105**	**$ 158,047,251**	**$ 17,904,760**	**$ 166,845,957**
Department on Aging	5,816,124	5,878,048	5,620,646	257,313	5,772,675
Health & Environment--Health	7,252,443	7,310,240	7,451,971	425,000	7,760,846
Department of Labor	1,683,251	563,763	331,702	85,000	345,330
Commission on Veterans Affairs	6,101,474	6,007,067	5,783,343	1,264,829	7,409,535
Kansas Guardianship Program	1,019,048	1,043,236	1,034,615	51,731	1,071,121
Total--Human Resources	**$ 174,550,894**	**$ 175,739,459**	**$ 178,269,528**	**$ 19,988,633**	**$ 189,205,464**
Education					
Department of Education	8,998,326	9,218,080	9,289,921	175,000	10,241,481
School for the Blind	4,417,492	4,587,303	4,700,259	117,279	4,845,672
School for the Deaf	7,264,756	7,462,584	7,455,315	232,344	7,854,998
Subtotal--Department of Education	**$ 20,680,574**	**$ 21,267,967**	**$ 21,445,495**	**$ 524,623**	**$ 22,942,151**
Board of Regents	4,815,268	5,123,722	4,896,251	98,110,150	39,309,195
Emporia State University	29,396,297	30,767,318	30,769,201	--	30,769,201
Fort Hays State University	30,339,303	31,917,627	31,879,264	--	31,879,264
Kansas State University--Main Campus	101,271,266	104,222,805	104,249,361	--	104,249,361
Kansas State University--ESARP	46,595,640	48,661,933	48,660,568	--	48,960,568
Kansas State University--Vet Med	9,568,048	9,989,497	9,988,928	--	9,988,928
University of Kansas	129,203,631	135,996,035	136,000,750	--	136,000,750
Pittsburg State University	31,951,425	32,317,728	32,305,867	--	32,305,867
University of Kansas Medical Center	94,142,207	98,579,233	98,571,738	--	98,571,738
Wichita State University	63,510,520	65,879,779	65,751,030	--	67,751,030
Subtotal--Regents	**$ 540,793,605**	**$ 563,455,677**	**$ 563,072,958**	**$ 98,110,150**	**$ 599,785,902**

Schedule 3.2--Expenditures from the State General Fund for State Operations by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Kansas Arts Commission	332,090	343,392	344,111	27,000	360,521
Historical Society	5,424,711	5,452,245	5,466,210	331,761	5,697,532
State Library	1,457,842	1,523,599	1,553,599	92,000	1,625,815
Total--Education	**$ 568,688,822**	**$ 592,042,880**	**$ 591,882,373**	**$ 99,085,534**	**$ 630,411,921**
Public Safety					
Department of Corrections	59,172,307	59,932,956	64,901,284	18,369,335	80,498,291
El Dorado Correctional Facility	20,467,115	21,101,492	20,998,755	234,585	22,038,378
Ellsworth Correctional Facility	10,374,280	10,791,955	10,810,054	221,871	11,349,758
Hutchinson Correctional Facility	23,894,999	24,761,274	24,756,503	233,846	25,994,276
Lansing Correctional Facility	31,394,904	32,539,457	32,604,582	159,463	34,294,714
Larned Correctional Mental Health Facility	7,911,510	8,308,828	8,312,247	111,043	8,752,919
Norton Correctional Facility	11,961,815	12,407,501	12,373,682	132,259	13,011,850
Topeka Correctional Facility	10,042,247	10,345,727	10,564,038	79,260	11,160,020
Winfield Correctional Facility	9,828,006	10,157,115	10,082,489	354,195	10,581,404
Subtotal--Corrections	**$ 185,047,183**	**$ 190,346,305**	**$ 195,403,634**	**$ 19,895,857**	**$ 217,681,610**
Juvenile Justice Authority	3,331,658	3,269,814	3,240,952	928,232	3,348,792
Atchison Juvenile Correctional Facility	5,996,049	5,839,767	5,867,674	282,782	6,075,402
Beloit Juvenile Correctional Facility	4,457,746	4,467,271	4,508,445	160,491	4,609,697
Larned Juvenile Correctional Facility	7,224,960	7,672,494	7,848,989	456,284	8,012,838
Topeka Juvenile Correctional Facility	12,333,062	13,995,787	14,609,450	2,014,463	15,236,547
Subtotal--Juvenile Justice	**$ 33,343,475**	**$ 35,245,133**	**$ 36,075,510**	**$ 3,842,252**	**$ 37,283,276**
Adjutant General	4,334,511	4,447,912	4,645,361	419,872	4,923,847
Highway Patrol	28,927,795	30,688,004	32,009,270	--	35,647,855
Kansas Bureau of Investigation	11,704,007	11,892,058	12,247,862	8,186,536	12,884,303
Kansas Parole Board	414,897	449,387	433,858	--	458,053
Sentencing Commission	513,534	564,356	561,989	--	573,188
Total--Public Safety	**$ 264,285,402**	**$ 273,633,155**	**$ 281,377,484**	**$ 32,344,517**	**$ 309,452,132**
Agriculture & Natural Resources					
Department of Agriculture	9,453,389	9,563,094	9,590,502	522,002	10,485,429
Animal Health Department	575,245	644,357	645,830	356,008	779,349
State Conservation Commission	564,578	592,127	593,940	38,802	646,189
Health & Environment--Environment	9,291,465	10,173,464	9,602,921	657,816	9,910,933
Kansas State Fair	267,833	547,905	500,044	--	500,044
Kansas Water Office	1,229,529	1,402,523	1,760,481	--	1,450,692
Department of Wildlife & Parks	3,163,758	3,298,319	3,754,478	261,005	2,857,538
Total--Ag. & Natural Resources	**$ 24,545,797**	**$ 26,221,789**	**$ 26,448,196**	**$ 1,835,633**	**$ 26,630,174**
Total Expenditures	**$1,191,639,592**	**$1,243,166,433**	**$1,272,062,536**	**$ 163,009,353**	**$1,354,356,069**

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration					
Emergency Flood Control	266,516	269,900	269,900	--	269,900
Public Broadcasting Digital Conv. DS	447,454	470,570	470,570	--	470,570
Wireless 911 Grants	--	3,180,500	3,457,955	--	3,463,594
Total--Department of Administration	**$ 713,970**	**$ 3,920,970**	**$ 4,198,425**	**$ --**	**$ 4,204,064**
Kansas Corporation Commission					
Energy Conservation Grants	315,242	669,227	519,227	--	669,227
Department of Commerce					
Main Street Development	206,574	206,574	206,574	--	206,574
Community Services Block Grant	2,816,174	3,500,000	3,500,000	--	3,500,000
IMPACT	548,834	200,000	200,000	--	200,000
Community Development Block Grant	25,627,366	20,995,650	20,793,426	--	20,793,426
Small Business Development Centers	368,500	368,500	368,500	--	368,500
Market Development Grants	--	--	--	100,000	--
Kansas Partnership Program	168,000	1,200,000	1,200,000	--	1,200,000
Federal Flood Mitigation	25,900	--	--	--	--
Total--Dept. of Commerce	**$ 29,761,348**	**$ 26,470,724**	**$ 26,268,500**	**$ 100,000**	**$ 26,268,500**
Department of Revenue					
Sand Royalty Fund	80,089	83,000	83,000	--	83,000
Co. Treas. Vehicle Licensing Fee Fund	136,675	134,050	134,050	--	134,050
Mineral Production Tax Fund	6,473,383	5,800,000	5,800,000	--	5,800,000
County Drug Tax Fund	604,442	475,000	475,000	--	475,000
Miscellaneous Grants	58,655	--	--	--	--
Total--Department of Revenue	**$ 7,353,244**	**$ 6,492,050**	**$ 6,492,050**	**$ --**	**$ 6,492,050**
Office of the Securities Commissioner					
Investor Education	500	--	--	--	--
Office of the Governor					
Federal & Other Grant Programs	3,779,235	7,037,818	7,037,818	--	7,037,818
Attorney General					
Project Safe Neighborhoods	--	198,596	193,596	--	193,596
Insurance Department					
Firefighter Association Grants	8,367,332	8,500,000	8,750,000	--	8,750,000
Secretary of State					
HAVA	--	423,238	12,320,000	--	11,950,400
State Treasurer					
Local Ad Valorem Tax Reduction	--	--	68,796,000	--	--
County & City Revenue Sharing	--	--	52,428,000	--	--
Tax Increment Financing	1,053,173	1,080,000	1,100,000	--	1,100,000
Total--State Treasurer	**$ 1,053,173**	**$ 1,080,000**	**$ 122,324,000**	**$ --**	**$ 1,100,000**
Judiciary					
Child Welfare Federal Fund	--	170,000	85,000	--	85,000
Dispute Resolution Fund	--	15,000	15,000	--	15,000
Technology Fund	--	350,000	350,000	--	350,000
Permanent Families Account	496,739	491,451	492,658	--	492,658
Total--Judiciary	**$ 496,739**	**$ 1,026,451**	**$ 942,658**	**$ --**	**$ 942,658**
Total--General Government	**$ 51,840,783**	**$ 55,819,074**	**$ 189,046,274**	**$ 100,000**	**$ 67,608,313**
Human Resources					
Social & Rehabilitation Services					
Early Head Start/Head Start	1,428,231	7,889,618	--	7,889,618	7,889,618

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Social & Rehabilitation Services, Cont'd.					
Discretionary Grants/Commun. Funding	185,073	169,200	169,200	--	169,200
Children & Family Services Grants	43,551	--	--	--	--
Children's Cabinet Grants	19,995	10,295,485	9,626,015	--	9,413,972
Com. Devel. Disab. Support Grants	1,758,799	--	--	--	--
Mental Health Grants	6,308,385	8,067,184	8,067,184	--	8,067,184
Assistive Technology Loan Program	1,758,799	--	--	--	--
Substance Abuse Treatment	18,666	31,666	31,666	--	31,666
School Violence Prevention--CIF	228,000	228,000	228,000	--	228,000
Rehabilitation Services Grants	--	1,247,737	1,247,737	--	1,247,737
Total--SRS	**$ 11,749,499**	**$ 27,928,890**	**$ 19,369,802**	**$ 7,889,618**	**$ 27,047,377**
Department on Aging					
Nutrition Grants	3,635,553	3,575,772	3,575,772	--	3,575,772
Senior Care Act	1,790,168	1,467,209	1,624,050	373,572	2,109,050
Federal Community Grants	1,814,169	1,659,970	1,590,386	--	1,590,386
Other Aid	30,040	--	--	--	--
Total--Aging	**$ 7,269,930**	**$ 6,702,951**	**$ 6,790,208**	**$ 373,572**	**$ 7,275,208**
Health & Environment--Health					
General Health Programs	4,757,102	4,757,102	4,743,189	3,150,000	4,743,189
Primary Health Project	1,520,840	1,520,840	1,520,840	--	1,520,840
Expanded Family Health Services	--	--	--	600,000	600,000
Other Federal Aid	245,888	253,576	252,450	--	252,450
Teen Pregnancy Prevention	719,899	719,961	719,961	--	719,961
Food Service Inspection	1,007,268	935,000	935,000	--	935,000
Sexually Trans. Disease Control Proj.	424,283	460,484	310,484	--	310,484
Medical Student Loan Repayment	67,500	93,500	95,000	--	95,000
Commodity Supplemental Food Program	197,820	132,000	132,000	--	132,000
Mothers & Infants Health Program	11,581,780	9,051,874	9,051,376	--	9,051,376
WIC Farmer's Market	--	--	--	439,705	439,705
Child Care Facility Licensure Aid	838,673	838,673	838,673	--	838,673
Healthy Start	250,000	250,000	250,000	--	250,000
Family Planning	2,154,676	2,147,929	2,147,929	--	2,147,929
Preventive Health Block Grant	388,517	369,621	369,621	--	369,621
Migrant Health Program	66,837	52,000	53,560	--	53,560
Lead Poisoning and Prevention Program	4,350	6,000	6,000	--	6,000
Federal Tobacco Prevention Aid	317,168	261,240	400,000	--	400,000
Homeland Security Aid	7,015,529	5,781,484	5,806,922	--	5,806,922
AIDS Services/Education	1,556,610	1,532,896	1,539,168	--	1,539,168
District Coroners Fund	291,607	250,692	251,945	--	251,945
Immunization Programs	745,244	796,200	704,400	--	704,400
Infant & Toddler Program	2,792,000	2,671,305	2,671,305	--	2,671,305
SIDS Program Network Aid	25,000	25,000	25,000	--	25,000
Child Care & Development Block Grant	4,058,980	3,585,563	3,576,207	--	3,576,207
Total--KDHE--Health	**$ 41,027,571**	**$ 36,492,940**	**$ 36,401,030**	**$ 4,189,705**	**$ 37,440,735**
Department of Labor					
State Employment Programs	$ 500,036	$ --	$ --	$ --	$ --
Total--Human Resources	**$ 60,547,036**	**$ 71,124,781**	**$ 62,561,040**	**$ 12,452,895**	**$ 71,763,320**
Education					
Department of Education					
General State Aid	1,626,412,162	1,748,448,000	1,752,294,000	107,000,000	1,722,147,045
School District Finance Fund	39,943,576	14,900,000	14,800,000	--	14,800,000

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Department of Education, Cont'd.					
Supplemental State Aid	160,593,117	160,000,000	172,606,000		170,000,000
Bond & Interest Aid	49,857,993	53,000,000	56,150,000	--	56,150,000
KPERS Employer Contribution	119,791,179	139,232,391	153,181,068		163,838,870
Special Education Services Aid	332,384,623	342,076,845	355,727,717	28,000,000	351,076,845
Grades K-3 Reading & Math Literacy	--	--	--	10,000,000	--
Juvenile Detention Grants	6,028,857	6,587,188	6,587,188	313,757	6,587,188
Deaf-Blind Program Aid	109,995	110,000	110,000	--	110,000
Mentor Teachers	--	--	--	--	1,000,000
In-Service Education Aid	--	--	--	--	2,500,000
School Food Assistance	78,460,266	80,644,716	82,744,716	--	82,744,716
Driver Education Program Aid	1,547,784	1,579,500	1,617,500	947,000	1,617,500
Alcohol & Drug Abuse Programs	2,643,592	2,612,500	2,612,500	--	2,612,500
Federal Class Size Reduction Initiative	191,028	--	--	--	--
Federal School Renovation Grants	432,271	--	--	--	--
School Safety Hotline	6,840	10,000	10,000	--	10,000
Ed. Research & Innovative Prog.	6,374,172	3,514,374	3,345,748	--	3,345,748
Elementary & Secondary Ed. Prog.	19,758,333	20,575,000	17,625,000	--	17,625,000
Education for Economic Security Aid	81,096,488	80,300,000	80,800,000	--	80,800,000
Community Service Grants	318,246	320,000	41,750	--	41,750
21st Century Community Learning Ctrs.	3,455,906	6,900,000	5,900,000	--	5,900,000
Rural & Low Income Schools	388,528	372,500	372,500	--	372,500
Lang Assistance Grants to States	2,479,095	2,750,000	2,800,000	--	2,800,000
Federal Reading First Grants	5,164,689	5,700,000	5,100,000	--	5,100,000
Improving Teacher Quality	20,806,025	20,250,000	20,250,000	--	20,250,000
Vocational Education Grants	5,295,220	5,275,000	5,200,000	--	5,200,000
Teaching Excellence Scholarships	135,500	172,000	172,000	--	172,000
Parent Education	6,979,745	7,299,255	7,289,500	--	7,289,500
Total--Department of Education	**$ 2,570,655,230**	**$ 2,702,629,269**	**$ 2,747,337,187**	**$ 146,260,757**	**$ 2,724,091,162**
Board of Regents					
Washburn Operating Grant	10,102,336	10,555,928	10,557,396	4,755,483	11,012,456
Postsecondary Aid for Vocational Ed.	30,830,612	33,679,391	32,486,207	4,997,845	33,486,207
Adult Basic Education	4,406,222	4,548,998	4,548,998	307,710	4,548,998
Technical Equipment	424,077	424,077	424,077	--	424,077
Technical Innovation & Internships	182,039	183,945	180,500	--	180,500
Vocational Education Capital Outlay	2,565,000	2,565,000	2,565,000	--	2,565,000
Truck Driver Training	69,967	70,000	70,000	--	70,000
Community College Operating Grant	80,958,169	86,028,123	86,044,250	33,152,750	91,130,331
Carl Perkins Grant	1,041,874	1,420,000	1,121,869	--	1,121,869
KAN-ED	3,413,719	3,450,000	2,450,000	--	2,450,000
Other Aid	121,909	608,172	608,172	2,464,648	608,172
Total--Board of Regents	**$ 134,115,924**	**$ 143,533,634**	**$ 141,056,469**	**$ 45,678,436**	**$ 147,597,610**
Kansas State University					
Miscellaneous Aid	900,235	1,126,086	1,126,086	--	1,126,086
Kansas State University ESARP					
Miscellaneous Aid	277,023	282,566	282,566	--	282,566
Emporia State University					
Miscellaneous Aid	9,048	9,048	9,048	--	9,048
University of Kansas Medical Center					
Miscellaneous Aid	13,184	--	--	--	--
Subtotal--Regents	**$ 135,315,414**	**$ 144,951,334**	**$ 142,474,169**	**$ 45,678,436**	**$ 149,015,310**
Kansas Arts Commission					
Arts Grants	132,678	139,299	120,513	253,235	120,513

