# State of Kansas

# Budget Instructions
# and
# Cost Indices

Division of the Budget

# INTRODUCTION

The budget is a plan of operation describing how the state will use its financial resources to best meet the needs of the public. The *Budget Instructions* document is intended to serve as a practical guide for the development of agency budget submissions. Agency budget personnel are encouraged to contact analysts in the Division of the Budget for assistance with budget development and implementation. The annual *Governor's Budget Report* is also a good source of information regarding the financial policies of the state.

The following sections are included in this document:

- **Budget Cycle.** Provides an overview of the various stages in the development of agency budgets during a fiscal year.

- **Strategic Planning.** Describes the concept of an agency mission and strategic plan, including the formulation of goals, objectives, strategies, outcome measures, and output measures, and the relationship between agency performance and the budget.

- **Budget Preparation.** Details the "nuts and bolts" of putting together a budget for submission to the Division of the Budget and the Legislative Research Department, including the types of budget forms required and the manner in which budgetary information should be presented.

- **Budget Mechanics.** The dynamic interaction of elements making up funds and accounts within and across fiscal years, including the interface between appropriation bills, budget fund status forms, and the accounting system.

- **Information Technology Project Plan.** Explains the details to request authority for Information Technology Projects.

- **Capital Improvements.** Describes the process of developing a capital improvement budget, including information on assembling a five-year capital improvement plan, the forms that are completed, and the manner in which capital improvement information is presented.

- **Children's Budget.** Explains what information agencies include in their budget regarding services to children and their families.

- **Governor's Budget Amendments.** Describes the procedure for requesting a Governor's budget amendment during the legislative session, including the type of budgetary information and supporting narrative that is submitted to the Division of the Budget.

- **State Finance Council.** Describes the procedure for requesting State Finance Council action for budget matters that arise when the Legislature is not in session and that cannot wait until the next session.

- **Executive Directives.** Lists the situations in which gubernatorial orders are necessary to implement certain personnel actions and fiscal decisions.

- **Glossary.** Includes the definitions of many commonly used budget terms.

- **Biennial Agencies.** Details the process of assembling biennial budget submissions for the agencies that are required to submit this type of budget.

- **Appendix—Cost Indices.** Contains a comprehensive list of the cost indices to be used in estimating various operating costs, including fringe benefits, travel rates, and capital outlay.

**Budget Cycle:** A chronological summary of significant budgetary activities. This summary serves as an informational tool for individuals with little experience or as a checklist for those skilled in budget activities.

The budget cycle can be divided into four categories: executive preparation, legislative consideration, execution, and audit/evaluation. These categories reflect the different effects that each branch of government has on the budget cycle. All categories require a significant amount of time, effort, and coordination between agency budget staff and the Division of the Budget staff. Items in bold denote dates when important budget items are transmitted from agencies or from the Division of the Budget.

**Executive Preparation** describes the processes the Governor, the Governor's staff, and agency management follow in developing the Governor's budget recommendations.

| Month | Activity |
|---|---|
| **Year-Round** | **Agencies submit Information Technology Management Plans and Information Technology Project Plans.** |
| **June 1** | **Agencies submit proposed revisions to program structures and PCA codes to the Division of the Budget**. |
| June | Agencies develop capital improvement budget requests. |
| **July 1** | **Agencies submit five-year capital improvement plans.** |
| July | Budget Director transmits funding allocations and general directions for agencies to follow in developing budget requests. |
| July—September | Agencies amend strategic plans, update performance measures, and develop budget requests according to instructions developed and distributed by the Division of the Budget. |
| **September 15** | **Agency strategic plans and budget requests are submitted to the Division of the Budget.** |
| September—Nov. | Division of the Budget analyzes budget submissions in relation to strategic plans and available revenues, and makes initial recommendations. |
| **November 10** | **Division of the Budget provides its budget recommendations to agencies.** |

| | |
|---|---|
| November | The Consensus Revenue Estimating Group meets to estimate State General Fund revenues. |
| November—Dec. | Agencies appeal the Division of the Budget recommendations. Governor makes final decisions and *The Governor's Budget Report* is prepared. |
| January | Governor presents recommendations regarding agency budgets to the Legislature. Appropriation bills are introduced that reflect the Governor's recommendations. |

**Legislative Consideration** is the process the Legislature follows in receiving the Governor's budget recommendations, making adjustments to those recommendations, and appropriating funds to agencies.

| Month | Activity |
|---|---|
| January | Legislature receives the Governor's budget recommendations. House and Senate appropriation committees divide the budget among subcommittees for review with legislative staff. |
| February—March | Appropriation bills are reviewed in both the House and Senate. Agencies explain their missions and strategic plans, and present their budget requests to the Legislature. |
| February—April | The Governor may choose to issue Governor's budget amendments to revise recommendations that were made in January. |
| March—April | Bills with differing positions go to Conference Committees and final budget decisions are made. |

**Execution** represents agencies' carrying out approved budgets by implementing strategies and objectives while conducting state business. It is during this time that appropriations are spent and services are delivered. There are many factors that can influence the execution process; however, all spending must proceed in a manner consistent with appropriation laws.

| Month | Activity |
|---|---|
| Ongoing | As the fiscal year progresses, strategic plans are revised as needed. Agencies track performance measures to ensure that the agency is accomplishing its approved mission. |
| May—August | Division of the Budget staff meets with agency staff to assist and provide support in refining the agency's strategic plan. |

**Audit/Evaluation** procedures can include performance or program audits as well as audits of records, facilities, systems, and other evidence to discover or verify information. These activities are performed by staff in the Legislative Division of Post Audit, private accounting firms, and other state agencies. Additionally, the Division of the Budget examines agency operations, the implementation of new programs, and expenditure trends of agencies.

| Month | Activity |
|---|---|
| Ongoing | All agencies and staff members review strategic plans to ensure that the agency's goals are being reached and the agency's mission is being accomplished in the most efficient, effective, and lawful manner. |

**Agency Strategic Plan**: A practical, action-oriented guide, based upon an examination of internal and external factors which directs goal-setting and resource allocation to achieve meaningful results over time.

An agency's strategic plan is an important source of information for the Governor, the Division of the Budget, the Legislature, and the public. It provides a useful context in which to place the dollars an agency requests in its budget. This section of the *Budget Instructions* discusses both strategic planning and strategic plans. Strategic planning is more than filling out budget forms or compiling a document. Most of the value of strategic planning is realized during the process of planning itself. Agencies should submit their strategic plan on paper or in an electronic file to their analyst as part of the budget submission in September. For additional resource on strategic planning, refer to the Division of the Budget website: http://budget.ks.gov.

## Elements of the Strategic Planning Process

Put simply, strategic planning asks and answers five questions:

| **Question:** | **Strategic Plan Element:** |
|---|---|
| What do we do? | Mission |
| Where are we now? | External/Internal Assessment |
| Where do we want to be? | Philosophy, Goals, Objectives |
| How do we get there? | Strategies, Action Plans |
| How do we measure our programs? | Outcome and Output Measures |

A successful strategic planning process has the following characteristics:

- It is flexible; it fits the organization; and it is user friendly.
- It is participatory. The process involves executives, managers, supervisors, and staff at all levels. Further, it is not left to planners; everyone plans.
- It clearly defines responsibilities and timetables. It is carried out by those who have the responsibility within the organization for achieving objectives, but is coordinated by a central figure, someone who has the "big picture."
- It energizes an organization; it produces understanding and common purpose throughout an organization.
- It remains aware of the environment in which it functions. It obtains perspectives from many levels and sources, both within and outside the organization.

- It is realistic about goals, objectives, resources, and outcomes. While not attempting to avoid all risk, it recognizes such constraints as public accountability, visibility, short-term horizons, personnel issues, overall fiscal conditions, and budgetary trends.

- It is convincing. It develops and conveys compelling evidence for its recommendations. (This characteristic is especially important in linking the strategic plan to an agency budget request.)

**Budget Scenarios.** An important dimension of the strategic planning process is linking the planning process to the development of budget requests and explaining how different budget scenarios relate to an agency's performance. Different levels of funding, such as "reduced resources" and "allocated resources," are expressions of budgetary input. There needs to be a clear linkage between the level of budgetary inputs for each of the scenarios and the anticipated outputs and outcomes for a given budget issue or program. Only in this way can rational decisions be made within limited budgetary resources at the different levels, with a clear understanding of the effect of those inputs on outputs and outcomes.

When an agency is constructing its strategic plan for an upcoming year, it may generate many internal documents that contain a great deal of detail, such as specific employees' responsibilities and timetables. While all of this detail will not be included in an agency's budget, there are elements to be included, such as:

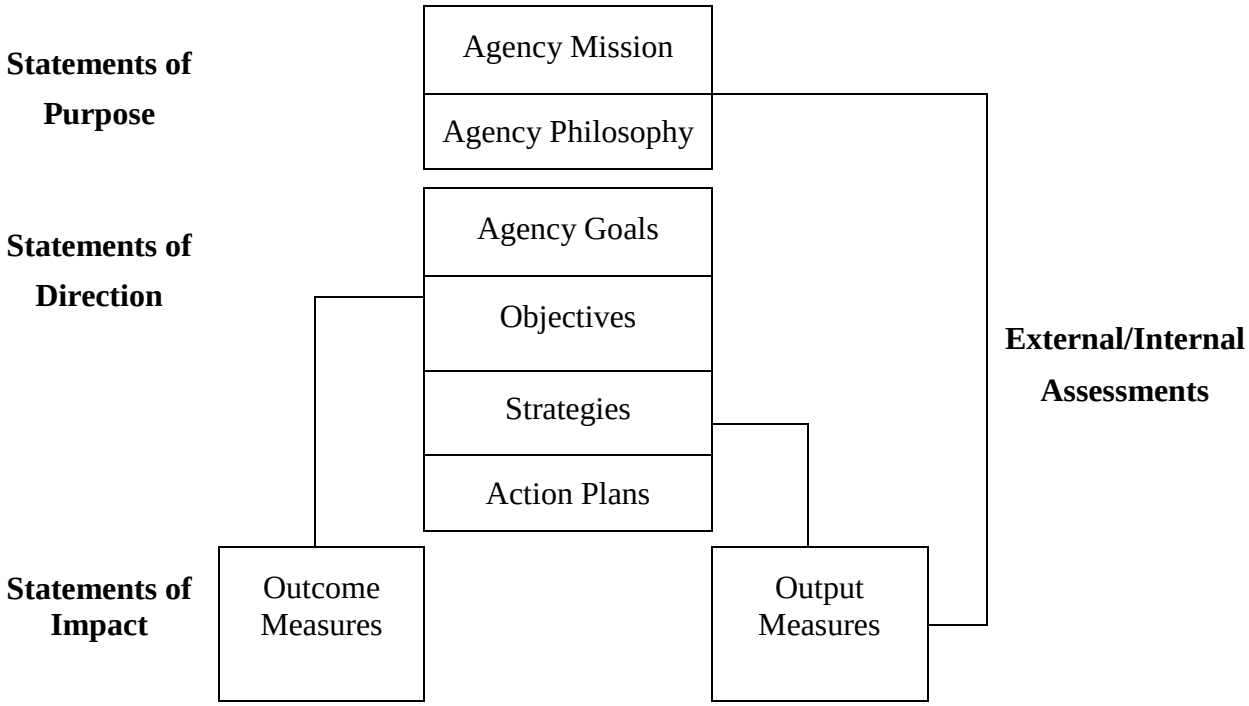
**Elements of a Strategic Plan**

1. **Agency Mission**--What the agency does.
2. **Agency Philosophy**--The expression of core values and principles used by the agency to carry out its mission.
3. **External/Internal Assessment***--An evaluation of key factors affecting the success of an agency in achieving its mission and meeting its goals.
4. **Goals**--The general ends to which an agency directs its efforts.
5. **Objectives**--Clearly-defined targets, in priority order, that quantify the achievement of an agency's goals and the effectiveness in qualitative and quantitative terms of meeting those targets.
6. **Strategies**--Actions and methods to achieve objectives.
7. **Outcome Measures**--Reliable assessments derived from objectives that indicate the effectiveness of agency actions.
8. **Output Measures**--Used to evaluate the effectiveness of agency strategies, they measure efficiency of agency actions.
9. **Action Plans***--Detailed methods that implement an agency's strategy.

*Inclusion in the agency budget request is optional.

These nine elements can be grouped into three types of categories which move from the general to the specific. The **Statements of Purpose** are broadly defined and help delineate the overall agency mission and philosophies. The second grouping, **Statements of Direction**, break down the agency mission and philosophy into goals and objectives which are the basic building blocks of the strategic plan. The **Statements of Impact** detail the measurable outcomes for the objectives and outputs for the strategies defined in the Statements of Direction.

The relationship between the various elements described above is depicted graphically below:




## 1. Agency Mission

**Description.** The agency mission identifies the reason for an agency's existence. A mission succinctly identifies what the agency does (or should do), and why and for whom it operates. A mission reminds everyone—the public, the Governor, legislators, and agency personnel—of the unique purposes promoted and served by the agency. The mission should link with statutory requirements and the functional goals issued by the Governor and the Legislature.

**Guidelines.** The mission statement is all encompassing, rarely changed, and is the ultimate rationale for the existence of the agency. Representing the "what" and the "why," an agency's mission is the common thread binding its organizational structure and activities. A mission statement, generally one paragraph in length, should be clearly written to answer:

- Who are we?
- What do we do?
- For whom do we do it?
- Why do we do it?
- Why are public resources devoted to this effort?

**Example.** "The mission of the Department of Wildlife and Parks is to conserve and enhance Kansas' natural heritage, its wildlife, and its habitats to assure future generations the benefits of the state's diverse, living resources. The Department also strives to provide the public with opportunities for use and appreciation of the natural resources of Kansas, consistent with the conservation of those resources. Finally, to inform the public of the status of the natural resources of Kansas to promote understanding and gain assistance in achieving this mission."

## 2. Agency Philosophy

**Description.** The agency philosophy expresses the critical values and operating principles for the conduct of the agency in carrying out its mission. Agency philosophy articulates management policies and principles. While the responsibility for creation of the agency's vision rests with the agency head, effective visions are conceived through partnership between top management and all levels of the organization—in other words, those who will be implementing the vision.

**Guidelines**. The following consideration should be given to development of the agency philosophy:

- The philosophy represents how employees will conduct themselves as they carry out the agency mission.
- It embodies the organization's values.
- It should describe agency aspirations for the future.

**Example.** "The State Corporation Commission will act according to the highest standards of ethics, accountability and openness. We will regulate aggressively but fairly, in a competent, effective, and efficient manner. In serving the public, the Commission will balance the interests of consumers, regulated entities, and others—treating all with respect and dignity."

## 3. External/Internal Assessment

**Description**. The assessment is an ongoing evaluation tool critical to the development of each agency's strategic plan but is not necessarily a part of the plan itself. The determination as to whether it should be included as a part of the budget document is to be made on an agency-by-agency case. If all or a portion of the assessment has particular relevance to the budget request, then consideration should be given to including it.

Assessments refer to economic, political, technological, demographic, and social factors affecting the organization from a historical perspective to determine how well the agency has met the challenges presented by its internal and external environments. It is an evaluation of key factors influencing the success of an agency in achieving its mission and goals. The purpose of the external/internal assessment is to set the stage for the agency's goal-setting process and to facilitate the agency's recognition of current and future issues.

**External Assessment**. The external assessment is an analysis of key external elements or forces that influence the conditions under which an organization functions. Trends should be reviewed with examination given to forces that have the potential to affect or alter key elements of the environment. Major issues or problems should also be anticipated. Projections should be made with regard to future forces, environmental changes, and new opportunities that may be available. One of the biggest environmental factors for state agencies is the state's fiscal status. No discussion of an organization's operating environment would be complete without an understanding of the revenue and expenditure estimates of the state as a whole, as well as of individual agencies.

**Internal Assessment**. An internal assessment examines an organization's performance, problems and potential; in other words, its strengths and weaknesses. It evaluates the agency's capacity to respond to issues, problems and opportunities. It identifies customers and their expectations.

**Guidelines**. The ongoing process of external/internal assessment should consider the following elements:

- Who are the agency's customers and stakeholders?

  The **customers** of government include anyone who receives or uses what a government agency produces or whose best interests are served by the actions of the agency. Customers can also be clients. Customers may be internal or external. Internal customers are units or persons (employees) in an organization whose work depends upon another unit or person within the same organization. External customers are end users of the organization's products or services. On the other hand, **stakeholders** are individuals who have a vested interest or expect certain levels of performance or compliance from the organization. However, stakeholders do not necessarily use the products or receive the services of an agency.

- Where has the agency been?

  How well have the needs of the customers (both internal and external) been met? Have quality products or services been provided? Have improvements been made or has the agency been stagnant or in decline? Why?

- Where is the agency now?

  Identify current programs or activities. Does the existing structure of programs and subprograms make sense? What are the statutory mandates for those programs or activities? Why are the programs or activities needed? Do existing programs or activities support one another? Do existing programs or activities support those in other state agencies? Are any programs in conflict?

- Where are the opportunities? What are the strengths and weaknesses?

  What opportunities for positive change exist? How are the needs and expectations of customers changing? Does the plan accommodate that change? What are the constraints in meeting the customers' needs and expectation? What is the organization's capacity to act?

With respect to the third item of the above list, agencies need to review their program structures at least annually. Program structures should be revised when evidence indicates that a revision will improve agency operations, budgeting, fiscal reporting, or management. In development or revision of a program structure, agencies should consider the following:

- Programs should serve a single purpose and set of objectives.
- A program may span more than one organizational subdivision within an agency; however, activities included in a specific program should be integrated.
- Programs should be split into subprograms only if the division improves agency operations, budgeting, fiscal reporting, or management of resources.

Either the agency or the Division of the Budget may initiate a change in program structure; however, all changes in program structure must be approved by the Director of the Budget before they are incorporated into the central accounting system. Although agencies may include subprograms in the accounting system for management purposes, not every subprogram necessarily would be reported separately in the budget. Agencies should discuss the program structure with the assigned budget analyst to determine the best reporting structure. An agency proposal to change the program structure should be submitted in writing and should include the following:

- Copies of current and proposed program structure charts.
- An explanation of problems encountered in using the current structure or the improvement to be gained.
- An explanation of all alternatives considered to resolve the problems.

**The creation of new subprograms or the deletion of existing subprograms within existing programs is considered a change in program structure. Written proposals concerning program structure changes should be submitted to the Division of the Budget by June 1 to allow time for analysis and response before agencies begin working on program plans.**

## 4. Goals

**Description**. Goals are the general purposes toward which effort is directed and are broad, issue-oriented statements reflecting an agency's priorities. They logically follow from, and are therefore consistent with, an agency's mission and philosophy. Within the context of an agency's external/internal assessment, they indicate what the agency intends to accomplish in the future. For strategic planning purposes, goals reflect the primary activities and strategic direction for the agency, programs or subprograms; they are not a comprehensive listing of every activity.

**Guidelines**. For agencies with more than one program, goals are generally reported in the strategic plan at the program level; however, more than one program could have the same goal. Also, the agency may report some goals at the agency level, rather than at a program level. Goals in the strategic plan should be reported in the programs where the responsibility for implementation is located. The following considerations will guide the development of goals:

- Achievement of goals should contribute to the fulfillment of the agency mission and philosophy.
- Goals should be realistically formulated in the context of external and internal constraints.
- Goals should be focused on agency customers and should be readily understood by agency customers.
- Goals should be presented in priority order based on level of importance or estimate of greatest effect.
- Goals should be limited to the number necessary to determine the agency's direction and provide a unifying theme for activities.

**Example.** The following examples compare well written to poorly written goals.

To rapidly and accurately respond to customer requests for information about _____.

vs.

To continue serving our customers.
*(Not challenging.)*

To ensure that the general public and industry representatives across the state are kept informed of important changes in _____.

vs.

To conduct one seminar in every county each year.
*(Unclear purpose; may be more appropriate as part of an objective or action plan.)*

To expedite processing of applications for _____.
(*Automation could contribute to making this goal more efficient.*)

vs.

To enter 3,000 agency records into the computer system by FY 2011.
*(Too specific and short-term; would be more appropriate as an objective or action plan item.)*

To improve employee morale and productivity.*

vs.

To train our employees.
*(Unclear purpose; more appropriate as part of an objective or action plan.)*

**Note: Because this goal addresses internal management concerns, it might not be one of the key goals reported in the budget.*

## 5. Objectives

**Description.** Objectives complete the "Where do we want to be?" part of the strategic planning process. Objectives are specific targets designed to achieve a particular goal. In contrast to goals (which are broad, general statements of long-range end purposes), objectives are specific, quantifiable, time-specific statements of accomplishment or result. Similar to goals, they are presented in priority order. Objectives set the direction for action or strategies.

**Guidelines.** The following **SMART** considerations help guide the development of objectives:

- **Specific**: Objectives should reflect specific accomplishments that are desired, not ways to accomplish them.
- **Measurable**: An objective must be measurable to determine when it has been achieved. Measurement helps track progress and will be useful in evaluating the accomplishments of a program. Accountability should be built into the planning process.
- **Aggressive but Attainable**: If objectives are to be standards for achievement, they should challenge, but should not demand the impossible. Objectives should be realistic and attainable. For example, it would be reasonable to reduce highway accidents, but not to eliminate them. Objectives should also be consistent with resources available.
- **Result-oriented**: Objectives should specify a result or outcome, not just an activity. An example of a result would be, "Respond to 75 percent of all correspondence within 30 days with an annual average response of 21 days or fewer." An example of an activity would be, "To increase service to the public through improved correspondence content and turnaround."
- **Time-bound**: Specify a time-frame for meeting objectives. Each objective should be attainable within a relatively short time period. Objectives which would

take longer to achieve are generally more manageable and better integrated with the budget process if they are divided into smaller pieces.

**Example.** The following examples compare well written to poorly written objectives.

To reduce by 5.0 percent the average cost of processing new hires by 6/15/2011.
vs.
To reduce processing time.
*(Not specific, measurable or time-bound.)*

To reduce the highway death rate by 10.0 percent in FY 2011.
vs.
To eliminate highway deaths.
*(Too broad, not realistic.)*

To complete 3,000 record searches during FY 2011.
vs.
To complete 3,000 record searches and 750 field investigations.
*(Actually two objectives, not time-bound.)*

## 6. Strategies

**Description.** Strategies are the methods or means an agency employs for transforming inputs into outputs. Thus, objectives indicate *what* the agency wants to achieve and the strategies indicate *how* objectives will be achieved.

**Guidelines.** The following considerations will guide the development of strategies:

- Strategies should be action-oriented, not procedural, in nature.
- More than one strategy may be needed to accomplish a particular objective.
- Strategies should be undertaken with a view to any constraints identified in the external/internal assessment.
- Strategies should be chosen on the basis of their potential benefit, as compared with other possible strategies, in accomplishing objectives.
- Strategies also should be chosen on the basis of their cost or other consequences, as compared with other alternative strategies, in accomplishing objectives.
- Strategies are supported and financed by inputs, the budgetary resources the agency requests in its budget submission, and there should be a clear and direct linkage between the inputs requested and the outputs that are estimated to be produced.

**Example.**

Objective: Increase the retention rate of undergraduate students by 5.0 percent in FY 2011. Strategies to attain this objective:

- Improve advising services for freshmen and sophomores. A campus-wide committee, including faculty and students, will develop a new model for freshman and sophomore advising, by the end of the fall semester of 2009.
- Ensure students have convenient and adequate access to computers. Campus buildings will be canvassed to determine areas of inadequate access. A plan will be developed to address access needs by the appropriate faculty and support staff.
- Examine course scheduling to ensure students may complete course of study in a reasonable amount of time.

## 7. Outcome Measures

**Description.** Outcome measures are derived directly from the objectives and indicate the effectiveness of agency actions. They are expressed in a quantifiable form and indicate the degree to which an agency is achieving its objectives. Outcomes, as distinguished from outputs, measure the ultimate result or effect of a service on customers.

**Guidelines.** The following considerations will guide the development of outcome measures:

- Outcome measures should be directly related to an agency's objectives and matched to an organizational unit responsible for achieving the measure.
- They should be reliable indicators (that is, consistent over time) of the objective to be measured.
- They should be quantifiable, and the information needed to support them must be available or obtainable without undue expenditure of agency resources.
- Outcome measures must be clearly formulated and readily understood.
- They should lead to a valid conclusion about an agency's past or current actions and facilitate budget decisions for future actions.

**Example.**

Percentage reduction in auto emissions.
Percentage improvement in air quality.
Reduction in incidence of measles.
Percentage of discharged patients living independently (versus homeless or on public assistance).
Percent of decrease in repeat complaints to a regulatory board.
Percent of increase in new businesses attracted to the state.
Percent of increase in tourists.

Percent of reduction in recidivism for juvenile offenders.
Number of students increasing their earning capacity upon graduation from adult literacy program.

## 8. Output Measures

**Description.** Output measures indicate quantitatively the amount of goods and services produced by an agency. They are used to evaluate the effectiveness of agency strategies, and they measure efficiency by calculating the ratio of goods and services produced (output) divided by input. Outputs are what the agency produces as an intermediate step to outcomes, which ultimately benefit the agency's customers.

**Guidelines.** The following considerations will guide the development of output measures:

- Output measures should be directly related to an agency's strategies.
- Output measures should be reliable indicators (that is, consistent over time) of the strategy to be measured.
- Output measures should be quantifiable (in unit cost terms, if possible), and the information needed to support them must be available or obtainable without undue expenditure of agency resources.
- Output measures should lead to a valid conclusion about an agency's past or current strategies and facilitate budget decisions for future strategies.

**Output Measures versus Outcome Measures.** It may be useful at this point to emphasize, by way of example, the distinction between outcomes and outputs, because both are a result of agency actions and could easily be confused. Most performance measures included in agency budget submissions to date have been output measures, rather than outcome measures. The following illustrates the difference between outputs and outcomes.

Output: number of patients treated
*is not the same as*
Outcome: number of discharged patients living independently

Output: number of vaccines given
*is not the same as*
Outcome: reduction of incidence of disease

Output: number of permits issued
*is not the same as*
Outcome: number of entities in compliance with requirements

Output: percentage of high school students who graduate
*is not the same as*
Outcome: percentage of students attaining a specified level of knowledge or mastery of skills in certain subjects upon graduation

**Service Delivery.** The following diagram is intended to depict the proper relationship between various elements of an agency's service delivery system, particularly with respect to outcomes. Note the relationship between inputs—representing budgetary resources in support of people, time, space, and information—and outputs. It also shows the relationship between outputs, as an immediate product of the agency's effort, and outcomes, the effect the service has on the agency's clientele.

## Service Delivery System and Outcomes

**Agency Delivery System (Processes within the Agency)**

| Inputs | Input Indicators | Agency Activities | Output | Output Measure |
|---|---|---|---|---|
| Personnel<br>Supplies<br>Facilities | $ for salaries<br>$ for asphalt/ aggregate<br>$ for capital projects | Transportation: Road Repair | Lane-miles of road repair | No. of lane-miles repaired per $ expended |

**Outcomes (Results outside the Agency)**

| Outcome | Outcome Measure |
|---|---|
| Quality or condition of roads | Percentage of lane-miles in good condition |

**Efficiency "Doing things right"**

**Effectiveness "Doing the right things"**

Another type of output indicator measures efficiency. An efficiency measure is generally stated as a ratio of output to input or as an average. Ratios are used to express the relationships between performance measures to convey information about the productivity and cost effectiveness of a program or subprogram. In the example above, the cost per lane-mile of road repaired is an efficiency measure.

## Checklist for Good Performance Measurement

Well-developed performance measures should include the following characteristics:

- **Meaningful:** measures are significant and directly related to the mission and goal.

- **Relevance:** data essential for understanding the accomplishment of goals and objectives are included.
- **Comparability:** there is a clear frame of reference for assessing performance.
- **Timeliness:** information is available to users in time to make decisions and assess accountability.
- **Consistency:** data are reported consistently from period to period. It should be reviewed regularly and modified or replaced as needed to reflect changing circumstances.
- **Reliability:** measures are derived from systems that produce controlled and verifiable data.
- **Comprehensibility:** measures are comprehensive enough to be a fair representation of the agency's overall effort.

## Developing Performance Measures

- **Establish appropriate mission and goals as outlined above.**

- **Select initial performance measures.** Ideally, performance measures are established by program managers with feedback from customers and policy-makers. The most effective measures are those which represent a consensus of what is intended and expected. Inputs are generally easiest to collect; outcomes tend to be the most difficult. Try to balance the measures to include both. Based upon a review of the agency's mission, program goals and any existing measures:

  Generate an initial list of inputs.
  Generate an initial list of outputs.
  Generate an initial list of outcomes. (It may be easier to identify these first.)
  Generate an initial list of output measures.
  Generate an initial list of outcome measures.

- **Select the key performance measures.** For each program, review the list of initial measures and select those that are **most important** based upon the mission and goals. In other words, identify which are the vital few measures from a policy-maker's perspective.

- **Define performance measures.** Good performance measures need to be specifically defined. Clear explanations of what is being measured, the source of the information, and how the value is being calculated should be documented:
  Have the terms been clearly explained? e.g., "poverty"
  How is the number calculated?
  What formulas are used?

- **Determine data requirements.** Information used to measure performance can take different forms. It can be financial (cost per application processed) or non-financial (infant mortality rate). To determine the data the agency needs to collect, ask:

  What information do we currently gather? Will it meet our needs?
  What new information will be collected?
  Can data collection efforts be layered onto existing collecting efforts?
  What existing data collection should be discontinued? Why?
  What computer hardware and software exist to assist data collection and analysis?
  What new or modified forms will be needed to collect data?
  What resources will be needed to manage performance data?
  What are the constraints to changing data collections? (Money, technology, tradition, politics, privacy, etc.)
  How frequently will the data be collected? Monthly? Quarterly? Annually?

  Performance data should be collected at the source of service because:

  Those closest to program service know the program best.
  Those who deliver the service can identify collection problems very quickly.
  They also often have the best solutions to solving collection problems.
  It may be too costly to train someone else to collect the data.

- **Determine baseline performance.** The next step is to assess baseline performance (Where are we now?). A baseline is established with data collected at the beginning of an improvement process so that it can be compared with future data to measure progress and improvement. If historical data are available, they can be used to determine the baseline. The baseline is usually derived from the most recent one-year period, or a shorter time-frame, if data are unavailable.

- **Use benchmarks to establish performance targets.** Benchmarks may be professional standards, national standards, accreditation standards or quality practices. After comparing baseline status and benchmarks for a particular program, managers and staff know how far the organization must go to equal the best performers. The difference or "gap" between the target and the actual performance represents room for improvement and should form the basis of expected improvements to agency performance.

- **Measure actual performance and report results.** An important way to measure progress toward the goals in the strategic plan is to measure actual performance. While agencies can never measure all the variables or identify true cause-and-effect relationships, unexpected results should be explained, if possible.

- **Review and Update Performance Measures.** Developing good performance measures is a process that evolves with time. Measures will need to be reviewed on an ongoing basis, and changed as necessary, based on experience.

## 9. Action Plans

**Description.** Action plans make up the "How do we get there?" part of the strategic planning process. The action plan contains the details of how objectives, and consequently the goals, programs and the mission of the agency will be implemented. In other words, who does what and when?

**Guidelines.** Action plans should contain as much detail as each level of management feels is important. The section, unit or individual who is responsible for implementing and reporting each objective will need the most detail. As with the external/internal assessment, they are not generally included in the budget request, but provide background information to the published strategic plan. To manage an action plan, it is necessary to:

- Assign responsibility for successful completion of the action plan.
- Set a time-frame for completion of the action plan.
- Detail the action plan in steps.
- Determine the fiscal effect of the action plan and the resources to carry it out.

**Example.**

Goal: To ensure that all nursery and garden businesses meet the initial requirements for licensure.

Objective: Review materials submitted by individuals who seek licensure to ensure that they meet the requirements for licensure.

Strategy: Provide assistance to potential licensees who may not understand or meet all licensing requirements.

Action Plan: By March 1, 2011 Daisy Crabtree, Examiner II, will develop a brochure regarding licensure requirements for operating a nursery and garden facility.

By April 1, 2011, brochures will be printed and distributed to all post-secondary education institutions that have programs in horticulture or landscape architecture. For printing and mailing costs, $200 is included.

By May 1, 2011, Ms. Crabtree will have an outline for an oral presentation to be given at the post-secondary institutions, high schools or other pertinent groups, regarding the regulated profession.

By June 1, 2011, she will begin scheduling presentations around the state. $500 is included in the next year's operating budget for travel costs.

**Budget Preparation:** This section provides an overview of the budget request format and content, as well as reports from the state's budget system. It includes a discussion of the information required for the actual, current, and budget fiscal years. It also details which information is entered directly in the budget system and which is to be submitted electronically.

This section of the *Budget Instructions* is intended as an overview and background for agency budget request preparation. For those forms that will continue to be submitted by other means (DA 405, 418A, 418B, 506, 518, and 519), specific instructions are provided in this and other sections. Two requirements for submitting agency budgets deserve special notice. First, the data columns for the current and budget year requests must be completely filled out in detail. Second, each agency must submit its budget to the Division of the Budget and the Legislative Research Department **no later than September 15**. Earlier submission is encouraged and is accomplished by following the instructions in the system User Manual for submitting the agency request to the Budget and Legislative Research analysts. Agencies present a budget request for the upcoming fiscal year which takes into account guidelines and allocations issued by the Division of the Budget.

# Organization of Budget Data

An agency budget comprises many data elements, which are organized in various ways in the budget system. The budget database provides a structure from which specific data may be extracted to develop reports or examine trends. In order to obtain accurate reports, users of the system must understand this organization and follow the guidelines for entering the budget data. With the direct download of raw transaction data, the budget system is constrained to report expenditures and revenue information exactly as they were processed through the accounting system. In order to obtain the best information possible, the Division of the Budget continues to work with agencies and the Division of Accounts and Reports to change fund structures or other processes to enhance the usability of the system.

## Federal Funds

In order to distinguish expenditures from federal sources, the Division of the Budget, with the assistance of the Division of Accounts and Reports, now requires that new federal monies be identified in their own separate funds. They can no longer be blended with state sources within a single fund. New federal funds will continue to be added, as necessary, to preserve the integrity of reporting expenditures from federal sources. A separate federal fund must be established for each federal grant, identified by a separate CFDA value. Agencies must identify the new funds that must be added, so that the Division of the Budget analyst can place them in the appropriation bill.

## Non-Expense Items

With regard to non-expense items, these expenditures are excluded from total reportable expenditures. Because data are loaded automatically from STARS, users should understand how these expenditures are addressed. Within the budget detail, non-expense items are included on both the expenditure by account code (formerly object code) and by funding source. On standard budget system reports, no distinction is made between reportable and non-reportable expenditures. To distinguish these data, the custom DA 406/410 report excludes these expenditures from the agency and program reportable expenditures. The Division of the Budget excludes certain funds from the budget system in their entirety so that the state budget is not improperly overstated. For further information, refer to the Glossary in these *Budget Instructions*, and for agency-specific questions on this issue, please contact your budget analyst.

## Record Class (Series)

In the budget database, expenditures and financing of those expenditures must be balanced not just by reporting level, but by series of expenditure, otherwise known as record class. The list below denotes the series used for data entry of expenditure and financing data. The budget system will verify that expenditure and financing data are in balance for each series upon budget submission. For ease of use, the system budget validation report indicates the series and reporting level(s) that are out of balance for the user to correct.

| Series Name | Record Class Identifier |
|---|---|
| Salaries and Wages | 1 |
| Shrinkage | 10 |
| Contractual Services | 2 |
| Commodities | 3 |
| Capital Outlay | 4 |
| Capital Improvements | 5 |
| Debt Service—Interest | 6 |
| Debt Service—Principal | 7 |
| Aid to Locals | 8 |
| Other Assistance | 9 |
| Operating Adjustments | 91 |
| Non-Expense Items | 92 |

## Overview of Fiscal Year Data

State law requires that expenditure and funding proposals for the upcoming fiscal year be accompanied by parallel information on spending and funding levels for the current and prior fiscal years. An agency's budget request must contain actual year data, the current year revised estimate and the budget year request. The budget system is configured with the columns listed below for the upcoming cycle.

| | |
|---|---|
| Column 1 | FY 2010 Actuals |
| | |
| Column 2 | FY 2011 Posted Payroll |
| Column 3 | FY 2011 Base Budget Entry |
| Column 4 | FY 2011 Base Budget Request |
| Column 5 | FY 2011 Agency Change Packages |
| Column 6-9 | Reserved for DOB Use |
| Column 10 | FY 2011Adjusted Budget Request |
| | |
| Column 11 | FY 2012 Posted Payroll |
| Column 12 | FY 2012 Base Budget Entry |
| Column 13 | FY 2012 Base Budget Request |
| Column 14 | FY 2012 Agency Change Packages |
| Column 15-18 | Reserved for DOB Use |
| Column 19 | FY 2012 Adjusted Budget Request |

## Actual Year Expenditures

The actual year data in column 1 represent expenditures which occurred in the prior fiscal year and provide a point of comparison. Data in this column come directly from the state's accounting system for reporting purposes in downloads. The download occurs in mid-August to incorporate updated actual expenditures.

Changes to actual year expenditures after the books have been closed must be negotiated with the Division of Accounts & Reports, which notifies the Division of the Budget for entry into the system. Agencies will not have an opportunity to change actual expenditures in the budget system, so that data in the two systems remain identical.

## Current Year Estimates

The current fiscal year estimate is a revision or modification of the approved budget which is being executed in the current fiscal year. The difference in reporting level structures between executive versions and agency versions makes the automatic loading of approved budget data from one cycle to the next impossible to accommodate. However, agencies may request reports showing the FY 2011 approved budget data from their budget analyst in order to facilitate the entering of current year estimates.

The revised salary estimates for each agency for FY 2011 should reflect the implementation of the pay plan approved by the 2010 Legislature based on increases at the beginning of the fiscal year for the designated employees included in the under market group increase, as well as the $50 longevity payments to eligible employees. The budget system has been programmed to produce an estimate of these amounts based on live July data from the SHARP payroll system for both classified and unclassified employees. No manual adjustments should be required by agencies for active, ongoing positions.

All other budgeted expenditures will have to be hand-entered into the budget system. Column 2 is an open column for agencies to present their revised current year budget at the detailed level. In August, the Division of the Budget will provide agencies with reappropriations to be entered as part of the revised request. These amounts will not be known until mid-August, when prior year actual data are finalized. Column 3 reflects current year policy changes to the budget, such as requests for supplemental appropriations, which are presented in the form of change packages. Column 4 is the sum of data in columns 2 and 3; it allows no direct entry.

**Within appropriation constraints, agencies should adjust projected current year expenditures to reflect the most current and realistic estimate of expected expenditures.** For FY 2011, the starting point for agencies will be the adjusted budget approved by the previous Legislature, plus the funding added for the undermarket salary adjustments. Reallocations among expenditure types and programs may be done within the budget detail; however, if compelling circumstances require that an agency receive an increase in expenditure authority in the current fiscal year, a supplemental request should be included as an identifiable change package.

Instructions on how to develop a change package are found in the system Budget System User Manual. These requests must be numbered on a priority basis and use the system categories "Group: Agency (A)" and "Type: Supplemental (C)." An overview of the supplemental request and offsetting savings should be provided as part of the change package description. This description should include an analysis of the reason(s) for the revised request, and a breakdown of revised needs by funding source.

## Budget Year Information

The budget year includes data on the agency's budget year request, including allocated reduced resource packages and enhancement packages for which the agency is seeking funding and support.

Agencies enter budget year request data in Column 5, accounting for allocated funds, plus all other agency funding sources available in that year. Column 5 represents the total agency budget request, with the exception of enhancement packages. The FY 2012 budget request represents the best estimate of the agency's performance, within allocated resources. The Division of the Budget outlines certain criteria to be met for this request, such as adjustments for estimated population or caseload changes. The agency budget request is represented as an agency total on the various forms. Internal management initiatives or reorganizations that do not require additional funding or a change to the mission and goals of the agency can be represented in this budget scenario. A significant change in policy direction should be discussed as an enhancement package, which is described below.

Column 6 will be used for change packages in the budget year, including allocated reduced resource packages and enhancement packages. Agencies entering change packages should ensure that they are in balance (expenditure by account codes equals funding for every series). The budget system will require this balancing. Further detail is provided below on these

two types of budget packages (column 6) and what is to be included in the budget year request (column 5). Column 7 is the sum of columns 5 and 6 and requires no entry on the agency's part.

## Reduced Resource Target Instructions

Only those agencies that receive allocated funds must develop these change packages. Targets for reduced resources are made for the State General Fund and the Economic Development Initiatives Fund. A reduced resource target is made because of the uncertainty in State General Fund receipts and other unknown factors that may place a heavy demand on state resources. Federal budget actions, downturns in the state's economy, or other adverse developments could result in the adoption of a reduced resource budget. For this reason, an agency should prepare its reduced resource proposals as the most effective manner of responding to declining resources. The effect of these reductions should be discussed on a summary agency basis as well as by program. Agencies may provide multiple "packages" in order to arrive at the targeted reduction. It is also important that agencies explain the effect of the reduction on the agency's performance measures.

Reductions to the allocated budget are to be requested in a change package format, represented as only the decrement of the reduction. As in the past, the Division of the Budget establishes the amount of the reduction for each agency. Packages can include a reduction of an existing program, eliminating an entire program, or a significant shift in program direction that generates cost savings. The change package in the budget system reflects only those expenditures and personnel requirements for the targeted reduction for the budget year. Any effect on the current year budget should also be discussed. Each package should contain the complete information for one reduction decision. Although they must be assigned to one or more particular reporting levels, packages should be discussed at an agency-wide level, and numbered on a priority basis using the system categories "Group: Agency (A)" and "Type: Reduced Resource (U)." If an agency enters more than one reduction package, a priority should be assigned to each item, i.e., 1/3 (the first of three reductions the agency suggests taking). Each reduction package explanation must contain the following elements:

1. A general description of the reduction package. It should also include discussion of any change in the law that would need to occur to carry out the reduction as well as a discussion of changes in fees, federal or private grants or other method of financing.
2. Amounts broken out by major account code (salaries, grants to local governments).
3. A discussion and demonstration of the related goals, objectives, strategies, and performance measures for the budget year and three ensuing fiscal years. Particular attention should be given to the package's relationship to the agency mission and to providing valid and reliable performance measures.
4. A discussion of the effect on other agency programs or another state agency's programs.
5. Tables reflecting expenditures, financing, and personnel affected in the budget year **and three ensuing fiscal years.**

## Enhancement Package Instructions

Any enhancement to the agency budget request is to be requested in a change package. As with reduced resources, enhancement packages are incremental adjustments to the budget year request. Enhancements can include an expansion of an existing program, the establishment of a new program, or a significant shift in program direction. The package reflects the incremental expenditures and personnel requirements, as well as the method of financing for the requested enhancement for the budget year and three ensuing fiscal years.

The packages should be designed under the assumption that the allocated agency budget request is available. Enhancement packages are an opportunity for an agency to demonstrate the effect of individual program expansions or new programs for the budget year. They also provide decision-makers with the necessary information to approve or deny an enhancement package based on performance and funding. The decision package is the key concept for the Governor to review the request.

Each package must contain complete information for that enhancement. The budget system provides that change package budget data are entered in the appropriate reporting level(s). Enhancement packages must be numbered on a priority basis and use the system categories "Group: Agency (A)" and "Type: Enhancement (E)." If an agency requests more than one enhancement, an agency-wide priority should be assigned to each enhancement, i.e., 1/3 (first of three). Each enhancement package should contain the following elements in the narrative:

1. A general description and justification of the requested enhancement. It should also include discussion of any change in the law that would need to occur to carry out the enhancement as well as a discussion of increases or changes in fees, federal or private grants or other method of financing.
2. Justification by major account code (salaries, commodities).
3. A discussion and demonstration of the related goals, objectives, strategies, and performance measures for the budget year and three ensuing fiscal years. Particular attention should be given to the enhancement's relationship to the agency mission and providing valid and reliable performance measures. **Requests without such information will not be considered.**
4. A discussion of the enhancement's effect on other agency programs or another state agency's programs.
5. Tables reflecting expenditures, financing, and personnel requested for the budget year **and three ensuing fiscal years.**

## Salaries and Wages

Guidelines for using the personal services module follow the prior pattern for constructing the traditional DA 412. It should be noted that for entering shrinkage adjustments, agencies should enter the amount directly in a unique salary account code, 1999, in each applicable reporting level within this account code, as a negative amount. On the funding side, the same amount is taken out of appropriate fund(s) for salaries in each reporting level. No FTE position changes should be made for a shrinkage adjustment.

The budget system automatically enters FTE and non-FTE unclassified permanent position data for each reporting level, for the current and budget fiscal years, when the position module is clicked to complete. Because agencies do not have access to column 1, the Division of the Budget will manually enter position data for the actual year, from data provided by the agency in the overview narrative.

Agencies sometimes request certain salary adjustments applied to positions in the classified service. Classification actions can take two forms: one for individual positions and one for groups of employees in the same or similar classifications. Requests for these actions are handled two ways. Agencies should include **individual** position classification actions as enhancement change packages in the format provided in these instructions; the number of positions affected should be identified. For **classification study actions** (including pay grade changes), agencies must receive approval from the Division of Personnel Services prior to including the enhancement package in the budget request. Agencies may include personnel actions for unclassified positions (individual positions and studies) in the budget requests, also as enhancement packages.

Unbudgeted individual position actions are allowed in recognition of the fact that agencies cannot always anticipate when such actions will be appropriate or required. However, unbudgeted personnel actions should be implemented only if the action can be financed from existing agency salary and wage resources. These changes can be accomplished within the personal services module on the position information tab for a position in the appropriate fiscal year.

It must be emphasized that agency fiscal personnel are responsible for assuring that salary and wage costs do not exceed salary and wage resources available for the current fiscal year. Some personnel classification actions may be imprudent; however, responsibility for that judgment rests with the agency. Division of the Budget approval of unbudgeted actions is not required. However, requests for supplemental funding as a result of unbudgeted actions will be recommended only in exceptional circumstances.

## Capital Outlay (including Vehicles Purchases)

Similar to expenditures for personnel, expenditures for capital outlay items are given extended treatment in the budget process. Previously, the Accounts and Reports Policy and Procedure Manual, Filing 7,002, has indicated the kind of expenditures that are included in this category (generally account codes in the 54XXX series).

Unless capital outlay items are to be purchased as part of a larger capital improvements project, they are included in the proposed operating budget of the program or subprogram where they will be used. Agencies enter dollar amounts in the budget detail by account code. The budget request narrative for capital outlay should include discussion of current year purchases in the event that they differ significantly from purchases approved by the Legislature.

For FY 2011, agencies are required to submit a revised budget that remains within the dollar amount and the number of vehicles that the 2010 Legislature approved. Any vehicles beyond this level must be submitted as supplemental requests, with the appropriate change package entered in the budget system.

For FY 2012, requests for all vehicles must be made as enhancement packages, regardless of the funding source for the vehicle purchases. The following expenditure account codes are to be used in the budget system for these purchases:

| Account Code | Description |
|---|---|
| 540500 | Passenger Cars |
| 540600 | Pickup Trucks and Passenger Vans |

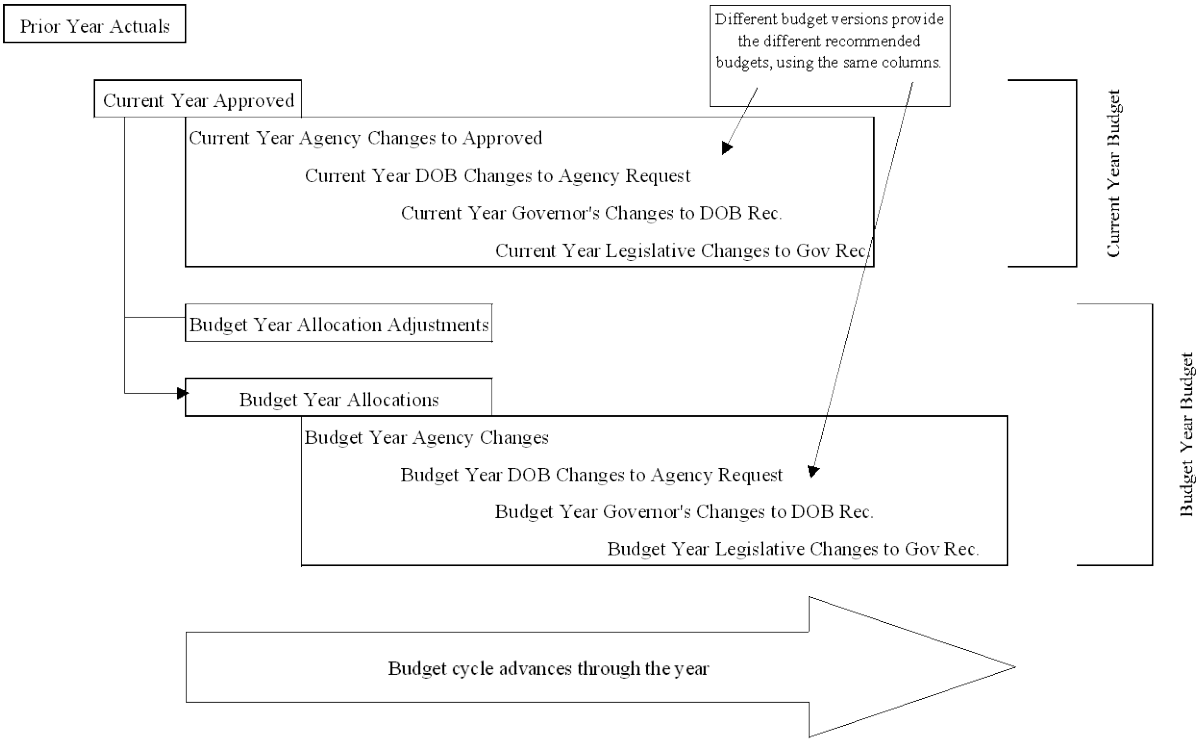
# Overview of Versions

The budget system identifies different stages of budget data through the use of versions. The system accommodates several version types, such as “Download,” “Agency,” “Executive,” and “Final Approved.” Within limits, more than one budget can be created within the same type of version (Agency 1, Agency 2, etc.). Budget versions are “owned” by different users throughout the budget process for viewing and development. The graphic on the following page depicts how the budget system uses the same column structure throughout the budget cycle, with different versions to distinguish the agency budget from the Division of the Budget recommendation, the Governor’s recommendation, or the Legislature’s approved budget.

The budget system is configured to include numerous version types:

| | |
|---|---|
| Download | Initial “starting point” that includes prior year actual and cash balance data from STARS. |
| Agency | Agencies’ working copies of budget request, prior to submittal. |

| | |
|---|---|
| Agency Submitted | Agency final request, which is "submitted" and opened to the Division of the Budget and Legislative Research Department. |
| Division of Budget | DOB analysts' working copies of agency budgets. |
| DOB Submitted | Final DOB recommendations provided on November 10. |
| Governor | Division of the Budget working versions to formulate the Governor's recommendations. |
| Governor Submitted | Finalized Governor's budget recommendations opened to agencies and Legislative Research Department in January. |
| Legislative | Working versions used by Legislative Research Department during the legislative session. |
| Final Budget | Finalized budget data adopted by the Legislature. |




The ownership of the budget version dictates who has control over opening, closing or limiting access to the budget data. The type of budget version identifies the ownership of the budget data. For example, an agency controls the agency version, while the DOB analyst controls the executive version. The access field on the budget request checklist in the budget system is where versions are opened or closed to others by the party that controls the data.

# Overview of DA Forms

The DA 400 series printed forms are no longer used for reporting of most budget data, but instructions specific to budget narrative and examples of the forms that have been retained follow this section of the instructions.

## Agency/Program Narrative—DA 400

Narrative provides information regarding the agency and each of its programs, as well as strategic planning and budget proposals. Narrative is provided to describe the mission, goals, and statutory directives of the agency as a whole. It is to illustrate the basis for budget requests which represent the translation of program goals, objectives, and strategies into funding requests. Program narrative provides a major source of background information to the Division of the Budget, the Governor, and the Legislature when budget requests are evaluated.

As required by KSA 75-3717, the narrative description for each new or expanded program must include an estimate of anticipated expenditures for the budget year and three ensuing fiscal years that would be required to support the new or expanded program (see Enhancement Packages below).

When preparing narrative information for the agency and each of its programs, agencies should ask the following questions:

1. Have agency and individual program objectives, strategies for achieving those objectives, operations, governing statutes, and trends changed in the past year?
2. If changes in the agency program structure are necessary, how should they be incorporated into the program narrative?
3. Are there any new constraints, developments or trends affecting agency or program performance that a decision-maker should know about in order to make effective budget recommendations?

Budget narratives should be provided in electronic format submitted by diskette or e-mail to the budget analyst. The Division of the Budget will retain the electronic files for archiving of budget data and information, so it is important that agencies provide the files in either Microsoft Word or Excel format, or in a format that is compatible with those programs. For assistance in this area, please contact your budget analyst.

**Note:** Actual data for performance measures, revenue information (similar to the DA 405), and other background information should continue to be provided for two actual years.

The agency narrative should also include summary discussions of the budget year request, the reduced resource changes, and any enhancement package and its effect on agency operations and service delivery capabilities. Other specific narrative instructions are as follows:

**Actual Position Numbers.** As mentioned previously, the first column of budget data includes the prior year's actual expenditures and revenues. Numbers for actual filled positions in the prior year, however, are not filled in from either STARS or SHARP. The Division of the Budget analyst must manually enter these data for FTE positions as well as non-FTE unclassified permanent positions. Agencies are requested to provide this information within their agency overview narrative, on a reporting level or program basis, not only on an agency-wide basis.

**New Funds.** Agencies are requested to indicate as part of their budget request any new funds or accounts that they wish to have created. Agencies should include a suggested fund or account title consisting of three to five words that accurately characterize its intended purpose. Federal funds must have the word "federal" somewhere in the title. Also indicate the fiscal year or years for which the fund is needed. The Division of the Budget will use this information in drafting the appropriations bill. Particular attention should be paid to federal funds, given the new standard that every federal grant with a unique CFDA number have its own designated fund.

**Third-Party Agreements.** The Division of the Budget has reworked the debt service section, which is required by KSA 75-3721(b)(2), that appears in Volume 1 of *The Governor's Budget Report*. "Third-party" contracts are agreements between agencies and vendors (or financing companies affiliated with vendors) to provide financing for the purchase or lease/purchase of equipment, such as copiers or other information technology. In order to complete this section, agencies are requested to provide on the DA 400 form an agency-wide total representing the value of all third-party contracts for FY 2010 (actual) as well as FY 2011 and FY 2012 (estimated).

**Federal American Reinvestment and Recovery Act.** The reporting requirements contained in this federal Act demand that state agencies identify the amounts anticipated, received, and spent. Accordingly, agencies are asked to include in their budget submission for each source of funding the following:

1. The source from which the funds are received (both the federal granting agency as well as the program or specific grant).

2. Indicate whether the funds are reportable or non-reportable. If the funds are received directly from the federal government, they are reportable. If an agency receives the monies from another state agency, expenditures should be reportable for the "recipient" agency and non-reportable for the "donor" agency so the funds are not counted twice.

3. Provide a brief description of what programs or projects the funds are financing and whether the agency is using any of the ARRA monies to finance administrative costs.