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Historical Society					
Historic Preservation Aid	171,394	200,000	200,000	--	200,000
Kansas Humanities Council	81,830	81,830	81,830	73,170	131,830
Cultural Heritage Center	27,930	27,930	27,930	--	27,930
Heritage Trust Fund	528,448	485,100	485,100	--	485,100
Total--Historical Society	**$ 809,602**	**$ 794,860**	**$ 794,860**	**$ 73,170**	**$ 844,860**
State Library					
Talking Books--READ Equipment	--	386,105	386,105	189,508	386,105
Grants to Libraries	3,711,885	2,821,062	2,805,062	--	2,805,062
Interlibrary Loan Development	--	624,670	624,670	4,235,711	624,670
Total--State Library	**$ 3,711,885**	**$ 3,831,837**	**$ 3,815,837**	**$ 4,425,219**	**$ 3,815,837**
Total--Education	**$ 2,710,624,809**	**$ 2,852,346,599**	**$ 2,894,542,566**	**$ 196,690,817**	**$ 2,877,887,682**
Public Safety					
Department of Corrections					
Correctional Conservation Camps	2,203,168	2,202,300	2,202,300	--	2,202,300
Community Corrections	13,876,316	15,548,912	15,548,912	--	15,548,912
Total--Department of Corrections	**$ 16,079,484**	**$ 17,751,212**	**$ 17,751,212**	**$ --**	**$ 17,751,212**
Juvenile Justice Authority					
Delinquency Prevention Formula Grants	5,265,119	5,563,855	5,414,487	585,513	5,414,487
Juv. Justice Delinquency Prevent. Grant	840,709	745,684	641,878	--	641,878
Juv. Justice Delinquency Trust Fund	126,397	300,000	300,000	--	300,000
Juvenile Accountability Block Grant	2,036,069	1,603,234	543,696	--	543,696
Community Corrections	4,085,435	4,711,328	1,789,885	333,334	1,789,885
Case Management	5,175,398	5,507,484	4,689,473	333,333	4,689,473
Intake & Assessment	1,103,960	840,340	4,727,298	333,333	4,727,298
Purchase-of-Service	486,046	--	--	--	--
Going Home Federal Grant	113,397	42,600	59,600	--	59,600
Intervention	5,468,438	5,286,256	5,435,624	--	5,435,624
Education Grants	47,435	50,000	50,000	--	50,000
Juvenile Detention Facilities	3,224,640	3,298,740	3,300,390	--	3,300,390
Total--Juvenile Justice Authority	**$ 27,973,043**	**$ 27,949,521**	**$ 26,952,331**	**$ 1,585,513**	**$ 26,952,331**
Beloit Juvenile Correctional Facility					
Aid to School Districts	25,230	--	--	--	--
Adjutant General					
FEMA Grants	2,315,663	2,406,541	2,517,492	--	2,517,492
U.S. Dept. of Transportation Grants	204,367	204,338	204,338	--	204,338
Hazard Mitigation	3,763,250	3,763,250	3,763,250	--	3,763,250
Summer 2004 Storms Assistance	--	3,988,398	--	3,943,148	--
Weather-Related Disasters	114,546	--	2,008,189	--	2,008,189
Ice Storm Disaster Relief	967,433	2,884,903	487,741	--	487,741
NE Kansas Tornadoes	1,899,227	3,327,363	--	--	--
Total--Adjutant General	**$ 9,264,486**	**$ 16,574,793**	**$ 8,981,010**	**$ 3,943,148**	**$ 8,981,010**
Emergency Medical Services Board					
Underserved Areas Training	--	200,000	--	100,000	100,000
Rural Access to Emergency Devices	208,943	424,178	--	--	--
Total--Emergency Medical Services	**$ 208,943**	**$ 624,178**	**$ --**	**$ 100,000**	**$ 100,000**
Highway Patrol					
Domestic Preparedness	3,910,825	17,355,100	1,097,500	--	1,097,500
Homeland Security	--	9,988,500	25,449,496	--	25,449,496
Total--Highway Patrol	**$ 3,910,825**	**$ 27,343,600**	**$ 26,546,996**	**$ --**	**$ 26,546,996**
Kansas Bureau of Investigation					
Federal Aid Payments	1,447,104	1,477,000	1,250,000	--	1,250,000

Schedule 4.1--Expenditures from All Funding Sources for Aid to Local Governments

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Sentencing Commission					
Criminal Justice & Law Enforc. Grants	608,233	--	--	--	--
Total--Public Safety	**$ 59,517,348**	**$ 91,720,304**	**$ 81,481,549**	**$ 5,628,661**	**$ 81,581,549**
Agriculture & Natural Resources					
State Conservation Commission					
Aid to Conservation Districts	1,043,000	1,043,000	1,043,000	1,000	1,044,000
Watershed Dam Planning Construction	279,135	434,576	351,499	--	351,499
Multipurpose Small Lakes	--	440,491	--	366,000	--
Riparian and Wetland Restoration	642	750	750	--	750
Total--State Conservation Commiss.	**$ 1,322,777**	**$ 1,918,817**	**$ 1,395,249**	**$ 367,000**	**$ 1,396,249**
Health & Environment--Environment					
Air Pollution Control Program Aid	920,699	1,189,502	1,225,187	--	1,225,187
Waste Management Aid	1,466,855	1,490,000	790,000	--	790,000
WRAPS Aid	--	--	180,721	--	180,721
Contamination Remediation Aid	273,583	--	--	--	--
Nonpoint Source Pollution Program Aid	2,414,877	2,360,000	2,430,800	--	2,430,800
LEPP Aid	1,674,856	1,502,737	1,502,737	--	1,502,737
Water System Revolving Fund	--	480,000	494,400	--	494,400
Other Federal Aid	--	351,400	300,000	--	300,000
Total--KDHE--Environment	**$ 6,750,870**	**$ 7,373,639**	**$ 6,923,845**	**$ --**	**$ 6,923,845**
Department of Wildlife & Parks					
Federal Grants Fund	1,751,355	1,418,302	1,585,000	--	1,440,765
Total--Ag. & Natural Resources	**$ 9,825,002**	**$ 10,710,758**	**$ 9,904,094**	**$ 367,000**	**$ 9,760,859**
Transportation					
Kansas Department of Transportation					
Connecting Links Payments	2,928,151	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 and County Highway Aid	151,966,342	145,452,096	159,423,664	--	159,423,664
Federal Transit Administration	76,224	--	--	--	--
Federal Highway Safety	1,657,621	2,294,500	2,192,000	--	2,192,000
Metropolitan Transportation Planning	1,482,497	1,250,643	1,263,149	--	1,263,149
State Coordinated Public Transportation	6,143,116	5,569,620	5,503,222	--	5,503,222
Aviation Grants	3,060,455	3,290,279	3,000,000	--	3,000,000
Total--Dept. of Transportation	**$ 169,814,406**	**$ 163,717,138**	**$ 177,242,035**	**$ --**	**$ 177,242,035**
Total--Transportation	**$ 169,814,406**	**$ 163,717,138**	**$ 177,242,035**	**$ --**	**$ 177,242,035**
Total--Aid to Local Governments	**$ 3,062,169,384**	**$ 3,245,438,654**	**$ 3,414,777,558**	**$ 215,239,373**	**$ 3,285,843,758**

Schedule 4.2--Expenditures from the State General Fund for Aid to Local Governments

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration					
Public Broadcasting Digital Conv. DS	447,454	470,570	470,570	--	470,570
Secretary of State					
HAVA	--	423,238	369,600	--	--
Total--General Government	**$ 447,454**	**$ 893,808**	**$ 840,170**	**$ --**	**$ 470,570**
Human Resources					
Social & Rehabilitation Services					
Early Head Start/Head Start	--	--	--	7,889,618	--
Children's Cabinet Grants	--	10,000	212,000	--	10,000
Com. Devel. Disab. Support Grants	959,887	--	--	--	--
Mental Health Grants	5,197,717	6,616,942	6,616,942	--	6,616,942
Assistive Technology Loan Program	959,887	--	--	--	--
Substance Abuse Treatment	16,666	16,666	16,666	--	16,666
Rehabilitation Services Grants	--	265,768	265,768	--	265,768
Total--SRS	**$ 7,134,157**	**$ 6,909,376**	**$ 7,111,376**	**$ 7,889,618**	**$ 6,909,376**
Department on Aging					
Nutrition Grants	902,355	885,499	885,499	--	885,499
Senior Care Act	1,790,168	1,467,209	1,624,050	373,572	2,000,000
Total--Department on Aging	**$ 2,692,523**	**$ 2,352,708**	**$ 2,509,549**	**$ 373,572**	**$ 2,885,499**
Health & Environment--Health					
General Health Programs	4,757,102	4,766,458	4,743,189	450,000	4,743,189
Primary Health Project	1,520,840	1,520,840	1,520,840	--	1,520,840
Expanded Family Health Services	--	--	--	300,000	300,000
Family Planning	98,880	98,880	98,880	--	98,880
Teen Pregnancy Prevention	537,660	537,660	537,660	--	537,660
Immunization Program	327,778	350,000	350,000	--	350,000
Infant & Toddler Program	1,992,000	1,871,305	1,871,305	--	1,871,305
WIC Farmer's Market	--	--	--	22,425	22,425
SIDS Program Network Grant	25,000	25,000	25,000	--	25,000
Total--KDHE--Health	**$ 9,259,260**	**$ 9,170,143**	**$ 9,146,874**	**$ 772,425**	**$ 9,469,299**
Total--Human Resources	**$ 19,085,940**	**$ 18,432,227**	**$ 18,767,799**	**$ 9,035,615**	**$ 19,264,174**
Education					
Department of Education					
General State Aid	1,621,912,162	1,743,948,000	1,747,794,000	107,000,000	1,716,643,000
Supplemental State Aid	160,593,117	160,000,000	172,606,000	--	170,000,000
K-3 Reading & Math Literacy	--	--	--	10,000,000	--
KPERS Employer Contribution	119,791,179	139,232,391	153,181,068	--	163,838,870
Special Education Services Aid	249,767,856	249,791,845	254,442,717	28,000,000	249,791,845
Juvenile Detention Grants	6,028,857	6,587,188	6,587,188	313,757	6,587,188
Teaching Excellence Scholarships	135,500	172,000	172,000	--	172,000
Mentor Teachers	--	--	--	--	1,000,000
Inservice Education Aid	--	--	--	--	2,500,000
Deaf-Blind Program Aid	109,995	110,000	110,000	--	110,000
School Food Assistance	2,369,551	2,369,716	2,369,716	--	2,369,716
School Safety Hotline	6,840	10,000	10,000	--	10,000
Parent Education	4,639,500	4,639,500	4,789,500	--	4,789,500
Total--Department of Education	**$ 2,165,354,557**	**$ 2,306,860,640**	**$ 2,342,062,189**	**$ 145,313,757**	**$ 2,317,812,119**
Board of Regents					
Washburn Operating Grant	10,102,336	10,555,928	10,557,396	4,755,483	11,012,456
Postsecondary Aid for Vocational Ed.	15,299,515	19,667,730	19,673,603	4,997,845	20,673,603

Schedule 4.2--Expenditures from the State General Fund for Aid to Local Governments

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Board of Regents, Cont'd.					
Adult Basic Education	951,881	1,048,998	1,048,998	307,710	1,048,998
Technical Equipment	424,077	424,077	424,077	--	424,077
Community College Operating Grant	80,958,169	86,028,123	86,044,250	33,152,750	91,130,331
Other Aid	--	875,000	--	2,464,648	--
Total--Board of Regents	**$ 107,735,978**	**$ 118,599,856**	**$ 117,748,324**	**$ 45,678,436**	**$ 124,289,465**
Emporia State University					
Miscellaneous Aid	9,048	9,048	9,048	--	9,048
Kansas Arts Commission					
Arts Grants	83,586	82,677	80,190	253,235	80,190
Historical Society					
Dodge City Cultural Center	27,930	27,930	27,930	--	27,930
Kansas Humanities Council	81,830	81,830	81,830	73,170	131,830
Total--Historical Society	**$ 109,760**	**$ 109,760**	**$ 109,760**	**$ 73,170**	**$ 159,760**
State Library					
Talking Books--READ Equipment	380,000	386,105	386,105	189,508	386,105
Grants to Libraries	2,393,562	2,393,562	2,393,562	--	2,393,562
Interlibrary Loan Development	601,178	624,670	624,670	4,235,711	624,670
Total--State Library	**$ 3,374,740**	**$ 3,404,337**	**$ 3,404,337**	**$ 4,425,219**	**$ 3,404,337**
Total--Education	**$ 2,276,667,669**	**$ 2,429,066,318**	**$ 2,463,413,848**	**$ 195,743,817**	**$ 2,445,754,919**
Public Safety					
Department of Corrections					
Correctional Conservation Camps	2,203,168	2,202,300	2,202,300	--	2,202,300
Community Corrections	13,876,316	15,548,912	15,548,912	--	15,548,912
Total--Department of Corrections	**$ 16,079,484**	**$ 17,751,212**	**$ 17,751,212**	**$ --**	**$ 17,751,212**
Juvenile Justice Authority					
Community Corrections	4,085,435	4,711,328	4,727,298	333,334	4,727,298
Case Management	5,175,398	5,507,484	1,789,885	333,333	1,789,885
Intake & Assessment	1,323,738	840,340	4,689,473	333,333	4,689,473
Intervention	2,102,703	1,850,111	1,850,111	--	1,850,111
Total--Juvenile Justice Authority	**$ 12,687,274**	**$ 12,909,263**	**$ 13,056,767**	**$ 1,000,000**	**$ 13,056,767**
Adjutant General					
FEMA Grants	7,998	--	--	--	--
U.S. Dept. of Transportation Grants	29	--	--	--	--
Ice Storm Disaster Relief	479,692	117,357	--	--	--
Total--Adjutant General	**$ 487,719**	**$ 117,357**	**$ --**	**$ --**	**$ --**
Total--Public Safety	**$ 29,254,477**	**$ 30,777,832**	**$ 30,807,979**	**$ 1,000,000**	**$ 30,807,979**
Agriculture & Natural Resources					
State Conservation Commission					
Aid to Conservation Districts	--	--	1,043,000	1,000	--
Horsethief Reservoir	--	440,491	--	366,000	--
Total State Conservation Commission	**$ --**	**$ 440,491**	**$ 1,043,000**	**$ 367,000**	**$ --**
Total--Ag. & Natural Resources	**$ --**	**$ 440,491**	**$ 1,043,000**	**$ 367,000**	**$ --**
Total--Aid to Local Governments	**$ 2,325,455,540**	**$ 2,479,610,676**	**$ 2,514,872,796**	**$ 206,146,432**	**$ 2,496,297,642**

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration					
Canceled Warrant Payments	305,664	256,500	256,500	--	256,500
Earned Interest on Federal Funds	237,975	504,400	726,100	--	726,100
Grants to Public Broadcasting Stations	1,817,991	1,843,016	1,813,016	2,267,366	2,063,016
Public Broadcasting Capital Equipment	--	--	--	60,920	--
Miscellaneous	46,000	--	--	--	--
Total--Department of Administration	**$ 2,407,630**	**$ 2,603,916**	**$ 2,795,616**	**$ 2,328,286**	**$ 3,045,616**
Kansas Corporation Commission					
Energy Conservation Grants	94,250	--	--	--	--
Board of Indigents Defense Services					
Claims	300	--	--	--	--
Health Care Stabilization					
Health Care Stabilization Fund	23,245,032	24,824,078	24,824,078	--	24,824,078
Kansas Public Employees Retirement Sys.					
Retirement Benefits Bond Payment	--	3,212,624	3,211,692	--	3,211,692
Department of Commerce					
Trade Show Assistance	91,944	40,000	40,000	--	40,000
KIT and KIR Programs	3,071,690	2,997,340	2,989,028	--	2,989,028
IMPACT	1,787,757	2,000,000	2,000,000	--	2,000,000
Certified Development Companies	342,000	304,500	304,500	--	304,500
Marketing Assistance	--	75,001	75,001	--	75,001
Community Assistance	219,593	1,282,227	1,210,000	--	1,210,000
Attraction Development Grants	330,391	500,000	500,000	--	500,000
Workforce Development	--	13,986,151	13,985,839	--	13,985,839
Greyhound Tourism Grants	39,400	49,155	49,155	--	49,155
Economic Opportunity Initiatives Fund	1,918,002	3,225,000	3,225,000	--	3,225,000
Agriculture Products Development	591,022	347,838	357,501	--	357,501
Existing Industry Expansion Program	46,625	300,000	300,000	--	300,000
Total--Dept. of Commerce	**$ 8,438,424**	**$ 25,107,212**	**$ 25,036,024**	**$ --**	**$ 25,036,024**
Kansas Technology Enterprise Corporation					
University and Strategic Research	5,211,154	5,711,372	5,394,315	75,000	5,550,950
Product Development Financing	1,448,030	1,468,030	1,468,030	282,000	1,386,562
Commercialization	1,257,754	1,454,494	1,354,494	555,000	1,715,082
MAMTC	3,732,223	3,613,983	3,613,983	38,000	3,613,983
Total--KTEC	**$ 11,649,161**	**$ 12,247,879**	**$ 11,830,822**	**$ 950,000**	**$ 12,266,577**
Kansas Lottery					
Prize Money & Commission Payments	32,025,446	37,963,290	38,689,954	--	38,689,954
Kansas Racing & Gaming Commission					
Horse Breeding Development	552,107	458,275	458,275	--	458,275
Greyhound Breeding Development	623,046	278,547	278,547	--	278,547
County Fair Benefit Funds	700,000	650,000	610,000	--	610,000
Total--Racing & Gaming Comm.	**$ 1,875,153**	**$ 1,386,822**	**$ 1,346,822**	**$ --**	**$ 1,346,822**
Department of Revenue					
Claims	1,079	--	--	--	--
KS Qualified Ethyl Producer Fund	3,067,759	3,500,000	3,500,000	--	3,500,000
Total--Department of Revenue	**$ 3,068,838**	**$ 3,500,000**	**$ 3,500,000**	**--**	**$ 3,500,000**
Banking Department					
Credit Counseling	170,800	45,000	45,000	--	45,000

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Behavioral Science Regulatory Board					
Claims	25	--	--	--	--
Board of Pharmacy					
KU Pharmacy School mailings	1,500	--	--	--	--
Office of the Securities Commissioner					
Investor Education	5,000	5,000	5,000	--	5,000
Office of the Governor					
Federal & Other Grants Programs	6,570,415	5,080,252	5,080,252	--	5,080,252
Attorney General					
Crime Victims Assistance	601,373	759,734	728,000	--	728,000
Crime Victims Compensation	2,144,262	2,500,000	2,500,000	--	2,500,000
Tort Claims	565,685	2,325,000	930,000	--	930,000
Other Claims	1,812	--	--	--	--
Protection from Abuse Fund	1,133,817	1,201,099	1,152,000	--	1,152,000
Victims of Crime Fund	1,061,125	1,000,000	1,000,000	--	1,000,000
Total--Attorney General	**$ 5,508,074**	**$ 7,785,833**	**$ 6,310,000**	**$ --**	**$ 6,310,000**
Insurance Department					
Monumental Life Settlement	--	12,396	--	--	--
Workers Compensation	2,237,753	2,500,000	2,500,000	--	2,500,000
Total--Insurance Department	**$ 2,237,753**	**$ 2,512,396**	**$ 2,500,000**	**$ --**	**$ 2,500,000**
Secretary of State					
Claims	20,000	--	--	--	--
Treasurer					
Unclaimed Property	6,323,707	8,000,000	8,000,000	--	8,000,000
Legislature					
Claim	100	--	--	--	--
Judiciary					
Dispute Resolution Fund	30,750	--	--	--	--
Permanent Families Account	6,798	--	--	--	--
Access to Justice Fund	824,532	1,376,583	1,121,969	--	1,121,969
Total--Judiciary	**$ 862,080**	**$ 1,376,583**	**$ 1,121,969**	**$ --**	**$ 1,121,969**
Total--General Government	**$ 104,503,688**	**$ 135,650,885**	**$ 134,297,229**	**$ 3,278,286**	**$ 134,982,984**
Human Resources					
Social & Rehabilitation Services					
Children's Cabinet Grants	3,554,165	--	--	--	--
Adoption Contract	32,564,865	34,931,146	25,527,631	--	24,741,656
Permanent Guardianship	159,975	320,200	320,200	90,200	320,200
Adoption Support	18,100,832	18,718,069	18,718,069	1,428,505	19,328,360
Independent Living Grants--Adoption	854,637	1,484,016	1,484,016	--	1,484,016
Emergency Shelter Grant	1,441,256	1,441,256	1,441,256	--	1,441,256
Early Head Start	5,795,449	--	--	--	--
Family Preservation	10,224,215	11,364,083	11,364,083	--	11,364,083
Foster Care Contract	90,888,281	96,500,000	49,897,635	24,099,708	77,072,269
Grants for Children & Families	1,560,092	2,276,657	2,276,657	--	2,276,657
Juvenile Justice Authority Services	14,449,176	15,949,599	15,949,599	--	15,949,599
Alcohol & Drug Abuse Programs	18,345,512	21,011,087	21,011,087	454,251	21,011,087
HCBS/DD Waiver	204,954,171	217,262,676	215,645,330	50,589,893	229,395,330
Head Injured Waiver	5,455,886	7,290,607	7,290,607	95,500	7,290,607
Independent Living Support	1,193,689	1,323,988	1,323,988	--	1,323,988
Intermediate Care Facilities--MR	17,855,893	17,972,807	17,972,807	--	17,972,807