**Narrative for Expenditure Requests by Major Account Code (e.g., Salaries, Contractual Services, Commodities, Capital Outlay)**

Narrative should include an explanation of proposed expenditures by major account code category. The following information should be provided for the current and the budget years:

1. Use of historical references, where relevant, to justify the level of expenditure.
2. Detailed description and supportive information of estimated expenditures that represent a significant portion of the overall account code request.
3. Meaningful discussion of what expenditures will or will not accomplish.
4. A description of the agency or program staffing pattern.
5. A description of any lease purchase or installment purchase contracts.
6. A description of significant adjustments to current year expenditures.

**Aid to Local Governments and Other Assistance, Grants and Benefits**

The major account code categories of Aid to Local Governments and Other Assistance, Grants and Benefits require that additional narrative information be provided. Aid to Local Governments is defined generally as funds disbursed to counties, cities, public schools, community health centers, and other subdivisions of local government that have their own taxing authority. In addition, this category can include shared revenue and funds disbursed to qualified non-state, not-for-profit organizations.

The Other Assistance, Grants and Benefits category is defined as payments from state or federal funds for the benefit of eligible recipients. Payments for other assistance include personal claims, student financial aid, welfare assistance, and lottery prizes.

The narrative description on the DA 400 should provide a full explanation of the purpose of the aid or assistance request. If applicable, the narrative should also account for the effect of the expenditures on local governments. The narrative should include:

1. Description of the funding sources and matching requirements.
2. How and to whom the monies are distributed.
3. The population served.
4. Other revenue sources utilized by, or available to, the recipients.
5. Any other information necessary to describe the request.

## Resource Estimate by Fund—DA 404

The DA 404 report explains the factors that determine the amount of money available to, or required by, an agency from available funding sources. Because these forms are now incorporated within the budget system, agencies no longer must submit a set of paper or electronic DA 404 forms. Examples of 404 reports from the budget system are part of the example budget at the end of this section. For instruction on entering revenue data in the system, refer to the Budget System User Manual. The functionality of the 404 has been improved to provide for automatic calculation of the balance forward from one year to the next. Users no longer have to make column selections prior to running the DA 404 report.

## Explanation of Receipt Estimates—DA 405

Accompanying the DA 404 forms, a narrative explanation should be provided using the DA 405 which explains the methodology used to estimate resources. **A DA 405 must be completed for every budgeted fund, except for the appropriated state funds** (State General Fund, Kansas Endowment for Youth Fund, Children's Initiatives Fund, Economic Development Initiatives Fund, State Water Plan Fund, Expanded Lottery Act Revenues Fund, and the three building funds). This form continues to be submitted with the narrative. Examples follow at the end of this section. Information on the form must include:

1. State law or rules and regulations that establish the fund and determine receipts that are credited to it.
2. A description of any fee structure used in the computation of estimated revenues.
3. The identification of any authorized or proposed fee according to the revenue account classification administered by the Division of Accounts and Reports.
4. The appropriate level of balances that should be maintained in any particular fund and an explanation of the effect upon balances of the alternative expenditure levels.
5. Agencies responsible for accounts receivable estimated to be $1,000 or more in the budget year must include the following information on the DA 405: accounts receivable balances, collection rates, and estimated revenue based on the probability of collection.
6. Agencies receiving federal funds should include federal law or rules and regulations that govern the distribution and utilization of those funds.

**Note:** Indicate two years of actual information on the DA 405 for each fund source.

**Narrative Information—DA 400**

Division of the Budget | Agency: Department of Commerce

State of Kansas | Program: Agency-Wide Overview

September 15, 2008

Mr. Duane Goossen, Director
Division of the Budget
Suite 504
Landon State Office Building
900 SW Jackson
Topeka, Kansas 66612

Dear Mr. Goossen:

As Secretary of the Department of Commerce, I hereby submit for your consideration the Fiscal Year 2010 budget document for the Department. It has been prepared in accordance with the instructions transmitted with your letter of July 11, 2008. To the best of my knowledge and belief, the information and explanation included in this budget request are correct and complete.

As always, my staff and I are prepared to provide any additional information which you or our budget analyst may require.

Sincerely,

David Kerr
Secretary

**AGENCY MISSION**:

To empower individuals, businesses, and communities to realize prosperity in Kansas.

**AGENCY PHILOSOPHY**:

The agency's philosophy is best embodied in its "Rules of the Road" for Department staff: maintain the highest standard of ethics; take responsibility; focus resources and efforts; deliver quality service; be a candid member of the team.

**PROGRAMS ESTABLISHED TO ASSIST WITH AGENCY MISSION**:

1 - General Administration
2 - Business Development
3 - Community Development
4 - Trade Development
5 - Travel & Tourism Development
6 - Workforce Development
7 - Agriculture Product Development
8 - Capital Improvements

**STATUTORY HISTORY**

The Kansas Industrial Development Commission was created by an act of the 1939 Legislature to promote Industrial Development and improve the economic welfare of the state. Upon recommendation of the Governor's Economic Development Committee, the 1963 Legislature reorganized the Commission into a Department of Economic Development with increased responsibilities for community development. Executive Reorganization Order No. 7, K.S.A. 74-5002(a) created the Department of Economic Development as an executive cabinet-level agency in 1975. In 1986, the name was changed to the Department of Commerce. In 1992, K.S.A. 74-5002(a) brought the Department under the provisions of the Kansas Governmental Operations Accountability law while abolishing the sunset provisions in K.S.A. 74-5049.

K.S.A. 74-5008(a) through K.S.A. 74-5032 had major revisions in 1985 reorganizing the Department into four divisions: Small Business Development (K.S.A. 13-13a28); Community Development (K.S.A. 74-5009); Travel and Tourism and Film Services (K.S.A. 74-5032); and Industrial Development (K.S.A. 74-5008a) and two offices under the Secretary: Minority Business (K.S.A. 74-5012) and Advanced Technology (K.S.A. 13-13a27). Two divisions were abolished at that time: Housing and Minority Business.

In the 1994 Legislative Session, H.B. 2760 was enacted that enabled the Department to reorganize the Industrial Development and Existing Industry Division into a new Business Development Division. The new division is charged with the responsibility for attracting new businesses to Kansas and aiding the development of existing Kansas businesses. The reorganization was effective July 1, 1994.

A redesigned Kansas Enterprise Zone Program was established by the 1992 Legislature. Enterprise zones as they existed prior to this legislation were eliminated. Tax benefits of the program are available throughout the state and enhanced job credits are available to qualified businesses located in non-metropolitan regions of the

state. The state's most urban counties are excluded from the enhanced benefits.

The 2003 Legislature adopted ERO 30 which transferred the Division of Housing to the Kansas Development Finance Authority and changed the agency name to the Kansas Department of Commerce. This change was effective July 1, 2003.

The 2004 Legislature adopted ERO 31 which transferred the Employment and Training Division of the former Department of Human Resources to the Kansas Department of Commerce, effective July 1, 2004. The America's Job Link of the Department of Labor was transferred to Commerce effective July 3, 2005.

**AGENCY-WIDE OVERVIEW:**

**CURRENT YEAR:**

The agency's revised FY 2009 estimate is approximately $3.5 million more than the budget approved by the 2008 Legislature. Almost $1.1 million of that amount is from carryover in KEIEP and KEOIF. These two appropriations are typically committed each fiscal year, but not always encumbered, pending completion of contract documents.

A supplemental appropriation is requested in the Business Development Division to finance salary costs of an unclassified temporary employee who has been hired to manage the additional responsibilities imposed by the passage of legislation concerning the Court of Tax Appeals (COTA). Among the several procedural changes included in this legislation is the requirement that this agency provide assistance to applicants for *ad valorem* property tax exemptions. This assistance requires an employee who can become quite knowledgeable about the intricacies of the laws governing property tax exemptions, and we do not have the capacity to provide this service with our current staff.

A noteworthy organization change that went into effect at the beginning of the current fiscal year was the creation of a new marketing section within the Administration Division. A significant number of this agency's activities involve marketing: we market the state as a tourist destination; we market Kansas to businesses as a place to relocate or expand; we assist business in marketing their products, both domestically and abroad; and, we market our programs to Kansas businesses and communities in an effort to ensure widespread knowledge of the assistance we make available. By centralizing our marketing efforts, we hope to take advantage of economies of scale and to improve the consistency and quality of all our marketing campaigns. This staff will work with each of the Divisions in the planning and execution of events, publications, advertising strategies, etc. Dollars were shifted from each of the Divisions to the Administration Division to cover basic salary and operating costs. Project costs will continue to be budgeted by each Division.

**BUDGET YEAR:**

**FY 2010 Request—Allocated Resource Budget**

The allocated budget allows programs to operate at a level equal to the current fiscal year. Included at this level is a funding shift of $306,882 from the Department of Agriculture to reflect the transfer of 4.0 FTE positions and associated operating costs. This transfer is expected to consolidate the functions that both agencies had been performing to promote the sale of Kansas products and to enhance their respective marketing programs.

The FY 2010 budget eliminates funding for the Kansas Rural Development Council and for the Mid-America World Trade Center. This is not a judgment on the quality of these programs, but reflects the fact that limited resources require an ordering of priorities and these two programs were not ranked as high as other Department needs. In all other respects, the agency's budget request continues current programs.

## EDIF Operating Grant

Outcome Measures

| | FY 2007 Actual | FY 2008 Actual | FY 2009 Estimate | FY 2010 Estimate |
|---|---|---|---|---|
| Jobs Created | 9,398 | 6,500 | 6,500 | 6,500 |
| Jobs Retained | 8,486 | 8,500 | 7,100 | 7,000 |
| Payroll Generated | $125,744,391 | $205,000,000 | $1,500,000 | $1,500,000 |
| Capital investment in Kansas | $256,148,633 | $313,000,000 | $515,000,000 | $315,000,000 |
| Funds leveraged through match in projects | $18,117,349 | $16,500,000 | $16,500,000 | $16,500,000 |
| Individuals trained | 9,428 | 9,000 | 10,400 | 10,400 |
| Sales generated | $75,949,689 | $69,500,000 | $110,000,000 | $110,000,000 |
| Increased visitation | 348,758 | 318,000 | 334,000 | 334,000 |
| Tourism revenue generated | $33,102,594 | $32,000,000 | $33,600,000 | $33,600,000 |
| Kansans served | 4,462 | 4,400 | 4,450 | 4,450 |
| Number of communities served | 316 | 300 | 315 | 315 |

**Actual Position Data:**

The Department of Commerce had an FTE limitation of 423.10 for FY 2008, with 28.50 non-FTE unclassified permanent positions authorized. The Department's actual FTE data for that year are as follows:

| Program | FTE Positions | Non-FTE Uncl. Perm. Pos. |
|---|---|---|
| General Administration | 59.50 | 1.00 |
| Business Development | 17.75 | 9.25 |
| Community Development | 115.00 | -- |
| Trade Development | 97.60 | -- |
| Travel & Tourism Development | 41.15 | -- |
| Workforce Development | 62.00 | -- |

| | | |
|---|---|---|
| Agriculture Product Development | 18.00 | -- |
| Capital Improvements | -- | -- |
| Agency Total | 411.00 | 10.25 |

**New funds requested for appropriation bill:**
The Department of Commerce needs two new no-limit funds for FY 2010: "Business Revitalization Fund" and "Re-employment Services Assistance –Federal Fund."

**Third-Party Contracts:**

| | |
|---|---|
| FY 2007 | $126,473 |
| FY 2008 | -- |
| FY 2009 | $36,773 |
| FY 2010 | $142,991 |

**Homeland Security Funds.** The Department of Commerce does not receive any homeland security funds.

**Reduced Resource Target—FY 2010**

The Division of the Budget allocated the Department a reduced resource target of $3,692,025 ($134,674 from the State General Fund and $3,547,687 from the EDIF). A number of operating economies are planned to meet these reductions in EDIF and SGF support. While the Department has pledged to maintain, or improve, its level of service and performance in FY 2010, notwithstanding reductions in its operating budget, the allocation also forces reductions in several grant programs. KEOIF, the Micro-Loan program, High Performance Incentive grants, Trade Show Assistance grants, Strategic Planning and Tourism. These reductions necessarily impact the number of grants that can be made, the number of businesses and communities served and, therefore, the number of new jobs, investments and sales that can be generated with the assistance of state dollars.

**Reduced Resource Target - Agency Summary**

| **Expenditures** | Administration | Business Dev't | Travel & Tourism | TOTAL |
|---|---|---|---|---|
| Salaries | (36,425) | -- | (19,683) | (56,108) |
| OOE | (2,230) | (51,000) | (35,000) | (88,230) |
| Aid to Local Governments | -- | -- | -- | -- |
| Other Assist, Grants & Benefits | -- | (3,547,687) | -- | (3,547,687) |
| Capital Improvements | -- | -- | -- | -- |
| TOTAL | $ (38,655) | $ (3,598,687) | $ (54,683) | $ (3,692,025) |

| **Financing** | Administration | Business Dev't | Travel & Tourism | TOTAL |
|---|---|---|---|---|
| State General Fund | (28,991) | (51,000) | (54,683) | (134,674) |
| EDIF | -- | (3,547,687) | -- | (3,547,687) |
| EDA Grant - Federal | (9,664) | -- | -- | (9,664) |
| TOTAL | $ (38,655) | $ (3,598,687) | $ (54,683) | $ (3,692,025) |

| | | | | |
|---|---|---|---|---|
| FTE Positions | (1.0) | -- | -- | (1.0) |
| Non-FTE Unclassified Permanent | -- | -- | (1.0) | (1.0) |
| TOTAL Positions | (1.0) | -- | (1.0) | (2.0) |

**Reduction Package #1/3 – Marketing Campaign**

**Description:** The reduction in the Administration Division eliminates 1.0 FTE position that is part of the agency's new Marketing Program. Elimination of this position, supported 75.0 percent by the State General Fund and 25.0 percent by a federal EDA grant will hinder the Department's new coordinated marketing efforts across all programs. Elimination of this position saves $38,655 in total ($28,991 from the State General Fund and $9,664 in federal matching monies). In the Travel and Tourism Division, the reduction would eliminate 1.0 unclassified temporary position, a travel information coordinator, who works full–time from May through August. That reduction saves $19,683 from the State General Fund. In the Business Development Division, the reduction would adversely affect the agency's ability to assist business in expanding to new international and domestic markets. This is the first area the Department would cut, in order to meet the targeted reduction.

**Performance Measures:**

| OUTPUT MEASURES | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Reduced Funding FY 2010 |
|---|---|---|---|---|
| Number of Promotional Projects | 45 | 48 | 58 | 47 |
| Number of Persons Reached | 3,600 | 3,800 | 3,950 | 3,580 |
| **OUTCOME MEASURES** | | | | |
| Expansion into New Markets (Millions) | $6.0 | $6.0 | $6.1 | $4.8 |

**Package #2/3 – Contracts for Film Commission Study**

## Narrative Information—DA 400

Division of the Budget — Agency: Department of Commerce

State of Kansas — Program: Agency-Wide Overview

**Description:** The Department's second reduction would eliminate the annual $35,000 study that evaluates the effectiveness of the Kansas Film Commission at attracting film production and promotion in the state.

**Reduced Resource Target - Package 1/3**

| **Expenditures** | Administration | Business Dev't | Travel & Tourism | TOTAL |
|---|---|---|---|---|
| Salaries | (36,425) | -- | (19,683) | (56,108) |
| OOE | (2,230) | (51,000) | -- | (53,230) |
| Aid to Local Governments | -- | -- | -- | -- |
| Other Assist, Grants & Benefits | -- | -- | -- | -- |
| Capital Improvements | -- | -- | -- | -- |
| TOTAL | $ (38,655) | $ (51,000) | $ (19,683) | $ (109,338) |

| **Financing** | Administration | Business Dev't | Travel & Tourism | TOTAL |
|---|---|---|---|---|
| State General Fund | (28,991) | (51,000) | (19,683) | (99,674) |
| EDIF | -- | -- | -- | -- |
| EDA Grant - Federal | (9,664) | -- | -- | (9,664) |
| TOTAL | $ (38,655) | $ (51,000) | $ (19,683) | $ (109,338) |

| | | | | |
|---|---|---|---|---|
| FTE Positions | (1.0) | -- | -- | (1.0) |
| Non-FTE Unclassified Permanent | -- | -- | (1.0) | (1.0) |
| TOTAL Positions | (1.0) | -- | (1.0) | (2.0) |

**Performance Measures:**

| OUTPUT MEASURES | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Reduced Funding FY 2010 |
|---|---|---|---|---|
| Films Produced in Kansas | 89 | 87 | 86 | 52 |
| **OUTCOME MEASURES** | | | | |
| Dollars Spent by Film Crews (Millions) | $8.9 | $8.8 | $8.7 | $5.1 |

**Reduced Resource Target - Package 2/3**

| **Expenditures** | Administration | Business Dev't | Travel & Tourism | TOTAL |
|---|---|---|---|---|
| Salaries | -- | -- | -- | -- |
| OOE | -- | -- | (35,000) | (35,000) |
| Aid to Local Governments | -- | -- | -- | -- |
| Other Assist, Grants & Benefits | -- | -- | -- | -- |
| Capital Improvements | -- | -- | -- | -- |
| TOTAL | $ -- | $ -- | $ (35,000) | $ (35,000) |

| **Financing** | Administration | Business Dev't | Travel & Tourism | TOTAL |
|---|---|---|---|---|
| State General Fund | -- | -- | (35,000) | (35,000) |
| EDIF | -- | -- | -- | -- |
| EDA Grant - Federal | -- | -- | -- | -- |
| TOTAL | $ -- | $ -- | $ (35,000) | $ (35,000) |

| | | | | |
|---|---|---|---|---|
| FTE Positions | -- | -- | -- | -- |
| Non-FTE Unclassified Permanent | -- | -- | -- | -- |
| TOTAL Positions | -- | -- | -- | -- |

## Package #3/3 – Grants for Workforce Training

**Description:** Our third area for reduction is $3.5 million in workforce training grants. Kansas' unemployment levels have steadily remained at record low levels in recent years. Kansas, compared to other states, has a highly educated workforce and the Department is confident that demand for skilled workers will continue. In addition, ongoing studies of the state's workforce investment programs will best determine expenditure of resources in this area. Because of the importance to the business community of this program, this reduction package is rated last in the agency's priorities.

**Performance Measures:**

| OUTPUT MEASURES | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Reduced Funding FY 2010 |
|---|---|---|---|---|
| Number of Grants | 3,789 | 4,012 | 4,100 | 3,734 |
| Persons Trained | 110,950 | 112,592 | 114,000 | 110,950 |
| **OUTCOME MEASURES** | | | | |
| New Jobs Impacted by Program | 5,295 | 7,592 | 8,000 | 5,300 |
| Existing Jobs Impacted by Program | 53,960 | 54,210 | 56,000 | 53,000 |

**Reduced Resource Target - Package 3/3**

| **Expenditures** | Administration | Business Dev't | Travel & Tourism | TOTAL |
|---|---|---|---|---|
| Salaries | -- | -- | -- | -- |
| OOE | -- | -- | -- | -- |
| Aid to Local Governments | -- | -- | -- | -- |
| Other Assist, Grants & Benefits | -- | (3,547,687) | -- | (3,547,687) |
| Capital Improvements | -- | -- | -- | -- |
| TOTAL | $ -- | $ (3,547,687) | $ -- | $ (3,547,687) |

| **Financing** | Administration | Business Dev't | Travel & Tourism | TOTAL |
|---|---|---|---|---|
| State General Fund | -- | -- | -- | -- |
| EDIF | -- | (3,547,687) | -- | (3,547,687) |
| EDA Grant - Federal | -- | -- | -- | -- |
| TOTAL | $ -- | $ (3,547,687) | $ -- | $ (3,547,687) |

| | | | | |
|---|---|---|---|---|
| FTE Positions | -- | -- | -- | -- |
| Non-FTE Unclassified Permanent | -- | -- | -- | -- |
| TOTAL Positions | -- | -- | -- | -- |

## Enhancement Packages—FY 2010

The Department is requesting five separate enhancement packages for consideration by the Governor and the Legislature. They are listed below in priority order with a brief description.

1. **Staff the new Olathe Travel Center (TIC)**—This enhancement would provide personnel and operating support for the operation of the Olathe TIC, which is scheduled for completion in October of 2008. The enhancement is financed entirely with special revenue funds. It will assist the Division to achieve its objective of increasing travel expenditures by 3.0 percent in FY 2010. The enhancement is provided a full discussion in the Travel, Tourism and Film Program.

2. **Internet for Business**—The second priority for the Department involves contracting with a private entity to provide training to staff in the Business Assistance Subprogram of the Business Development Program. The staff would gain expertise and knowledge in the application of the Internet to access and establish global markets. Staff would in turn provide workshops and individual assistance to small and medium sized businesses. The Department believes it would be remiss in not addressing this need and opening doors for Kansas businesses. The enhancement does not require additional staff and is financed by special revenue funds. It is tied to the Business Assistance Subprogram objective of providing assistance to businesses.

3. **Evaluation of the Grant Programs in the Community Development Division**—This enhancement would provide financing from special revenue funds to contract with a consulting firm to conduct a thorough assessment of the various grant programs administered by the Community Development Division (7400). The Department would like an outside opinion on the return the state is receiving on

these grant investments and suggestions on methods of measuring performance. The consultants would also take the Division through a decision making process to examine goals and explore alternatives to achieving goals.

4. **Out-of-State Television Advertising Campaign**—This enhancement would allow Kansas to begin an aggressive TV marketing effort to promote the state as a travel destination. The enhancement is financed with a combination of State General Fund and special revenue fund monies. This enhancement is also related to the Travel, Tourism and Film Division objective of increasing travel expenditures and is discussed in full under that program.

5. **Replacement Vehicles**—The final enhancement will allow the agency to replace those four vehicles that are projected to have odometer readings ranging between 105,000 and 115,000 miles by the end of FY 2009. However, the Department plans to replace only two of these vehicles. A summary of the types of vehicles and anticipated costs are described in the Travel, Tourism and Film Division. Estimates are based on projected costs as identified in this year's *Budget Cost Indices*.

**Narrative Information—DA 400**

Division of the Budget — Agency: Department of Commerce

State of Kansas — Program: Travel & Tourism Division

**PROGRAM GOAL**:

To increase the level of expenditures by the private and public sectors for travel, tourism and film activities in the State of Kansas in FY 2010.

**OBJECTIVE #1**:

To increase travel expenditures in Kansas by 3.0% in FY 2010.

**Strategies for Objective #1**:

1. Generate sufficient interest to cause requests for specific Kansas travel information by advertising or public relations.
2. Provide travel information services for visitors within Kansas to enhance their trip or cause them to spend more time in Kansas.
3. Build a positive image of Kansas as a travel destination in the minds of out-of-state travelers, as well as Kansans.
4. Generate travel articles or features targeting Kansas in publications, as well as broadcast or electronic media.
5. Cause Kansas to be published in catalogs of major group tour operators or wholesalers.
6. Publish a quarterly magazine of Kansas tourism resources to cause readers to travel in Kansas.

**Performance Measures for Objective #1**:

OUTCOME MEASURES:

| | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Allocated FY 2010 | Outyear #1 FY 2011 | Outyear #2 FY 2012 |
|---|---|---|---|---|---|---|
| - No. of inquiries for travel info. converted to travel in KS | 35,406 | 40,970 | 42,000 | 42,000 | 42,750 | 53,500 |
| - $$ spent by travelers in KS | $24.5M | $25.5 M | $30 M | $30 M | $30.1 M | $30.2 M |

OUTPUT MEASURES:

| | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Allocated FY 2010 | Outyear #1 FY 2011 | Outyear #2 FY 2012 |
|---|---|---|---|---|---|---|
| - Dollars in advertising placed | $200,000 | $202,700 | $280,000 | $290,000 | $300,000 | $310,000 |
| - Major group tour companies adding Kansas to catalog | N/A | N/A | 5 | 3 | 5 | 6 |
| - Participate in group tour trade shows | 3 | 4 | 3 | 2 | 3 | 3 |
| - Subscribers to KANSAS Magazine! | 48,744 | 49,902 | 52,400 | 53,000 | 53,000 | 55,650 |
| - Visitors at interstate TICs | 460,000 | 459,831 | 500,000 | 550,000 | 550,000 | 550,000 |

**OBJECTIVE #2**:

To increase, or enhance, the tourism attractions in Kansas.

**Strategies for Objective #2**:

1. Provide a matching grant program to assist in the development of tourist attractions.
2. Provide a matching grant program to assist with the marketing of existing tourism attractions resources in a community.
3. Provide assistance with tourism planning for attractions, or communities wanting to emphasize tourism as an economic development tool.

**Performance Measures for Objective #2**:

OUTCOME MEASURES:

| | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Allocated FY 2010 | Outyear #1 FY 2011 | Outyear #2 FY 2012 |
|---|---|---|---|---|---|---|
| - New jobs created | 34 | 25 | 25 | 25 | 25 | 25 |
| - Increased hours of tourism participation time | 10 | 11 | 10 | 10 | 10 | 10 |
| - Increased attraction visitation | 28% | 34% | 50% | 50% | 50% | 50% |
| - Increased revenue to attractions | 35% | 27% | 50% | 50% | 50% | 50% |
| - Total project dollars leveraged with state grant | $3.7M | $4.0 M | $4.0 M | $4.0 M | $4.0 M | $4.0 M |
| - Counties receiving assistance | 11 | 11 | 10 | 10 | 10 | 10 |

OUTPUT MEASURES:

| | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Allocated FY 2010 | Outyear #1 FY 2011 | Outyear #2 FY 2012 |
|---|---|---|---|---|---|---|
| - Dollars in matching attraction grants | $298,460 | $340,000 | $340,000 | $274,600 | $274,600 | $274,600 |
| - Dollars in matching marketing grants | $43,500 | $39,600 | $39,600 | $35,000 | $35,000 | $35,000 |

**OBJECTIVE #3**:

To generate over $5.0 million in film production expenditures in Kansas.

**Strategies for Objective #3**:

1. Facilitate film productions in Kansas by assisting in identifying appropriate film locations
2. Increase awareness of Kansas as a viable film location.
3. Assist Kansas communities in becoming “Camera Ready.”

**Performance Measures for Objective #3**:

OUTCOME MEASURES:

| | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Allocated FY 2010 | Outyear #1 FY 2011 | Outyear #2 FY 2012 |
|---|---|---|---|---|---|---|
| - Film revenue generated in the state | $4.8M | $5.9 M | $5.0 M | $5.0 M | $5.0 M | $5.5 M |

OUTPUT MEASURES:

| | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Allocated FY 2010 | Outyear #1 FY 2011 | Outyear #2 FY 2012 |
|---|---|---|---|---|---|---|
| - Production guides distributed | 1,870 | 1,870 | 1,500 | 1,500 | 1,500 | 1,500 |

**EXPENDITURE JUSTIFICATION** -- Travel, Tourism and Film Division

**Object Code 100: Salaries and Wages**

Summary: The Division administers four programs (General Promotion, Travel Information Centers, Film Services and KANSAS Magazine!). Current personnel to fulfill these programs include some temporary help during the travel season at the information centers. Approved staffing for the Program includes 22.0 regular classified FTE positions, 1.0 regular unclassified position, and 4.0 temporary unclassified positions.

**Current Year FY 2009**: $847,594 represents funding for current positions in all four programs as well as funds for temporary staff at the information centers during the travel season.

**Allocated Budget FY 2010**: $868,516 continues current staffing in the four sub-programs, including longevity bonuses. Cost indices provided by the Division of the Budget were used to compute all fringe benefits. No salary increase is budgeted.