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Social & Rehabilitation Services, Cont'd.					
Discretionary Grants/Commun. Funding	1,215,317	1,726,332	1,726,332	1,250,000	1,726,332
HealthWave	50,372,610	57,976,354	57,976,354	--	57,976,354
Nursing Facilities/Mental Health	13,369,772	13,650,000	13,100,000	--	13,650,000
HCBS/Physically Disabled Waiver	59,736,010	74,125,404	75,484,711	13,852,000	77,984,721
Regular Medical Assistance	1,033,456,468	1,348,430,000	1,332,513,671	16,000,000	1,468,326,378
Technology Assistance Waiver	181,244	235,581	235,581	--	235,581
Com. Develop. Disab. Support Services	19,720,913	19,043,159	19,043,159	3,000,000	19,043,159
Mental Health Grants	44,692,037	45,929,101	45,929,101	--	52,679,101
Behavior Management Services	4,230,842	1,278,929	1,278,929	--	1,278,929
Services for the Blind	26,876	26,875	26,875	--	26,875
Child Care Assistance	57,284,631	61,425,530	63,420,265	9,314,949	67,420,265
Child Support Pass-Through	115,174	114,322	114,322	--	114,322
Disability Determination Services	4,420,071	4,420,069	4,420,069	--	4,420,069
TAF Employment Preparation	12,358,809	12,042,333	12,042,333	2,791,873	12,042,333
Food Stamps Employment	3,616	81,576	81,576	--	81,576
Funeral Assistance	529,564	470,000	470,000	--	470,000
General Assistance	8,168,436	8,900,000	8,500,000	--	10,000,000
Low Income Energy Assistance	16,225,919	11,932,795	11,932,795	--	11,932,795
Refugee Assistance	181,624	138,920	138,920	--	138,920
Temporary Assistance to Families	59,544,915	65,600,000	63,500,000	--	70,000,000
Adult Protective Services	364,440	435,307	435,307	--	435,307
Develop. Disabilities Council Grants	449,725	584,486	584,486	--	584,486
Rehabilitation Services	18,554,112	19,580,466	19,654,776	--	19,654,776
Miscellaneous Grants & Claims	951,017	728,725	728,725	--	728,725
Total--SRS	**$ 1,833,552,236**	**$ 2,196,722,455**	**$ 2,123,561,252**	**$ 122,966,879**	**$ 2,321,922,919**
State Hospitals					
Claims	2,860	2,200	2,200	--	2,200
Subtotal--SRS	**$ 1,833,555,096**	**$ 2,196,724,655**	**$ 2,123,563,452**	**$ 122,966,879**	**$ 2,321,925,119**
Department on Aging					
Targeted Case Management	3,562,495	5,652,000	5,971,200	358,272	5,971,200
Nutrition	5,654,145	5,765,874	5,742,874	33,157	5,742,874
Senior Care Act	4,733,345	5,032,791	4,390,950	1,090,028	4,390,950
Adult Care Homes	313,717,945	327,000,000	324,261,946	20,144,858	332,500,000
Senior Pharmacy Assistance	1,140,161	1,200,000	1,066,196	--	1,066,196
Older Americans Act	3,910,171	3,528,286	3,379,570	--	3,379,570
HCBS/FE	45,069,948	59,474,162	68,668,800	7,230,128	65,163,555
Miscellaneous Grants	336,405	864,125	150,125	--	150,125
Total--Department on Aging	**$ 378,124,615**	**$ 408,517,238**	**$ 413,631,661**	**$ 28,856,443**	**$ 418,364,470**
Health & Environment--Health					
Women, Infants, & Children Program	40,345,905	36,600,000	36,600,000	--	36,600,000
Smoking Prevention Grants	340,000	360,000	360,000	--	360,000
Pregnancy Maintenance Initiative	300,000	--	--	--	--
Total--KDHE--Health	**$ 40,985,905**	**$ 36,960,000**	**$ 36,960,000**	**$ --**	**$ 36,960,000**
Department of Labor					
Employment Security Benefits	483,181,053	352,270,000	372,600,000	--	372,600,000
Employment Training	211,873	--	--	--	--
Miscellaneous Grants	269,613	27,935	--	--	--
Total--Department of Labor	**$ 483,662,539**	**$ 352,297,935**	**$ 372,600,000**	**$ --**	**$ 372,600,000**
Commission on Veterans Affairs					
Claims	2,086	--	--	--	--
Total--Human Resources	**$ 2,736,330,241**	**$ 2,994,499,828**	**$ 2,946,755,113**	**$ 151,823,322**	**$ 3,149,849,589**

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Education					
Department of Education					
School Food Assistance	29,434,417	29,990,770	30,490,770	--	30,490,770
Agriculture in the Classroom	35,000	35,000	35,000	--	35,000
Special Education	359,546	360,000	360,000	--	360,000
Teaching Excellence Scholarships	40,500	50,000	50,000	--	50,000
Optometric Assoc. Vision Study	300,000	300,000	300,000	--	300,000
Communities in Schools	50,000	50,000	50,000	--	50,000
Driver Education	20,496	20,500	20,500	13,000	20,500
Elementary & Secondary Ed. Prog.	565,347	600,000	600,000	--	600,000
Ed. Research & Innovative Prog.	950,632	1,618,097	1,268,097	--	1,268,097
Robert C. Byrd College Scholarships	396,509	381,000	381,000	--	381,000
Community Service Grants	55,772	55,000	7,250	--	7,250
Discretionary Grants	120,000	120,000	120,000	--	120,000
Total--Department of Education	**$ 32,328,219**	**$ 33,580,367**	**$ 33,682,617**	**$ 13,000**	**$ 33,682,617**
School for the Blind					
Claims	9,231	--	--	--	--
School for the Deaf					
Claims	17,000	--	--	--	--
Board of Regents					
State Scholarships	1,113,864	1,260,332	1,193,199	--	1,133,199
Comprehensive Grants Program	11,702,074	13,100,372	13,037,346	1,000,000	14,097,346
Vocational Scholarships	121,750	123,050	121,275	--	121,275
Scholarships for Osteopathic Education	--	--	--	240,000	--
Minority Scholarships	273,293	373,551	315,213	35,000	315,213
Minority Fellowship Program	40,000	56,000	56,000	--	56,000
Nursing Scholarships	383,280	402,717	393,592	31,000	393,592
Kansas Work Study	528,172	528,172	528,172	--	528,172
Teachers Scholarship Program	313,877	354,244	331,744	98,000	331,744
ROTC Reimbursement Program	155,432	219,953	186,401	--	186,401
Optometry Education Program	113,000	117,486	113,850	36,000	113,850
National Guard Ed. Assistance	720,476	930,390	925,838	--	925,838
KUMC Medical Scholar/Loan Program	--	--	--	370,000	--
Tuition Waivers	48,710	75,000	100,000	--	100,000
Student Aid, Grants, & Scholarships	639,735	386,224	200,000	--	200,000
Total--Board of Regents	**$ 16,153,663**	**$ 17,927,491**	**$ 17,502,630**	**$ 1,810,000**	**$ 18,502,630**
Emporia State University					
Reading Recovery Program	211,500	211,500	211,500	--	211,500
Basic Opportunity Federal Grants	4,274,885	4,416,486	4,416,486	--	4,416,486
Student Aid, Grants, & Scholarships	1,707,122	1,692,503	1,692,503	--	1,692,503
Total--Emporia State University	**$ 6,193,507**	**$ 6,320,489**	**$ 6,320,489**	**$ --**	**$ 6,320,489**
Fort Hays State University					
Education Opportunity Grants	5,267,772	5,267,772	5,267,772	--	5,267,772
Student Aid, Grants, & Scholarships	1,875,612	1,710,332	1,160,180	--	1,160,180
Total--Fort Hays State University	**$ 7,143,384**	**$ 6,978,104**	**$ 6,427,952**	**$ --**	**$ 6,427,952**
Kansas State University					
Student Aid, Grants, & Scholarships	106,651,194	127,392,236	126,523,435	--	126,523,435
KSU--Veterinary Medical Center					
Student Aid, Grants, & Scholarships	3,834	11,011	9,988	--	9,988
Kansas State University--ESARP					
Student Aid, Grants, & Scholarships	7,199,438	7,248,274	7,223,468	--	7,223,468

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Pittsburg State University					
Education Opportunity Grants	5,495,136	5,192,723	5,192,723	--	5,192,723
Student Aid, Grants, & Scholarships	1,768,393	1,779,572	1,779,572	--	1,779,572
Total--Pittsburg State University	**$ 7,263,529**	**$ 6,972,295**	**$ 6,972,295**	**$ --**	**$ 6,972,295**
University of Kansas					
Student Aid, Grants, & Scholarships	34,221,902	28,087,536	28,087,536	--	28,087,536
KU Medical Center					
Medical Scholarships	2,165,264	2,416,764	2,416,764	--	2,786,764
Wichita/Salina Resident Stipends	3,616,588	3,056,006	3,056,006	--	3,056,006
Student Aid, Grants, & Scholarships	8,498,551	671,078	625,000		625,000
Total--KU Medical Center	**$ 14,280,403**	**$ 6,143,848**	**$ 6,097,770**	**$ --**	**$ 6,467,770**
Wichita State University					
Education Opportunity Grants	606,712	592,273	592,273	--	592,273
Pell Grants	8,633,722	8,800,000	8,800,000	--	8,800,000
Scholarship Funds	3,350,985	3,549,499	3,549,499	--	3,549,499
Student Financial Assistance	1,479,657	820,705	820,705	--	820,705
Total--Wichita State University	**$ 14,071,076**	**$ 13,762,477**	**$ 13,762,477**	**$ --**	**$ 13,762,477**
Subtotal--Regents	**$ 213,181,930**	**$ 220,843,761**	**$ 218,928,040**	**$ 1,810,000**	**$ 220,298,040**
Kansas Arts Commission					
Arts Grants	1,421,335	1,457,173	1,323,826	--	1,358,826
Historical Society					
Historic Preservation Grants	631,563	614,900	614,900	--	614,900
State Library					
Grants to Libraries	584,765	534,777	536,955	47,200	536,955
Total--Education	**$ 248,174,043**	**$ 257,030,978**	**$ 255,086,338**	**$ 1,870,200**	**$ 256,491,338**
Public Safety					
Correctional Institutions					
Claims	44,748	--	--	--	--
Juvenile Justice Authority					
Purchase of Service Assistance	15,130,827	17,597,079	15,607,967	5,556,377	17,607,560
Juv. Justice Delinquency Prevent. Grant	489,215	--	--	--	--
Juv. Justice Delinquency Trust Fund	170,560	--	--	--	--
Juvenile Accountability Block Grant	17,500	--	--	--	--
Management Information System	26,000	32,000	32,000	--	32,000
Juvenile Detention Facilities	1,330,886	951,260	1,049,610	--	1,049,610
Going Home Federal Grant	683	--	--	--	--
Total--Juvenile Justice Authority	**$ 17,165,671**	**$ 18,580,339**	**$ 16,689,577**	**$ 5,556,377**	**$ 18,689,170**
Adjutant General					
FEMA Grants	473	126,958	283,875	--	283,875
Hazardous Mitigation Assistance	440,329	440,329	440,329	--	440,329
Ice Storm Assistance	3,160,561	2,685,284	2,685,284	--	2,685,284
NE Kansas Tornadoes Assistance	1,281,230	1,630,191	1,072,353	--	1,072,353
Activation Payments	--	250,000	--	--	--
Claims	3,213	--	--	--	--
Total--Adjutant General	**$ 4,885,806**	**$ 5,132,762**	**$ 4,481,841**	**$ --**	**$ 4,481,841**
Emergency Medical Services Board					
Oper. of EMS Regional Councils	77,500	116,250	116,250	--	116,250
Rural Health Options Grant	--	87,000	--	--	--
Total--Emergency Medical Services	**$ 77,500**	**$ 203,250**	**$ 116,250**	**$ --**	**$ 116,250**

Schedule 5.1--Expenditures from All Funding Sources for Other Assistance, Grants, & Benefits by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Fire Marshal					
Grants, Gifts, & Donations	16,500	13,388	--	--	--
Hazardous Materials	--	250,000	250,000	--	250,000
Total--Fire Marshal	**$ 16,500**	**$ 263,388**	**$ 250,000**	**$ --**	**$ 250,000**
Highway Patrol					
Claims	2,563	--	--	--	--
Kansas Bureau of Investigation					
Claims	8,814	111,894	112,294	--	112,294
Kansas Sentencing Commission					
Drug Treatment Prison Alternative	1,116,502	5,500,000	5,274,400	--	6,160,000
Total--Public Safety	**$ 23,318,104**	**$ 29,791,633**	**$ 26,924,362**	**$ 5,556,377**	**$ 29,809,555**
Agriculture & Natural Resources					
Department of Agriculture					
Farm Marketing Grants	26,760	25,293	--	--	--
Animal Health Department					
Indemnification Payments	500	--	--	--	--
State Conservation Commission					
Riparian and Wetland Restoration	569,544	399,234	180,749	--	180,749
Water Resource Cost-Share Program	3,463,531	3,863,391	3,204,687	--	3,204,687
Irrigation Transition Program	--	--	--	1,310,000	1,310,000
Buffer Initiative	158,636	384,139	263,939	--	263,939
Wind Energy Conservation Easements	--	--	--	--	800,000
Non-Point Source Pollution	2,286,606	2,420,772	2,203,846	--	2,203,846
Total--State Conservation Commiss.	**$ 6,478,317**	**$ 7,067,536**	**$ 5,853,221**	**$ 1,310,000**	**$ 7,963,221**
Department of Wildlife & Parks					
Claims	188,151	--	--	--	--
Federal Grants Fund	--	141,986	--	--	144,235
Total--Dept. of Wildlife & Parks	**$ 188,151**	**$ 141,986**	**$ --**	**$ --**	**$ 144,235**
Total--Ag. & Natural Resources	**$ 6,693,728**	**$ 7,234,815**	**$ 5,853,221**	**$ 1,310,000**	**$ 8,107,456**
Transportation					
Department of Transportation					
Transportation Grants	7,070,820	7,073,685	4,785,156	--	4,785,156
Claims	703,557	400,000	400,000	--	400,000
Rail Grant	2,476,088	2,993,000	2,400,000	--	2,400,000
Total--Department of Transportation	**$ 10,250,465**	**$ 10,466,685**	**$ 7,585,156**	**$ --**	**$ 7,585,156**
Total--Transportation	**$ 10,250,465**	**$ 10,466,685**	**$ 7,585,156**	**$ --**	**$ 7,585,156**
Total--Other Asst.,Grants & Benefits	**$ 3,129,270,269**	**$ 3,434,674,824**	**$ 3,376,501,419**	**$ 163,838,185**	**$ 3,586,826,078**

Schedule 5.2--Expenditures from the State General Fund for Other Assistance, Grants, & Benefits by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration					
Miscellaneous	46,000	--	--	--	--
Grants to Public Broadcasting Stations	1,817,991	1,843,016	1,813,016	2,328,286	2,063,016
Total--Department of Administration	**$ 1,863,991**	**$ 1,843,016**	**$ 1,813,016**	**$ 2,328,286**	**$ 2,063,016**
Board of Indigents Defense Services					
Claims	300	--	--	--	--
Kansas Public Employees Retirement Sys.					
Retirement Benefits Bond Payment	--	3,212,624	3,211,692	--	3,211,692
Department of Revenue					
Claims	25	--	--	--	--
Attorney General					
Claims	1,812	--	--	--	--
Legislature					
Claim	100	--	--	--	--
Total--General Government	**$ 1,866,228**	**$ 5,055,640**	**$ 5,024,708**	**$ 2,328,286**	**$ 5,274,708**
Human Resources					
Social & Rehabilitation Services					
Adoption Contract	13,763,453	15,836,733	12,504,194	--	12,699,156
Permanent Guardianship	--	70,200	70,200	90,200	70,200
Adoption Support	8,960,086	9,140,470	6,944,142	575,368	7,171,708
Independent Living Grants--Adoption	170,928	254,785	254,785	--	254,785
Family Preservation	--	136,662	136,662	--	136,662
Foster Care Contract	42,744,418	49,378,667	35,377,660	24,099,708	42,424,225
Juvenile Justice Authority Services	(80,433)	--	--	--	--
Grants for Children & Families	372,649	7,363	7,363	--	7,363
Alcohol and Drug Abuse Programs	2,245,740	2,390,800	2,390,800	454,251	2,390,800
HCBS/DD Waiver	72,254,083	84,122,973	83,258,377	19,704,960	88,758,377
Head Injured Waiver	1,986,022	2,346,253	2,346,253	537,283	2,346,253
Independent Living Support	8,518	122,460	122,460	--	122,460
Emergency Shelter Grant	1,087,303	1,174,748	1,174,748	--	1,174,748
Intermediate Care Facilities--MR	6,521,827	6,670,776	7,016,584	--	7,016,584
Discretionary Grants/Commun. Funding	--	--	--	1,250,000	--
HealthWave	13,183,570	13,965,271	13,965,271	--	13,965,271
Nursing Facilities/Mental Health	11,602,671	11,594,310	10,742,000	--	11,594,310
HCBS/Physically Disabled Waiver	20,584,241	28,938,558	29,469,231	5,407,680	30,469,241
Regular Medical Assistance	307,835,118	399,415,000	388,510,855	6,246,400	429,415,237
Behavior Management Services	177,124	14,620	19,683	--	19,683
Technology Assistance Waiver	50,626	60,595	60,595	--	60,595
Com. Develop. Disab. Support Services	12,956,211	11,479,544	11,479,544	1,200,000	11,479,544
Mental Health Grants	31,820,515	34,216,171	34,216,171	--	38,716,171
Child Care Assistance	15,113,821	17,113,822	15,113,822	1,260,000	19,113,822
Disability Determination	12,426	12,426	12,425	--	12,425
Food Stamps Employment Preparation	1,808	40,788	40,788	--	40,788
Funeral Assistance	529,564	470,000	470,000	--	470,000
General Assistance	8,168,436	8,900,000	8,500,000	--	10,000,000
Services for the Blind	4,359	4,359	4,359	--	--

Schedule 5.2--Expenditures from the State General Fund for Other Assistance, Grants, & Benefits by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Social & Rehabilitation Services, Cont'd.					
Temporary Assistance to Families	29,661,952	29,821,028	29,821,028	--	29,821,028
Adult Protective Services	206,784	252,478	252,478	--	252,478
Rehabilitation Services	3,965,173	4,269,014	4,284,843	--	4,284,843
Miscellaneous Grants & Claims	32,867	323	322	--	322
Total--SRS	**$ 605,941,860**	**$ 732,221,197**	**$ 698,567,643**	**$ 60,825,850**	**$ 764,289,079**
State Hospitals					
Claims	2,243	2,200	2,200	--	2,200
Subtotal--SRS	**$ 605,944,103**	**$ 732,223,397**	**$ 698,569,843**	**$ 60,825,850**	**$ 764,291,279**
Department on Aging					
Targeted Case Management	1,295,846	2,206,541	2,356,236	141,374	2,356,236
Senior Care Act	4,733,345	5,032,791	4,390,950	1,090,028	--
Nursing Facilities	114,510,832	127,660,800	127,953,764	7,949,161	129,808,000
Nutrition	1,368,155	1,385,011	1,385,011	33,157	1,385,011
HCBS/FE	16,395,770	23,220,161	27,096,708	2,853,009	25,439,852
Miscellaneous Grants	14,909	--	--	--	--
Total--Department on Aging	**$ 138,318,857**	**$ 159,505,304**	**$ 163,182,669**	**$ 12,066,729**	**$ 158,989,099**
Health & Environment--Health					
Pregnancy Maintenance Initiative	300,000	--	--	--	--
Department of Labor					
Employment Training	270,105	27,935	--	--	--
Total--Human Resources	**$ 744,833,065**	**$ 891,756,636**	**$ 861,752,512**	**$ 72,892,579**	**$ 923,280,378**
Education					
Department of Education					
School Food Assistance	140,744	140,770	140,770	--	140,770
Agriculture in the Classroom	35,000	35,000	35,000	--	35,000
Teaching Excellence Scholarships	40,500	50,000	50,000	--	50,000
Discretionary Grants	120,000	120,000	120,000	--	120,000
Total--Department of Education	**$ 336,244**	**$ 345,770**	**$ 345,770**	**$ --**	**$ 345,770**
Board of Regents					
State Scholarships	1,113,864	1,260,332	1,193,199	--	1,133,199
Comprehensive Grants Program	11,370,923	12,192,904	12,129,878	1,000,000	13,189,878
Vocational Scholarships	121,750	123,050	121,275	--	121,275
Scholarships for Osteopathic Education	--	--	--	240,000	--
Minority Scholarships	273,293	373,551	315,213	35,000	315,213
Nursing Scholarships	248,655	252,717	243,592	31,000	243,592
Kansas Work Study	528,172	528,172	528,172	--	528,172
Teachers Scholarship Program	308,876	349,244	326,744	98,000	326,744
ROTC Reimbursement Program	155,432	219,953	186,401	--	186,401
Optometry Education Program	113,000	117,486	113,850	36,000	113,850
National Guard Ed. Assistance	720,476	930,390	925,838	--	925,838
KUMC Medical Scholar/Loan Program	--	--	--	370,000	--
Other Student Financial Assistance	125,875	386,224	200,000	--	200,000
Total--Board of Regents	**$ 15,080,316**	**$ 16,734,023**	**$ 16,284,162**	**$ 1,810,000**	**$ 17,284,162**
Emporia State University					
Student Aid, Grants, & Scholarships	228,203	228,203	228,203	--	228,203
Kansas State University					
Student Aid, Grants, & Scholarships	49,818	248,703	229,254	--	229,254

Schedule 5.2--Expenditures from the State General Fund for Other Assistance, Grants, & Benefits by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Pittsburg State University					
Student Aid, Grants, & Scholarships	3,401	1,136,540	1,136,540	--	1,136,540
University of Kansas					
Student Aid, Grants, & Scholarships	73,202	--	--	--	--
KU Medical Center					
Medical Scholarships	2,165,264	2,416,764	2,416,764	--	2,786,764
Wichita Resident Stipends	3,616,558	3,056,006	3,056,006	--	3,056,006
Other Student Financial Assistance	207,175	--	--	--	--
Total--KU Medical Center	**$ 5,988,997**	**$ 5,472,770**	**$ 5,472,770**	**$ --**	**$ 5,842,770**
Wichita State University					
Student Financial Assistance	8,313	9,556	9,556	--	9,556
Subtotal--Regents	**$ 21,432,250**	**$ 23,829,795**	**$ 23,360,485**	**$ 1,810,000**	**$ 24,730,485**
Kansas Arts Commission					
Arts Grants	1,088,362	1,055,788	1,058,443	--	1,093,443
State Library					
Grants to Libraries	91,712	--	--	47,200	--
Total--Education	**$ 22,948,568**	**$ 25,231,353**	**$ 24,764,698**	**$ 1,857,200**	**$ 26,169,698**
Public Safety					
Correctional Institutions					
Claims	44,435	--	--	--	--
Juvenile Justice Authority					
Management Information System	26,000	32,000	32,000	--	32,000
Purchase of Service Assistance	12,491,909	14,297,079	12,307,967	5,556,377	14,307,560
Total--Juvenile Justice	**$ 12,517,909**	**$ 14,329,079**	**$ 12,339,967**	**$ 5,556,377**	**$ 14,339,560**
Adjutant General					
Ice Storm Public Assistance	475,277	--	--	--	--
Activation Payments	--	250,000	--	--	--
Claims	2,805	--	--	--	--
Total--Adjutant General	**$ 478,082**	**$ 250,000**	**$ --**	**$ --**	**$ --**
Highway Patrol					
Claims	1,035	--	--	--	--
Kansas Bureau of Investigation					
Claims	1,082	--	400	--	400
Kansas Sentencing Commission					
Drug Treatment Prison Alternative	1,081,442	5,500,000	5,274,400	--	6,033,391
Total--Public Safety	**$ 14,123,985**	**$ 20,079,079**	**$ 17,614,767**	**$ 5,556,377**	**$ 20,373,351**
Agriculture & Natural Resources					
State Conservation Commission					
Wind Energy Conservation Easements	--	--	--	--	500,000
Total--Ag. & Natural Resources	**$ --**	**$ --**	**$ --**	**$ --**	**$ 500,000**
Total--Other Asst.,Grants & Benefits	**$ 783,771,846**	**$ 942,122,708**	**$ 909,156,685**	**$ 82,634,442**	**$ 975,598,135**

Schedule 6.1--Expenditures from All Funding Sources for Capital Improvements by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration	3,765,889	4,749,865	4,232,732	43,491,999	5,637,732
Department of Commerce	--	152,660	521,500	--	521,500
Insurance Department	2,300,525	420,000	245,000	--	245,000
Judiciary	--	134,692	153,473	--	153,473
Total--General Government	**$ 6,066,414**	**$ 5,457,217**	**$ 5,152,705**	**$ 43,491,999**	**$ 6,557,705**
Human Resources					
Social & Rehabilitation Services	3,485,613	10,322,587	4,516,300	--	4,516,300
Kansas Neurological Institute	380,998	55,668	--	--	--
Larned State Hospital	210,070	190,526	--	--	--
Osawatomie State Hospital	26,221	46,738	--	--	--
Parsons State Hospital & Training Center	583,832	129,413	--	--	--
Rainbow Mental Health Facility	33,987	7,237	--	--	--
Subtotal--SRS	**$ 4,720,721**	**$ 10,752,169**	**$ 4,516,300**	**$ --**	**$ 4,516,300**
Department of Labor	300,339	205,000	185,000	--	218,255
Commission on Veterans Affairs	10,227,867	7,151,831	4,383,570	--	395,480
Total--Human Resources	**$ 15,248,927**	**$ 18,109,000**	**$ 9,084,870**	**$ --**	**$ 5,130,035**
Education					
School for the Blind	120,826	151,785	142,460	45,604	188,064
School for the Deaf	220,327	1,808,281	864,815	996,304	1,145,211
Subtotal--Department of Ed.	**$ 341,153**	**$ 1,960,066**	**$ 1,007,275**	**$ 1,041,908**	**$ 1,333,275**
Board of Regents	9,811,435	11,511,435	21,711,435	--	26,711,435
Emporia State University	1,118,870	1,475,110	608,233	425,036	608,233
Fort Hays State University	1,297,667	1,091,523	505,000	260,000	505,000
Kansas State University	10,573,731	13,106,820	9,542,760	500,000	9,542,760
Kansas State University--ESARP	1,232,171	100,000	100,000	--	100,000
Kansas State University--Vet. Med.	5,003	--	--	--	--
Pittsburg State University	2,307,496	3,137,268	4,651,611	1,005,795	4,651,611
University of Kansas	13,751,221	21,089,108	25,373,755	64,600,000	25,373,755
University of Kansas Medical Center	4,019,966	3,098,569	8,580,000	5,990,000	8,580,000
Wichita State University	2,451,628	3,656,255	1,830,000	145,000	1,830,000
Subtotal--Regents	**$ 46,569,188**	**$ 58,266,088**	**$ 72,902,794**	**$ 72,925,831**	**$ 77,902,794**
Historical Society	728,000	729,469	473,400	917,081	473,400
Total--Education	**$ 47,638,341**	**$ 60,955,623**	**$ 74,383,469**	**$ 74,884,820**	**$ 79,709,469**
Public Safety					
Department of Corrections	9,077,515	10,517,408	8,837,000	1,689,697	8,780,867
El Dorado Correctional Facility	139,220	129,548	171,431	--	171,431
Ellsworth Correctional Facility	229,765	24,784	--	--	--
Hutchinson Correctional Facility	1,035,632	1,164,055	237,777	--	237,777
Lansing Correctional Facility	519,247	1,696,911	317,348	--	317,348
Larned Correctional Mental Health Facility	59,633	53,500	--	--	--
Norton Correctional Facility	206,173	304,575	143,672	--	143,672
Topeka Correctional Facility	128,078	181,058	--	--	--
Winfield Correctional Facility	731,444	445,215	120,293	--	120,293
Subtotal--Corrections	**$ 12,126,707**	**$ 14,517,054**	**$ 9,827,521**	**$ 1,689,697**	**$ 9,771,388**
Juvenile Justice Authority	3,319,458	4,019,281	2,921,000	2,167,783	2,921,000
Atchison Juvenile Correctional Facility	153,215	251,878	--	--	--
Beloit Juvenile Correctional Facility	179,861	105,087	--	--	--
Topeka Juvenile Correctional Facility	395,398	18,241	--	--	--
Subtotal--Juvenile Justice	**$ 4,047,932**	**$ 4,394,487**	**$ 2,921,000**	**$ 2,167,783**	**$ 2,921,000**

Schedule 6.1--Expenditures from All Funding Sources for Capital Improvements by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Adjutant General	2,073,117	225,000	850,000	1,143,379	850,000
Highway Patrol	680,000	989,995	1,030,466	--	1,030,466
Kansas Bureau of Investigation	210,000	230,000	245,000	--	245,000
Total--Public Safety	**$ 19,137,756**	**$ 20,356,536**	**$ 14,873,987**	**$ 5,000,859**	**$ 14,817,854**
Agriculture & Natural Resources					
Kansas State Fair	747,640	1,103,530	1,155,601	--	1,455,601
Department of Wildlife & Parks	5,027,886	13,563,833	5,452,238	40,000	5,249,097
Total--Agriculture & Natural Resources	**$ 5,775,526**	**$ 14,667,363**	**$ 6,607,839**	**$ 40,000**	**$ 6,704,698**
Transportation					
Kansas Department of Transportation	935,673,639	763,100,700	911,898,944	3,131,107	908,048,250
Total--Transportation	**$ 935,673,639**	**$ 763,100,700**	**$ 911,898,944**	**$ 3,131,107**	**$ 908,048,250**
Total Expenditures	**$ 1,029,540,603**	**$ 882,646,439**	**$ 1,022,001,814**	**$ 126,548,785**	**$ 1,020,968,011**

Schedule 6.2--Expenditures from the State General Fund for Capital Improvements by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration	3,734,889	4,607,119	4,085,000	43,471,999	5,490,000
Judiciary	--	134,692	153,473	--	153,473
Total--General Government	**$ 3,734,889**	**$ 4,741,811**	**$ 4,238,473**	**$ 43,471,999**	**$ 5,643,473**
Human Resources					
Kansas Neurological Institute	3,624	--	--	--	--
Larned State Hospital	5,820	--	--	--	--
Subtotal--SRS	**$ 9,444**	**$ --**	**$ --**	**$ --**	**$ --**
Department of Labor	8,400	--	--	--	--
Total--Human Resources	**$ 17,844**	**$ --**	**$ --**	**$ --**	**$ --**
Education					
School for the Deaf	--	25,222	52,021	--	52,021
Board of Regents	5,635	5,635	5,635	--	5,635
Emporia State University	--	--	--	425,036	--
Fort Hays State University	59,500	--	--	260,000	--
Kansas State University	332,537	189,446	189,446	500,000	189,446
Kansas State University--ESARP	82,776	--	--	--	--
Pittsburg State University	173,265	122,716	128,567	1,005,795	128,567
University of Kansas	2,756,288	645,433	645,433	8,800,000	645,433
University of Kansas Medical Center	257,995	--	--	5,990,000	--
Wichita State University	3,335	1,000,000	1,050,000	145,000	1,050,000
Subtotal--Regents	**$ 3,671,331**	**$ 1,963,230**	**$ 2,019,081**	**$ 17,125,831**	**$ 2,019,081**
Historical Society	47,074	250,000	125,000	917,081	125,000
Total--Education	**$ 3,718,405**	**$ 2,238,452**	**$ 2,196,102**	**$ 18,042,912**	**$ 2,196,102**
Public Safety					
Department of Corrections	7,040,710	6,055,303	3,345,000	1,689,697	3,345,000
El Dorado Correctional Facility	--	62,310	171,431	--	171,431
Hutchinson Correctional Facility	218,382	227,874	237,777	--	237,777
Lansing Correctional Facility	--	306,253	317,348	--	317,348
Norton Correctional Facility	51,760	138,039	143,672	--	143,672
Winfield Correctional Facility	57,000	115,576	120,293	--	120,293
Subtotal--Corrections	**$ 7,367,852**	**$ 6,905,355**	**$ 4,335,521**	**$ 1,689,697**	**$ 4,335,521**
Atchison Juvenile Correctional Facility	4,655	--	--	--	--
Beloit Juvenile Correctional Facility	36,040	--	--	--	--
Topeka Juvenile Correctional Facility	4,989	--	--	--	--
Subtotal--Juvenile Justice	**$ 45,684**	**$ --**	**$ --**	**$ --**	**$ --**
Adjutant General	215,001	225,000	850,000	1,143,379	850,000
Kansas Bureau of Investigation	210,000	230,000	245,000	--	245,000
Total--Public Safety	**$ 7,838,537**	**$ 7,360,355**	**$ 5,430,521**	**$ 2,833,076**	**$ 5,430,521**
Agriculture & Natural Resources					
Kansas State Fair	270,270	1,000,000	1,050,000	--	1,050,000
Department of Wildlife & Parks	4,041	49,047	203,141	--	--
Total--Agriculture & Natural Resources	**$ 274,311**	**$ 1,049,047**	**$ 1,253,141**	**$ --**	**$ 1,050,000**
Total Expenditures	**$ 15,583,986**	**$ 15,389,665**	**$ 13,118,237**	**$ 64,347,987**	**$ 14,320,096**

Schedule 7—Federal Receipts by Agency contains federal formula grants and reimbursements to state agencies participating in federally-sponsored programs. The schedule reflects only the amount of federal funding received, not the amount expended. The reason for not presenting a schedule of federal funds expenditures is that, in some cases, they are mingled with state funds so their identity as federal funds is not maintained. An example would be the Department of Transportation's State Highway Fund, which combines federal matching funds with state dollars in a single fund. When expenditures are made from the State Highway Fund, therefore, it is no longer possible to determine whether the funds being spent are federal or state funds.

Schedule 7--Federal Receipts by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Gov. Rec.
General Government			
Department of Administration	266,516	269,900	269,900
Kansas Corporation Commission	2,198,961	2,513,645	2,287,734
Kansas Human Rights Commission	353,783	367,497	351,000
Department of Commerce	27,023,255	69,124,018	69,110,646
Kansas Technology Enterprise Corporation	2,922,575	2,915,158	2,915,158
Department of Revenue	44,006	--	--
Office of the Governor	14,057,923	16,511,868	15,998,738
Attorney General	1,665,649	1,792,078	1,695,619
Insurance Department	59,901	98,735	--
Secretary of State	7,661,648	13,748,141	--
Judiciary	97,638	271,647	193,391
Total--General Government	**$ 56,351,855**	**$ 107,612,687**	**$ 92,822,186**
Human Resources			
Department of Social & Rehabilitation Services	1,553,105,426	1,533,796,231	1,566,233,643
Kansas Neurological Institute	400,150	383,802	392,493
Department on Aging	15,780,488	15,593,251	15,514,306
Department of Health & Environment--Health	86,851,201	83,959,626	79,382,895
Department of Labor	145,685,454	31,880,308	27,577,135
Commission on Veterans Affairs	8,306,519	16,024,383	5,426,177
Total--Human Resources	**$ 1,810,129,238**	**$ 1,681,637,601**	**$ 1,694,526,649**
Education			
Department of Education	351,704,385	368,830,774	372,389,541
School for the Blind	2,548	2,985	1,373
Board of Regents	12,029,114	13,563,459	12,951,853
Emporia State University	8,002,262	8,253,208	8,253,208
Fort Hays State University	7,321,388	7,386,572	7,386,572
Kansas State University--Main Campus	129,528,004	133,795,915	134,795,915
Kansas State University--ESARP	26,996,149	35,460,203	33,863,026
Kansas State University--Vet Med	25,567	30,743	30,743
University of Kansas	90,840,003	108,000,000	107,000,000
Pittsburg State University	7,094,802	7,617,942	7,617,966
University of Kansas Medical Center	39,081,750	50,558,020	50,578,020
Wichita State University	25,132,829	26,185,851	26,685,851
Kansas Arts Commission	729,517	565,799	565,800
Historical Society	836,735	1,000,820	481,400
State Library	1,557,915	1,688,262	1,706,659
Total--Education	**$ 700,882,968**	**$ 762,940,553**	**$ 764,307,927**
Public Safety			
Department of Corrections	3,808,494	5,310,535	1,043,630
Topeka Correctional Facility	59,701	38,288	80,261
Juvenile Justice Authority	3,718,850	2,421,901	2,560,413
Atchison Juvenile Correctional Facility	151,067	234,330	220,195
Beloit Juvenile Correctional Facility	245,214	198,997	198,918
Larned Juvenile Correctional Facility	425,556	349,465	57,895
Topeka Juvenile Correctional Facility	572,041	481,344	481,344
Adjutant General	34,077,668	39,151,409	38,068,684
Emergency Medical Services Board	210,918	579,178	--
Highway Patrol	8,525,865	33,235,699	33,729,216
Kansas Bureau of Investigation	4,896,441	4,530,247	3,788,879
Sentencing Commission	1,122,962	50,000	50,000
Total--Public Safety	**$ 57,814,777**	**$ 86,581,393**	**$ 80,279,435**