**Object Codes 200-290: Contractual Services**

Summary: The major expenditures in this category are for marketing the state to travelers, media personnel and to the film industry (OC 279) as well as placing ads and printing promotional materials (OC 220). This involves a coordinated advertising promotional campaign which includes printing and publication of several brochures; coordination, implementation and administration of the out-of-state marketing program; print advertisement placement; attendance and participation in trade/travel shows; and aggressive motorcoach group tour and travel writer campaigns; coordinating and marketing special celebrations, (i.e. the 175th anniversary of the Santa Fe Trail), an international marketing campaign through the multi-state America's Heartland Region and more emphasis on outdoor recreational opportunities.

The division has been concentrating heavily the past couple of years on research techniques to evaluate the effectiveness of our advertising efforts. This research will continue and will direct the division's marketing campaign. Expenditures in other object codes present day-to-day operations and are closely in line with previous year expenditures.

**Current Year FY 2009**: $2,193,028 is requested. This level of funding includes $200,000 additional monies provided by the Legislature for FY 2003. The division's research has provided data to prove the effectiveness of our marketing efforts and the budget division recommended this increase. The additional funds will be used to increase our regional print advertising.

**Allocated Budget FY 2010**: $2,020,596 is requested. The allocated budget is only slightly higher than the current year and basically will have nearly the same economic impact because of the decrease in marketing activities. In reality, the division should be enhancing its marketing effort year after year in order to compete with our aggressive neighboring states of Missouri and Oklahoma. The additional $200,000 in FY 2009 is a good start in that direction.

**Object Codes 300-390: Commodities**

Summary: Major expenditures under this category are for promotional items for resale through our travel information centers. This is basically a fee funded operation and revenues generated are used to pay for items purchased for resale. Other expenditures include general office supplies for the division.

**Current Year FY 2009**: $133,297. Supports the above expenses and, in fact, is slightly lower than previous year expenditures. It is the intent of the division to cease selling these items out of the state office.

**Allocated Budget FY 2010**: $134,267 is requested. This amount provides a slight increase to cover any unexpected circumstances.

**Object Code 400: Capital Outlay**

Summary: This object code allows for purchase of equipment to replace some existing outdated equipment in the division, such as typewriters, fax machines, etc. It also provides computers and office furniture for the division's travel counseling program which will hopefully be implemented in FY 2007.

**Current Year FY 2009**: $39,000. Of that total, $13,600 will be used to replace or upgrade computers, office machines, software, display racks, etc.

**Allocated Budget FY 2010**: $27,200 is requested which includes $9,200 to replace the furniture for the South Haven TIC and $18,000 to replace the Division's computers. Again, estimates are based on

projected prices in the *Budget Cost Indices*.

**Object Codes 520 - 590: Other Assistance, Grants and Benefits**

Summary: The Division has a marketing grant program to assist local community organizations in the state to do more out-of-state marketing and other activities, such as conducting familiarization tours, creating new brochures, etc. This program is a dollar-for-dollar match by recipients. It has allowed organizations in smaller cities to participate in co-op advertising with the state and has encouraged regional advertising efforts as well. Marketing strategies like this are important to the division in leveraging state funds. The program is funded with the Economic Development Initiatives Fund.

Another important program to the division is the Attraction Development Grant Program which is in its fourth year. This program provides funds to promote the development of new attractions and/or to enhance existing tourist attractions and is a 60/40 match. The impetus of funded projects is job creation, an increase in visitation to the attraction, and ultimately an increase in revenues back to the state. The level of funding for this program is dictated by funding approved by the Legislature. The program is funded with the Economic Development Initiatives Fund.

Other assistance is provided through the Greyhound Tourism Fund to the greyhound entities in the state, i.e. the Greyhound Hall of Fame, Camptown Track, and the Woodlands in Kansas City. According to existing legislation these funds are to be used for the promotion of greyhound activities in the state.

**Current Year FY 2009**: $466,448. These funds represent $39,600 for the marketing grant program, $340,000 for the Attraction Development Grant Program, and $86,848 for greyhound activities.

**Allocated Budget FY 2010**: $419,600. This includes $334,600 for attraction development, marketing and tourism development, plus $85,000 for greyhound activities.

**ENHANCEMENT PACKAGES** -- Travel, Tourism and Film Services Division

**Package #1/5 -- Staff the New Olathe Travel Center**

**Description:** The 2007 Legislature authorized the construction of a new travel center near Olathe, Kansas. The Department anticipates completion of the Olathe Travel Center in October of 2008. An expansion of the staff and operating costs for tourism counselors is requested for 3/4 of a year in FY 2009 to place the center in operation. The center is expected to be self-supporting through revenue generating activities such as sales from the gift shop, selling display space and backlit displays. Costs are estimated at $75,000 in FY 2009 and $100,000 on an annualized basis. This includes 1.00 FTE Tourist Counselor II position and 1.00 FTE Tourist Counselor I position. Also included are monies for temporary personnel to help meet the demand of peak travel seasons.

**Relationship to Program Goals and Objectives:** The operation of the new travel center is expected to increase private dollars spent in Kansas by highlighting the attraction opportunities when visitors enter the state. Objective #1 for the program, to increase travel expenditures by 3.0 percent in FY 2010, will be directly impacted by the addition of this marketing campaign. The output measure is based and on data from a recent traffic flow study by the Kansas Department of Transportation indicate that the travel center is located at a major gateway of traffic flow entering the state. The outcome measure is justified by the visitor to dollars expended ratio experience from the existing travel centers in the state adjusted for the density of traffic volume and tourist opportunities available in the area. This is the agency's highest priority of the four enhancements requested.

**Performance Measures:**

| | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Allocated FY 2010 | Outyear #1 FY 2011 | Outyear #2 FY 2012 |
|---|---|---|---|---|---|---|
| OUTPUT MEASURES | | | | | | |
| Number of Visitors | 67,550 | 68,000 | 73,125 | 74,000 | 78,000 | 80,000 |

| | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Allocated FY 2010 | Outyear #1 FY 2011 | Outyear #2 FY 2012 |
|---|---|---|---|---|---|---|
| OUTCOME MEASURES | | | | | | |
| Additional Dollars Spent (in Millions) | $0.5 | $0.8 | $0.8 | $1.0 | $1.3 | $1.7 |

**Expenditure and Financing:** Expenditures in the first year were $50,000 for salaries and wages and $25,000 for other operating expenditures. In subsequent years, the center will be in operation for a full-year, with expenses estimated at $100,000. The salaries and wages will support the 2.00 FTE positions and temporary personnel. Contractual Service expenditures will be made for utilities, printing of brochures, and communications costs. Commodity expenditures relate to the cost of coffee, displays, and miscellaneous supplies. Major capital outlay expenditures were included in the cost of construction.

Rehabilitation and repair of the facilities is covered in the capital budget request. As indicated above, financing will be generated by sales and other revenue generating activities.

EXPENDITURES

| | Budget Year FY 2010 | Out Year 1 FY 2011 | Out Year 2 FY 2012 | Out Year 3 FY 2013 |
|---|---|---|---|---|
| Salaries and Wages | $50,000 | $ 64,000 | $ 66,250 | $68,000 |
| Contractual Services | 15,000 | 25,000 | $ 25,000 | 25,000 |
| Commodities | 10,000 | 11,000 | 11,000 | 11,000 |
| Capital Outlay | -- | -- | -- | -- |
| Total | $75,000 | $100,000 | $103,250 | $104,000 |
| | | | | |
| FTE Positions | 2.00 | 2.00 | 2.00 | 2.00 |
| Non-FTE Unclassified Permanent | -- | -- | -- | -- |

FINANCING

| | Budget Year FY 2010 | Out Year 1 FY 2011 | Out Year 2 FY 2012 | Out Year 3 FY 2013 |
|---|---|---|---|---|
| General Fees Fund | $75,000 | $100,000 | $103,250 | $104,000 |

**Package #4/5 -- Out-of-State Television Advertising Campaign**

**Description:** The State of Kansas currently advertises only in print media and lags behind neighboring states in the amount of advertising spent to attract tourists. An additional $200,000 is requested to develop a television campaign. This will allow Kansas to begin an aggressive TV marketing effort to promote ourselves as a travel destination. Current research shows that Kansas only spends $0.09 per capita on advertising, compared to $0.27 in Nebraska, $0.73 in Missouri, $0.81 in Oklahoma and $2.30 in Arkansas. Of the requested amount $100,000 is requested from the Economic Development Initiatives Fund, $50,000 from the State General Fund and $50,000 will be raised from the private sector to match the state contribution. Private fundraising will focus on businesses and organizations that will be likely to be positively impacted by the initiative. This is the lowest priority of the requested enhancements.

**Relationship to Program Goals and Objectives:** The addition of an out-of-state TV advertising campaign will directly contribute to the goal of attracting additional tourism expenditures into the state of Kansas. Objective #1 for the program, to increase travel expenditures by 3.0 percent in FY 2008, will be directly impacted by the addition of this marketing campaign. The estimates for the additional tourism activities and the dollars generated by the tourism industry are based on experience of surrounding states which utilize out-of-state television advertising campaigns to market tourism opportunities.

**Performance Measures:**

| | Actual FY 2007 | Actual FY 2008 | Current Year FY 2009 | Allocated FY 2010 | Outyear #1 FY 2011 | Outyear #2 FY 2012 |
|---|---|---|---|---|---|---|
| OUTPUT MEASURES | | | | | | |
| Number of Travel Inquiries | 8,000 | 8,125 | 8,250 | 8,350 | 8,600 | 9,100 |
| Inquiries Converted to Travel | 3,000 | 3,050 | 3,070 | 3,080 | 3,300 | 4,000 |
| OUTCOME MEASURES | | | | | | |
| Dollars Spent (in Millions) | $6.0 | $6.0 | $6.1 | $6.2 | $7.0 | $9.0 |

**Expenditure and Financing:** All expenditures associated with the enhancement will be for contractual arrangements with firms to develop advertisements and on air time for television in the surrounding states. It is anticipated that air time will be focused on cable TV programming where they can be the most effective.

EXPENDITURES

| | Budget Year FY 2010 | Out Year 1 FY 2011 | Out Year 2 FY 2012 | Out Year 3 FY 2013 |
|---|---|---|---|---|
| Contractual Services | $200,000 | $200,000 | $210,000 | $220,000 |

FINANCING

| | Budget Year FY 2010 | Out Year 1 FY 2011 | Out Year 2 FY 2012 | Out Year 3 FY 2013 |
|---|---|---|---|---|
| EDIF | $100,000 | $100,000 | $100,000 | $100,000 |
| Fees Fund (Private Fundraising) | 100,000 | 100,000 | 100,000 | 120,000 |
| Total | $200,000 | $200,000 | $210,000 | $220,000 |

**Package #5/5 – Replacement Vehicles**

**Description:** During the 2008 Legislative Session, approval was granted to the Department to replace two aging state-owned vehicles that were anticipated to have more than 100,000 miles during the year. In reviewing actual odometer readings as of June 30, 2008, and projecting the number of miles that will be driven during the current budget year, it is now believed by the end of FY 2009, four more vehicles will have odometer readings ranging between 105,000 and 115,000 miles. However, as approved in the current year, the agency plans to replace only two of these vehicles during the current year. A summary of the types of vehicles and anticipated costs are shown below. Estimates are based on projected costs as identified in this year's *Budget Cost Indices*.

| Replacement Vehicles | Quantity | Unit Cost | Total Cost |
|---|---|---|---|
| Mini-Van, 5 passenger | 1 | $16,400 | $16,400 |
| Sedan, 4-door compact | 1 | $11,600 | $11,600 |
| Total Cost | | | $28,000 |

Funding for these vehicles will be provided as follows: $18,000 from our Conversion of Materials and Equipment Fund and $10,000 from the Depreciation for State-Owned Vehicles Account within our Service Clearing Fund.

**Relationship to Program Goals and Objectives**: The Department assigns duties to Division staff that involve travel across the state. To accomplish these tasks, the Department has compared the cost to own state vehicles, to lease vehicles, or to have agency staff use their own vehicles and receive reimbursement. The most cost efficient option is for the Department to own its own vehicles and make them available for staff to use.

# 404 Report



**Agency: 00300 Department of Commerce**

**Date:** 9/10/2008

**Version: 2009-A-02-00300**

**Fund Number: 1000 0503**
**Name: Operating Expenditures**

| | | FY 2008 Actuals | FY 2009 Adj Agency Budget Req | FY 2010 Adj Agency Budget Req | | | |
|---|---|---|---|---|---|---|---|
| R0001 | APPROPRIATION | 686,189 | 660,582 | 683,216 | 0 | 0 | 0 |
| R0002 | REAPPROPRIATION | 45,611 | 15,785 | 0 | 0 | 0 | 0 |
| R0003 | RESERVES AND REVISIONS | 13,552 | 0 | 0 | 0 | 0 | 0 |
| R0005 | LAPSES | (13,552) | 0 | 0 | 0 | 0 | 0 |
| R0011 | SUPPLEMENTAL APPROPRIATION | 0 | 6,552 | | | | |
| | Total Available | 731,800 | 682,919 | 683,216 | 0 | 0 | 0 |
| | Total Reportable Expenditures | 716,015 | 682,919 | 683,216 | 0 | 0 | 0 |
| | Total Expenditures | 716,015 | 682,919 | 683,216 | 0 | 0 | 0 |
| | Balance Forward | 15,785 | 0 | 0 | 0 | 0 | 0 |

# 404 Report



**Agency: 00300 Department of Commerce**

**Date:** 9/10/2008

**Version: 2009-A-02-00300**

**Fund Number: 1800 6877**
**Name: Clean Water Grants**

| | | FY 2008 Actuals | FY 2009 Adj Agency Budget Req | FY 2010 Adj Agency Budget Req | | | |
|---|---|---|---|---|---|---|---|
| R0001 | APPROPRIATION | 425,000 | 500,000 | 500,000 | 0 | 0 | 0 |
| R0002 | REAPPROPRIATION | 0 | 0 | 15,000 | 0 | 0 | 0 |
| | Total Available | 425,000 | 500,000 | 515,000 | 0 | 0 | 0 |
| | Total Reportable Expenditures | 425,000 | 485,000 | 515,000 | 0 | 0 | 0 |
| | Total Expenditures | 425,000 | 485,000 | 515,000 | 0 | 0 | 0 |
| | Balance Forward | 0 | 15,000 | 0 | 0 | 0 | 0 |

# 404 Report



**Agency: 00300 Department of Commerce**

**Date:** 9/10/2008

**Version: 2009-A-02-00300**

**Fund Number: 1900 0209**
**Name: Grants to Local Communities**

| | | FY 2008 Actuals | FY 2009 Adj Agency Budget Req | FY 2010 Adj Agency Budget Req | | | |
|---|---|---|---|---|---|---|---|
| R0001 | APPROPRIATION | 15,864,867 | 12,684,972 | 12,502,835 | 0 | 0 | 0 |
| R0005 | LAPSES | (158,659) | 0 | 0 | 0 | 0 | 0 |
| | Total Available | 15,706,208 | 12,684,972 | 12,502,835 | 0 | 0 | 0 |
| | Total Reportable Expenditures | 15,706,208 | 12,684,972 | 12,502,835 | 0 | 0 | 0 |
| | Total Expenditures | 15,706,208 | 12,684,972 | 12,502,835 | 0 | 0 | 0 |
| | Balance Forward | 0 | 0 | 0 | 0 | 0 | 0 |

# 404 Report



**Agency: 00300 Department of Commerce**

**Date:** 9/10/2008

**Version: 2009-A-02-00300**

**Fund Number: 2000 0983**
**Name: Child Care Facility Grants**

| | | FY 2008 Actuals | FY 2009 Adj Agency Budget Req | FY 2010 Adj Agency Budget Req | | | |
|---|---|---|---|---|---|---|---|
| R0001 | APPROPRIATION | 721,000 | 678,000 | 504,800 | 0 | 0 | 0 |
| R0002 | REAPPROPRIATION | 7,692 | 0 | 0 | 0 | 0 | 0 |
| | Total Available | 728,692 | 678,000 | 504,800 | 0 | 0 | 0 |
| | Total Reportable Expenditures | 728,692 | 678,000 | 504,800 | 0 | 0 | 0 |
| | Total Expenditures | 728,692 | 678,000 | 504,800 | 0 | 0 | 0 |
| | Balance Forward | 0 | 0 | 0 | 0 | 0 | 0 |

# 404 Report



**Agency: 00300 Department of Commerce**

**Date:** 9/10/2008

**Version: 2009-A-02-00300**

**Fund Number: 2200 5400**
**Name: Alcoholism Treatment Fund**

| | | FY 2008 Actuals | FY 2009 Adj Agency Budget Req | FY 2010 Adj Agency Budget Req | | | |
|---|---|---|---|---|---|---|---|
| R0007 | CASH FORWARD | 35,618 | 22,593 | 19,500 | 0 | 0 | 0 |
| R1261 | LIQUOR GALLONAGE TAX | 694,726 | 745,094 | 767,447 | 0 | 0 | 0 |
| R1262 | LIQUOR--CLUB CATER DRINK EST | 1,132,843 | 1,215,201 | 1,251,657 | 0 | 0 | 0 |
| R2121 | MOTOR VEHICLE OPERATOR & CHAUF | 274,869 | 294,797 | 303,641 | 0 | 0 | 0 |
| R2111 | LICENSE FEE - ENGAGE IN BUSINE | 900,861 | 966,000 | 994,980 | 0 | 0 | 0 |
| R5409 | OTHER FINES PENALTIES AND FORF | 825,033 | 884,847 | 911,392 | 0 | 0 | 0 |
| R2099 | OTHER SERVICE CHARGES | 15,330 | 16,441 | 23,578 | 0 | 0 | 0 |
| R6601 | OPERATING TRANSFERS IN | 0 | 500,000 | 0 | 0 | 0 | 0 |
| | Total Available | 3,879,280 | 4,644,973 | 4,272,195 | 0 | 0 | 0 |
| | Total Reportable Expenditures | 3,856,687 | 4,625,473 | 4,272,195 | 0 | 0 | 0 |
| | Total Expenditures | 3,856,687 | 4,625,473 | 4,272,195 | 0 | 0 | 0 |
| | Balance Forward | 22,593 | 19,500 | 0 | 0 | 0 | 0 |

# 404 Report



**Agency: 00300 Department of Commerce**

**Date:** 9/10/2008

**Version: 2009-A-02-00300**

**Fund Number: 3314 5202**
**Name: Medical Assistance Federal Fund**

| | | FY 2008 Actuals | FY 2009 Adj Agency Budget Req | FY 2010 Adj Agency Budget Req | | | |
|---|---|---|---|---|---|---|---|
| R0007 | CASH FORWARD | 12,067,811 | 5,689,713 | 3,887,698 | 0 | 0 | 0 |
| R4036 | SRS-FFG-AID FOR MEDICAL ASSIST | 853,376,517 | 973,630,790 | 975,513,531 | 0 | 0 | 0 |
| R5909 | OTHER MISCELLANEOUS REVENUE | 899,302 | 212,680 | 214,807 | 0 | 0 | 0 |
| R6210 | ESTATE RECOVERY PROGRAM (AGY 6 | 2,479,752 | 2,863,008 | 2,891,638 | 0 | 0 | 0 |
| R6215 | GENERAL MEDICAL RECOVERIES(62 | 791,999 | 2,337,648 | 2,361,024 | 0 | 0 | 0 |
| R6216 | DRUG REBATE | 17,790,799 | 20,127,181 | 20,328,453 | 0 | 0 | 0 |
| R6602 | OPERATING TRANSFERS OUT | 0 | (500,000) | 0 | 0 | 0 | 0 |
| | Total Available | 887,406,180 | 1,004,361,020 | 1,005,197,151 | 0 | 0 | 0 |
| | Total Reportable Expenditures | 881,716,467 | 1,000,473,322 | 1,002,447,151 | 0 | 0 | 0 |
| | Total Expenditures | 881,716,467 | 1,000,473,322 | 1,002,447,151 | 0 | 0 | 0 |
| | Balance Forward | 5,689,713 | 3,887,698 | 2,750,000 | 0 | 0 | 0 |

# 404 Report



**Agency: 00300 Department of Commerce**

**Date:** 9/10/2008

**Version: 2009-A-02-00300**

**Fund Number: 3539 3590**
**Name: Title II Vocational Education**

| | | FY 2008 Actuals | FY 2009 Adj Agency Budget Req | FY 2010 Adj Agency Budget Req | | | |
|---|---|---|---|---|---|---|---|
| R0007 | CASH FORWARD | 9,873 | 6,529 | 0 | 0 | 0 | 0 |
| R4050 | FEDERAL GRANTS - EDUCATION AND | 9,142,558 | 10,143,471 | 10,275,000 | | | |
| | Total Available | 9,152,431 | 10,150,000 | 10,275,000 | 0 | 0 | 0 |
| | Total Reportable Expenditures | 9,145,902 | 10,150,000 | 10,275,000 | 0 | 0 | 0 |
| | Total Expenditures | 9,145,902 | 10,150,000 | 10,275,000 | 0 | 0 | 0 |
| | Balance Forward | 6,529 | 0 | 0 | 0 | 0 | 0 |

# Explanation of Receipt Estimates--DA 405

Division of the Budget

State of Kansas

Agency Department of Commerce

**2220 Alcoholism Treatment Fund**

**Statutory History:** KSA 79-41a2 establishes a 10% tax on the gross receipts derived from the sale of alcoholic liquor by any club, caterer or drinking establishment. KSA 79-41a23 requires that 5% of this tax be deposited to the community alcoholism and treatment fund. KSA 41-2622 prescribes an occupation or license tax on clubs and drinking establishments. Of that amount collected, 50% is credited to the Other State Fees Fund of the agency and 50% is credited to the State General Fund. KSA 41-501 requires the State Treasurer to credit 10% of the funds collected from taxes imposed upon alcoholic beverages to this fund.

**Estimated Receipts**

| Revenue Source: | FY 2007 Actual | FY 2008 Actual | FY 2009 Projected | FY 2010 Projected |
|---|---|---|---|---|
| Liquor-Club, Caterer or Drinking Establishment (1262) | 1,091,627 | 1,132,843 | 1,215,201 | 1,251,657 |
| Motor Vehicle Licenses (2121) | 243,164 | 274,869 | 294,797 | 303,641 |
| License Fee--Engage in Business (2111) | 876,235 | 900,861 | 966,000 | 994,980 |
| Liquor-Gallonage Tax (1261) | 670,080 | 694,726 | 745,094 | 767,447 |
| Other Fines, Penalties and Forfeitures (5409) | 795,397 | 825,033 | 884,847 | 911,392 |
| Miscellaneous Revenue | 9,423 | 15,330 | 16,441 | 23,578 |
| TOTAL | $ 3,685,926 | $ 3,843,662 | $ 4,122,380 | $ 4,252,695 |

# Explanation of Receipt Estimates--DA 405

Division of the Budget

State of Kansas

Agency Department of Commerce

**2234 - Land Survey Fee Fund**

**Statutory History:** 1988 HB 3024 was enacted, abolishing the Land Survey Advisory Committee and transferring the duties for the Land Surveys to the Department of Commerce & Housing. The statutes affected by this bill are KSA 58-2007 through 58-2011. The agency is authorized to charge a fee for the clerical costs of filing land survey documents with 80% of such fee deposited in the fee fund and 20% in the State General Fund. The revenue estimates shown for this fund are based on FY 2003 receipts which included a price increase effective in October of 2002. The agency uses the fund to pay a portion ($9,000) of the clerical staff's salary who maintains the documents. This year we intend to use $10,000 to begin a long-term preservation project related to the filed notes. We will digitize them to provide access and preserve the originals, eliminating continued copying on standard copy machines. Given the size of this fund relative to the agency's entire budget, it is suggested the cash balance be left at $10,000 or more.

| **Land Survey Fee Fund** | FY 2007 Actual | FY 2008 Actual | FY 2009 Projected | FY 2010 Projected |
|---|---|---|---|---|
| Land Survey Fees | 7,665 | 12,472 | 12,500 | 12,500 |
| Land Survey Copies | 2,239 | 3,299 | 3,300 | 3,300 |
| TOTAL | $ 9,904 | $ 15,771 | $ 15,800 | $ 15,800 |

**3539 - Federal Title II Vocational Education**

Legal authorization comes from P.L. 100-297 and KSA 72-5112, et seq. As required by the new Carl Perkins Vocational and Technical Education Act of 1998, states develop and submit a four-year operation plan to the US Department of Education for approval. Approval of Kansas' plan was received on July 10, 2002 which allows the state to receive its grant award for the upcoming fiscal year. Of the $10.0 million basic grant, 85% must be distributed to the local education agencies and the remainder may be reserved by the state. Of the 15% reserved by the state, no more than 5% may be used for administration and the remaining 10% must be used to fund state leadership activities. Essentially no cash balance is maintained in this fund.

# Explanation of Receipt Estimates--DA 405

Division of the Budget

State of Kansas

Agency Department of Commerce

**3314 Medical Assistance Federal Fund**

Title XIX of the Social Security Act, also known as Medicaid, provides medical assistance for eligible individuals and families with low incomes and resources. In general, federal match for medical assistance is determined by the state's Federal Medical Assistance Percentage (FMAP).
Federal match is available on an open-ended basis for allowable medical services rendered to eligible individuals, as provided in federal law and regulations and as specified by the state in its State Medicaid Plan.
The FMAP for Kansas is as follows:

| Federal Fiscal Year (Oct thru Sept) | | | | State Fiscal Year (July thru June) | | | |
|---|---|---|---|---|---|---|---|
| 2008 | 60.03% | 39.97% | | 2008 | 60.04% | 39.96% | |
| 2009 | 59.85% | 40.15% | | 2009 | 59.90% | 40.10% | |
| 2010 | 61.55% | 38.45% | (projected) | 2010 | 61.70% | 38.30% | (projected) |

Federal match for administrative costs of the program is generally 50.0 percent. Enhanced federal match is available for skilled medical professionals providing medical administration (75%), operation of the Medicaid Management Information System (75%), and 90% for design and implementation of changes to the MMIS. Sufficient cash is carried over from one fiscal year to the next so that the first month's bills may be paid in a timely manner.

**Estimated Receipts**

| Revenue Source: | FY 2007 Actual | FY 2008 Actual | FY 2009 Projected | FY 2010 Projected |
|---|---|---|---|---|
| Federal Title XIX Medical Assistance Fund | 717,510,682 | 853,376,517 | 973,630,790 | 975,513,531 |
| Estate Recoveries | 2,271,999 | 2,479,752 | 2,863,008 | 2,891,638 |
| General Medical Recoveries | 3,908,383 | 791,999 | 2,337,648 | 2,361,024 |
| Drug Rebate | 14,788,554 | 17,790,799 | 20,127,181 | 20,328,453 |
| Miscellaneous Revenue | 571,518 | 889,302 | 212,680 | 214,807 |
| TOTAL | $ 739,051,136 | $ 875,328,369 | $ 999,171,307 | $1,001,309,453 |

**Budget Mechanics:** The dynamic interaction of elements making up funds and budget units within and across fiscal years, including the interface between appropriation bills and the accounting system.

## Budgeting and Accounting Interface

### Nomenclature

Budgeting and accounting are two different functions, although the terminology used often refers to the same concept. The following table outlines some of these differences.

| Accounting | Budgeting |
|---|---|
| Appropriation | Appropriation |
| Reappropriation | Reappropriation |
| Reserve | Limited Reappropriation |
| Reversion | Lapse |
| Firm Encumbrance* | Expenditure |
| Contingent Encumbrance* | Expenditure |
| Fund | Fund, Line ID |
| Budget Unit | Account |
| Service Efforts & Accomplishments | Performance Measures |
| PCA | Reporting Level |

*Firm is when the cash is on hand; contingent is if the cash becomes available.