Schedule 7--Federal Receipts by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Gov. Rec.
Agriculture & Natural Resources			
Department of Agriculture	2,538,953	4,061,109	3,446,189
Animal Health Department	510,905	805,000	2,678
State Conservation Commission	151,963	181,016	213,723
Department of Health & Environment--Envir.	16,436,497	25,450,834	19,861,223
Kansas Water Office	223,000	175,343	--
Department of Wildlife & Parks	10,785,571	15,257,297	12,992,757
Total--Agriclture & Natural Resources	**$ 30,646,889**	**$ 45,930,599**	**$ 36,516,570**
Transportation			
Kansas Department of Transportation	289,700,371	302,506,000	318,292,500
Statewide Total	**$ 2,945,526,098**	**$ 2,987,208,833**	**$ 2,986,745,267**

Schedule 8—Current Year Adjustments reconciles the differences between the approved FY 2005 budget, as published in the *Comparison Report* (August 2004) by the Division of the Budget, and the Governor's estimate of revised expenditures for FY 2005, as published in this report. The purpose of the schedule is to track the changes that have occurred since the 2004 Legislature approved the FY 2005 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 2004 to FY 2005. These reappropriations represent funds approved to be spent prior to FY 2005 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	317,248	317,248
Salaries & Wages Adjustment	213,984	828,773
Aid to Local Governments Reduction	(440,570)	(4,435,738)
Homeland Security	--	1,000,000
Miscellaneous Operating Expenditures	43,229	(165,187)
Savings Incentive Expenditures	17,341	17,341
Ongoing Capital Improvements	306,590	306,590
Total--Department of Administration	$ 457,822	$ (2,130,973)
Kansas Corporation Commission		
Abandoned Oil & Gas Expenditure Decrease	--	(209,278)
Converted to Non-Expense Items	--	(135,067)
Fee Fund Reduction in Expenditures	--	(7,749)
Federal Funds Reduction in Estimated Receipts	--	(58,172)
Total--Kansas Corporation Commission	$ --	$ (410,266)
Citizens Utility Ratepayer Board		
Increase in Consulting Fees for Expert Testimony	--	35,904
Kansas Human Rights Commission		
Salaries & Wages Adjustment	(5,602)	3,049
Miscellaneous Operating Expenditure Reductions	(9,767)	(19,938)
Savings Incentive Expenditures	31,474	31,474
Total--Kansas Human Rights Commission	$ 16,105	$ 14,585
Board of Indigents Defense Services		
Operations Shortfall of Expenditure Authority from Prior Year	(10,687)	(10,687)
Capital Defense Shift of Expenditure Authority from Prior Year	638,585	638,585
Fee Fund Increase from Docket Fees	--	55,890
Miscellaneous Operating Expenditure Reductions	(521,027)	(523,941)
Total--Board of Indigents Defense Services	$ 106,871	$ 159,847
Health Care Stabilization Fund Board of Governors		
Increase in Claim Expenses	--	528,551
Board of Healing Arts		
Miscellaneous Operating Expenditure Reductions	--	(5,000)
KPERS		
Savings from Shrinkage Rate Adjustment	--	(109,523)
Revised Investment Fee Expenditures	--	(2,135,536)
Miscellaneous Operating Expenditure Reductions	--	(36,128)
Savings Incentive Expenditures	--	336,725
Total--KPERS	$ --	$ (1,944,462)
Department of Commerce		
Operations Shift of Expenditure Authority from Prior Year	--	727
Aid to Local Governments Reduction	--	(1,043,003)
Other Assistance & Grants Reduction	--	(7,796,079)
Increased Workforce Investment Act Client Services Contracts	--	5,519,205
Miscellaneous Operating Expenditure Reductions	(4,716)	(1,207,068)
Savings Incentives Expenditures	--	17,278
Debt Service & Capital Improvements	--	212,660
Total--Department of Commerce	$ (4,716)	$ (4,296,280)
Kansas Technology Enterprise Corp.		
Operations Shift of Expenditure Authority from Prior Year	--	461,710
Miscellaneous Operating Expenditure Reductions	--	(145,941)
Total--Kansas Technology Enterprise Corp.	$ --	$ 315,769

Schedule 8--Current Year Adjustments

		State General Fund		All Funding Sources
Kansas, Inc.				
Miscellaneous Operating Expenditures		--		5,787
Kansas Lottery				
Increase in Prize Payments		--		1,410,392
Miscellaneous Operating Expenditures		--		1,411,025
Total--Kansas Lottery	$	--	$	2,821,417
Kansas Racing & Gaming Commission				
Other Assistance & Grants		--		(130,678)
Miscellaneous Operating Expenditure Reductions		--		(330,368)
Total--Kansas Racing & Gaming Commission	$	--	$	(461,046)
Department of Revenue				
Increase in Aid to Local Governments Funding		--		500,000
Miscellaneous Operating Expenditure Reductions		--		(22,057)
Total--Department of Revenue	$	--	$	477,943
Board of Tax Appeals				
Operations Shift of Expenditure Authority from Prior Year		16,882		16,882
Miscellaneous Operating Expenditure Reductions		--		(40,606)
Savings Incentive Expenditures		167,937		167,937
Total--Board of Tax Appeals	$	184,819	$	144,213
Board of Accountancy				
Savings Incentive Expenditures		--		13,115
Banking Department				
Miscellaneous Operating Expenditure Reductions		--		(133,076)
Savings Incentive Expenditures		--		1,008,213
Total--Banking Department	$	--	$	875,137
Board of Cosmetology				
Salaries & Wages Adjustment		--		(21,045)
Expedite Database Purchase		--		130,000
Miscellaneous Operating Expenditure Reductions		--		(37,804)
Total--Board of Cosmetology	$	--	$	71,151
Department of Credit Unions				
Miscellaneous Operating Expenditure Reductions		--		(18,631)
Savings Incentive Expenditures		--		39,343
Total--Department of Credit Unions	$	--	$	20,712
Kansas Dental Board				
Miscellaneous Operating Expenditure Reductions		--		(500)
Governmental Ethics Commission				
Operations Shift of Expenditure Authority from Prior Year		19,602		19,602
Behavioral Sciences Regulatory Board				
Savings Incentive Expenditures		--		32,860
Hearing Aid Board of Examiners				
Miscellaneous Operating Expenditures		--		5,202
Board of Mortuary Arts				
Savings Incentive Expenditures		--		10,000
Board of Nursing				
Purchase of Nursing Software		--		160,000
Miscellaneous Operating Expenditure Reductions		--		(23,168)
Total--Board of Nursing	$	--	$	136,832

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Board of Examiners in Optometry		
Reduction in Salaries & Wages Expenditures	--	(123)
Board of Pharmacy		
New Computer System	--	62,609
Real Estate Appraisal Board		
Savings Incentive Expenditures	--	24,473
Kansas Real Estate Commission		
Miscellaneous Operating Expenditure Reductions	--	(200)
Savings Incentive Expenditures	--	30,025
Total--Kansas Real Estate Commission	$ --	$ 29,825
Office of the Securities Commissioner		
Reduction in Salaries & Wages Expenditures	--	(35,468)
Decrease in Capital Outlay Expenditures	--	(17,258)
Increase in Investor Education Expenditures	--	10,752
Savings Incentives Expenditures	--	222,593
Total--Office of the Securities Commissioner	$ --	$ 180,619
Board of Technical Professions		
Savings Incentive Expenditures	--	71,506
Officer of the Governor		
Federal & Other Grant Revisions	--	14,237
Miscellaneous Operating Expenditures	182,714	338,230
Total--Officer of the Governor	$ 182,714	$ 352,467
Officer of the Lieutenant Governor		
Miscellaneous Operating Expenditures	22,544	22,544
Board of Veterinary Examiners		
Contractual Services Savings	--	(30,000)
Miscellaneous Operating Expenditures	--	6,485
Total--Board of Veterinary Examiners	$ --	$ (23,515)
Attorney General		
Operations Shift of Expenditure Authority from Prior Year	785,693	785,693
Federal Funds Increase	--	308,659
Increase in Tort Claim Payments		1,275,000
Miscellaneous Operating Expenditures	--	820,191
Total--Attorney General	$ 785,693	$ 3,189,543
Insurance Department		
Reduction in Salaries & Wages Expenditures	--	(311,236)
Increase in Capital Outlay Expenditures	--	342,994
Increase in Aid to Local Governments Funding	--	1,000,000
Miscellaneous Operating Expenditures	--	167,134
Capital Improvement Funding Adjustment	--	(54,200)
Total--Insurance Department	$ --	$ 1,144,692
Secretary of State		
HAVA Funds Adjustments	253,245	(10,317,739)
State Treasurer		
Lowered Estimate for Unclaimed Property Distributions	--	(1,000,000)
Conversion of Local Taxes to Non-Expense Transfers	--	(27,022,500)
Miscellaneous Operating Expenditure Reductions	--	(737)
Total--State Treasurer	$ --	$ (28,023,237)
Legislative Coordinating Council		
Miscellaneous Operating Expenditures	13,747	13,747

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Legislature		
Miscellaneous Operating Expenditures	617,649	617,649
Legislative Research Department		
Health Policy Analyst Salary Savings	--	(3,328)
Miscellaneous Operating Expenditures	90,528	90,528
Total--Legislative Research Department	$ 90,528	$ 87,200
Legislative Division of Post Audit		
Miscellaneous Operating Expenditures	7,316	7,316
Revisor of Statutes		
Miscellaneous Operating Expenditures	130,213	130,213
Judiciary		
Operations Shift of Expenditure Authority from Prior Year	706,713	706,713
Special Revenue Adjustments	--	813,242
Emergency Surcharge	--	3,577,973
Total--Judiciary	$ 706,713	$ 5,097,928
Judicial Council		
Miscellaneous Operating Expenditure Reductions	--	(1,082)
Total--General Government	**$ 3,590,865**	**$ (30,893,265)**
Social & Rehabilitation Services		
DD Waiver Shift of Expenditure Authority from Prior Year	857,563	3,488,136
PD Waiver Shift of Expenditure Authority from Prior Year	785,252	2,731,038
Salary Savings from Increased Shrinkage	(85,489)	(1,018,053)
HealthWave Administration Savings	(456,324)	(1,477,598)
Increase in Administration Expenditures	875,331	150,877
Reduction in Information Technology Expenditures	(231,000)	(578,000)
HCP Administration Funding Adjustments	109,216	(3,100,611)
Field Operations Funding Adjustments	(1,661,721)	734,058
CFS Administration Increase	323,627	745,842
Regular Medical Adjustment	750,000	750,000
Health Care Access Improvement Adjustment	--	86,148,528
HealthWave Caseload Increase	279,308	984,964
ICF/MR Cost Increase	--	133,405
Mental Health Certified Match Increase	1,228,149	36,273
MMIS Contract Increase	505,814	8,819,172
HI & TA Waiver Increases	--	102,688
TAF Employment Services Supplemental Funding	--	1,581,037
Child Care Assistance Supplemental Funding	2,000,000	5,977,846
Early Head Start Increased Funding	--	250,832
Other CFS Assistance Funding Adjustments	(1,593,044)	46,815
Replace Foster Care Deferral	10,000,000	--
Children's Cabinet Increased Federal Funds	--	531,301
Consensus Caseload Increase--NFMH	852,310	550,000
Consensus Caseload Increase--TAF	--	2,100,000
Consensus Caseload Increase--GA	400,000	400,000
Consensus Caseload Increase--Reg. Med.	21,789,145	44,949,504
Consensus Caseload Increase--Foster Care	7,008,180	4,347,631
Reduce Children's Cabinet Federal Grant Match	(202,000)	(202,000)
ACIL Policy Change	(585,000)	(1,500,000)
TAF Employment Services Supplemental Funding	--	(1,585,112)

Schedule 8--Current Year Adjustments

		State General Fund		All Funding Sources
Social & Rehabilitation Services, Cont'd.				
Child Care Assistance Supplemental Funding		--		(3,977,846)
Debt Service Reduction		--		(701,799)
Ongoing Capital Improvements		--		352,587
Total--Social & Rehabilitation Services	$	42,949,317	$	151,771,515
Kansas Neurological Institute				
Operations Shift of Expenditure Authority from Prior Year		8,705		8,705
Reduction in Salaries & Wages Expenditures		(750,000)		(750,000)
Federal Funds Increase		--		28,245
Finance Council SIBF Rehabilitation & Repair Funding Increase		--		55,668
Total--Kansas Neurological Institute	$	(741,295)	$	(657,382)
Larned State Hospital				
Operations Shift of Expenditure Authority from Prior Year		585,149		585,149
Federal Funds Increase		--		300,678
Lapse Extra Sexual Predator Treatment Program Funding		(315,000)		(315,000)
Miscellaneous Operating Expenditures		--		10,521
Shift of SIBF Expenditure Authority from Prior Year		--		149,878
SIBF Transfer from SRS		--		40,648
Total--Larned State Hospital	$	270,149	$	771,874
Osawatomie State Hospital				
Miscellaneous Operating Expenditures		--		818
Converted to Non-Expense Item		--		(20,000)
Shift of SIBF Expenditure Authority from Prior Year		--		46,738
Total--Osawatomie State Hospital	$	--	$	27,556
Parsons State Hospital and Training Center				
Operations Shift of Expenditure Authority from Prior Year		28,103		28,103
SIBF Transfer from SRS		--		129,413
Total--Parsons State Hospital	$	28,103	$	157,516
Rainbow Mental Health Facility				
Reductions in Salaries & Wages Expenditures		(162,577)		(162,577)
Shift of SIBF Expenditure Authority from Prior Year		--		7,237
Total--Rainbow Mental Health Facility	$	(162,577)	$	(155,340)
Department on Aging				
Operations Shift of Expenditure Authority from Prior Year		21,319,714		21,319,714
Long Term Care and HCBS Savings		(6,839,943)		(9,049,147)
Fee Funds Increase		--		687,000
Federal Funds Increase		--		2,367,771
Lapse Funding Error to SGF		(13,392,171)		(13,392,171)
Senior Care Act Savings		(394,234)		(394,234)
Miscellaneous Operating Expenditure Reductions		(474,030)		(1,367,277)
Savings from Increased Shrinkage		(79,506)		(206,515)
Total--Department on Aging	$	139,830	$	(34,859)
Health and Environment--Health				
Shift of Public Health Aid Expenditure Authority from Prior Year		8,269		8,269
Increase in Salaries & Wages Expenditures		--		202,355
Increase in Contractual Service Expenditures		--		1,454,368
Increase in Fee Fund Expenditures		--		1,457,666
Increase in Federal Funds Expenditures		--		2,758,916
Intra-Agency Transfer of Expenditure Authority to Environment		(486,298)		--
Total--Health and Environment--Health	$	(478,029)	$	5,881,574

Schedule 8--Current Year Adjustments

		State General Fund		All Funding Sources
Department of Labor				
Operations Shift of Expenditure Authority from Prior Year		132,518		146,629
Federal Funds Decrease		(59,917)		(40,406,908)
Welfare-to-Work State Match Increase		101,963		101,963
Savings Incentive Expenditures		86,307		86,307
Total--Department of Labor	$	260,871	$	(40,072,009)
Commission on Veterans Affairs				
Increase in Salaries & Wages Expenditures		22,437		22,437
Fund Persian Gulf War Veteran Health Initiative Program Board		7,385		7,385
Miscellaneous Operating Expenditure Adjustments		244,000		(174,760)
SIBF Shift of Expenditure Authority from Prior Year		--		238,510
Ongoing Capital Improvements		--		3,681,377
Total--Commission on Veterans Affairs	$	273,822	$	3,774,949
Kansas Guardianship Program				
Operations Shift of Expenditure Authority from Prior Year		13,806		13,806
Miscellaneous Operating Expenditure Reductions		(3,500)		(3,500)
Total--Kansas Guardianship Program	$	10,306	$	10,306
Total--Human Resources	**$**	**42,550,497**	**$**	**121,475,700**
Department of Education				
Operations Shift of Expenditure Authority from Prior Year		10,303		170,058
Additional Federal & Other Grants		--		10,428,628
School Finance Adjustments		(29,659,000)		(29,659,000)
Juvenile Detention Facilities		987,795		987,795
Miscellaneous Operating Expenditures		--		170,241
Capital Bond & Interest Aid		--		(4,000,000)
Total--Department of Education	$	(28,660,902)	$	(21,902,278)
School for the Blind				
Salaries & Wages Savings		(100,000)		(100,000)
Capital Improvements				9,325
Fee and Special Funds Increases		--		14,917
Federal Funds Reduction		--		(2,503)
Total--School for the Blind	$	(100,000)	$	(78,261)
School for the Deaf				
Miscellaneous Operating Expenditures		--		21,343
Capital Improvements				881,265
Fee Funds Increase		--		16,708
Federal Funds Increase		--		65,819
Total--School for the Deaf	$	--	$	985,135
Board of Regents				
Operations Shift of Expenditure Authority from Prior Year		629,814		629,814
Faculty Salary Enhancement Distribution to Universities		(3,333,426)		(3,333,426)
Increase in Special Revenue		--		3,059,061
University Operating Grant Distribution to Universities		(5,000,000)		(5,000,000)
University Funds for Education Study		26,010		26,010
Alternative Teacher Certification Distribution to Universities		(450,000)		(450,000)
Center for Innovative School Leadership Distribution to ESU		(250,000)		(250,000)
KAN-ED Funding Increase		--		1,835,620
Distribution to Universities for Building Repair		--		(7,000,000)
Total--Board of Regents	$	(8,377,602)	$	(10,482,921)
Emporia State University				
Operating Grant Funds from Board of Regents		311,758		311,758
Faculty Salary Enhancement Funds from Board of Regents		165,781		165,781

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Emporia State University, Cont'd.		
Restricted Use Funding Increase	--	2,205,275
Center for Innovative School Leadership Funds from Regents	250,000	250,000
Funding for Education Study to Board of Regents	(1,883)	(1,883)
Tuition Increase	--	3,192,160
Alternative Teacher Certification Funding from Regents	150,000	150,000
Funds from Board of Regents for Rehabilitation & Repair	--	487,877
Total--Emporia State University	$ 875,656	$ 6,760,968
Fort Hays State University		
Operations Shift of Expenditure Authority from Prior Year	40,340	40,340
Operating Grant Funds from Board of Regents	320,196	320,196
Faculty Salary Enhancement Funds from Board of Regents	170,338	170,338
Restricted Use Funding Increase	--	2,786,153
Funding for Education Study to Board of Regents	(1,977)	(1,977)
Tuition Increase	--	3,951,577
Alternative Teacher Certification Funding Transfer from Regents	150,000	150,000
Funding from Board of Regents for Rehabilitation & Repair	--	492,018
Total--Fort Hays State University	$ 678,897	$ 7,908,645
Kansas State University		
Operating Grant Funding from Board of Regents	801,131	801,131
Faculty Salary Enhancement Funding from Board of Regents	675,557	675,557
Restricted Use Funding Increase	--	38,699,141
Tuition Increase	--	21,443,998
Funding for Education Study to Board of Regents	(7,107)	(7,107)
Funding from Board of Regents for Rehabilitation & Repair	--	2,192,550
Total--Kansas State University	$ 1,469,581	$ 63,805,270
KSU--Veterinary Medical Center		
Operations Shift of Expenditure Authority from Prior Year	569	569
Operating Grant Funding from Board of Regents	75,551	75,551
Faculty Salary Enhancement Funding from Board of Regents	89,675	89,675
Restricted Use Funding Adjustment	--	5,433,010
Tuition Increase	--	793,860
Total--KSU--Veterinary Medical Center	$ 165,795	$ 6,392,665
Kansas State University--ESARP		
Operations Shift of Expenditure Authority from Prior Year	1,365	1,365
Operating Grant Funding from Board of Regents	491,426	491,426
Faculty Salary Enhancement Funding from Board of Regents	255,284	255,284
Restricted Use Funding Adjustment	--	10,905,045
Total--Kansas State University--ESARP	$ 748,075	$ 11,653,120
Pittsburg State University		
Operations Shift of Expenditure Authority from Prior Year	8,122	8,122
Operating Grant Funding from Board of Regents	338,109	338,109
Faculty Salary Enhancement Funding from Board of Regents	216,699	216,699
Restricted Use Funding Adjustment	--	(2,833,484)
Alternative Teacher Certification Funding Transfer from Regents	150,000	150,000
Funding for Education Study to Board of Regents	(2,112)	(21,212)
Tuition Increase	--	3,529,151
Funding from Board of Regents for Rehabilitation & Repair	--	681,296
Total--Pittsburg State University	$ 710,818	$ 2,068,681
University of Kansas		
Operating Grant Transfer from Board of Regents	1,042,494	1,042,494
Faculty Salary Enhancement Funding from Board of Regents	956,417	956,417
Restricted Use Funding Adjustment	--	849,989

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
University of Kansas, Cont'd.		
Decrease in Federal Funding	--	(22,297,252)
Funding for Education Study to Board of Regents	(4,715)	(4,175)
Tuition Increase	--	22,057,771
Funding from Board of Regents for Rehabilitation & Repair	--	3,827,025
Total--University of Kansas	$ 1,994,196	$ 6,432,269
KU Medical Center		
Operations Shift of Expenditure Authority from Prior Year	12,210	12,210
Operating Grant Funding from Board of Regents	1,034,191	1,034,191
Faculty Salary Enhancement	421,765	421,765
Restricted Use Funding Adjustment	--	(13,649,190)
Tuition Increase	--	2,234,828
Funding for Education Study to Board of Regents	(4,715)	(4,715)
Funding from Board of Regents for Rehabilitation & Repair	--	1,850,353
Total--KU Medical Center	$ 1,463,451	$ (8,100,558)
Wichita State University		
Operating Grant Transfer from Board of Regents	585,144	585,144
Faculty Salary Enhancement	381,910	381,910
Restricted Use Funding Adjustment	--	2,553,820
Funding for Education Study to Board of Regents	(3,501)	(3,501)
Tuition Increase	--	3,770,260
Debt Service for New Aviation Research Building	1,390,750	1,390,750
Funding from Board of Regents for Rehabilitation & Repair	--	960,225
Total--Wichita State University	$ 2,354,303	$ 9,638,608
Kansas Arts Commission		
Operations Shift of Expenditure Authority from Prior Year	--	129,716
Miscellaneous Operating Expenditure Reductions	--	7,109
Total--Kansas Arts Commission	$ --	$ 136,825
Historical Society		
Operations Shift of Expenditure Authority from Prior Year	1,741	1,741
Increased Fee Fund Expenditures	--	525,919
Increased Federal Fund Expenditures	--	438,853
Rehabilitation & Repair Funding Increase for Tornado Damage	125,000	125,000
Total--Historical Society	$ 126,741	$ 1,091,513
State Library		
Increase in Commodities	3,133	3,133
Salary Savings from Retirement of State Librarian	(30,000)	(30,000)
Federal Funds Increase	--	135,231
Total--State Library	$ (26,867)	$ 108,364
Total--Education	**$ (26,577,858)**	**$ 76,418,045**
Department of Corrections		
Operating Transfer to Winfield Correctional Facility	(100,000)	(100,000)
Increase Administration Program Shrinkage	(12,879)	(12,879)
Increase Parole Services Shrinkage	(57,297)	(57,297)
Revised No-Limit Fund Expenditures	--	129,351
Federal Funds Reduction	--	(14,709)
Revised Female Conservation Camp Expenditures	(9,900)	(9,900)
Revised Day Reporting Center Expenditures	(21,523)	(21,523)
Eliminate Bed Space Contract Trigger	(1,460,000)	(1,460,000)
Reduce Contracted Bed Space Expenditures	(36,317)	(363,169)
Revised Kansas Correctional Industries Expenditures	--	(1,157,617)
Supplemental Funding for Food Service Contract	187,163	187,163

Schedule 8--Current Year Adjustments

		State General Fund		All Funding Sources
Department of Corrections, Cont'd.				
Supplemental Funding for Medical Service Contract		221,400		221,400
Miscellaneous Reductions		--		(93,366)
Savings Incentive Expenditures		70,664		70,664
Transfer of CIBF to Correctional Facilities		--		(1,230,832)
Ongoing Capital Improvements		--		127,912
Total--Department of Corrections	$	(1,218,689)	$	(3,784,802)
El Dorado Correctional Facility				
Increase Facility Shrinkage Rate		--		--
Ongoing Capital Improvements		--		67,238
Total--El Dorado Correctional Facility	$	--	$	67,238
Ellsworth Correctional Facility				
Revised General Fees Fund Expenditures		--		(1,537)
Savings Incentive Expenditures		5,616		5,616
Ongoing Capital Improvements		--		24,784
Total--Ellsworth Correctional Facility	$	5,616	$	28,863
Hutchinson Correctional Facility				
Revised General Fees Fund Expenditures		--		(56,485)
Savings Incentive Expenditures		4,308		4,308
Ongoing Capital Improvements		--		936,181
Total--Hutchinson Correctional Facility	$	4,308	$	884,004
Lansing Correctional Facility				
Lapse State General Fund Other Operating Expenditures		(68,468)		(68,468)
Increase Facility Shrinkage Rate		--		--
Revised General Fees Fund Expenditures		--		37,971
Savings Incentive Expenditures		1,501		1,501
Ongoing Capital Improvements		--		1,390,658
Total--Lansing Correctional Facility	$	(66,967)	$	1,361,662
Larned Correctional Mental Health Facility				
Increase Facility Shrinkage Rate		--		--
Revised General Fees Fund Expenditures		--		(3,807)
Ongoing Capital Improvements		--		53,500
Total--Larned Correctional Mental Health Facility	$	--	$	49,693
Norton Correctional Facility				
Utilize General Fees Fund in Place of SGF		(32,000)		--
Savings Incentive Expenditures		64,415		64,415
Ongoing Capital Improvements		--		166,536
Total--Norton Correctional Facility	$	32,415	$	230,951
Topeka Correctional Facility				
Revised General Fees Fund Expenditures		--		(65,801)
Expenditure Reductions for Housing Federal Female Inmates		--		(25,281)
Savings Incentive Expenditures		56,880		56,880
Ongoing Capital Improvements		--		181,058
Total--Topeka Correctional Facility	$	56,880	$	146,856
Winfield Correctional Facility				
Operating Expenditures Supplemental Funding		100,468		100,468
Internal Corrections Systemwide Transfer		100,000		100,000
Revised General Fee Fund Expenditures		--		34,673
Savings Incentive Expenditures		82		82
Ongoing Capital Improvements		--		329,639
Total--Winfield Correctional Facility	$	200,550	$	564,862

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Juvenile Justice Authority		
Operations Shift of Expenditure Authority from Prior Year	1,680	1,680
CIF Shift of Expenditure Authority from Prior Year	--	296,872
Lapse CIF Shift of Expenditure Authority from Prior Year	--	(296,872)
Converted to Non-Expense Item		(137,135)
Increase in Juvenile Detention Facilities Fund Expenditures	--	397,260
Title XIX Federal Fund Increase	--	800,000
Title IV-E Federal Fund Increase	--	19,008
Other Federal Funds Increase	--	648,925
Purchase of Services Supplemental Funding	1,916,154	1,916,154
Miscellaneous Operating Expenditure Reductions	(49,317)	(49,317)
Savings Incentive Expenditures	11,128	11,128
Internal JJA Systemwide SIBF Distribution to BJCF	--	(105,320)
Lapse SIBF Shift of Expenditure Authority from Prior Year	--	(303,884)
SIBF Shift of Expenditure Authority from Prior Year	--	600,065
Total--Juvenile Justice Authority	$ 1,879,645	$ 3,798,564
Atchison Juvenile Correctional Facility		
Operations Shift of Expenditure Authority from Prior Year	115	115
Federal Funds Increase	--	53,755
Miscellaneous Operating Expenditure Reductions	(15,590)	(15,590)
SIBF Shift of Expenditure Authority from Prior Year	--	251,878
Total--Atchison Juvenile Correctional Facility	$ (15,475)	$ 290,158
Beloit Juvenile Correctional Facility		
Operations Shift of Expenditure Authority from Prior Year	62,620	62,620
Increase in Facility Fee Fund Expenditures	--	76,114
Federal Funds Increase	--	18,959
Technical Correction of SIBF Funding	--	(49,763)
Miscellaneous Operating Expenditure Reductions	(93,886)	(93,886)
Internal JJA Systemwide Distribution to TJCF	(190,000)	(190,000)
SIBF Shift of Expenditure Authority from Prior Year	--	4,637
Internal JJA Systemwide SIBF Distribution from Central Office	--	100,450
Total--Beloit Juvenile Correctional Facility	$ (221,266)	$ (70,869)
Kansas Juvenile Correctional Complex		
Internal JJA Systemwide Distribution to TJCF	(1,545,774)	(1,545,774)
Reduction in Federal Funds	--	(300,000)
Total--Kansas Juvenile Correctional Complex	$ (1,545,774)	$ (1,845,774)
Larned Juvenile Correctional Facility		
Operations Shift of Expenditure Authority from Prior Year	1,394	1,394
Reduction in Salaries & Wages Expenditures	(139,090)	(139,090)
Reduction in Federal Funds	--	(133,305)
Internal JJA Systemwide Distribution to TJCF	(40,000)	(40,000)
Lapse SGF Funding Match of Federal RSAT Grant	(9,226)	(9,226)
Miscellaneous Operating Expenditure Reductions	(12,644)	(12,644)
Savings Incentive Expenditures	1,279	1,279
Total--Larned Juvenile Correctional Facility	$ (198,287)	$ (331,592)
Topeka Juvenile Correctional Facility		
Fee Funds Increase	--	43,000
Federal Funds Increase	--	312,613
Savings Incentive Expenditures	1,728	1,728
Internal JJA Systemwide Distribution from BJCF	190,000	190,000
Internal JJA Systemwide Distribution from LJCF	40,000	40,000
Internal JJA Systemwide Distribution from KJCC	1,257,597	1,257,597

Schedule 8--Current Year Adjustments

	State General Fund	All Funding Sources
Topeka Juvenile Correctional Facility, Cont'd.		
SIBF Shift of Expenditure Authority from Prior Year	--	13,371
Internal JJA Systemwide SIBF Distribution from Central Office	--	4,870
Total--Topeka Juvenile Correctional Facility	$ 1,489,325	$ 1,863,179
Adjutant General		
Shift of Disaster Relief Expenditure Authority from Prior Year	117,357	117,357
Activation Payments	250,000	250,000
Federal Funds Increase	--	4,297,097
Additional Disaster Relief Funding	--	6,268,203
Miscellaneous Operating Expenditures	--	1,282,799
Lapse Debt Service Funding	(287,421)	(287,421)
Total--Adjutant General	$ 79,936	$ 11,928,035
Emergency Medical Services Board		
Federal Grants Increase	--	164,344
Rural Health Options Grant Funding Increase	--	190,090
Savings Incentive Expenditures	--	59,633
Total--Emergency Medical Services Board	$ --	$ 414,067
State Fire Marshal		
Federal Grants Increase	--	158,845
Converted to Non-Reportable Expenditures	--	(278,000)
Miscellaneous Operating Expenditures	--	13,388
Savings Incentive Expenditures	--	145,780
Total--State Fire Marshal	$ --	$ 40,013
Highway Patrol		
Federal Funds Adjustment	--	6,925,535
Miscellaneous Operating Expenditures	--	157,435
Total--Highway Patrol	$ --	$ 7,082,970
Kansas Bureau of Investigation		
Federal Grants Increase	--	2,068,074
Converted to Non-Reportable Expenditures	--	(341,570)
Miscellaneous Operating Expenditures	--	330,748
Total--Kansas Bureau of Investigation	$ --	$ 2,057,252
Kansas Parole Board		
Operations Shift of Expenditure Authority from Prior Year	16,052	16,052
Savings Incentive Expenditures	292	292
Total--Kansas Parole Board	$ 16,344	$ 16,344
Kansas Sentencing Commission		
Operations Shift of Expenditure Authority from Prior Year	1,281,314	1,281,314
Shift of Prior Year Expenditure Authority for SB 123 to FY 2005	(758,991)	(758,991)
Lapse One-Time Savings from SB 123 Delayed Start	(293,055)	(293,055)
Reimbursement Expenditure Revision from SB 123 Offenders	--	(356,971)
Total--Kansas Sentencing Commission	$ 229,268	$ (127,703)
Total--Public Safety	**$ 727,829**	**$ 24,663,971**
Department of Agriculture		
Fee Funds Increase	--	176,756
Federal Funds Increase	--	1,182,334
Miscellaneous Operating Expenditures	--	107,784
Total--Department of Agriculture	$ --	$ 1,466,874
Department of Animal Health		
Fee Funds Increase	--	11,110
Federal Funds Decrease	--	(158,438)
Total--Department of Animal Health	$ --	$ (147,328)

Schedule 8--Current Year Adjustments

		State General Fund		All Funding Sources
State Conservation Commission				
Water Plan Fund Shift of Expenditure Authority from Prior Year		--		1,054,193
Expenditures from Released State Water Plan Encumbrances		--		180,622
Increased Federal Wetland Protection Funding		--		133,975
Federal NRCS Agreement/Farm Bill Increased Funding		--		181,016
State Water Plan Matching Funds for NRCS Agreement/Farm Bill		--		181,016
Total--State Conservation Commission	$	--	$	1,730,822
Health & Environment--Environment				
Salaries & Wages Increase		--		242,785
Decrease in Contractual Services Expenditures		--		(5,294,947)
Agency Fee Fund Increase		--		4,694,958
Federal Funds Reduction		--		(987,246)
Intra-Agency Transfer of Expenditure Authority from Health		413,136		413,136
Total--Health & Environment--Environment	$	413,136	$	(931,314)
Kansas State Fair				
Fee Funds Decrease		--		(7,415)
Supplemental Debt Service Funding		892,772		892,772
Ongoing Capital Improvements		--		2,030
Total--Kansas State Fair	$	892,772	$	887,387
Kansas Water Office				
Shift of Water Plan Fund Expenditure Authority from Prior Year		--		256,424
Increase in Federal Fund Expenditures		--		115,155
Savings Incentive Expenditures		24,945		24,945
Total--Kansas Water Office	$	24,945	$	396,524
Department of Wildlife & Parks				
Crawford State Fishing Lake Sewer Project		49,047		49,047
Miscellaneous Operating Expenditures		300,000		2,064,416
Ongoing Capital Improvements		--		7,939,703
Converted to Non-expense Item		--		(87,917)
Total--Department of Wildlife & Parks	$	349,047	$	9,965,249
Total--Agriculture & Natural Resources	**$**	**1,679,900**	**$**	**13,368,214**
Kansas Department of Transportation				
Reduction in Salaries & Wages Expenditures		--		(223,190)
Reduction in Aid to Local Governments Funding		--		(3,682,069)
Other Assistance & Grants Increase		--		7,781,685
Miscellaneous Operating Expenditure Reductions		--		(272,507)
Savings Incentive Expenditures		--		3,457,094
Debt Service--Interest Adjustment		--		(1,217,402)
Ongoing Capital Improvements		--		304,014,480
Total--Kansas Department of Transportation	$	--	$	309,858,091
Total--Transportation	**$**	**--**	**$**	**309,858,091**
Statewide Total	**$**	**21,971,233**	**$**	**514,890,756**

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 permanent unclassified positions are not subject to a position limitation. The "non-FTE unclassified permanent" label is intended to reflect the fact that these are permanent positions that should properly be counted as part of the state workforce, although they are treated as unclassified temporary positions in the SHARP personnel and payroll system.

Schedule 9.2—Headcount by Agency shows the average number of employees on the state payroll for all 26 biweekly payrolls for actual FY 2002, FY 2003, and FY 2004. A headcount perspective will usually report a workforce of greater size because each part-time worker is counted separately.