### Chart of Accounts

The Division of Accounts and Reports provides a chart of accounts for all agencies that delineates all available accounts an agency may use. Each account has a unique identifier, for example:

173-00-1000-0-0620-01

Agency number—three digits
Subagency or Division number—two digits
Fund number—four digits (1000 always=SGF, 2000 always=Child. Init. Fund)
Fiscal year—one digit
Budget unit—four digits
Function of government—two digits

This string of characters and the terminology will change with the implementation of the SMART financial management system on July 1, 2010.

Agencies may have anywhere from one to many funds. For example, biennial fee agencies generally have one fee fund into which receipts are deposited and spent for agency operations. Some agencies are financed with only one State General Fund appropriation and do not have a special revenue fund (Parole Board and Guardianship Program). Other agencies are financed with State General Fund appropriations, fee funds, and a variety of other sources, such as federal or private monies. Agencies' charts of accounts reveal these funding combinations.

Similarly, agency program structure varies from a single program code (also referred to as PCA) to several hundred program codes. Because the state's budgeting system is directly tied to the state's accounting system, the program structure in the accounting system is closely reviewed with an eye to how agencies' budgets are developed.

## The Budget Evolves over Time into an "Approved Budget"

An approved budget is the total estimate of expenditures for a state agency for the current year or the budget year, as appropriated by the Legislature and signed by the Governor. The amount has a legal basis in appropriation bills, but it cannot always be determined by the appropriation bills alone.

**How many budgets are there for FY 2011?**

**Calendar Year 2009**

1. Agency's original budget request in September
2. DOB's recommended budget in November

**Calendar Year 2010**

3. Governor's recommended budget in January
4. Governor's amendments in April to the recommended budget
5. Legislative approved budget in May
6. Approved budget in August after unspent monies reappropriate

7. Agency's revised estimate of expenditures in September
8. DOB revised recommended budget in November

**Calendar Year 2011**

9. Governor's revised recommended budget in January
10. Governor's amendments to the revised recommended budget in April
11. Legislative approved revised budget in May

**What are the components of the approved budget?**

The approved budget may include any combination of the following, depending on the agency's funding structure:

| | SGF, EDIF, CIF, SWPF* | | Spec. Revenue Fund (with an expenditure limit) | | Spec. Revenue Fund (no expenditure limit) |
|---|---|---|---|---|---|
| New money (appropriation) | Appropriations bill:<br>• Supp. for current FY<br>• Reg. for budget FY<br>• Capital for budget FY<br>• Omnibus bill: for either current or budget yr.<br>• Pay plan distributions | + | • All money appropriates but expenditures are constrained by a limit | + | • All money appropriates and any amount in the fund can be spent |
| Old money (reappropriation) | • With a limit<br>• Without a limit | | • (No distinction between new & old money) | | • (No distinction between new & old money) |

* There is another possible piece of the approved budget that has been rare. This occurs when the Finance Council allows all or part of a limited reappropriation to be spent.

**Documentation**

The table that follows lays out how each of these types of funds and accounts is expressed in various documents. For example, the cell in the extreme upper left indicates that State General Fund (SGF) accounts are expressed as a specific line item in an appropriations bill. Notice under "How funds are cancelled" on the next page that SGF expenditure amounts and a few special revenue funds (EDIF, KEY, Children's Initiatives, and Water Plan) will lapse unless there is specific reappropriation language for funds to carry forward into the next fiscal year.

With most special revenue funds, the monies are controlled by the expenditure limitation, so there is no need to make a distribution about new and old money (although you can still figure it out from the DA 404). Sometimes there is reappropriation language on capital accounts. If there is no expenditure authority in the budget year, old money can carry forward automatically from blanket authority in the appropriations bill (see savings clause below). There must be lapse language to cancel expenditure authority for special revenue funds with limitations.

The following table displays how the different types of appropriation are addressed in the appropriation bill, the Chart of Accounts, and the DA 404 forms.

| | SGF, EDIF, KEY, CIF, Water Plan | Spec. Revenue Fund (with a limit) | Spec. Revenue Fund (no limit) |
|---|---|---|---|
| Appropriation in appropriations bill | Specific line item dollar amount | Specific line item dollar amount | Name of fund, just says "no limit" |
| Reappropriation in appropriations bill | Specific reappropriation language is needed for the old money to carryover into the new fiscal year | Expenditure limit governs. Monies do not reappropriate unless language in the bill specifically does so or the "savings" clause kicks in when there is no line item in the new fiscal year (see below) | No limit allows all funds to be spent; reappropriations would be irrelevant. |
| DA 404 | Dollar amount ties exactly to bill | Dollar amount ties exactly to bill | Dollar amount on DA 404 only. |
| Chart of Accounts | Dollar amount ties exactly to bill | Dollar amount ties exactly to bill | Name of fund, just says 0.00 |
| How funds are cancelled in appropriations bill | Do not put in reappropriation language or lapse all or part of an appropriation by specifying the amount | Lapse part of an appropriation by specifying the amount | Lapsing would not apply because there is no control on the fund. |

**Savings Clause (at the back of the appropriation bill) for "limited" special revenue funds**:

> *Savings.* (a) Any unencumbered balance as of June 30, 2010, in any special revenue fund, or account thereof, of any state agency named in this act which is not otherwise specifically appropriated or limited by this or other appropriation act of the 2010 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2011, for the same use and purpose as the same was heretofore appropriated.
>
> (b) Any unencumbered balance as of June 30, 2010, in any special revenue fund, or account thereof, of any state agency named in section 29 of chapter 124 of the 2009 Session Laws of Kansas which is not otherwise specifically appropriated or limited for fiscal year 2011 by chapter 2, chapter 124, or chapter 144 of the 2009 Session Laws of Kansas or by this or other appropriation act of the 2010 regular session of the legislature, is hereby appropriated for fiscal year 2011 for the same use and purpose as the same was heretofore appropriated.
>
> (c) This section shall not apply to the expanded lottery act revenues fund, the state economic development initiatives fund, the children's initiatives fund, the state water plan fund, the Kansas endowment for youth fund, the Kansas educational building fund, the state institutions building fund, or the correctional institutions building fund, or to any account of any such funds.

## 27th Payroll Financing

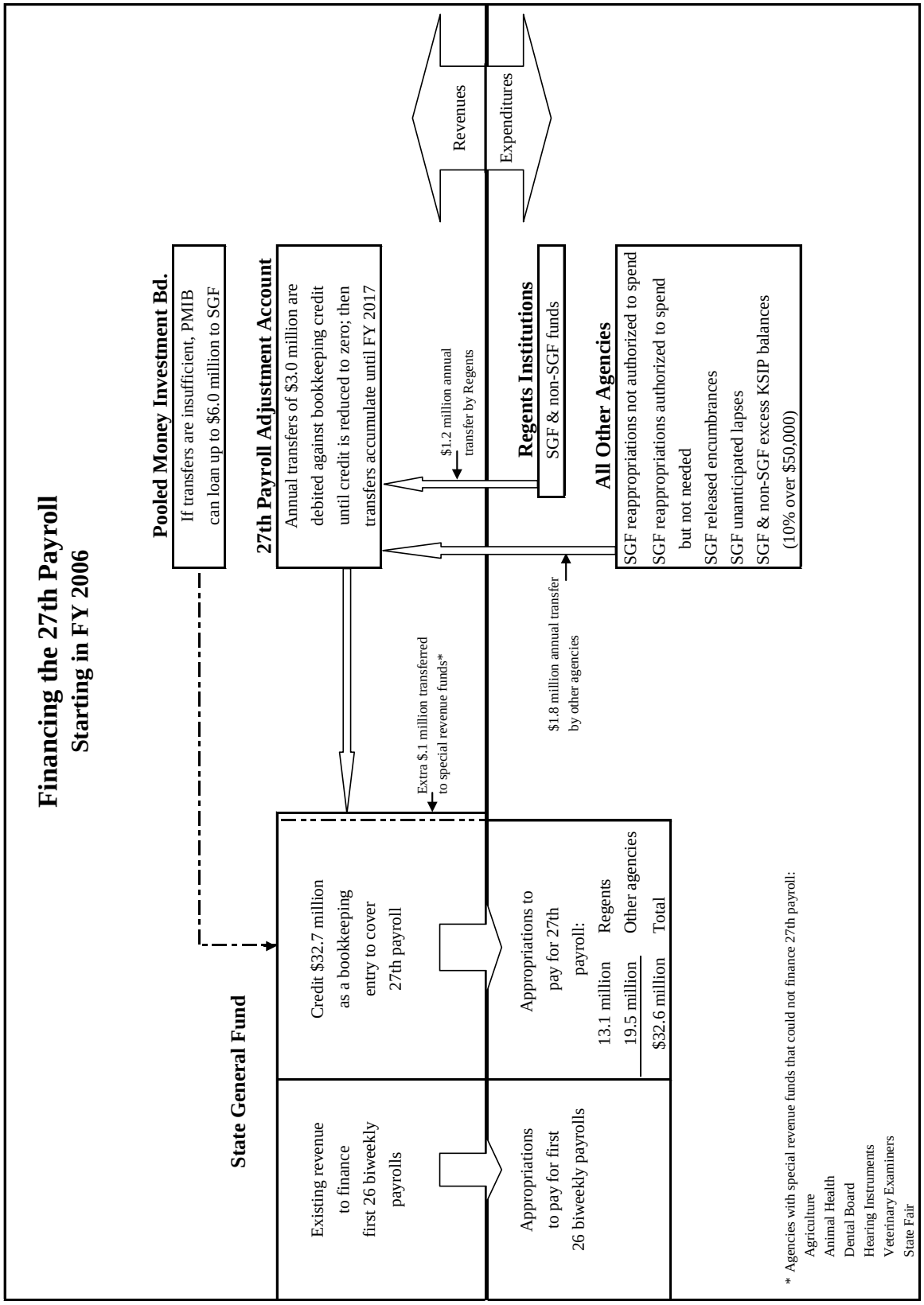
Under the current system of biweekly pay for state employees, a 27th paycheck will occur approximately every 11 years because of the way the calendar dates fall. For the first time since implementation of the SHARP system, a 27th paycheck was paid to employees in FY 2006. The 2005 Legislature authorized additional expenditure authority to cover this obligation, including the establishment of a financing mechanism that will pay for the State General Fund share over several years.

As illustrated in the diagram on the last page of this section, the Legislature approved a bookkeeping entry that credited the State General Fund with the amount necessary to cover both the State General Fund's obligation for the 27th payroll as well as six agencies with special revenue funds that could not cover the cost of the 27th payroll.

In order to offset the amount of the credit, several sources of savings were identified. First, for non-Regents agencies, is the portion of the State General Fund reappropriation that agencies cannot spend without Finance Council approval. These are called limited reappropriations in budgeting and reserves in accounting. Second are monies from unlimited reappropriations of the State General Fund that are determined by the Director of the Budget not to be needed for the purpose for which they were originally budgeted. These savings could include projects or programs that (1) have been completed in which all available funds were not used, (2) were cancelled, (3) were reduced in scope, or (4) were re-estimated in cost with savings projected. Third are released encumbrances from the State General Fund. Fourth are unanticipated lapses from the State General Fund—that is, lapses that occurred because the reappropriation authority to allow the funds to be spent in the next fiscal year was inadvertently omitted. The Board of Regents is directed to certify a minimum amount each year from any combination of State General Fund accounts or any special revenue funds for its share.

It should be noted that the non-Regents savings will be determined from accounting and budgeting records at the end of a fiscal year. The amounts will be certified and executed through a joint effort by the Division of Accounts and Reports and the Division of the Budget. Agencies do **not** need to "budget" for any of these changes. From an agency's point of view, the savings will occur automatically. However, an explanation of the 27th payroll financing method will facilitate an understanding of the changes that occur to agency funds. For example, monies constituting limited reappropriations, although not spendable without State Finance Council approval, have stayed in the account. Under this mechanism, these amounts are transferred to the 27th Payroll Adjustment Account.

All of these savings are transferred to a newly-created 27th Payroll Adjustment Account within the State General Fund. From there, the funds are used as an offsetting debit each year against the original credit until the credit is reduced to zero. If these sources prove to be insufficient to cover the annual obligation in reducing the credit, provision is made to borrow up to $6.0 million from the PMIB to complete the financing.


Financing the 27th Payroll
Starting in FY 2006
Revenues
Expenditures
Pooled Money Investment Bd.
If transfers are insufficient, PMIB can loan up to $6.0 million to SGF
27th Payroll Adjustment Account
Annual transfers of $3.0 million are debited against bookkeeping credit until credit is reduced to zero; then transfers accumulate until FY 2017
$1.2 million annual transfer by Regents
Regents Institutions
SGF & non-SGF funds
All Other Agencies
SGF reappropriations not authorized to spend
SGF reappropriations authorized to spend but not needed
SGF released encumbrances
SGF unanticipated lapses
SGF & non-SGF excess KSIP balances (10% over $50,000)
Extra $.1 million transferred to special revenue funds*
$1.8 million annual transfer by other agencies
State General Fund
Existing revenue to finance first 26 biweekly payrolls
Credit $32.7 million as a bookkeeping entry to cover 27th payroll
Appropriations to pay for 26 biweekly payrolls
Appropriations to pay for 27th payroll:
13.1 million Regents
19.5 million Other agencies
$32.6 million Total
* Agencies with special revenue funds that could not finance 27th payroll:
Agriculture
Animal Health
Dental Board
Hearing Instruments
Veterinary Examiners
State Fair

**Information Technology Project Plan:** A planning and programming document for state government information technology projects. It allows for resource scheduling, funds management, and program coordination.

The Kansas Information Technology Office (KITO) supports the statutory responsibilities of the executive, judicial, and legislative branch Chief Information Technology Officers (CITOs) and the Chief Information Technology Architect (CITA). The 17-member Information Technology Executive Council (ITEC) is responsible for approval and maintenance of all information technology policies, IT project management procedures, the statewide technical architecture, and the strategic information management plan. The Information Technology Advisory Board, or ITAB, as it is more commonly known, functions as a technical resource to the Chief Information Technology Officer, or CITO for the Executive Branch of state government. ITAB includes senior managers of state information technology organizations along with representatives of private industry and local governments.

## Information Technology Project Defined

KSA 75-7201 defines an information technology project as a major computer, telecommunications, or other information technology improvement with an estimated cumulative cost of $250,000 or more and any new or used equipment or software for (1) improvements to existing equipment and any computer systems, programs, or software upgrades for it or (2) data, consulting, or other professional services for such a project. Cumulative cost means the total expenditures, from all funding sources, for any information technology project by one or more state agencies to meet project objectives from project start through project completion or termination. Refer to the website at http://da.ks.gov/itec/ for further information on obtaining approval of new information technology projects.

## Information Technology Planned Projects

Approximately 95.0 percent of projects are identified for the Chief Information Technology Officer (CITO) by the agencies in their Annual Summary of Agency Three-Year IT Management and Budget Plans, which include current plans as well as three-year plans for IT projects, in accordance with KSA 75-7210. Agencies may, however, identify planned projects for the CITO at any time with submission of the Planned Project Template found at http://da.ks.gov/kito/ITPlannedProjects.htm. Planned projects are in the conceptual stage and have estimated costs and timeframes. The project estimates identified at this stage are rough estimates and are not yet benchmarked for reporting to the Joint Committee on Information Technology (JCIT). Percentage variances outlined in JCIT policy do not apply. Projects remain as “planned projects” until the agency decides whether or not to move forward with the project. It is in the agency’s best interest to identify all potential efforts to the CITO which are within 10.0 percent of the $250,000 threshold and fall under governing statutes (KSA 75-7202, et seq.) by submitting the Planned Project Template.

A written determination is provided to the agency from the CITO indicating whether the effort falls within the scope of what constitutes a CITO reportable project. If the effort is determined to meet the criteria of a CITO reportable project, agencies must follow the steps outlined below. Submission of the template does not constitute project approval. Established procedures should be followed for approval or change to project plans as outlined in the IT Planned Projects document.

## Information Technology Project Plan

State agencies in all branches of government are required by state law to prepare a project plan for information technology projects when the project has an estimated cost of $250,000 or more (ITEC Policy 2400, Revision 1: http://da.ks.gov/itec/ITPoliciesMain.htm). **The $250,000 threshold covers all funding, and does now include internal costs which may be associated with the project.** The threshold is at least 50.0 percent (or at least $125,000) budgeted/external costs. Internal costs alone will not be used to determine the $250,000 threshold. Internal costs include direct costs, not overhead, of state government employees associated with a parent task at least 50.0 percent of the time. After review of the Information Technology Project Plan, the Chief Information Technology Officer may recommend an amount to be included in the project budget to cover the cost of an appropriate level of independent oversight (ITEC Policy 2510).

## Feasibility Study Report

Agencies with projects greater than $1.0 million will be required to submit a set of documents in addition to the project plan called a Feasibility Study Report. When Feasibility Studies have an estimated cost of $250,000 or more, the Feasibility Study itself is considered a project and requires CITO approval **prior** to execution. Agencies with projects of this magnitude should contact the Enterprise Project Management Office (EPMO) regarding Feasibility Study Reports.

## High-Level Project Plan

A high-level IT project plan must receive CITO approval prior to contract award and/or project execution. This project plan is to include a cover letter signed by the agency head, DA 518, DA 519, Work Breakdown Structure (WBS) with milestones and Architectural Compliance along with a completed Agency Checklist for High-Level IT Project Plans. Agencies will submit a risk assessment analysis (RAM) along with their High-Level IT Project Plan (http://da.ks.gov/kito/ITProposedPlans.htm). Agencies must also submit a statement identifying all records in the proposed system with a retention schedule of ten or more years as approved by the State Records Board, Supreme Court Rule 108, or the Legislature.

One **digital** copy of the project plan is to be submitted at least two to four weeks prior to the contract award and/or project execution to the CITO for the agency's respective branch of government, listed below. When the project plan has received CITO approval, a copy of the

approved project plan will be sent to the Division of the Budget, the Joint Committee on Information Technology in care of the Legislative Chief Information Technology Officer, and to the Legislative Research Department.

Chief Information Technology Officer
Executive Branch
900 SW Jackson, Suite 751
Landon State Office Building

Chief Information Technology Officer
Judicial Branch
Office of the Judicial Administrator
Judicial Center

Chief Information Technology Officer
Legislative Branch
063-West, Statehouse

## Specifications

Any task order, invitation for bids, or RFP specifications related to an approved project must be submitted for CITO approval. KSA 75-7209 states all specifications for bids or proposals related to an approved information technology project of one or more state agencies must be reviewed by the chief information technology officer of each branch of state government of which the agency or agencies are a part. All specifications for bids or proposals related to an approved IT project must now be approved by the CITO.

If a variance of 10.0 percent or more in time or cost to the approved high-level project plan would occur at the time of vendor selection, a revised high-level project plan has to be submitted for CITO approval and the CITO's written approval must be received **prior** to contract award. The CITO will notify JCIT of these events.

## Detailed Project Plan

Once the final contracts are awarded, the high-level project plan may need to be updated with detailed information and receive final CITO approval. As required by statute, the detailed project plan must receive written CITO approval **prior** to project execution. (http://da.ks.gov/kito/ITProposedPlans.htm)

Projects with multi-year financing should be divided into subprojects of approximately 12 months. Subprojects should include deliverables and benefits or gains which can be identified. Subprojects do not necessarily run sequentially; they may be overlapping. CITO approval for the overall intent of the project, along with approval for the first subproject, is provided in such cases. Updated plans are then provided to the CITO prior to the start of each subsequent subproject for approval.

**Overall Detailed Project Plan.** The overall detailed project plan includes a copy of the completed documents DA 518, DA 519, Work Breakdown Structure (WBS),Work Product

Identification (WPI), Architecture Statement, Security Statement, Privacy Statement, Web Accessibility Statement, Electronic Record Retention Statement, and a cover letter signed by the agency head requesting project approval along with a completed Agency Checklist for Detailed IT Project Plan. Agencies will submit a risk assessment analysis (RAM) along with their Detailed IT Project Plan.

**Subproject Detailed Project Plan.** Another set of documents needs to be submitted when requesting approval for each subproject. At a minimum, this includes a cover letter signed by the agency head requesting project approval, WBS and WPI. Subsequent subproject plans should also include any revisions to documents from the overall project plan.

## Agency Checklist for Proposed IT Plan

Each proposed project should include a completed checklist.

## Cover Letter

A cover letter signed by the agency head to the CITO requesting project approval is to be included with submittal of all proposed project plans.

## Information Technology Project Request Explanation—DA 518

An Information Technology Project Request Explanation form (DA 518) must be prepared for every proposed project. In making proposals, agencies should be realistic in assessing the need for a particular project, specifically in relation to financing methods and availability. Following are some of the basic instructions for completing the DA 518.

In **Item 1**, enter a brief title of the project and the agency name. Care should be exercised in the choice of terminology to assure the title clearly reflects the nature and scope of the proposed project, not a stand-alone acronym.

In **Item 2**, enter the priority designation assigned to the project. Agencies should assign priority designations irrespective of the fiscal years for which the projects have been proposed. The highest priority would receive a “1,” the next highest a “2,” etc.

In **Item 3**, provide the proposed starting and ending date of the project. According to KSA 75-7201(j), “Project Start” is the date and time when a state agency begins a formal study of a business process or technology concept to assess the needs of the state agency, determines project feasibility or prepares an information technology project budget estimate under KSA 2008 Supp. 75-7209 and amendments thereto. The estimated close-out end date is when the agency has completed project close-out activities, including but not limited to completion of the Post Implementation Evaluation Report (PIER).

In **Item 4**, provide a description of, and justification for, the project. This should include an analysis of project activities and needs. Explanations should cover the intended uses and improvements to existing information technologies. Please note if the project is in the current three-year information technology plan. The detailed project description and justification must contain the following information:

1. An analysis of the programs, activities, needs, and intended uses for the additional or improved information technology.
2. A statement of project scope, including identification of the organizations and individuals to be affected by the project, and a definition of the functionality to be achieved by the project.
3. An analysis of the alternative means by which such information technology needs and uses could be satisfied.
4. Project goals and objectives. The relationship between project goals and agency goals should be discussed as well as the goals of the State Information Management (SIM) plan. The justification should cover mandated changes, cost savings, as well as service enhancements. The project justification is a key part of the information technology project plan. The plan will be evaluated based on a number of considerations, such as data sharing, hardware and software sharing, design sharing, and deliverables. A separate sheet may be attached if more space is required.

In **Item 5**, space is available to report the estimated costs associated with the project. Include these costs by major object code or category of expenditure, then show a total. The cost is for all years through close-out.

Indicate the name, start date, end date, and internal and external costs for each subproject in **Item 6**. Internal costs include the direct cost of state government staff. When project costs are reported they should clearly show the costs associated with planning, with actual execution and close-out. Again, provide totals.

**Item 7** calls for the amount of financing by funding source. Enter in the appropriate column the amounts necessary to show the total cost of the project by fiscal year. If the project will be financed from sources other than the State General Fund, the amounts should be placed in Columns 2 through 5, with the columns labeled with the proper funding source.

Project costs and dates should be consistent across all plan documents.

## Information Technology Cost-Benefit Statement—DA 519

An Information Technology Cost-Benefit Statement (DA 519) must be prepared for every proposed project.

In **Item 1**, enter a brief title of the project and the agency name. Care should be exercised in the choice of terminology to assure the title clearly reflects the nature and scope of the proposed project, not a stand-alone acronym.

In **Item 2**, provide the proposed start and end date of the project. An entry for "Project Months" is automatically populated, based on the starting and ending dates entered (mm/dd/yyyy).

In **Item 3**, enter the agency name.

In **Item 4**, enter the name of the project director or manager.

In **Item 5**, provide an explanation of the qualitative and quantitative savings derived from the project, as outlined in Item 6. These savings are a method to justify the expenditure. This section should clearly document the savings and benefits from the proposal, and clearly and concisely communicate the project's value. A separate sheet may be attached if more space is required.

In **Item 6**, detail the qualitative and quantitative savings estimates with descriptions and amount by fiscal year. When figuring soft and hard dollar savings, think about the four categories listed below and the example of savings.

**Cost Avoidance (Soft Dollars)**

1. Labor Savings: the savings due to expected position reductions from implementing the planned project.

2. Productivity Benefits: the gains in user productivity from implementing a solution, including reductions in system downtime or efficiency gains in performing specific user tasks. Often, productivity benefits are discounted to account for the fact that not all of the gains will yield an increase in productive work time.

**Cash Savings (Hard Dollars)**

1. Capital Expense Reductions: expenses saved in areas such as office supplies, printing costs, power or facilities expenses from implementing the planned project.

2. Business Benefit: the gains in profit resulting from revenue.

**Examples of Savings:**

1. Testing Labor Avoidance (creating a more stable foundation that eases the testing burden and helps ensure quality).

2. Maintenance Labor Avoidance (reducing the maintenance burden, so critical development resources can focus on strategic business issues).

3. Deployment Acceleration (enterprise installation done easily through a log-in script, batch file or third party software installer).

4. Downtime Loss Avoidance (lost productivity).

5. Support (saving time and money of help desk resources, eliminating costly technical support calls).

6. Evolve (components are reusable, portable across platforms and updated to integrate new technologies, saving time, money and resources during application evolution).

In **Item 7**, enter the project costs. This figure should match the total found in Items 5, 6 and 7 of the DA 518 form. Net Cost Benefit, Cost Benefit per Month and Calendar Months to Break Even are automatically populated based on information entered into the form. The formula used to calculate these figures is found in the bottom left-hand corner of the DA 519 itself.

In **Item 8**, enter estimated ongoing costs. These are operational/maintenance costs from any source of funds for three ensuing fiscal years after project execution. If the proposed system contains records with retention periods of ten or more years as approved by the State Records Board, Supreme Court Rule 108, or the Legislature, costs to provide integration of these records into the Kansas Electronic Preservation System must be shown here. Note: all funds identified for this purposes will be transferred at the start of each fiscal year to the Kansas State Historical Society's Records Management Fund.

Project costs and dates should be consistent across all plan documents.

## Work Breakdown Structure (WBS)

The Work Breakdown Structure (WBS) should be provided for the entire project and shown at the 80-hour level. The WBS must show the execution start date to establish clearly when formal execution work begins. This could be announcement of the project execution start by a steering committee, the award of bid or task order, or the signing of contracts. The WBS contains the following columns:

1. Task Number (ID): work breakdown structure number for the task.
2. Task Name: tasks should be descriptive and shown using less than or equal to 80 person/hours of effort.
3. Work: planned total person/hours of effort of all resources for the task.
4. Start date

5. Finish Date
6. Dependencies: the link between tasks that controls the start or finish of one task relative to the start or finish of another task or tasks.
7. Resource Names: resources assigned to the task.
8. Milestones: significant events that will be reached in the project or imposed upon the project.

**Note:** All hours shown in this plan must represent effort (person/hours), not elapsed calendar time and must include hours from all resources, including internal staff.

## Work Product Identification (ITEC PM02-6)

While the deliverables list is a compilation of information identified in the WBS, it is useful to maintain a separate list since deliverable completion can be a key metric of project progress. Separate tracking of deliverables will help keep the project on track.

## Architectural Statement (ITEC Policy 4010)

Another element in the information project plan is a written statement of compliance regarding the products and standards that will be followed for the acquisition and development of equipment, software, communications, and other technologies employed to accomplish the project (http://da.ks.gov/itec/).

## Privacy Statement

The privacy statement is a description of how the project will address data privacy issues. The federal Privacy Act of 1974 and the 1996 Health Insurance Portability and Accountability Act (HIPAA) may both affect state agency information technology projects. If privacy issues are not relevant to this project, explain why. The description of privacy issues must address:

1. What information is collected that identifies individuals, organizations or computers.
2. Why the information is collected.
3. How the information will be used.
4. Opportunities for individuals or organizations to have all or part of their attributes excluded from the database.
5. How the privacy provision included in this project helps implement the 1974 Privacy Act as interpreted for information technology by the General Accounting Office.
6. If the agency is subject to other requirements, such as HIPPA, with what items must the agency comply.
7. An estimate of the total cost to deal with privacy issues in the project.