Schedule 9.3—Mathematical FTE Positions by Agency 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 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

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
General Government					
Department of Administration					
FTE Positions	889.40	804.60	804.60	--	805.60
Non-FTE Unclassified Permanent Positions	22.10	28.10	27.10	--	27.10
Total--Department of Administration	911.50	832.70	831.70	--	832.70
Kansas Corporation Commission					
FTE Positions	212.00	212.00	212.00	--	214.00
Non-FTE Unclassified Permanent Positions	5.50	6.50	6.50	--	6.50
Total--Kansas Corporation Commission	217.50	218.50	218.50	--	220.50
Citizens Utility Ratepayer Board					
FTE Positions	5.00	5.00	5.00	--	6.00
Non-FTE Unclassified Permanent Positions	--	--	--	1.00	--
Total--Citizens Utility Ratepayer Board	5.00	5.00	5.00	1.00	6.00
Kansas Human Rights Commission	36.00	36.00	36.00	--	36.00
Board of Indigents Defense Services					
FTE Positions	167.00	170.00	172.00	--	171.00
Non-FTE Unclassified Permanent Positions	1.00	8.00	8.00	--	8.00
Total--Board of Indigents Defense Serv.	168.00	178.00	180.00	--	179.00
Health Care Stabilization Board of Gov.	16.00	16.00	16.00	--	16.00
KPERS					
FTE Positions	85.00	85.20	85.20	--	85.20
Non-FTE Unclassified Permanent Positions	--	2.00	2.00	--	2.00
Total--KPERS	85.00	87.20	87.20	--	87.20
Department of Commerce					
FTE Positions	108.50	389.10	389.10	1.00	389.10
Non-FTE Unclassified Permanent Positions	1.00	16.00	16.00	--	16.00
Total--Dept. of Commerce	109.50	405.10	405.10	1.00	405.10
Kansas Technology Enterprise Corp.					
FTE Positions	29.00	28.80	28.80	--	28.80
Non-FTE Unclassified Permanent Positions	17.00	2.00	1.00	--	1.00
Total--KTEC	46.00	30.80	29.80	--	29.80
Kansas, Inc.					
FTE Positions	4.00	4.00	4.00	0.50	4.50
Non-FTE Unclassified Permanent Positions	1.00	1.00	1.00	--	1.00
Total--Kansas, Inc.	5.00	5.00	5.00	0.50	5.50
Kansas Lottery					
FTE Positions	87.00	87.00	87.00	--	87.00
Non-FTE Unclassified Permanent Positions	2.00	2.00	2.00	--	2.00
Total--Kansas Lottery	89.00	89.00	89.00	--	89.00
Kansas Racing & Gaming Commission					
FTE Positions	67.00	67.00	67.00	40.0	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	40.0	76.00
Department of Revenue					
FTE Positions	1,196.00	1,206.00	1,196.00	--	1,214.00
Non-FTE Unclassified Permanent Positions	3.00	--	--	--	--
Total--Department of Revenue	1,199.00	1,206.00	1,196.00	--	1,214.00

Schedule 9.1--Authorized Positions by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
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
Banking Department					
FTE Positions	85.00	86.00	86.00	4.00	90.00
Non-FTE Unclassified Permanent Positions	1.00	--	--	--	--
Total--Banking Department	86.00	86.00	86.00	4.00	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	2.50	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 Comm.	9.50	9.50	9.50	--	9.50
Board of Healing Arts					
FTE Positions	29.00	30.00	29.00	2.00	32.00
Non-FTE Unclassified Permanent Positions	--	--	1.00	--	--
Total--Board of Healing Arts	29.00	30.00	30.00	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 Optometry	1.80	1.80	1.80	--	1.80
Board of Pharmacy	7.00	7.00	7.00	--	7.00
Kansas Real Estate Appraisal Board	2.00	2.00	2.00	--	2.00
Kansas Real Estate Commission	13.00	13.00	13.00	--	13.00
Office of the Securities Commissioner	27.80	28.00	27.80	2.20	30.00
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					
FTE Positions	29.00	41.00	39.00	--	39.00
Non-FTE Unclassified Permanent Positions	1.00	--	--	--	--
Total--Office of the Governor	30.00	41.00	39.00	--	39.00

Schedule 9.1--Authorized Positions by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Office of the Lieutenant Governor	3.00	3.00	3.00	--	3.00
Attorney General					
FTE Positions	87.50	94.50	94.50	--	94.50
Non-FTE Unclassified Permanent Positions	18.50	9.00	9.00	--	9.00
Total--Attorney General	106.00	103.50	103.50	--	103.50
Insurance Department					
FTE Positions	152.70	146.50	146.20	--	146.20
Non-FTE Unclassified Permanent Positions	3.50	4.00	4.00	--	4.00
Total--Insurance Department	156.20	150.50	150.20	--	150.20
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
Legislature	33.00	33.00	34.00	--	34.00
Legislative Research Department	38.00	38.00	38.00	--	38.00
Legislative Division of Post Audit	21.00	21.00	21.00	--	21.00
Revisor of Statutes					
FTE Positions	26.50	26.50	26.50	--	26.50
Non-FTE Unclassified Permanent Positions	1.00	1.00	1.00	--	1.00
Total--Revisor of Statutes	27.50	27.50	27.50	--	27.50
Judiciary	1,809.30	1,829.30	1,832.30	21.00	1,832.30
Judicial Council	4.00	4.00	4.00	--	4.00
Total--FTE Positions	**5,501.40**	**5,745.70**	**5,738.20**	**70.70**	**5,768.90**
Total--Non-FTE Unclassified Perm. Pos.	**88.60**	**90.60**	**89.60**	**1.00**	**88.60**
Total--General Government	**5,590.00**	**5,836.30**	**5,827.80**	**71.70**	**5,857.50**
Human Resources					
Social & Rehabilitation Services					
FTE Positions	3,981.50	3,981.50	3,981.50	26.00	3,981.50
Non-FTE Unclassified Permanent Positions	76.40	76.40	76.40	(26.00)	76.40
Total--Social & Rehabilitation Services	4,057.90	4,057.90	4,057.90	--	4,057.90
Kansas Neurological Institute	588.20	588.20	588.20	--	588.20
Larned State Hospital					
FTE Positions	798.20	798.20	798.20	--	798.20
Non-FTE Unclassified Permanent Positions	8.00	8.00	8.00	--	8.00
Total--Larned State Hospital	806.20	806.20	806.20	--	806.20
Osawatomie State Hospital	398.60	398.60	398.60	--	398.60
Parsons St. 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	**6,348.90**	**6,348.90**	**6,348.90**	**26.00**	**6,348.90**
Subtotal--Non-FTE Unclass. Perm. Pos.	**84.40**	**84.40**	**84.40**	**(26.00)**	**84.40**
Subtotal--SRS	**6,433.30**	**6,433.30**	**6,433.30**	**0.00**	**6,433.30**

Schedule 9.1--Authorized Positions by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Department on Aging					
FTE Positions	213.50	208.00	208.00	--	208.00
Non-FTE Unclassified Permanent Positions	2.50	2.50	2.50	--	2.50
Total--Department on Aging	216.00	210.50	210.50	--	210.50
Health & Environment--Health					
FTE Positions	410.00	419.00	419.00	--	418.00
Non-FTE Unclassified Permanent Positions	108.30	108.30	108.30	--	108.30
Total--Department of Health	518.30	527.30	527.30	--	526.30
Department of Labor					
FTE Positions	940.40	634.23	634.23	--	634.23
Non-FTE Unclassified Permanent Positions	58.00	36.50	36.50	--	36.50
Total--Department of Labor	998.40	670.73	670.73	--	670.73
Commission on Veterans Affairs					
FTE Positions	557.80	557.80	558.00	--	558.00
Non-FTE Unclassified Permanent Positions	0.50	0.50	0.50	--	0.50
Total--Veterans Affairs	558.30	558.30	558.50	--	558.50
Kansas Guardianship Program	12.00	12.00	12.00	--	12.00
Total--FTE Positions	**8,482.60**	**8,179.93**	**8,180.13**	**26.00**	**8,179.13**
Total--Non-FTE Unclassified Perm. Pos.	**253.70**	**232.20**	**232.20**	**(26.00)**	**232.20**
Total--Human Resources	**8,736.30**	**8,412.13**	**8,412.33**	**0.00**	**8,411.33**
Education					
Department of Education					
FTE Positions	210.75	210.75	210.75	--	210.75
Non-FTE Unclassified Permanent Positions	46.60	46.60	46.60	--	46.60
Total--Department of Education	257.35	257.35	257.35	--	257.35
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**	**477.75**	**477.75**	**--**	**477.75**
Subtotal--Non-FTE Unclass. Perm. Pos.	**46.60**	**46.60**	**46.60**	**--**	**46.60**
Subtotal--Board of Education	**524.35**	**524.35**	**524.35**	**--**	**524.35**
Board of Regents	55.00	56.50	56.50	6.00	56.50
Emporia State University	784.10	792.60	792.60	--	792.60
Fort Hays State University	717.30	719.60	719.60	--	719.60
Kansas State University	3,200.30	3,203.00	3,203.00	--	3,203.00
KSU--Veterinary Medical Center	267.10	286.60	286.60	--	286.60
Kansas State University--ESARP	1,391.00	1,390.70	1,390.70	--	1,390.70
Pittsburg State University	814.20	830.80	830.80	--	830.80
University of Kansas	4,572.60	4,640.00	4,640.00	--	4,640.00
KU Medical Center	2,346.97	2,444.57	2,444.57	--	2,444.57
Wichita State University	1,757.00	1,757.00	1,757.00	--	1,757.00
Subtotal--FTE Positions	**15,905.57**	**16,121.37**	**16,121.37**	**6.00**	**16,121.37**
Subtotal--Regents	**15,905.57**	**16,121.37**	**16,121.37**	**6.00**	**16,121.37**

Schedule 9.1--Authorized Positions by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Kansas Arts Commission	8.00	8.00	8.00	--	8.00
Historical Society					
FTE Positions	136.50	136.50	136.50	--	134.00
Non-FTE Unclassified Permanent Positions	4.00	4.00	4.00	--	4.00
Total--Historical Society	140.50	140.50	140.50	--	138.00
State Library	27.00	27.00	27.00	--	27.00
Total--FTE Positions	**16,554.82**	**16,770.62**	**16,770.62**	**6.00**	**16,768.12**
Total--Non-FTE Unclassified Perm. Pos.	**50.60**	**50.60**	**50.60**	**--**	**50.60**
Total--Education	**16,605.42**	**16,821.22**	**16,821.22**	**6.00**	**16,818.72**

Public Safety

Department of Corrections					
FTE Positions	302.20	302.20	302.20	--	302.20
Non-FTE Unclassified Permanent Positions	27.00	27.00	19.00	--	19.00
Total--Department of Corrections	329.20	329.20	321.20	--	321.20
El Dorado Correctional Facility					
FTE Positions	466.00	466.00	466.00	--	466.00
Non-FTE Unclassified Permanent Positions	1.00	1.00	1.00	--	1.00
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	513.00	513.00	513.00	--	513.00
Lansing Correctional Facility					
FTE Positions	700.00	699.00	699.00	--	699.00
Non-FTE Unclassified Permanent Positions	--	1.00	1.00	--	1.00
Total--Lansing Correctional Facility	700.00	700.00	700.00	--	700.00
Larned Correctional MH Facility	186.00	186.00	186.00	--	186.00
Norton Correctional Facility					
FTE Postions	266.00	265.00	265.00	--	265.00
Non-FTE Unclassified Permanent Postions	1.00	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	3.00	3.00	--	3.00
Total--Topeka Correctional Facility	251.00	251.00	251.00	--	251.00
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	**3,105.20**	**3,103.20**	**3,103.20**	**--**	**3,103.20**
Subtotal--Non-FTE Unclass. Perm. Pos.	**35.00**	**37.00**	**29.00**	**--**	**29.00**
Subtotal--Corrections	**3,140.20**	**3,140.20**	**3,132.20**	**--**	**3,132.20**

Schedule 9.1--Authorized Positions by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Juvenile Justice Authority					
FTE Positions	41.00	42.00	42.00	3.00	42.00
Non-FTE Unclassified Permanent Positions	15.80	16.30	16.30	--	16.30
Total--Juvenile Justice Authority	56.80	58.30	58.30	3.00	58.30
Atchison Juvenile Correctional Facility	119.00	118.00	118.00	--	118.00
Beloit Juvenile Correctional Facility	100.00	94.00	94.00	--	94.00
Larned Juvenile Correctional Facility					
FTE Positions	148.00	147.00	147.00	--	147.00
Non-FTE Unclassified Permanent Positions	15.00	15.00	15.00	--	15.00
Total--Larned Juvenile Correctional Facil.	163.00	162.00	162.00	--	162.00
Topeka Juvenile Correctional Facility					
FTE Positions	227.00	274.20	273.20	47.0	274.20
Non-FTE Unclassified Permanent Positions	--	1.00	1.00	--	1.00
Total--Topeka Juvenile Correctional	227.00	275.20	274.20	47.0	275.20
Subtotal--FTE Positions	**635.00**	**675.20**	**674.20**	**50.00**	**675.20**
Subtotal--Non-FTE Unclass. Perm. Pos.	**30.80**	**32.30**	**32.30**	**--**	**32.30**
Subtotal--Juvenile Justice	**665.80**	**707.50**	**706.50**	**50.00**	**707.50**
Adjutant General					
FTE Positions	215.00	215.00	215.00	--	215.00
Non-FTE Unclassified Permanent Positions	147.50	191.70	291.70	7.00	291.70
Total--Adjutant General	362.50	406.70	506.70	7.00	506.70
Emergency Medical Services Board	13.00	13.00	13.00	1.00	14.00
State Fire Marshal					
FTE Positions	49.00	51.00	51.00	12.00	51.00
Non-FTE Unclassified Permanent Positions	2.00	1.00	1.00	--	1.00
Total--State Fire Marshal	51.00	52.00	52.00	12.00	52.00
Highway Patrol					
FTE Positions	823.75	824.07	824.07	--	826.07
Non-FTE Unclassified Permanent Positions	59.30	50.68	50.68	--	50.68
Total--Highway Patrol	883.05	874.75	874.75	--	876.75
Kansas Bureau of Investigation					
FTE Positions	200.00	200.00	200.00	13.00	200.00
Non-FTE Unclassified Permanent Positions	101.50	108.00	112.00	--	112.00
Total--Kansas Bureau of Investigation	301.50	308.00	312.00	13.00	312.00
Kansas Parole Board	3.00	3.00	3.00	--	3.00
Kansas Sentencing Commission					
FTE Positions	7.00	7.00	7.00	--	7.00
Non-FTE Unclassified Permanent Positions	3.00	3.00	3.00	1.00	4.00
Total--Kansas Sentencing Commission	10.00	10.00	10.00	1.00	11.00
Total--FTE Positions	**5,050.95**	**5,091.47**	**5,090.47**	**76.00**	**5,094.47**
Total--Non-FTE Unclassified Perm. Pos.	**379.10**	**423.68**	**519.68**	**8.00**	**520.68**
Total--Public Safety	**5,430.05**	**5,515.15**	**5,610.15**	**84.00**	**5,615.15**
Agriculture & Natural Resources					
Department of Agriculture					
FTE Positions	296.50	302.50	302.50	--	302.50
Non-FTE Unclassified Permanent Positions	16.50	23.00	23.00	--	23.00
Total--Department of Agriculture	313.00	325.50	325.50	--	325.50

Schedule 9.1--Authorized Positions by Agency

	FY 2004 Actual	FY 2005 Gov. Estimate	FY 2006 Base Budget	FY 2006 Enhance. Pkg.	FY 2006 Gov. Rec.
Animal Health Department					
FTE Positions	31.00	33.00	33.00	4.00	33.00
Non-FTE Unclassified Permanent Positions	--	1.00	1.00	--	1.00
Total--Animal Health Department	31.00	34.00	34.00	4.00	34.00
State Conservation Commission					
FTE Positions	15.50	14.00	14.00	--	14.00
Non-FTE Unclassified Permanent Positions	1.00	9.00	9.00	--	9.00
Total--State Conservation Commission	16.50	23.00	23.00	--	23.00
Health and Environment--Environment					
FTE Positions	466.00	466.00	466.00	--	465.00
Non-FTE Unclassified Permanent Positions	33.00	33.00	33.00	--	33.00
Total--Health & Environment--Environ.	499.00	499.00	499.00	--	498.00
Kansas State Fair	23.00	23.00	23.00	--	23.00
Kansas Water Office					
FTE Positions	22.50	22.50	22.50	--	22.50
Non-FTE Unclassified Permanent Positions	0.50	1.00	1.00	--	1.00
Total--Kansas Water Office	23.00	23.50	23.50	--	23.50
Department of Wildlife & Parks	406.50	406.50	406.50	--	406.50
Total--FTE Positions	**1,261.00**	**1,267.50**	**1,267.50**	**4.00**	**1,266.50**
Total--Non-FTE Unclassified Perm. Pos.	**51.00**	**67.00**	**67.00**	**--**	**67.00**
Total--Agriculture & Natural Resources	**1,312.00**	**1,334.50**	**1,334.50**	**4.00**	**1,333.50**
Transportation					
Kansas Department of Transportation					
FTE Positions	3,247.50	3,251.50	3,239.50	--	3,237.50
Non-FTE Unclassified Permanent Positions	10.00	15.00	15.00	--	15.00
Total--Kansas Dept.of Transportation	3,257.50	3,266.50	3,254.50	--	3,252.50
Total--FTE Positions	**40,098.27**	**40,306.72**	**40,286.42**	**182.70**	**40,314.62**
Total--Non-FTE Unclassified Perm. Pos.	**833.00**	**879.08**	**974.08**	**(17.00)**	**974.08**
Total Positions	**40,931.27**	**41,185.80**	**41,260.50**	**165.70**	**41,288.70**

Schedule 9.2--Headcount by Agency

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual
General Government			
Department of Administration	819.15	799.62	701.46
Kansas Corporation Commission	200.00	204.50	205.42
Citizens Utility Ratepayer Board	4.65	5.73	5.35
Kansas Human Rights Commission	34.62	34.85	32.38
Board of Indigents Defense Services	161.65	160.31	160.73
Health Care Stabilization	15.15	15.77	14.88
Kansas Public Employees Retirement Sys.	89.62	88.19	87.96
Department of Commerce	148.77	145.38	115.15
Kansas Technology Enterprise Corp.	33.12	28.46	25.50
Kansas, Inc.	3.88	4.50	4.42
Kansas Lottery	82.23	80.23	82.04
Kansas Racing & Gaming Commission	68.54	67.73	69.88
Department of Revenue	1,177.73	1,137.31	1,086.12
Board of Tax Appeals	30.85	26.58	22.23
Abstracters Board of Examiners	2.35	2.27	2.19
Board of Accountancy	4.23	4.54	4.38
Banking Department	80.65	81.88	86.12
Board of Barbering	3.85	3.73	3.62
Behavioral Sciences Regulatory Board	11.65	10.62	9.69
Board of Cosmetology	16.04	16.85	15.54
Department of Credit Unions	13.04	13.54	13.85
Kansas Dental Board	3.96	4.35	5.46
Governmental Ethics Commission	12.50	13.73	13.46
Board of Healing Arts	37.35	37.35	39.54
Hearing Aid Board of Examiners	2.27	2.19	2.23
Board of Mortuary Arts	3.85	3.69	3.69
Board of Nursing	23.27	23.46	23.35
Board of Examiners in Optometry	2.38	2.50	2.58
Board of Pharmacy	8.19	9.38	10.77
Real Estate Appraisal Board	4.12	5.04	4.73
Kansas Real Estate Commission	14.04	13.58	13.65
Office of the Securities Commissioner	28.96	28.00	27.38
Board of Technical Professions	8.62	8.73	8.27
Board of Veterinary Examiners	5.19	4.81	4.77
Office of the Governor	30.50	28.23	39.54
Office of the Lieutenant Governor	3.27	3.08	1.08
Attorney General	112.38	102.12	100.38
Insurance Department	144.69	136.08	133.04
Secretary of State	62.88	56.38	55.81
State Treasurer	52.08	49.04	47.38
Legislative Coordinating Council	12.50	12.54	10.38
Legislature	299.65	280.58	277.54
Legislative Research Department	36.15	36.27	36.88
Legislative Division of Post Audit	23.00	20.85	20.12
Revisor of Statutes	32.12	29.92	29.85
Judiciary	1,887.50	1,930.54	1,948.42
Judicial Council	15.31	15.08	13.12
Total--General Government	**5,868.50**	**5,790.08**	**5,622.35**
Human Resources			
Social & Rehabilitation Services	3,816.62	3,684.54	3,527.85
Kansas Neurological Institute	731.27	693.77	677.85