Refer to the following websites for additional information on these federal laws:

http://www.usdoj.gov/oip/privstat.htm

http://hhs.gov/ocr/hipaa/

## Security Statement (ITEC Policy 4210, 7220, 7230)

The security statement is a description of compliance regarding security measures, technologies used, and compliance with policy and standards that will be followed for this project. If no security features are included in this project, explain why. Refer to the following ITEC website:
http://da.ks.gov/itec/ ITPoliciesMain.htm

## Web Accessibility Compliance Statement (ITEC Policy 1210)

This statement is a description of web accessibility compliance features in accordance with ITEC Policy 1210, Revision 1 that are incorporated into the project. If no web accessibility compliance features are included in this project, explain why. Refer to the following website for further information on this issue: http://da.ks.gov/itec/ ITPoliciesMain.htm.

## Electronic Record Retention Statement

Government records are public property and cannot be destroyed without authorization from the State Records Board or through an approved retention and disposition schedule (KSA 45-403). Unless specifically exempted, government records are to be kept open for public inspection (KSA 45-213 through 45-223). Electronic information systems present unique records management challenges. The following questions need to be addressed when requesting CITO approval of information technology projects. Refer to the following website for further information on this issue: http://www.kshs.org/government/records/stategovt/recordslaw.htm.

1. For each business function supported by the proposed system, what paper records are being replaced and which will continue to exist in both paper and electronic form?
2. What new business functions will be implemented?
3. For each business function identified in 1 and 2 above, what are the legal, regulatory or operational reasons for performing it?
4. What legal, regulatory or operational requirements, including the State Records Board approved retention schedules, exist for keeping records related to each business function?
5. Will any of the data necessary to document the business functions either be maintained in another system within the agency or in a system outside the agency? If so, please specify.
6. What are the legal, regulatory or operational requirements to providing public access to the records?

7. What are the legal, regulatory or operational requirements for controlling access to the records in order to ensure confidentiality?

## Risk Assessment Model (RAM)

The Risk Assessment Model (RAM) is a tool that assists the CITO and state project managers with quantifying and summarizing information on technology project risks. The model breaks down IT project risk into several categories: Strategic, Financial, Project Management, Technology and Change Management/Operational. A project receives a risk "score" in each category—the scores are ultimately scaled against a calibrated index to show high, medium and low risk. A summary of the risks is presented graphically in terms of red, amber or green in each risk category, providing a simple yet vivid risk "picture." The objective of such information is to provide the CITO and the project manager with focus areas for risk mitigation. A copy of the risk summary is submitted with the IT project plan, in accordance with ITEC Policy 2510. For a CD with the RAM application, please contact the Enterprise Project Management Office at (785) 368-7093.

## Fiscal Note

The Division of the Budget prepares a fiscal note on each piece of legislation introduced by the Legislature. Depending on the nature of the proposed legislation, there may be cost estimates for information technology projects that must be implemented if the legislation is enacted into law. In accordance with recommendations of the Joint Committee on Information Technology, a copy of any pertinent fiscal note related to a project and/or costs associated with a project should be attached with the plan.

# Agency Checklist for Proposed IT Project Plan

| | |
|---|---|
| **Agency:** | |
| **Project Name:** | |
| **Greater than $250,000/ less than $1,000,000 (Y/N):** | |
| **Greater than $1,000,000 (Y/N):** | |
| **IT Project Plan Documents** | **Included (Y/N)** |
| | **If no, explain.** |
| ***For forms and more detailed information on completion of plan, see http://da.ks.gov/kito/ITProposedPlans.htm.*** | |
| **Cover Letter Requesting Project Approval** | |
| **Forms** | |
| **Expenditures--DA 506** | |
| **IT Project Request Explanation--DA 518** | |
| **IT Cost Benefit Statement--DA 519** | |
| **Appendix** | |
| **Work Breakdown Structure @ 80 hr level** | |
| WBS Task Numbers | |
| WBS task description (tasks should be descriptive and shown using less than or equal to 80 person/hours of effort) | |
| Work (total person/hours of effort for all resources for the task) | |
| Start Date | |
| Finish Date | |
| Dependencies | |
| Resources assigned to the task | |
| Milestones | |
| **Work Product Identification (Form ITEC PM02-6)** | |
| **Architectural Statement (ITEC Policy 4010--http://da.ks.gov/itec/ITECITPolicy4010R1.htm)** | |
| Description of products and standards compliance | |
| If different, explain | |
| **Privacy Statement (The Privacy Act of 1974, Health Insurance Portability and Accountability Act 1996 (HIPAA) -- http://www.usdoj.gov/foia/privstat.htm, http://hhs.gov/ocr/hipaa)** | |
| 1. What info is included | |
| 2. Why is it collected | |
| 3. How will it be used | |
| 4. Exclusion opportunities | |
| 5. 1974 Act implementation | |
| 6. Other privacy requirements | |
| 7. Total privacy cost estimate | |
| **Security Statement (ITEC Policy 4210, 4220, 4230 -- http://da.ks.gov/itec/Documents/ITECITPoliciesMain.htm** | |
| Statement of compliance regarding security measures, technologies used, and compliance with policy and standards | |
| If different, explain | |
| **Web Accessibility Compliance Statement (ITEC Policy 1210 -- http://da.ks.gov/itec/Documents/ITECITPolicy1210R1.htm)** | |
| Description of web accessibility compliance features | |
| If none, explain why | |
| **Electronic Record Retention Statement (address each question outlined in KSA 45-403 and KSA 45-213 through 45-223 -- http://www.kshs.org/government/records/stategovt/recordslaw.htm)** | |
| 1. Identify replaced paper records | |
| 2. Identify new business functions | |
| 3. Reasons for business functions | |
| 4. Records requirements for business function | |
| 5. Documents in another system? | |
| 6. Public access requirements | |
| 7. Access control requirements | |
| **Risk Assessment Model (RAM) Summary** | |
| **Fiscal Note, if appropriate** | |
| **Digital copy submitted four weeks prior to contract award and/or project execution** | |

# INFORMATION TECHNOLOGY PROJECT REQUEST EXPLANATION--DA 518

| **1. Project Title:**<br><br>**Agency:** | **2. Project Priority** | **3. Estimated Dates**<br>Planning Start:<br>Close-Out End: |
|---|---|---|
| **4. Project Description and Justification** | **Date Submitted:** | |

**5. Estimated Project Cost:**

| **Category** | **Cost** |
|---|---|
| **Total Project Costs** | **$0** |

**6. Project Subprojects (Include name, start and end dates, and cost of each Subproject):**

| **Subproject Name** | **Start Date** | **End Date** | **Internal Cost** | **External Cost** |
|---|---|---|---|---|
| Planning | | | | |
| Execution | | | | |
| *(enter subproject I name)* | | | | |
| *(enter subproject II name)* | | | | |
| *(enter subproject III name)* | | | | |
| *(enter subproject IV name)* | | | | |
| Close-Out | | | | |
| **Total Internal, Total External Costs** | | | **$0** | **$0** |
| **Total Project Costs** | | | | **$0** |

**7. Amount by Source of Financing:**

| Fiscal Years | l. SGF | 2. | 3. | 4. | 5. | **Total** |
|---|---|---|---|---|---|---|
| Prior Yrs. | | | | | | $0 |
| FY | | | | | | $0 |
| FY | | | | | | $0 |
| FY | | | | | | $0 |
| FY | | | | | | $0 |
| FY | | | | | | $0 |
| FY | | | | | | $0 |
| **Total Project Costs** | 0 | 0 | 0 | 0 | 0 | **$0** |

# INFORMATION TECHNOLOGY COST BENEFIT STATEMENT--DA 519

| **1. Project Title** | **2. Estimated Dates** | Project Months |
|---|---|---|
| | Planning Start: | 0 |
| | Close-Out End: | |
| **3. Agency** | **4. Project Director/Project Manager** | |

**5. Qualitative and Quantitative Savings Explanation**

| **6. Qualitative and Quantitative Savings Estimate** | | Estimated Amounts | | | | |
|---|---|---|---|---|---|---|
| Description | | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Cost Avoidance (Soft Dollars) | | | | | | |
| Subtotal | $0 | 0 | 0 | 0 | 0 | 0 |
| Cash Savings (Hard Dollars) | | | | | | |
| Subtotal | $0 | 0 | 0 | 0 | 0 | 0 |
| Other (Include Intangible Benefits) | | | | | | |
| Subtotal | $0 | 0 | 0 | 0 | 0 | 0 |
| Total Qualitative & Quantitative Savings | $0 | 0 | 0 | 0 | 0 | 0 |

| **7. Summary*** | | | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|---|---|---|---|
| Project Costs | **Total** | $0 | | | | | |
| Net Cost Benefit | **Total** | $0 | 0 | 0 | 0 | 0 | 0 |
| Cost Benefit per Month = | | #DIV/0! | | | | | |
| Calendar Months to Break Even | | #DIV/0! | | | | | |

| **8 Ongoing Cost** | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|---|---|
| Operational Cost for three ensuing SFYs | | | | | |

* Project Costs = Total Cost of Project over all Fiscal Years from all Funding Sources
Net Cost Benefit = Total Qualitative & Quantitive Savings minus Total Project Costs
Cost Benefit per Month = Total Qualitative & Quantitative Savings divided by Length of Project in Months
Calendar Months to Break Even = Total Project Costs Divided by Cost Benefit per Month (12-18 Months)

# Project Management Plan: Work Product Identification

***Project:*** ***Date:***

| ***Deliverable Name*** | ***Due Date*** | ***Date Delivered*** | ***Point of Contact*** |
|---|---|---|---|
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**The Five-Year Capital Budget Plan:** A planning and programming document for state government. It allows for resource scheduling, management of funds, and program coordination.

Agencies should submit the following forms as outlined below:

| | |
|---|---|
| July 1 | DA 418A and DA 418B |
| September 15 | Complete Capital Budget, Strategic Plans, and Operating Budgets |

## Overview of Capital Improvement Process

State agencies requesting funding for capital improvement projects must submit two copies of the summary five-year capital budget plan (DA 418A) and project request explanation (DA 418B) to the Division of the Budget, one to the Division of Facilities Management for the State Building Advisory Commission, and one to the Legislative Research Department for the Joint Committee on State Building Construction. State statute specifies a deadline of July 1.

Contact the Division of the Budget (296-2436) with any questions about these instructions or completion of the forms. Questions about project cost estimates and project phasing should be addressed to the Division of Facilities Management (296-8899).

Agencies should use the following categories when requesting capital projects:

1. New Construction and Additions: all new construction and building additions;

2. Remodeling: all major projects that substantially change the existing structure and its uses;

3. Acquisition: the purchase of an existing facility;

4. Razing: the demolition of existing structures; and

5. Rehabilitation and Repair: routine, major, or emergency maintenance; restoration; replacement of fixed equipment; energy conservation; requests related to compliance with the Americans with Disabilities Act (ADA); and code compliance projects as well as projects needed to meet program requirements.

The first four categories require a separate line item appropriation for each project. The final category is a single line item appropriation with discretion given to the agency as to the most immediate need for the funds.

## Debt Service

Capital improvements can be financed through a direct appropriation of funds or debt financing. Budgeting through debt financing can be complicated because, in the accounting system, one set of funds and account codes is used for budgeting purposes and another set for the bond-related transactions of the Kansas Development Finance Authority (KDFA). KDFA, which is responsible for overall administration of the debt, uses mostly enterprise funds (5XXX) and capital project funds (8XXX) in the accounting system. The overall debt obligation is paid off using several sources of revenue, such as investment earnings on the bond proceeds that KDFA manages. The main source, however, is the amount for debt service that agencies include in their budgets. These instructions apply only to the funds that are used to pay the portion of the debt service that comes from agency budgets. Debt service for capital budgeting purposes does not include bond proceeds or payments to contractors.

Accordingly, agencies should use the following account codes for debt service payments on capital projects (1) to enter their debt service estimates into the budget system and (2) for coding vouchers that make debt service payments from the State General Fund or any special revenue fund.

772100 Other Payments and Charges for Debt Service—Principal
772110 Other Payments and Charges for Debt Service—Interest
772120 Other Payments and Charges for Debt Service—Arbitrage

The principal portion of the debt service payment is a capital expenditure, because only that portion constitutes a capital asset when the debt is retired. Interest and arbitrage payments are operating expenses, and for budgeting purposes these expenditures are reportable. Agencies should use the amount identified by KDFA as principal (772100) to be paid from budgeted debt service funds and code the remainder of those budget funds as interest (772110). To avoid duplicating expenditures, 51XX and 56XX funds are treated as reportable and all other 5XXX funds are non-reportable. The three building funds, the Educational Building Fund (8001), the State Institutions Building Fund (8100), and the Correctional Institutions Building Fund (8600), are reportable, but all other 8XXX funds are non-reportable.

Coding changes were also made at the beginning of FY 2006 for capital projects that are part of the Facilities Conservation Improvement Program administered by the Kansas Corporation Commission. For budgeting purposes, these projects also constitute debt service payments on capital improvements. Agencies should use the following account codes for debt service payments on these projects:

542100 Facilities Conservation Improvement Program—Principal—Buildings and Improvements—Capital/Inventory

542110 Facilities Conservation Improvement Program—Interest—Buildings and Improvements—Capital/Inventory

## Instructions for Preparing DA 418B Forms

A Project Request Explanation (DA 418B) must be prepared for every project proposed in all years of the plan period. Projects proposed for the out years need not be described to the same extent as projects proposed for the budget year. However, the incorporation of out-year projects in an agency's five-year capital improvement plan implies that the agency has given serious consideration to the eventual need for each project. An out-year project should be explained sufficiently so that it can be considered for approval during the plan period. Following are instructions for completing the DA 418B.

**In Item 1, enter the project title using terminology suitable for an appropriation title.** Care should be exercised in the choice of terminology to assure the title clearly reflects the nature and scope of the proposed project. Also in Item 1, enter the agency name.

**In Item 2, enter the priority designation(s) assigned to the project.** Projects proposed by umbrella agencies, such as institutions under the jurisdiction of the Board of Regents, are to be assigned both an agency priority and a system priority. The system priority is to reflect the assigned status of the project in relationship to all projects requested for the entire system. For example, if all institutions under the jurisdiction of the Department of Social & Rehabilitation Services collectively have proposed 50 projects over the period, then the system priority designations would range from 1 to 50. Accordingly, a state hospital might assign a priority of 3 to a particular project while the Department might assign a priority of 10 to the same project. In this instance, the appropriate designation to be placed in Item 2 would be "A3-S10," with the A designating agency and the S designating the system.

**In Item 3, provide a description of and a justification for the project.** All projects should be explained as thoroughly as possible. For example, in the case of the proposed construction of a classroom building, the description should indicate the number of teaching and student stations in classrooms and laboratories, the type of utility systems, and the estimated gross and net usable square feet of the structure. Also, provide an analysis of the alternative means by which the space needs could be satisfied. In the case of a project to re-roof a building, the description would include information about the type of roof to be provided and the number of squares of roof to be replaced. The forecasted effect of projects on an agency's operating budget must be clearly noted and explained. Examples may include additional utilities and maintenance costs attributable to new space. If the project constitutes only one phase of a larger project, this information should be included in the project description. If the project request is for rehabilitation and repair of existing facilities, any part of the request that is for ADA purposes is to be explained and its cost identified separately.

Agencies should not feel constrained in their justification for a project by the space on the DA 418B. If additional space is needed, continue the narrative on a separate sheet of paper. A complete written program statement must be provided for any project proposed for the budget year that will require the services of a project architect or engineer.

**In Item 4, enter the cost of each of the following major components of the proposed project:**

1. **Construction.** This includes the cost of construction, site work, and the cost of fixed equipment built into the project.

2. **Architect or Engineer Fee.** This includes the costs for preliminary planning (schematic design and design development), final planning (construction documents), bidding services, and construction administration services. When estimating project architect or engineer fees, the fees should be calculated on the basis of the fee schedule included in KSA 75-1263. The fees are subject to the following statutory limits: 7.0 percent of that portion of the project up to $2.25 million; 6.25 percent for that portion of the project exceeding $2.25 million but not exceeding $4.5 million; 5.5 percent for that portion of the project exceeding $4.5 million but not exceeding $6.75 million; and 5.0 percent for that portion of the project exceeding $6.75 million. The statute also permits the payment of an additional fee not to exceed 4.0 percent, as determined by the negotiating committee, which is proportional to the relative complexity of the project. Capital improvement project budget estimates should include architectural or engineering fees computed at these statutory maximum amounts.

3. **Moveable Equipment.** This is a cost estimate for capital outlay equipment, which must be purchased to place the facility in operation. Included in this category is all equipment not built into the actual structure.

4. **Project Contingency.** This is the amount included in the project cost to finance unforeseen occurrences during the construction phase.

5. **Miscellaneous Costs.** These are costs other than those included in Items 1-4 associated with the project. These costs include land acquisition, site survey, subsoil investigation, printing and mailing of plans and specifications, consultant and design services, and construction management services permitted by KSA 75-1265. In addition, this item includes the fees charged for architectural, engineering, or management services provided by the Department of Administration for capital improvement projects, currently a fee ranging from .5 percent to 2.0 percent depending on the complexity and services provided. An additional negotiated fee is charged on projects for which the Division of Facilities Management provides architectural and engineering design services.

**In Item 5, the estimated total project cost reflected in Item 4 should be broken down into three major phases: preliminary planning, final planning, and construction.** Not all projects will include costs for each project phase.

1. **Preliminary Plans.** This phase includes the costs of preparing preliminary plans (schematic design and design development) for the project based on 35.0 percent of total

architect or engineer fees attributable to the entire project. This amount includes miscellaneous costs that will be incurred during this phase of a project. Examples would be costs for a site survey, subsoil investigation, etc.

2. **Final Plans.** This phase includes costs attributable to the services of a project architect to develop detailed plans (construction documents). This amount is 45.0 percent of the architect or engineer fee for the entire project. Of the total amount, 5.0 percent is the portion of the architect or engineer fee for bidding services and all miscellaneous costs that will be incurred during this phase.

3. **Construction.** This phase includes costs attributable to construction of the project (or remodeling, renovation, or rehabilitation and repair). In addition, this amount should include miscellaneous and other costs that will be incurred during this phase of a project. For example, this would include costs for the remaining 20.0 percent portion of the architect or engineer fee for construction administration and costs for acquisition of moveable equipment, etc.

With respect to Items 4 and 5, agencies should submit a separate sheet, labeled appropriately, which provides additional information concerning the estimated project cost and the manner in which this cost has been broken down into the three project phases. Examples of the type of information that should be provided include the cost per gross square foot and any inflation assumptions used in generating the project estimate. If the project is a roof project, the cost per square of roofing is provided. Also, a breakdown of the architect's fee and miscellaneous costs and how these costs have been reflected in the project phases should be provided.

**Item 6, enter in the appropriate column the amounts necessary to show the total cost of the project by funding source.** If the project will be financed from sources other than the State General Fund, the amounts should be placed in Columns 2 through 5, with the columns labeled with the proper funding source. The fiscal year in which the cost of the proposed project would be incurred should be entered on a fiscal year line. If the total cost is to be incurred in a single year, then only the appropriate fiscal year should be entered. For those projects that require multi-year financing, one DA 418B form should be prepared. The form must indicate the fiscal year in which the initial funding of the project is proposed. If multi-year financing is requested, the appropriate fiscal years should be entered. If a major project is proposed to extend beyond the five-year plan period, financing for subsequent fiscal years should also be shown. An entry on the prior year's line should be made only if an appropriation has been made for any fiscal year prior to the current year. Current year, budget year, and subsequent fiscal year expenditures are noted separately.

## Instructions for Preparing DA 418A Forms

The DA 418A provides a summary of all projects proposed for the five-year planning period and should have every project listed for which a DA 418B was prepared. The Five-Year

Capital Budget Plan should also include projects for which financing has already been provided but additional expenditure authority is needed. Instructions for the DA 418A are detailed below.

1. **Project Title.** Enter in this column the title of each project proposed for the plan period as it appears on the DA 418B. The projects must be listed in numerical order in accordance with the agency priority that has been assigned to each project.

2. **Estimated Project Cost.** Enter in this column the estimated cost for each project. For those projects to be financed over more than one year, the estimated project cost should represent the total cost of the project.

3. **Prior Fiscal Years.** An entry in this column should be made for any project that has funds already approved prior to the current fiscal year. In this way, proposals for additional expenditure authority can be evaluated in the context of the total project.

4. **Current Fiscal Year.** This column will contain all estimated current year expenditures for each project request. Any supplemental appropriation requests for capital projects must also be noted here.

5. **Five-Year Plan.** Enter in the appropriate column the fiscal years(s) for which funding of each project for the plan period is proposed. In the case of projects recommended for multi-year financing, an entry will be made for each applicable fiscal year.

6. **Subsequent Years.** Depending on the proposed timing of a major project for which multi-year financing is recommended, funding for a project could extend into fiscal years beyond the limit of the plan period. While these fiscal years will be identified on the project's DA 418B, for purposes of the DA 418A all funding for fiscal years beyond the limit of the plan period should be totaled and the sum entered in this column.

After making appropriate entries in columns on the DA 418A, all amounts should be added down to reflect fiscal year totals.

# Five-Year Capital Budget Plan--DA 418A

Division of the Budget

State of Kansas

Agency Name Department of Wildlife and Parks

| Project Title | Estimated Project Cost | Prior Years | Current Year | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Subsequent Years |
|---|---|---|---|---|---|---|---|---|---|
| 1. Lake Scott Water Main Replacement | 176,000 | 37,924 | 102,076 | 36,000 | -- | -- | -- | -- | -- |
| 2. Glen Elder Office Addition | 80,000 | -- | 50,000 | 30,000 | -- | -- | -- | -- | -- |
| 3. Prairie Dog Water Well Replacement | 10,000 | -- | -- | 10,000 | -- | -- | -- | -- | -- |
| 4. Rehabilitation and Repair | 400,000 | -- | -- | -- | 100,000 | 100,000 | 100,000 | 100,000 | -- |
| Total | $ 666,000 | $ 37,924 | $ 152,076 | $ 76,000 | $ 100,000 | $ 100,000 | $ 100,000 | $ 100,000 | $ -- |

# Project Request Explanation--DA 418B

| 1. Project Title: Lake Scott Water Main Replacement<br><br>Agency: Department of Wildlife and Parks | 2. Project Priority:<br><br>1 |
|---|---|

3. Project Description and Justification:

The agency is requesting funds to continue replacement of a galvanized water main which was installed by the Corps of Engineers in the early 1970s. It has become a high maintenance item, as the metal pipe has rusted through, requiring excessive staff resources, time, and equipment expense to locate and repair leaks. It will be only a few years until the total line is rusted to the point where maintenance or repair will be impossible. Therefore, before this happens, it is essential that the old line be removed and a new line installed.

Preliminary and final planning for the project was conducted in FY 2008, Phase I was also completed in FY 2008 at a cost of $37,924. This phase replaced the section of the water main from the treatment facility to campground A.

Phase II will be completed in FY 2009 at a cost of $102,076. This phase will replace the water main leading to campgrounds B, C, E, and G.

Phase III will be completed in FY 2010 and will replace the remaining sections of the water main, which lead to campgrounds D and F. The cost for this phase will be $36,000. There will be no requests for additional funds for operating expenditures as a result of the project.

| 4. Estimated Project Cost: | | 5. Project Phasing: | |
|---|---|---|---|
| 1. Construction (including fixed equipment and sitework) | 149,000 | 1. Preliminary plans (including misc. costs) | 2,993 |
| 2. Architect or engineer fee | 11,970 | 2. Final plans (including misc. and other costs) | 6,583 |
| 3. Moveable equipment | 3,210 | 3. Construction (including misc. and other costs) | 166,424 |
| 4. Project contingency | 8,550 | | |
| 5. Miscellaneous costs | 3,270 | | |
| **Total** | $ 176,000 | **Total** | $ 176,000 |

6. Amount by Source of Financing:

| Fiscal Years | 1. SGF | Land/Water<br>2. Cons. Fund | 3. | 4. | 5. | Total |
|---|---|---|---|---|---|---|
| Prior Years | 32,924 | 5,000 | | | | $37,924 |
| FY 2009 | 67,076 | 35,000 | | | | $102,076 |
| FY 2010 | 18,000 | 18,000 | | | | $36,000 |
| FY 2011 | | | | | | |
| FY 2012 | | | | | | |
| FY 2013 | | | | | | |
| FY 2014 | | | | | | |
| Subsequent Years | | | | | | |
| Total | $118,000 | $58,000 | | | | $176,000 |

# Project Request Explanation--DA 418B

| 1. Project Title: Glen Elder Office Addition<br><br>Agency: Department of Wildlife and Parks | 2. Project Priority:<br><br>2 |
|---|---|

3. Project Description and Justification:

The agency is requesting funds to continue to build an addition to the existing headquarters building in the River Pond area at Glen Elder State Park. The existing space does not meet state criteria for working space for the number of employees working out of the office. Employees using the office include the manager, rangers, clerical support staff, and workers involved in the Green Thumb program. Moreover, additional space is required for record storage associated with permit sales and informational materials. The requested addition would provide 5,800 square feet of office space, including a conference room for meetings with highway engineers and contractors involved in park construction projects and programs for camping groups related to park information and promotion. Existing office space would be converted to enlarge the current maintenance area work space.

For FY 2009, $50,000 had been approved for the project. These funds will be used for planning and construction of the additional office space. The $30,000 requested for FY 2010 will be used to construct the conference room and storage space.

The project qualifies for matching funds under the Federal Land and Water Conservation program.

| 4. Estimated Project Cost: | | 5. Project Phasing: | |
|---|---|---|---|
| 1. Construction (including fixed equipment and sitework) | 72,433 | 1. Preliminary plans (including misc. costs) | 1,000 |
| 2. Architect or engineer fee | 4,000 | 2. Final plans (including misc. and other costs) | 2,200 |
| 3. Moveable equipment | | 3. Construction (including misc. and other costs) | 76,800 |
| 4. Project contingency | 2,000 | | |
| 5. Miscellaneous costs | 1,567 | | |
| **Total** | $ 80,000 | **Total** | $ 80,000 |

6. Amount by Source of Financing:

| Fiscal Years | 1. SGF | Land/Water 2. Cons. Fund | 3. | 4. | 5. | Total |
|---|---|---|---|---|---|---|
| Prior Years | | | | | | |
| FY 2009 | 25,000 | 25,000 | | | | $50,000 |
| FY 2010 | 15,000 | 15,000 | | | | $30,000 |
| FY 2011 | | | | | | |
| FY 2012 | | | | | | |
| FY 2013 | | | | | | |
| FY 2014 | | | | | | |
| Subsequent Years | | | | | | |
| Total | $40,000 | $40,000 | | | | $80,000 |

# Project Request Explanation--DA 418B

| 1. Project Title: Prairie Dog Water Well Replacement<br><br>Agency: Department of Wildlife and Parks | 2. Project Priority:<br><br>3 |
|---|---|

3. Project Description and Justification:

The agency is requesting funds to drill a new well to be used for public water supply at Prairie Dog State Park. There are two existing wells which provide drinking water and water for the shower facilities used by the public. One of the existing wells does not provide a consistent water supply during late summer when the water table is low. The new well would be drilled approximately 1/4 mile east of the existing well and would be drilled deeper to reach a more reliable water bearing stratum. The project includes a new force main and water lines connecting the new well with the existing water supply system.