Schedule 9.2--Headcount by Agency

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual
Larned State Hospital	668.04	670.58	776.23
Osawatomie State Hospital	496.27	450.08	411.88
Parsons State Hospital & Training Center	627.19	599.15	606.38
Rainbow Mental Health Facility	131.88	126.85	120.81
Subtotal--SRS	**6,471.27**	**6,224.96**	**6,121.00**
Department on Aging	129.96	126.50	177.42
Health & Environment--Health	1,006.73	1,027.42	949.85
Department of Labor	889.85	933.92	923.12
Commission on Veterans Affairs	342.12	350.35	382.15
Kansas Guardianship Program*	--	--	--
Total--Human Resources	**8,839.92**	**8,663.15**	**8,553.54**
Education			
Department of Education	237.58	241.92	249.08
School for the Blind	100.69	91.12	88.96
School for the Deaf	168.15	165.35	159.04
Subtotal--Department of Education	**506.42**	**498.38**	**497.08**
Board of Regents*	45.12	50.23	53.08
Kansas Arts Commission	9.00	9.50	9.08
Historical Society	180.96	164.27	166.19
State Library	27.23	27.85	27.85
Total--Education	**768.73**	**750.23**	**753.27**
Public Safety			
Department of Corrections	322.96	316.88	314.73
El Dorado Correctional Facility	448.35	441.46	446.88
Ellsworth Correctional Facility	190.62	216.85	218.77
Hutchinson Correctional Facility	506.65	499.54	505.46
Lansing Correctional Facility	696.77	665.12	650.77
Larned Correctional Mental Health Facility	182.27	176.35	178.50
Norton Correctional Facility	255.19	247.08	252.38
Topeka Correctional Facility	215.35	215.50	224.96
Winfield Correctional Facility	199.04	196.38	197.77
Subtotal--Corrections	**3,017.19**	**2,975.15**	**2,990.23**
Juvenile Justice Authority	45.85	48.35	51.08
Atchison Juvenile Correctional Facility	115.08	108.88	94.88
Beloit Juvenile Correctional Facility	90.77	82.27	80.69
Larned Juvenile Correctional Facility	131.85	132.73	140.92
Topeka Juvenile Correctional Facility	213.12	206.85	209.19
Subtotal--Juvenile Justice	**596.65**	**579.08**	**576.77**
Adjutant General	333.31	340.38	357.46
Emergency Medical Services Board	19.12	17.08	14.88
Ombudsman for Corrections	4.00	3.85	--
State Fire Marshal	47.46	49.00	49.65
Highway Patrol	846.85	832.04	833.62
Kansas Bureau of Investigation	248.69	253.04	249.88
Kansas Parole Board	4.00	3.54	2.92
Sentencing Commission	13.88	13.92	9.42
Total--Public Safety	**5,131.15**	**5,067.08**	**5,084.85**
Agriculture & Natural Resources			
Department of Agriculture	299.27	297.81	296.35
Animal Health Department	29.69	29.88	29.62
State Conservation Commission	14.69	18.73	14.27

** Excludes the Guardianship Program and Regents universities because payroll data on these employees are not in the SHARP system.*

Schedule 9.2--Headcount by Agency

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual
Health & Environment--Environment**	--	--	--
Kansas State Fair	25.58	25.96	27.81
Kansas Water Office	27.77	25.69	25.42
Department of Wildlife & Parks	703.38	692.46	682.27
Total--Ag. & Natural Resources	**1,100.38**	**1,090.54**	**1,075.73**
Transportation			
Kansas Department of Transportation	3,231.96	3,229.50	3,202.46
Total--Transportation	**3,231.96**	**3,229.50**	**3,202.46**
Total Headcount	**24,940.65**	**24,590.58**	**24,292.19**

*** KDHE payroll data are not separated by function into "health" and "environment." Totals for this agency are shown entirely under "health."*

Schedule 9.3--Mathmatical FTE Positions by Agency

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual
General Government			
Department of Administration	774.14	762.50	689.80
Kansas Corporation Commission	194.41	199.50	201.18
Citizens Utility Ratepayer Board	4.00	4.71	4.81
Kansas Human Rights Commission	31.59	31.84	29.61
Board of Indigents Defense Services	157.85	157.65	157.81
Health Care Stabilization	15.03	15.72	14.81
Kansas Public Employees Retirement Sys.	83.90	82.89	83.27
Department of Commerce	141.31	142.88	101.81
Kansas Technology Enterprise Corp.	30.98	26.41	24.09
Kansas, Inc.	3.69	4.30	4.36
Kansas Lottery	79.25	78.36	80.21
Kansas Racing & Gaming Commission	60.10	60.04	61.84
Department of Revenue	1,143.37	1,114.56	1,064.40
Board of Tax Appeals	29.61	25.10	20.98
Abstracters Board of Examiners	0.97	0.93	0.97
Board of Accountancy	2.76	2.92	3.00
Banking Department	76.35	77.79	81.62
Board of Barbering	2.25	2.34	2.35
Behavioral Sciences Regulatory Board	8.00	8.00	7.40
Board of Cosmetology	11.83	11.99	11.70
Department of Credit Unions	12.32	12.45	12.98
Kansas Dental Board	1.88	2.21	2.84
Governmental Ethics Commission	9.24	9.30	9.26
Board of Healing Arts	29.26	28.46	29.35
Hearing Aid Board of Examiners	1.28	1.33	1.43
Board of Mortuary Arts	3.05	3.00	3.00
Board of Nursing	20.29	21.17	21.05
Board of Examiners in Optometry	1.50	1.80	1.80
Board of Pharmacy	5.17	6.30	7.45
Real Estate Appraisal Board	2.00	2.00	2.00
Kansas Real Estate Commission	11.19	11.24	10.86
Office of the Securities Commissioner	27.73	27.16	26.35
Board of Technical Professions	5.09	5.14	5.01
Board of Veterinary Examiners	3.00	2.93	3.00
Office of the Governor	26.69	24.62	34.98
Office of the Lieutenant Governor	2.57	2.54	1.02
Attorney General	104.95	96.87	92.99
Insurance Department	139.48	132.92	130.69
Secretary of State	56.29	51.62	51.07
State Treasurer	48.71	48.21	47.71
Legislative Coordinating Council	11.00	10.94	10.29
Legislature	118.63	107.91	104.83
Legislative Research Department	36.18	36.17	36.81
Legislative Division of Post Audit	21.06	19.43	19.86
Revisor of Statutes	30.17	28.47	28.30
Judiciary	1,792.86	1,820.74	1,847.07
Judicial Council	4.12	3.96	4.14
Total--General Government	**5,377.11**	**5,329.34**	**5,192.14**
Human Resources			
Social & Rehabilitation Services	3,680.23	3,582.95	3,455.26
Kansas Neurological Institute	598.35	562.12	547.77

Schedule 9.3--Mathmatical FTE Positions by Agency

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual
Larned State Hospital	634.28	626.42	720.41
Osawatomie State Hospital	428.84	397.13	382.54
Parsons State Hospital & Training Center	481.69	457.71	461.78
Rainbow Mental Health Facility	120.53	115.83	112.04
Subtotal--SRS	**5,943.92**	**5,742.16**	**5,679.80**
Department on Aging	128.37	122.91	175.03
Health & Environment--Health	985.57	1,007.19	927.80
Department of Labor	853.45	894.64	885.31
Commission on Veterans Affairs	314.45	325.10	355.04
Kansas Guardianship Program*	--	--	--
Total--Human Resources	**8,225.75**	**8,092.00**	**8,022.98**
Education			
Department of Education	221.95	224.63	231.71
School for the Blind	85.32	80.05	79.97
School for the Deaf	147.49	145.08	140.30
Subtotal--Department of Education	**454.75**	**449.76**	**451.98**
Board of Regents*	39.41	45.17	47.14
Kansas Arts Commission	7.50	7.81	7.52
Historical Society	144.75	131.03	129.54
State Library	26.41	26.65	26.71
Total--Education	**672.83**	**660.42**	**662.89**
Public Safety			
Department of Corrections	319.29	318.81	314.40
El Dorado Correctional Facility	453.08	448.06	450.61
Ellsworth Correctional Facility	188.95	216.96	219.08
Hutchinson Correctional Facility	511.00	507.61	514.64
Lansing Correctional Facility	694.33	669.92	655.77
Larned Correctional Mental Health Facility	180.45	176.17	178.00
Norton Correctional Facility	258.21	252.88	257.83
Topeka Correctional Facility	215.95	217.18	227.85
Winfield Correctional Facility	199.07	196.80	198.84
Subtotal--Corrections	**3,020.34**	**3,004.39**	**3,017.02**
Juvenile Justice Authority	43.50	46.90	49.38
Atchison Juvenile Correctional Facility	110.70	107.38	93.30
Beloit Juvenile Correctional Facility	90.06	81.22	78.15
Larned Juvenile Correctional Facility	129.70	130.86	139.22
Topeka Juvenile Correctional Facility	215.46	206.30	209.18
Subtotal--Juvenile Justice	**589.42**	**572.66**	**569.24**
Adjutant General	310.37	315.15	334.96
Emergency Medical Services Board	14.89	13.60	11.89
Ombudsman for Corrections	3.51	3.50	--
State Fire Marshal	47.18	48.97	49.41
Highway Patrol	871.62	865.14	870.39
Kansas Bureau of Investigation	247.68	251.73	247.33
Kansas Parole Board	4.00	3.59	3.02
Sentencing Commission	11.86	11.70	8.28
Total--Public Safety	**5,120.87**	**5,090.43**	**5,111.54**
Agriculture & Natural Resources			
Department of Agriculture	294.29	291.00	292.07
Animal Health Department	28.30	28.95	28.29
State Conservation Commission	13.48	13.38	11.94

** Excludes the Guardianship Program and Regents universities because payroll data on these employees are not in the SHARP system.*

Schedule 9.3--Mathmatical FTE Positions by Agency

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual
Health & Environment--Environment**	--	--	--
Kansas State Fair	23.87	23.72	25.84
Kansas Water Office	24.12	21.68	21.82
Department of Wildlife & Parks	568.68	557.59	554.40
Total--Ag. & Natural Resources	**952.73**	**936.31**	**934.36**
Transportation			
Kansas Department of Transportation	3,269.62	3,271.02	3,272.92
Total--Transportation	**3,269.62**	**3,271.02**	**3,272.92**
Total Mathematical FTE Positions	**23,618.91**	**23,379.53**	**23,196.84**

*** KDHE payroll data are not separated by function into "health" and "environment." Totals for this agency are shown entirely under "health."*

Statutory Budget

The portion of the state budget financed from the State General Fund is subject to an ending balance requirement. State law requires that the budget submitted by the Governor and the budget approved by the Legislature leave an ending balance of at least 7.5 percent of expenditures for the forthcoming fiscal year. Because the level of resources available in the State General Fund has not allowed the state to meet this requirement for the past few years, the legal requirement for an ending balance has been amended. The 2002 Legislature lowered the balance requirement to 5.0 percent for FY 2003, the 2003 Legislature lowered it further to zero for FY 2004, and the 2004 Legislature kept it at zero for FY 2005. However, because the reduced level is applicable only a year at a time, the Governor is legally obligated to submit a budget based on an ending balance of the original 7.5 percent for the next fiscal year.

Therefore, to satisfy the requirements of KSA 75-6701, the Governor in this section submits a complete budget with an ending balance of 7.5 percent for the State General Fund for FY 2006. The summary table presents State General Fund revenues, expenditures, and balances based on the requirements of current law.

The schedule on the following pages presents a budget, by agency, in which most agencies are reduced by 8.9 percent. This percentage represents the reduction necessary to produce the required ending balance. The base upon which the reduction is made is the FY 2006 Governor's recommendations presented earlier in this volume. The designated percentage has not been applied to school finance in the budget of the Department of Education, the Board of Regents and its institutions, or the Legislative and Judicial Branches of government.

State General Fund Summary
(Dollars in Millions)

	Gov. Rec. FY 2005	Statutory FY 2006
Beginning Balance	$ 327.5	$ 279.7
Revenues	4,632.5	4,767.0
Total Available	$ 4,960.0	$ 5,046.7
Gov. Rec. Expenditures	4,680.3	4,840.6
Reduction to Reach Balance	--	(146.0)
Total Expenditures	$ 4,680.3	$ 4,694.6
Ending Balance	$ 279.7	$ 352.1
As a Percentage of Expenditures	*6.0%*	*7.5%*

Totals may not add because of rounding.

Although this budget is required to be submitted by law, the Governor does not regard it as representative of her budget proposals or priorities. The budget recommendations she submits to the Legislature for consideration and approval are those contained in the preceding pages of this volume as well as Volume 2 of *The Governor's Budget Report*. For purposes of tracking legislative adjustments and eventually reporting an approved budget, the Governor's true recommendations, not this "statutory budget," will be used as the point of reference.

Reductions Required to Meet 7.5 Percent Ending Balance

	FY 2006 Gov. Rec.	Reduction Amount	Statutory Budget Scenario
General Government			
Department of Administration	30,493,416	(2,722,854)	27,770,562
Kansas Human Rights Commission	1,472,125	(131,451)	1,340,674
Board of Indigents Defense Services	18,077,347	(1,614,184)	16,463,163
Kansas Public Employees Retirement Sys.	3,211,692	(286,782)	2,924,910
Department of Commerce	231,885	(20,706)	211,179
Department of Revenue	20,678,285	(1,846,430)	18,831,855
Board of Tax Appeals	1,371,092	(122,429)	1,248,663
Governmental Ethics Commission	496,973	(44,376)	452,597
Office of the Governor	2,325,610	(207,661)	2,117,949
Office of the Lieutenant Governor	175,737	(15,692)	160,045
Attorney General	5,235,609	(467,504)	4,768,105
Legislative Coordinating Council	758,807	--	758,807
Legislature	15,234,836	--	15,234,836
Legislative Research Department	3,075,699	--	3,075,699
Legislative Division of Post Audit	2,098,936	--	2,098,936
Revisor of Statutes	2,721,134	--	2,721,134
Judiciary	102,385,946	--	102,385,946
Total--General Government	**$ 210,045,129**	**$ (7,480,069)**	**$ 202,565,060**
Human Resources			
Social & Rehabilitation Services	872,695,709	(77,925,777)	794,769,932
Kansas Neurological Institute	12,311,455	(1,099,329)	11,212,126
Larned State Hospital	31,508,470	(2,813,492)	28,694,978
Osawatomie State Hospital	9,086,679	(811,378)	8,275,301
Parsons State Hospital & Training Center	8,605,960	(768,454)	7,837,506
Rainbow Mental Health Facility	3,838,339	(342,738)	3,495,601
Subtotal--SRS	**$ 938,046,612**	**$ (83,761,168)**	**$ 854,285,444**
Department on Aging	167,647,273	(14,969,759)	152,677,514
Health & Environment--Health	17,230,145	(1,538,534)	15,691,611
Department of Human Resources	345,330	(30,836)	314,494
Commission on Veterans Affairs	7,409,535	(661,621)	6,747,914
Kansas Guardianship Program	1,071,121	(95,644)	975,477
Total--Human Resources	**$ 1,131,750,016**	**$ (101,057,561)**	**$ 1,030,692,455**

Reductions Required to Meet 7.5 Percent Ending Balance

	FY 2006 Gov. Rec.	Reduction Amount	Statutory Budget Scenario
Education			
Department of Education	2,328,399,370	--	2,328,399,370
School for the Blind	4,845,672	(432,685)	4,412,987
School for the Deaf	7,907,019	(706,043)	7,200,976
Subtotal--Department of Ed.	**$ 2,341,152,061**	**$ (1,138,728)**	**$ 2,340,013,333**
Board of Regents	180,888,457	--	180,888,457
Emporia State University	31,006,452	--	31,006,452
Fort Hays State University	31,879,264	--	31,879,264
Kansas State University	104,668,061	--	104,668,061
KSU--Veterinary Medical Center	48,960,568	--	48,960,568
Kansas State University--ESARP	9,988,928	--	9,988,928
Pittsburg State University	136,646,183	--	136,646,183
University of Kansas	33,570,974	--	33,570,974
University of Kansas Medical Center	104,414,508	--	104,414,508
Wichita State University	68,810,586	--	68,810,586
Subtotal--Regents	**$ 750,833,981**	**$ --**	**$ 750,833,981**
Kansas Arts Commission	1,534,154	(136,989)	1,397,165
Historical Society	5,982,292	(534,178)	5,448,114
State Library	5,030,152	(449,158)	4,580,994
Total--Education	**$ 3,104,532,640**	**$ (2,259,054)**	**$ 3,102,273,586**
Public Safety			
Department of Corrections	101,594,503	(9,071,697)	92,522,806
El Dorado Correctional Facility	22,209,809	(1,983,185)	20,226,624
Ellsworth Correctional Facility	11,349,758	(1,013,456)	10,336,302
Hutchinson Correctional Facility	26,232,053	(2,342,344)	23,889,709
Lansing Correctional Facility	34,612,062	(3,090,621)	31,521,441
Larned Correctional MH Facility	8,752,919	(781,576)	7,971,343
Norton Correctional Facility	13,155,522	(1,174,698)	11,980,824
Topeka Correctional Facility	11,160,020	(996,514)	10,163,506
Winfield Correctional Facility	10,701,697	(955,589)	9,746,108
Subtotal--Corrections	**$ 239,768,343**	**$ (21,409,678)**	**$ 218,358,665**

Reductions Required to Meet 7.5 Percent Ending Balance

	FY 2006 Gov. Rec.	Reduction Amount	Statutory Budget Scenario
Juvenile Justice Authority	30,745,119	(2,745,330)	27,999,789
Atchison Juvenile Correctional Facility	6,075,402	(542,492)	5,532,910
Beloit Juvenile Correctional Facility	4,609,697	(411,615)	4,198,082
Larned Juvenile Correctional Facility	8,012,838	(715,492)	7,297,346
Topeka Juvenile Correctional Facility	15,236,547	(1,360,520)	13,876,027
Subtotal--Juvenile Justice	**$ 64,679,603**	**$ (5,775,448)**	**$ 58,904,155**
Adjutant General	5,773,847	(515,565)	5,258,282
Highway Patrol	35,647,855	(3,183,110)	32,464,745
Kansas Bureau of Investigation	13,129,703	(1,172,393)	11,957,310
Kansas Parole Board	458,053	(40,901)	417,152
Sentencing Commission	6,606,579	(589,922)	6,016,657
Total--Public Safety	**$ 366,063,983**	**$ (32,687,018)**	**$ 333,376,965**
Agriculture & Natural Resources			
Department of Agriculture	10,485,429	(936,277)	9,549,152
Animal Health Department	779,349	(69,591)	709,758
State Conservation Commission	1,146,189	(102,347)	1,043,842
Health & Environment--Environment	9,910,933	(884,979)	9,025,954
Kansas State Fair	1,550,044	(138,408)	1,411,636
Kansas Water Office	1,450,692	(129,537)	1,321,155
Department of Wildlife & Parks	2,857,538	(255,159)	2,602,379
Total--Agriculture & Natural Resources	**$ 28,180,174**	**$ (2,516,297)**	**$ 25,663,877**
Total Expenditures	**$ 4,840,571,942**	**$ (146,000,000)**	**$ 4,694,571,942**