Preliminary and final planning will be done by agency staff avoiding any architect fee costs for the project. The project will qualify for a match from the Federal Land and Water Conservation Program.

| 4. Estimated Project Cost: | | 5. Project Phasing: | |
|---|---|---|---|
| 1. Construction (including fixed equipment and sitework) | 7,235 | 1. Preliminary plans (including misc. costs) | |
| 2. Architect or engineer fee | 1,367 | 2. Final plans (including misc. and other costs) | |
| 3. Moveable equipment | 500 | 3. Construction (including misc. and other costs) | 10,000 |
| 4. Project contingency | | | |
| 5. Miscellaneous costs | 898 | | |
| **Total** | $ 10,000 | **Total** | $ 10,000 |

6. Amount by Source of Financing:

| Fiscal Years | 1. SGF | Land/Water 2. Cons. Fund | 3. | 4. | 5. | Total |
|---|---|---|---|---|---|---|
| Prior Years | | | | | | |
| FY 2009 | | | | | | |
| FY 2010 | 5,000 | 5,000 | | | | $10,000 |
| FY 2011 | | | | | | |
| FY 2012 | | | | | | |
| FY 2013 | | | | | | |
| FY 2014 | | | | | | |
| Subsequent Years | | | | | | |
| Total | $5,000 | $5,000 | | | | $10,000 |

# Project Request Explanation--DA 418B

| 1. Project Title: Rehabilitation and Repair<br><br>Agency: Department of Wildlife and Parks | 2. Project Priority:<br><br>4 |
|---|---|

3. Project Description and Justification:

The agency has determined that it is necessary to begin a systematic program of rehabilitation and repair starting in FY 2010. Most of the facilities at the state parks were constructed in the late 1970s and early 1980s. As a result the age of the facilities makes routine repairs a necessity.

A list and short description of the projects will be included in next year's capital improvement request. Typical rehabilitation and repair items will include renovation of shower facilities, replacement of water treatment equipment, replacement of sewage pumps, and control of shoreline erosion.

| 4. Estimated Project Cost: | | 5. Project Phasing: | |
|---|---|---|---|
| 1. Construction (including fixed equipment and sitework) | 400,000 | 1. Preliminary plans (including misc. costs) | |
| 2. Architect or engineer fee | | 2. Final plans (including misc. and other costs) | |
| 3. Moveable equipment | | 3. Construction (including misc. and other costs) | 400,000 |
| 4. Project contingency | | | |
| 5. Miscellaneous costs | | | |
| **Total** | $ 400,000 | **Total** | $ 400,000 |

6. Amount by Source of Financing:

| Fiscal Years | 1. SGF | 2. Land/Water Cons. Fund | 3. | 4. | 5. | Total |
|---|---|---|---|---|---|---|
| Prior Years | | | | | | |
| FY 2009 | | | | | | |
| FY 2010 | | | | | | |
| FY 2011 | 50,000 | 50,000 | | | | $100,000 |
| FY 2012 | 50,000 | 50,000 | | | | $100,000 |
| FY 2013 | 50,000 | 50,000 | | | | $100,000 |
| FY 2014 | 50,000 | 50,000 | | | | $100,000 |
| Subsequent Years | | | | | | |
| Total | $200,000 | $200,000 | | | | $400,000 |

**The Children's Budget:** A summary which provides information concerning the state's efforts in meeting the needs of children. The data reflect expenditures the state makes in providing various categories of services to children and brief descriptions of the different programs offered by state agencies.

As required in KSA 75-3717, each agency must include in its budget submission a listing of all programs and activities that provide services for children and their families. This information must include the number of children and/or families who are served by each program, the type of service, and the expenditures that support services for children or families. The phrase, "services for children and their families," as defined by statute, includes financial support, health care, educational activities, and protective and social services.

Agencies which provide services to children should input the appropriate data in the system module created for this purpose, and submit supporting narrative information directly in the budget system. Refer to the Budget System User Manual for instructions on entering the data in the budget system. Current accounting practices will not allow systematic capture of this information in the accounting and budget systems, so the Children's Budget remains a separate data collection process, and agencies must enter actual expenditures, as well as current and budget year projections.

Information entered in the Children's Services module should include the title of each program and activity which provides services to children and families, the amounts of State General Fund expenditures and expenditures from all funding sources for the pertinent fiscal years and the incremental changes for enhancements, as well as the number of children or families served by each program and activity. A "C" next to the "number served" column indicates children served, while an "F" indicates that families and not individual children are served by the program. An "N" is used where the number of children or families served is not readily identifiable.

The narrative should contain a brief description which identifies each program and activity presented in the system. The effect of the different budget scenarios on the children's services, including enhancements contained in the budget submission should be explained. If the agency's reduced resource package(s) affects children's programs, that should also be highlighted in that section of the narrative. The narrative should also identify the specific funding sources for the program or activity and, if applicable, the federal match rate, the federal grant cap and other federal requirements or restrictions attached to the funding source.

The following pages provide an example of partial supporting narrative. Agencies should contact their budget analyst with questions concerning whether a particular program meets the statutory criteria and the type of information to be included in the narrative.

**Investigation & Prosecution of Child Abuse and Neglect in SRS Institutions**

KSA 38-1523(c), as amended, requires the Attorney General to investigate cases of suspected child abuse or neglect occurring in institutions operated by the Department of Social and Rehabilitation Services, including juvenile correctional facilities, state hospitals for the mentally retarded and state hospitals for the mentally ill. In cases where the report is substantiated and the Attorney General determines a criminal prosecution is warranted, the matter is referred to the local prosecutor, or is prosecuted by an assistant attorney general.

Approximately one-half of the time of two Special Agents II and approximately 15.0 percent time of one Assistant Attorney General in the Criminal Litigation Division were dedicated to these responsibilities in FY 2009. A total of 83 cases was reviewed in FY 2009.

**Child Death Review Board**

The 1992 Legislature, in response to a national trend to initiate child death review teams, established the Child Death Review Board to help determine the cause of unexplained child deaths in Kansas. The Board is primarily concerned with identifying cases of fatal child abuse. With the assistance of its Executive Director, a position initially authorized and funded in FY 1995, the Board reviews each of the estimated 500 or more deaths of Kansas children under age 18 that occur each year to ensure that the true cause of death has been determined. If appropriate, cases are referred to local law enforcement agencies and prosecutors for follow-up, which may include the filing of criminal charges. The Board's long-term mission is to develop and improve strategies for preventing child deaths in Kansas. National data indicate that 20 percent of all child deaths are preventable, and Kansas statistics are comparable. The Board's expenses are financed from the State General Fund in Victim Services and Grant Programs, with a federal and private grant providing additional assistance of a Research Analyst and for education and reporting.

**Sexually Violent Predator Determinations**

The 1995 Legislature amended the sexually violent predator statute to give the Attorney General the responsibility of representing the State of Kansas by filing petitions against persons who appear to meet statutory criteria for designation as sexually violent predators (KSA 59-29a01 et seq.). The Attorney General has appointed a committee of prosecutors, pursuant to the act, to review the records of sex offenders who are about to be released from confinement and whose files have been referred by the Department of Corrections. If the Attorney General's review committee determines that the person meets the definition of a sexually violent predator, a petition is filed in the appropriate district court stating the facts supporting that determination, and an Assistant Attorney General from the Civil Litigation Division appears on behalf of the state in the judicial proceeding. If the person is judged to be a sexually violent predator, the person is committed for control, care and treatment until such time as the court or a jury determines that the person is safe to be at large in the community and will not engage in further acts of sexual violence if discharged.

During FY 1997, the Attorney General successfully argued the constitutionality of the Kansas sexually violent predator act before the US Supreme Court (*Kansas v. Hendricks*, 117 S.Ct. 2072, 138 L.Ed.2d 501 (June 23, 1997). A Kansas case is currently pending before the US Supreme Court on whether the state must prove the offender is unable to control his dangerous sexual behavior before he can be committed under the act. That case, *Kansas v. Crane*, is set for argument October 30, 2002.

The sexually violent predator act protects children by preventing certain sex offenders form repeatedly committing sexually violent offenses, specifically defined in KSA 59-29a02(e).

In FY 2009, petitions for designation as a sexually violent predator were filed against 33 persons. Similarly, 40 cases are estimated to be filed in FY 2010.

| **Narrative Information—DA 400** | | |
|---|---|---|
| Division of the Budget | Agency | Office of the Attorney General |
| State of Kansas | Program | Narrative on Children's Services |

**Programs for Child Abuse and Neglect Victims**

Administering grants to programs offering services to victims of child abuse and neglect was permanently authorized by the 1996 Legislature (KSA 74-7334). Eligible programs may provide emergency shelter, counseling and assistance, or court-appointed special advocacy (CASA) services for children who are victims of abuse or neglect, or educational services designed to reduce the incidence of child abuse and neglect and diminish its impact on victims.

The revenue earmarked for this purpose is generated from municipal, county and district court docket fees, and is deposited in the Crime Victims Assistance Fund. This program and all following grant programs discussed here are administered through Victim Services and Grant Programs.

**Governor's Budget Amendments:** Formal documents submitted during the legislative session to the chairs of the Senate Ways and Means Committee and the House Appropriations Committee. Although there is no statutory requirement for budget amendments, it has been long standing practice that the Governor revise the original recommendations based on information arising after the submission of *The Governor's Budget Report*.

Generally, a Governor's budget amendment (GBA) addresses changes in policy resulting from information arising after the release of *The Governor's Budget Report*.

**Potential items include the following:**

- Any remaining technical adjustments required to correct errors in *The Governor's Budget Report*;
- Cost differences that require adjustments based on policy decisions contained in the Governor's recommended budget (such as increases or decreases in the estimated caseload for a grant program);
- Adjustments based on legislation that has passed with the Governor's support; and
- New issues which have arisen since the original budget recommendations were finalized.

**To initiate a request for a budget amendment, agencies should follow these steps:**

1. Inform their budget analyst as soon as possible if they intend to request a Governor's budget amendment.
2. Assemble requests in priority order under a cover letter signed by the head of the agency and addressed to the Director of the Budget. Each requested issue should be described, including how costs were determined and the proposed sources of funding. Be sure to mention any future year costs, including full year costs, for any issues partially funded in the first year.

**Requests seeking restoration of funds requested earlier, but not recommended by the Governor should not be requested unless substantially new information is provided.** Agencies should make every effort to find savings within the recommended budget to offset the cost of any new items before requesting a Governor's budget amendment.

**State Finance Council:** This Council was created to act on budget matters that arise when the Legislature is not in session and that cannot await the next session. The State Finance Council may consider only items that meet certain legal requirements:

1. The item must be characterized by statute as a matter of legislative delegation.
2. The request must be the result of an unforeseeable occurrence or the unascertainable effect of a foreseeable occurrence.
3. It must be shown that a delay would prevent the agency from carrying out a specific objective or goal which affects its powers and functions.
4. The proposed action must be an item that was not rejected by the most recent Legislature.

The Council consists of nine members: the Governor, the President of the Senate, the Speaker of the House, the Chair of the Senate Committee on Ways and Means, the Chair of the House Committee on Appropriations and the Majority and Minority Leaders of both houses of the Legislature. The Council's governing statutes are KSA 75-3708, et seq. Its powers include:

1. Approval of State General Fund transfers to the State Emergency Fund (KSA 75-3713),
2. Approval of certificates of indebtedness (KSA 75-3725a),
3. Increase of position limitations (KSA 75-3711c),
4. Increase of expenditure limitations (KSA 75-3711c),
5. Approval of the distribution of funds appropriated to implement the state employee pay plan, and
6. Other actions delegated by the Legislature.

The Division of the Budget maintains a list of appropriations that require Finance Council authorization prior to their expenditure. However, agencies must monitor these items as well. Meetings of the Council are not scheduled on a regular basis. The number and urgency of agenda items, in addition to accommodating the schedules of members, are the major determinants of when a meeting date will be established. Therefore, it is in the agency's interest to notify its budget analyst immediately of potential State Finance Council items. A request should follow as soon as possible with a brief cover letter addressed to the Director of the Budget that includes the following information:

1. The type of action requested that the Council is authorized to take;
2. A complete description of requested action, including the fiscal effect; and
3. A complete description of how the requested action meets the legal criteria (contained in KSA 73-3711 through KSA 75-3711d) as mentioned above, and verification that the item was not rejected by a prior session of the Legislature.

**Executive Directives:** Formal orders issued by the Governor that are a matter of public record and that implement certain personnel actions and fiscal decisions.

The following functions are considered executive in nature and can be implemented by directives issued by the Governor:

1. Transfer of monies between appropriation accounts of the same fund within a state agency,

2. Reclassification or other adjustments to the classified pay plan,

3. Creation or deletion of job classes in the classified service, and

4. Authorization to expend federal funds for which no appropriation was provided by the previous Legislature.

Requests are submitted by the agency head in a letter addressed to the Director of the Budget. Executive directive requests will be handled as received from the agencies, although requests prior to the end of the fiscal year should be presented in time to anticipate the fiscal year closing of accounts. Agency requests should include:

1. Specific details of the request (such as which accounts are involved in the transfer),

2. The reasons for the requested action,

3. The fiscal year for which the action is requested, and

4. The fiscal effect of the action.

## Internal Transfers

In addition to executive directives, fund transfers may be executed under the authority of the Director of the Budget. These revenue transfers are authorized in the regular appropriations bill and generally allow for State General Fund or State Water Plan Fund money to be moved from one line-item of appropriation to another within an agency, such as the agencies financed from the State Water Plan Fund, or within a system of agencies, such as SRS and its hospitals, Corrections and its facilities, Juvenile Justice and its institutions, and the Board of Regents and its universities. One example of this language is shown below.

> (c) During the fiscal year ending June 30, 2010, the secretary of corrections, with the approval of the director of the budget, may transfer any part of any item of appropriation for the fiscal year ending June 30, 2010, from the state general fund for the department of corrections or any correctional institution or facility under the general supervision and management of the secretary of corrections to another item of appropriation for fiscal year 2010 from the state general fund for the department of corrections or any correctional institution or facility under the general supervision and management of the secretary of corrections. The secretary of corrections shall certify each such transfer to the director of accounts and reports and shall transmit a copy of each such certification to the director of the legislative research department.

The agency submits a request in writing to transfer funds. Except in emergency situations, transfers would not ordinarily be authorized when the Legislature is in session, not as a matter of law, but because the Legislature could make the transfer in an appropriations bill. When transfer requests are granted, a letter from the Director of the Budget to the Director of Accounts and Reports is sent to initiate the transfer.

**Technical Corrections:** The first set of budget amendments is intended solely to correct errors made in *The Governor's Budget Report*. It is released by the Division of the Budget during the early days of the session. Immediately after release of *The Governor's Budget Report*, agencies should carefully review the data provided by the Division of the Budget. Agency staff should compare these forms to the appropriation bills and notify the Division of the Budget if errors are found. If an error exists, it can be corrected in the memorandum making technical corrections without additional information being required of the agency.

**Glossary:** Budget terms used throughout the *Budget Instructions* are defined below.

**Account Code**

A code used for accounting purposes in addition to a written description to describe the specific items or services purchased by state agencies within various expenditure categories. Expenditure codes are prescribed by the *Policy and Procedure Manual,* Filing 7,002 prepared by the Division of Accounts and Reports.

**Allotment System**

A procedure under which appropriated funds are allocated periodically to agencies when resources appear insufficient to cover appropriations. The system, authorized by KSA 75-3722, is intended to assure that expenditures do not exceed available resources during a fiscal year.

**Appropriation**

A specified amount of money for a particular purpose that an agency is authorized to spend during a fiscal year. Generally, the entire amount is available at the start of the fiscal year.

**Biennial Budget**

A budget which plans revenues and expenditures for the two forthcoming fiscal years, rather than one year. Through KSA 2010 Supp. 75-3717(f), the following agencies are required to submit biennial budgets: Abstracters Board of Examiners, Board of Accountancy, Banking Department, Kansas Board of Barbering, Behavioral Sciences Regulatory Board, Board of Cosmetology, Department of Credit Unions, Kansas Dental Board, Kansas Governmental Ethics Commission, Board of Healing Arts, Hearing Instruments Board of Examiners, Home Inspectors Registration Board, Board of Mortuary Arts, Board of Nursing, Board of Examiners in Optometry, Board of Pharmacy, Kansas Real Estate Appraisal Board, Kansas Real Estate Commission, Office of the Securities Commissioner, Board of Technical Professions, and Board of Veterinary Examiners.

**Biennium**

A term in the state's budget system referring to a period of two fiscal years. The new budget system uses the first year of the biennium, or the current year, to identify the fiscal

years included in a budget version. For example, agencies will work in the 2012 biennium for the FY 2011 and FY 2012 budget cycle. This is not necessarily the same time period for the biennial agencies, listed above, which will submit budgets for FY 2011, 2012, and 2013.

**Budget**

A plan of operation, including a strategic plan, an estimate of proposed expenditures and the means to finance expenditures, to meet the needs of the public.

**Budget Amendment**

An action by the Governor to revise budget recommendations during the legislative session. Amendments are submitted by letter from the Governor to the Chairs of the Senate Ways and Means and House Appropriations Committees advising them of the budget revisions by the Governor.

**Budget Unit**

The basic unit of classification in the budget process for agency monies; a sub-unit of a fund. Budget unit names and numbers can be found in the Division of Accounts and Reports' *Central Chart of Accounts*, which lists every active budget unit by agency. In the budget system, fund number is referred to as "line ID." Other definitions specific to the budget system are outlined in the Budget System Users Manual. Budget units are referred to as "funds."

**Budget Version**

A variation of a budget request. Different budget versions exist at various stages of the budget process. Examples include download versions that are the starting point of the budget process, agency work-in-progress versions, the budget request, DOB analyst work-in-progress versions, and the Governor's recommendations.

**Capital Improvements**

Projects involving new construction, remodeling, rehabilitation and repair, razing, and the principal portion of debt service for capital expenses. The interest portion of the debt is an operating expense.

**Change Package**

The incremental or decremental dollar amount associated with a particular budget issue. Similar to an enhancement package, a change package reflects some type of base budget adjustment. Examples include caseload changes, additional federal dollars, programs

phased in or out, a supplemental appropriation request, budget amendments, executive directives, or Finance Council action.

**Classified Positions**

Classified positions are regulated by the Kansas Civil Service Act. Under the state's personnel and payroll system, all classified positions are either:

*Regular*—A position that counts toward the agency's FTE position limitation with duties and responsibilities of an ongoing nature. Employees on a regular classified position receive full benefits, based on the percentage time of the position.

*Temporary*—An appointment that does not exceed 999 hours of employment in a 12-month period. Temporary positions do not count toward the agency's FTE position limitation. Employees do not receive fringe benefits, unless the person is employed on successive appointments, and works more than 999 hours in a year.

**Employee Benefit Contributions**

State expenditures for retirement contributions, FICA, workers compensation, unemployment insurance, the state leave payment assessment, and health insurance are employee fringe benefits. Each item is budgeted separately in the budget system salary module according to the rates in the cost indices at the end of these instructions.

**Encumbrances**

Obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or unencumbered. Some encumbrances may be carried forward. In the budget process, encumbrances are considered expenditures in the year the encumbrance is made, not the year in which they are finally paid.

**Enhancement Package**

A budget request which reflects either an increase to the services currently performed by an agency or the creation of new services. The package includes only the incremental cost of the increased expenditures to accomplish an activity.

**Executive Directive**

A formal order issued by the Governor that is a matter of public record and implements certain personnel actions and fiscal decisions. Also see **Transfer (Gubernatorial)**.

**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.

**Expenditures, Non-Reportable**

Disbursements, such as refunds, that do not result in net reductions of statewide assets. Also considered non-reportable are certain "off-budget" expenditures, many of which occur in the Department of Administration. For example, dollars are spent by many state agencies for printing services at the Department's printing plant. Those same dollars are spent again for the salaries, supplies, equipment, and other operating costs of the plant. To avoid reporting expenditures twice, the agencies' costs are treated as reportable and the printing plant's costs are non-reportable, or "off-budget." The same treatment is applied to expenditure of bond proceeds. The state budget reflects the cost of the debt service to repay the bonds, while the expenditure of the bond proceeds themselves are non-reportable.

**Expenditure Categories**

Classifications for goods and services purchased by state agencies. Primary among these are the following:

1. Salaries and Wages—Payments to state officers and employees for their personal services, and the state's costs for employee benefits such as FICA, retirement contributions, workers compensation, unemployment insurance, the state leave payment assessment, and health insurance.

2. Contractual Services—Payments for various services including communications, travel, utilities, and consultant services.

3. Commodities—Payments for consumable materials, supplies, and parts used in the operation of the agency.

4. Capital Outlay—Expenditures for items having a normal life of more than one year, such as office equipment, machinery, furniture, and motor vehicles.

5. State Operations—An expenditure summary category incorporating agency costs for salaries and wages, contractual services, commodities, and capital outlay.

6. Federal and State Aid to Local Governments—Aid payments to counties, cities, school districts, and other local governments with taxing authority.

7. Other Assistance, Grants and Benefits—Payments made to or on behalf of persons as aid (and not as salaries and wages or contractual services), including

public assistance benefits, retirement benefits, claims, unemployment benefits, property tax relief payments, and tuition grants.

8. Operating Expenditures—An expenditure summary category incorporating all agency expenditures, except capital improvements.

9. Debt Service—Payments of the interest and principal included in agency budgets on various forms of debt financing, including bonded indebtedness, PMIB loans, master lease, Facility Conservation Improvement Program, third-party and other miscellaneous debt.

10. Non-Expense Items—Disbursements such as refunds, advances, and investments which do not represent governmental costs. Expenditures for non-expense items, **which for budgeting purposes cannot be made from the State General Fund, KEY Fund, Economic Development Initiatives Fund, State Water Plan Fund, Children's Initiatives Fund, Expanded Lottery Act Revenues Fund, or the building funds**, are considered non-reportable.

11. Operating Grants—A category of expenditure for budget request purposes only so that agencies, such as Regents institutions, can request funds without distributing them to the standard expenditure categories. This category does not exist in the accounting system.

12. Capital Improvements—Cash or debt service principal payments for construction of highways, buildings or other facilities (including equipment necessary to place facilities in operation), remodeling and additions to existing structures, rehabilitation and repair projects, razing of structures, and the purchase or improvement of land.

**Expenditure Limitation**

A limitation placed on expenditures that may be made from a special revenue fund.

**Finance Council**

A state organization empowered to act on certain matters of legislative delegation, usually when the Legislature is not in session. The Council comprises the Governor (chair), President of the Senate, Speaker of the House of Representatives, Majority and Minority Leaders of each chamber, and the Chairpersons of the Senate Ways and Means and House Appropriations Committees.

**Fiscal Year**

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 "actual fiscal year" is the year which concluded the

previous June. The "current fiscal year" is the one which ends the coming June. The "budget year" refers to the next fiscal year, which begins the July following the Legislature's adjournment. "Out-years" refer to the years beyond the budget year.

**Full-Time Equivalent (FTE) Position**

A permanent state position that counts against an agency's position limitation authorized by the Legislature. FTE positions can be either full-time (1.00 FTE position), or part-time (a half-time position would be represented as a 0.50 FTE position). Limited term positions are included in an agency's position limitation contained in the appropriation bill. Teaching positions that are on contract for nine months or more are considered 1.00 FTE position. Temporary positions are not counted as FTE positions for purposes of the appropriation limitation, including those employees appointed to temporary positions who receive retirement benefits.

**Functions of Government**

Classifications for groups of similar agencies that reflect the basic purposes of state government. In Kansas, these functions and the primary agencies in each include the following:

Function 1—General Government

Legislative agencies, constitutional offices, judicial agencies, Department of Administration, Department of Revenue, and various regulatory boards.

Function 2—Human Services

Kansas Commission on Veterans Affairs, Department on Aging, Kansas Health Policy Authority, Department of Labor, Department of Social & Rehabilitation Services, and the health programs of the Department of Health & Environment.

Function 3—Education

Board of Regents institutions, Department of Education, State Library, and other education-related agencies. The state's payment of local school employer retirement costs is also included in this function.

Function 4—Public Safety

Correctional institutions for adults and youth, Adjutant General, Kansas Bureau of Investigation, Fire Marshal, Department of Corrections, Juvenile Justice Authority, Highway Patrol, Board of Emergency Medical Services, Sentencing Commission, Parole Board, and the Kansas Commission on Peace Officers Standards and Training.

Function 5—Agriculture and Natural Resources

Department of Agriculture, Water Office, State Fair, Department of Wildlife & Parks, State Conservation Commission, Animal Health, and the environmental programs of the Department of Health & Environment.

Function 6—Transportation

Department of Transportation and part of the Department of Administration.

**Funds**

Basic units of classification in both the budget process and the accounting system for agency monies. Monies in a fund may be used for a specific purpose as provided by law. Each fund is maintained in accordance with generally-accepted accounting principles with a self-balancing set of accounts recording all resources together with all related obligations, reserves, and equities. The major funds of the state include the following:

1. State General Fund—A fund for revenues not earmarked or dedicated for special purposes. It is used to finance governmental operations not provided for by other 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, and interest earnings.

2. State Water Plan Fund—A fund established under KSA 82a-951 to provide a dedicated source of funding to provide for the water resource needs of Kansas. For financing, the fund receives a transfer from both the State General Fund and the Economic Development Initiatives Fund. Other receipts come from fees charged to water users, pesticide label fees, fertilizer use fees, and environmental fines. Water Plan monies are appropriated to agencies, rather than transferred.

3. Economic Development Initiatives Fund—A fund established under KSA 79-4804 for financing economic development activities. The fund receives revenues from lottery activities. With the exception of the Kansas Economic Opportunity Initiatives Fund (KEOIF) and Kansas Qualified Bio Diesel Fuel Producer Incentive Fund (KQBFPIF) programs and the Water Plan Fund, monies are appropriated rather than transferred from this fund to various agencies, according to appropriation acts passed by the Legislature.

4. State Gaming Revenues Fund—This fund is created under KSA 79-4801 and functions as a clearing fund, disbursing receipts from lottery sales, taxes and fees on racing activities in accord with a statutorily prescribed formula. KSA 74-8711 sets out the formula for the distribution of the receipts. The current formula first transfers $80,000 to the Problem Gambling Grant Fund, then 85.0 percent of the remaining receipts 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.

5. Children's Initiatives Fund—This fund is used to benefit the physical and mental health, welfare, and safety of children in Kansas. The fund receives proceeds from the national tobacco settlement, which are appropriated by the Legislature for programs and activities benefiting children.

6. Expanded Lottery Act Revenues Fund—This fund is created under KSA 74-8768 and may be used for the reduction of state debt, state infrastructure improvements, and the reduction of local ad valorem taxes.

7. Special Revenue Funds—Funds into which statutorily earmarked receipts are deposited. There are several hundred such 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. Another distinct class of these funds is the agency fee fund, which consists of receipts collected and retained by an agency. For reporting purposes, federal funds must be uniquely identified, separate from state monies.

8. State Highway Fund—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.

9. Enterprise Funds—Funds to account for charges for services, usually of a commercial nature, rendered to the public for compensation. The predominant use is accounting for dormitory operations at state universities.

10. Intra-Governmental Service Funds—Non-reportable funds that account for the provision of goods and services by state agencies for other state agencies. Through these funds, the cost of the goods and services is charged to and paid by the recipient agency. Most of these funds are excluded from the budget system.

11. Trust and Agency Funds—Funds containing monies received, held, and disbursed by the state acting as a trustee, agent, or custodian. Agency funds consist of monies collected by the state as agent and disbursed to other governments and individuals.

12. Clearing Funds—Non-reportable funds into which monies are transferred from other funds and then disbursed for a particular general expenditure, such as payroll. These funds are excluded from the budget system.

13. State Institutions Building Fund—A fund for constructing, equipping, and repairing buildings at the institutions under the Department of Social and Rehabilitation Services, and the Department of Education, as well as the Veterans Commission and the Juvenile Justice Authority. Income is derived from a one-half mill, statewide levy on property subject to ad valorem taxation.

14. Kansas Educational Building Fund—A fund for constructing, equipping, and repairing buildings at the state universities. Income is derived from a one-mill, statewide levy on property subject to ad valorem taxation.

15. Employment Security Fund—The fund from which unemployment benefits are paid through the Kansas Department of Labor. Deposits consist of employer taxes, contributions, fines, and penalties levied on employers for unemployment benefits, as well as interest earned on unemployment trust funds deposited in the U.S. Treasury.

16. Retirement Funds—A class of funds including the several employee retirement funds managed by the Kansas Public Employees Retirement System. State employees and employees of local governments who have joined the system are eligible to receive retirement benefits from these funds. The funds are financed by both employer and employee contributions and investment earnings.

17. State Emergency Fund—This fund is generally 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 is empowered to authorize expenditures from the fund. It is financed through transfers from the State General Fund.

18. Other Funds—A summary category used in the budget to refer to all funds other than the State General Fund.

Each fund in the state budget has a four-digit assigned number based on the following classifications.

| | |
|---|---|
| 1000 | State General Fund |
| 1700 | Expanded Lottery Acts Revenues Fund |
| 1800 | State Water Plan Fund |
| 1900 | Economic Development Initiatives Fund |
| 2000 | Children's Initiatives Fund |
| 2000 series | Special Revenue Funds—State |

| | |
|---|---|
| 3000 series | Special Revenue Funds—Federal |
| 4000 series | State Highway Fund |
| 5000 series | Enterprise Funds |
| 6000 series | Intra-Governmental Service Funds |
| 7000 series | Trust and Agency Funds |
| 8000 series | Capital Project Funds |
| 9000 series | Clearing, Refund, and Suspense Funds |

**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. State General Fund appropriations automatically lapse at the end of a fiscal year unless specific legislative authorization provides for the carryover of unexpended funds (see **Reappropriation**).

**Limited Reappropriation**

That part of a reappropriation which exceeds the limitation established by the Legislature on expenditures from a reappropriation. Limited reappropriations may be expended only with approval of the State Finance Council or the Legislature. State General Fund limited reappropriations, starting in FY 2006, are transferred to the 27th Payroll Adjustment account of the State General Fund as part of the mechanism that finances the 27th payroll that occurred in FY 2006.

**Limited Term Appointment**

A type of an appointment to a regular classified position in state civil service which is tied to funding limitations stipulated in grant specifications or other contractual agreements. Employment ends when the funding ends and the employee does not have layoff rights. Limited term positions are included in agency FTE position limitations.

**Line-Item Appropriation**

An appropriation made by the Legislature for a specific purpose. The term derives from the practice used in some jurisdictions of appropriating funds by narrowly defined "line-item" objects of expenditure.

**Longevity**

Bonus payments made to eligible classified employees or non-judicial personnel based on $50 per year of service multiplied by the number of years of state service. Minimum eligibility is ten years of service, and the maximum payment is $1,250 for 25 years.

**MEGA Appropriations Bill**

Legislation which includes appropriations for all state agencies. Appropriation bills are effective for one year, unlike substantive statutes, which are effective on a permanent basis until amended or repealed. The MEGA bill contains supplemental appropriations and adjustments to the current fiscal year, appropriations for operating budgets for the upcoming fiscal year, and appropriations for capital improvements for the forthcoming fiscal year and any applicable out years as a multi-year appropriation.

**Multi-Year Appropriation**

A legislative authorization to expend monies from a fund in more than one fiscal year.

**Non-FTE Unclassified Permanent Position**

A position categorized in the SHARP payroll system as unclassified temporary and coded as a "P" or "L" but which receives retirement benefits, and is therefore counted as part of the permanent state workforce for budgeting purposes.

**Object**

A generic term referring to the lowest level of data stored and accessed in the state's budget system. Object identifies a specific budget item. An object type is associated with each object to differentiate between expenditures (E), funding sources (F), revenue (R), and FTE positions (S).

**Omnibus Appropriations Bill**

A bill containing numerous individual appropriations for both the current and budget fiscal years that is considered during the "veto" stage of a legislative session. It finances items such as substantive legislation that passed and Governor's budget amendments adopted by the Legislature.

**Performance Budgeting**

A budgeting process that uses performance measures to distribute available financial resources. 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.

**Performance Information**

Quantitative expressions which describe the effect a program has on a given condition or problem. Performance information provides a framework within which the benefits of the given program may be evaluated. Components of this information are a program purpose, which states the policy goal being served; objectives, which state the criteria for determining progress in accomplishing the purpose; and performance measures, which are the data used to measure progress.

**Performance Measures**

Classes of data used to develop program performance information. Outcome measures are the most important, as they gauge the ultimate effect of agency programs. Effectiveness measures focus on how well program operations accomplish their particular goals. Workload or output measures indicate the level of resource input or intermediate outputs, while efficiency measures compare input to output.

**Personal Services**

A term used by the budget system for salaries and wages paid to persons employed by the state.

**Position Classification Actions**

Types of actions taken when it is necessary to change the classification of a position in the classified service. There are two types of actions: individual position classification actions and classification study actions. Individual position classification actions are changes in the classification of a position from one existing class to a different existing class (at the same or a different pay grade). Classification study actions may involve one or more positions in one or more classes. A classification study may redefine the work in a class or a class series, reassign pay grades, or establish new classes at the same or 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 are used to classify agency services and provide a basic framework for resource allocation decisions.

**Reallocation**

A change of funding levels between the programs in an agency, or object codes within a program. These changes reflect the adjustment of agency priorities or needs.

**Reappropriation**

Unexpended funds remaining at the end of the current fiscal year that are carried over to the next fiscal year. If the reappropriation is subject to an expenditure limitation, the limitation controls the amount of the reappropriation that can be spent in the next fiscal year. If the reappropriation is not subject to an expenditure limitation, all of it can be spent in the next fiscal year (see **Limited Reappropriation**).

**Reduced Resource Package**

A budget request which reflects a targeted reduction to a program or agency budget. The package includes only the decremental cost of the reduced expenditures. Information regarding the reductions, as well as the effect of the budget reduction, is included in a tabular and narrative format in the beginning of the agency budget, rather than being detailed on each budget form.

**Reporting Level**

In the state's budgeting system, a 24-digit number grouped into two different "layers" by hyphens used to identify the agency and major program level.

**Revenue Estimates**

Projections of anticipated State General Fund revenue for the current and budget fiscal years. An estimate is developed on a consensus basis by the Division of the Budget, Department of Revenue, university economists, and the Legislative Research Department twice annually. In November an estimate is made for the current and budget years. This estimate forms the basis of the Governor's budget recommendations to the Legislature. In the spring, prior to the end of the legislative session, the current and budget year estimates are reviewed and revised, if necessary.

**Salary Plan**

The schedule for classified employees of position classifications, pay grades, and pay steps, as administered by the Department of Administration. This plan is used in developing salary and wage estimates.

**Shift Differential**

An additional amount paid to certain classified employees who work shifts other than the normal day shift. Because this rate is established by gubernatorial directive, budgeted increases for salary plan revisions are not applied to the amount budgeted for this purpose.

**Shrinkage**

The difference between the cost of fully funding salaries and wages in a budget, assuming all positions were filled at all times, and the actual salary costs, taking vacancies into account. Also called "turnover," it is expressed as a percentage.

**Strategic Plan**

A practical, action-oriented guide, based upon an examination of internal and external factors which directs goal-setting and resource allocation to achieve meaningful results over time.

**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 when a shortage of funds is anticipated as a result of an emergency or unforeseen occurrence.

**Transfer (Demand)**

An expenditure of monies from the State General Fund, the amount of which is determined by a formula in substantive statute as opposed to a specific amount in a direct appropriation. Only one demand transfer has been recently authorized, and it was for capital outlay state aid to school districts.

**Transfer (Revenue)**

Authority in appropriation bills instructing the Director of Accounts and Reports to transfer all or any part of the revenue in a particular fund to another fund either between agencies or within an agency in order to finance certain programs or operations. An example is the transfer from the State Highway Fund in the Department of Transportation to the Division of Vehicles Operating Fund in the Department of Revenue. Revenue transfers between funds or accounts within an agency are also made by an executive directive signed by the Governor. For a few agencies, most constituting a system, such as SRS and the state hospitals, the Regents universities, Corrections, and the Juvenile Justice Authority, revenue transfers can be made between agencies within a system with the approval of the Director of the Budget.

**Unclassified Positions**

Employees in the unclassified service are designated in KSA 75-2935:

Regular—A position that counts toward the agency's FTE position limitation with duties and responsibilities of an ongoing nature. Employees in a regular unclassified position receive full benefits, based on the percent of time worked. Unclassified employees do not follow the same regulations as classified employees.

Non-FTE Permanent—A position that does not count toward the agency's FTE position limitation, but has duties of an ongoing nature and the incumbent in the position receives retirement and other benefits.

Temporary—Temporary unclassified positions do not count toward the agency's FTE position limitation. Employees are not limited to 999 hours in a year, as with classified temporary positions. Fringe benefits are at the discretion of the appointing authority.

**Version**

A term used in the new budget system to identify different stages of budget data. The system accommodates several version types, such as "Download," "Agency," "Executive," and "Final Approved." Within limits, more than one budget can be created within the same type of version (Agency 1, Agency 2, etc.). Budget versions are controlled by different users throughout the budget process for viewing and development.

**Veto**

The constitutional authority of the Governor to disapprove bills passed by the Legislature. The line-item veto is the authority of the Governor to disapprove any item of appropriation while approving the rest of the appropriations bill. The Legislature may override a veto with a vote of at least two-thirds of the members of each house.

**Biennial Agencies:** KSA 2010 Supp. 75-3717(f) specifies those agencies, which are required to submit complete budget estimates every other year. In odd-numbered years, a complete budget submission is not required, and biennial agencies instead submit updated strategic plans.

The following agencies have been designated biennial budget agencies:

Abstracters Board of Examiners
Board of Accountancy
Banking Department
Kansas Board of Barbering
Behavioral Sciences Regulatory Board
Board of Cosmetology
Department of Credit Unions
Kansas Dental Board
Kansas Governmental Ethics Commission
Board of Healing Arts
Hearing Instruments Board of Examiners
Kansas Home Inspectors Registration Board
Board of Mortuary Arts
Board of Nursing
Board of Examiners in Optometry
Board of Pharmacy
Kansas Real Estate Appraisal Board
Kansas Real Estate Commission
Office of the Securities Commissioner
Board of Technical Professions
Board of Veterinary Examiners

**Budget Submission during Biennial Submission Years**

Biennial agencies are to submit complete budget estimates every other year. A new biennium always starts with an even-numbered fiscal year. For example, in September 2010, biennial agencies will submit requests for both FY 2012 and FY 2013. For the complete budget submission, agencies provide proposed estimates for the current fiscal year and the two upcoming budget years, as well as actual data on the most recently completed fiscal year. The process for compiling biennial budgets follows the information provided for other agencies in the Budget Preparation section of this document. Biennial agencies are provided a separate appropriation for each fiscal year.

Because the budget system does not calculate salary data for the second budget year, an Excel spreadsheet has been developed for biennial agencies to perform this function. Instructions and forms are provided to affected agencies under separate cover in even-numbered years.

**Budget Submission during Non-Biennial Submission Years**

In the odd-numbered years, biennial agencies are required to make sure a revised budget estimate that is within the already approved budget levels is entered in the budget system and to submit a revised strategic plan. The plan should include updates to goals, objectives, strategies, and performance measures.

If compelling circumstances require that a biennial agency receive an increase in expenditure authority, a request to that effect may be made. This request will be treated in the budget system as a change package for the applicable fiscal year(s). Instructions on how to make such adjustments (referred to as change packages) are found in the Budget System User Manual.

**Budget Reports**

The budget reports generated by the budget system for the biennial agencies are designed in the same format as other agencies; they simply have additional columns of data in the years when there are two years' of budget requests.

**Expenditure Proposals**

Agencies submitting a biennial budget are to prepare one complete level of expenditures for each budget year. No reduced resource scenario is required. The biennial agencies are to prepare a budget request (as per instructions from the Director of the Budget) and may also submit enhancement packages as additions to the regular budget requests. All requests should be tied to performance, and enhancements should clearly reflect the benefit customers would receive as a result of the enhancement.

Budget requests should be presented using current fee structures. Should an agency experience fee fund shortfalls, program activities would decline to reflect the current fee structure. Increases to fee receipts should be reflected only as enhancements.

**Narrative Information for Biennial Agencies—DA 400**

Division of the Budget | Agency Board of Nursery & Garden Examiners

State of Kansas | Program Agency Operations

September 8, 2008

Mr. Duane Goossen, Director
Division of the Budget
Room 504-North
Landon State Office Building
900 SW Jackson
Topeka, Kansas 66612

Dear Mr. Goossen:

As Executive Director of the Board of Nursery & Garden Examiners, I hereby submit for your consideration the Fiscal Year 2009, Fiscal Year 2010 and FY 2011 budget document for the agency. It has been prepared in accordance with the instructions transmitted with your letter of July 11, 2008. To the best of my knowledge and belief, the information and explanation included in this budget request are correct and complete.

As always, my staff and I are prepared to provide any additional information which you or our budget analyst may require.

Sincerely,

Jane Smith
Executive Director

**Narrative Information for Biennial Agencies—DA 400**

| | | | |
|---|---|---|---|
| Division of the Budget | | Agency | Board of Nursery & Garden Examiners |
| State of Kansas | | Program | Agency Operations |

**Agency Mission**

The mission of the Board of Nursery & Garden Examiners is to regulate nursery and garden shops to ensure that shops are properly licensed and operated by competent practitioners. The agency also operates to protect the public through examination of nursery and garden businesses.

**Agency Philosophy**

It is the philosophy of the Board of Nursery & Garden Examiners to provide a public service through regulation of an industry in coordination with the needs of the average business owner. The agency functions to work in a cooperative arrangement that is beneficial to both the public and business owner by enforcing only those regulations that are neither obtrusive to the business nor unnecessary to the consumer.

**Programs Established to Assist with Agency Mission**

Operations

**Statutory History**

The 1956 Legislature established the Board of Nursery & Garden Examiners. Statutes that govern the creation and authority of the Board can be found in KSA 45-5875 et seq. KSA 75-3717(f), passed by the 1994 Legislature, designated twenty state agencies as biennial budget agencies. This requires the Board to submit a complete budget request every other year.

**Narrative Information for Biennial Agencies—DA 400**

Division of the Budget — Agency: Board of Nursery & Garden Examiners

State of Kansas — Program: Agency Operations

**Operations Program Goals**

The Board of Nursery & Garden Examiners has 3 basic goals.
1. To ensure that all nursery and garden businesses operate according to state laws.
2. To ensure that all nursery and garden businesses operate to serve in the best interest of the consumer.
3. To ensure that all nursery and garden businesses maintain licensing requirements.

Objective 1.1 (this objective ties to goal number 1)

Increase the number of individuals who accurately complete the initial licensure application requirements.

Strategies for Objective 1.1

1. Provide understandable information that details the process required to meet licensing requirements.
2. Provide assistance to potential licensees who may not understand or meet all licensing requirements.
3. Maintain data on all individuals who seek licensure.

Performance Measures for Objective 1.1

Outcome Measures

1. Percent of applicants who DO NOT meet licensure requirements with initial submission of information.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 3.0% | 3.5% | 3.8% | 1.0% | 0.5% | 4.2% | 0.5% |

The additional position requested will assist applicants for licensure, reducing the number of applicants who do not meet licensure requirements.

2. Hours, in staff time, of assistance provided to individuals who need assistance regarding the licensure process.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 130 | 145 | 140 | 190 | 200 | 140 | 200 |

The new position will be able to provide assistance to individuals, increasing the number of hours staff is able to help customers.

3. Number of days it takes for an applicant to be notified they are eligible for licensure examination.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 5 days | 6 days | 6 days | 3 days | 3 days | 6 days | 3 days |

With the additional position, staff will be better able to review and respond to the information received by applicants.

Output Measures

1. Number of Licensees.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 6,052 | 6,087 | 6,524 | 6,367 | 6,367 | 6,819 | 6,819 |

2. Number of individuals seeking assistance.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 40 | 42 | 40 | 40 | 40 | 40 | 40 |

3. Number of updates made to information database.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 374 | 350 | 350 | 350 | 350 | 350 | 350 |

Objective 2.2 (this objective ties to goal number 2)

Reduce the number of nursery and garden facilities which operate in violation of state laws or Board regulations.

Strategies for Objective 2.2

1. Examine all nursery and garden facilities annually.
2. Investigate complaints regarding the operations of nursery and garden facilities.
3. Present findings to the Board that will allow the Board to decide penalties, fines, license suspensions and other disciplinary actions.
4. Provide on-site examinations two days per year to allow all interested and qualified individuals opportunity to be licensed.

Performance Measures for Objective 2.2

Outcome Measures

1. Percent of examinations that result in the finding of a violation.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 4.0% | 4.5% | 5.2% | 3.0% | 3.0% | 5.0% | 2.5% |

The number of examinations which result in violations would decrease with the addition of a new position. This is because more individuals would receive better information during the licensing and examination process, resulting in better informed operators and fewer violations.

2. Hours, in staff time, spent investigating complaints.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 98 | 90 | 85 | 110 | 85 | 85 | 110 |

An additional staff member would allow for another staff member to investigate complaints.

3. Percent of investigations that result in a disciplinary action being taken by the Board

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 18.9% | 15.0% | 15.0% | 25.0% | 15.0% | 15.0% | 25.0% |

Because licensed individuals are receiving better initial information and more staff are available to investigate complaints, the number of investigations that come before the Board that would result in disciplinary action would increase.

Output Measures

1. Number of examinations conducted.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 1,106 | 1,072 | 1,042 | 1,078 | 1,078 | 1,078 | 1,078 |

2. Number of complaints received.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 48 | 57 | 55 | 55 | 55 | 55 | 55 |

3. Number of complaints investigated.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 22 | 20 | 20 | 30 | 20 | 20 | 30 |

Additional staff will provide an opportunity to investigate more complaints received.

4. Number of disciplinary actions taken.

| FY 2007 Actual | FY 2008 Actual | FY 2009 Revised | FY 2010 Base Budget | FY 2010 Enhancement | FY 2011 Base Budget | FY 2011 Enhancement |
|---|---|---|---|---|---|---|
| 3 | 2 | 2 | 4 | 2 | 2 | 4 |

Because licensed individuals are receiving better initial information and more staff are available to investigate complaints, the number of investigations that come before the Board that would result in disciplinary action would increase.

**Overview of Agency Budget at Each Request Level**

Current Year:

No changes are anticipated from the approved budget. The Board will continue to meet all examination schedules and investigating complaints.

**Narrative Information for Biennial Agencies—DA 400**

Division of the Budget | Agency Board of Nursery & Garden Examiners

State of Kansas | Program Agency Operations

FY 2010 and FY 2011 Current Resources:

The Board will continue to function at the current level; however, with the increase in the popularity of gardening, the Board anticipates that it will begin to find more violations during examinations. No significant improvements in performance will be realized at this level.

FY 2010 and FY 2011 Enhancement Package

The Board requests an additional Examiner position. The detail of this position's costs and the benefits derived from the position are outlined in the expenditure justification under the Enhancement Package Detail.

**Expenditure Justification**

**Object Code 100--Salaries and Wages.** The agency has 5.0 FTE positions, including the Executive Director, three Examiner II positions, and a Secretary II. Temporary help is hired as needed to help in examinations and license mailings.

Current Year--$252,883 represents the approved amount

FY 2010 Current Resources--$258,007 represents the amount needed to maintain existing staff. As instructed by the Division of the Budget, no salary increases are included. Longevity bonuses, however, are budgeted.

FY 2011 Current Resources--$263,216 represent the amount needed to maintain existing staff. As instructed by the Division of the Budget, no salary increases are included. Longevity bonuses, however, are budgeted.

**Object Codes 200--290 Contractual Services.** The agency's major expenditures in this category are for rent, communication expenses, travel for investigation, contract for the agency copy machine, and contractual services to legal assistance through a contracted attorney firm. The Board uses the services of the firm during disciplinary hearings and for advice in other agency functions.

Current Year--$210,184 reflects the approved budget.

FY 2010 and FY 2011 Current Resources--$212,233 (FY 2010) and $214,552 (FY 2011) represent slight inflationary increases to allow the agency to maintain current programs.

**Object Codes 300--390 Commodities.** The agency has expenditure in this category for supplies related to the operation of agency functions, the majority of which are related to licenses and certificates.

Current Year--$40,841 represents the approved budget.

FY 2010 and FY 2011 Current Resources--$42,025 (FY 2010) and $43,328 (FY 2011) represent slight inflationary increases (based on the Budget Division's cost indices) to allow the agency to maintain current service levels.

**Object Code--400 Capital Outlay.** Current Year--$3,725 represents the approved amount.

FY 2010 and FY 2011 Current Resources--$3,800 (FY 2010) represents the purchase of new computers and $1,108 (FY 2011) represents the purchase of a new fax machine.

**Enhancement Package--FY 2010 and FY 2011**

The Board requests 1.00 additional Examiner FTE position in FY 2010 and continues this position in the enhancement request for FY 2011. This will allow the Board to provide better initial information, resulting in more individuals meeting the requirements for licensure. In addition, the position will allow the Board to provide more technical support to those individuals who do not understand the licensing process. As a result, these two improvements in performance will allow the Board to decrease the turn around time for applicants by 50.0 percent from its current 6 days to 3 days.

Another benefit to the citizens of Kansas as a result of the additional position is the number of businesses that are currently operating in violation of regulations and state law would be expected to decrease from an estimated 5.2 percent in FY 2009 to 2.5 percent in FY 2010. This will ensure that better service is provided to citizens. Finally, an additional staff member would allow the Board to spend more time investigating complaints. Cost of the enhancement package is estimated to be $40,972 in FY 2010 and $38,073 in FY 2011 and approximately $38,000 in fiscal years 2012, 2013

and 2014. Included in the package is funding for the salary of the position, operating expenditures to allow the position to function properly, and capital outlay in the first year.

The agency fee fund has sufficient balances and we anticipate additional receipts to support the expenditures generated by the new position.

# 404 Report



**Agency: 07900 Board of Nursery & Garden Examiners**

**Date:** 9/6/2008

**Version: 2009-A-03-07900**

**Fund Number: 2100 1010**
**Name: Nursery & Garden Examiners Fee Fund**

| | | FY 2008 Actuals | FY 2009 Adj Agency Budget Req | FY 2010 Adj Agency Budget Req | FY 2011 Adj Agency Budget Req | |
|---|---|---|---|---|---|---|
| R0007 | CASH FORWARD | 44,736 | 72,376 | 113,967 | 45,758 | 0 |
| R2099 | OTHER SERVICE CHARGES | 6,392 | 6,340 | 14,940 | 14,780 | 0 |
| R2101 | LICENSE FEE - EXMAINATI | 95,872 | 108,252 | 115,028 | 115,668 | 0 |
| R2121 | LICENSE FEE - RENDER PERSONAL | 387,732 | 434,512 | 317,888 | 375,136 | 0 |
| | Total Available | 534,732 | 621,480 | 561,823 | 551,342 | 0 |
| | Total Reportable Expenditures | 462,356 | 507,513 | 516,065 | 522,204 | 0 |
| | Total Expenditures | 462,356 | 507,513 | 516,065 | 522,204 | 0 |
| | Balance Forward | 72,376 | 113,967 | 45,758 | 29,138 | 0 |

# Explanation of Receipt Estimates for Biennial Agencies--DA 405

Division of the Budget
State of Kansas

Agency Board of Nursery & Garden Examiners

| | FY 2006 | | | FY 2007 | | | FY 2008 | | | FY 2009 | | | FY 2010 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Fee | Actual Totals | No. | Fee | Actual Totals | No. | Fee | Actual Totals | No. | Fee | Estimated Totals | No. | Fee | Estimated Totals |
| **Examinations** | | | | | | | | | | | | | | | |
| Landscape Architect | 32 | 45 | 1,440 | 20 | 45 | 900 | 17 | 45 | 765 | 20 | 45 | 900 | 20 | 45 | 900 |
| Garden Specialist | 2 | 585 | 1,170 | 8 | 615 | 3,230 | 5 | 344 | 1,720 | 8 | 705 | 5,640 | 8 | 745 | 5,960 |
| Landscape Specialist | 14 | 187 | 2,615 | 12 | 210 | 2,530 | 13 | 220 | 2,825 | 12 | 220 | 2,640 | 12 | 220 | 2,640 |
| Master Gardener | 420 | 75 | 31,500 | 426 | 75 | 31,975 | 363 | 95 | 34,335 | 400 | 95 | 38,000 | 400 | 95 | 38,000 |
| Garden Designer | 155 | 120 | 18,600 | 170 | 120 | 20,665 | 166 | 145 | 24,095 | 170 | 145 | 24,650 | 170 | 145 | 24,650 |
| Laborer | | | | 4 | 195 | 780 | 11 | 170 | 2,265 | 10 | 170 | 1,700 | 10 | 170 | 1,700 |
| | | | | | | | 4 | 195 | 660 | 5 | 195 | 975 | 5 | 195 | 975 |
| Sub-Total | 623 | | **$ 55,325** | 640 | | **$ 60,080** | 579 | | **$ 66,665** | 625 | | **$ 74,505** | 625 | | **$ 74,825** |
| **Re-examinations** | | | | | | | | | | | | | | | |
| Landscape Architect | 37 | 248 | 9,179 | 21 | 259 | 5,445 | 17 | 279 | 4,003 | 20 | 301 | 6,020 | 20 | 325 | 6,500 |
| Garden Specialist | 24 | 121 | 2,895 | 28 | 100 | 2,805 | 38 | 120 | 4,137 | 30 | 120 | 3,600 | 30 | 120 | 3,600 |
| Landscape Specialist | 166 | 120 | 19,920 | 123 | 120 | 14,835 | 147 | 145 | 21,315 | 145 | 145 | 21,025 | 145 | 145 | 21,025 |
| Master Gardener | 63 | 75 | 4,725 | 79 | 75 | 5,905 | 69 | 95 | 6,555 | 70 | 95 | 6,650 | 70 | 95 | 6,650 |
| Garden Designer | | | | | | | | | | 2 | 170 | 340 | 2 | 170 | 340 |
| Laborer | | | | | | | | | | 1 | 195 | 195 | 1 | 195 | 195 |
| Sub-Total | 290 | | **$ 36,719** | 251 | | **$ 28,990** | 271 | | **$ 36,010** | 268 | | **$ 37,830** | 268 | | **$ 38,310** |
| **Initial corporation** | 193 | 170 | 32,810 | 181 | 170 | 30,770 | 192 | 170 | 32,640 | 185 | 170 | 31,450 | 185 | 170 | 31,450 |
| **Exam Revenue Total** | | | **$ 124,854** | | | **$ 119,840** | | | **$ 135,315** | | | **$ 143,785** | | | **$ 144,585** |
| 20% to SGF | | | 24,971 | | | 23,968 | | | 27,063 | | | 28,757 | | | 28,917 |
| **Net Revenue to Fee Fund** | | | **$ 99,883** | | | **$ 95,872** | | | **$ 108,252** | | | **$ 115,028** | | | **$ 115,668** |

## Explanation of Receipt Estimates for Biennial Agencies--DA 405

Division of the Budget
State of Kansas

Agency Board of Nursery & Garden Examiners

| | FY 2006 | | | FY 2007 | | | FY 2008 | | | FY 2009 | | | FY 2010 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Fee | Actual Totals | No. | Fee | Actual Totals | No. | Fee | Actual Totals | No. | Fee | Estimated Totals | No. | Fee | Estimated Totals |
| **Reinstatements** | | | | | | | | | | | | | | | |
| Landscape Architect | 15 | 100 | 1,500 | 13 | 100 | 1,300 | 14 | 100 | 1,400 | 12 | 100 | 1,200 | 12 | 100 | 1,200 |
| Garden Specialist | 4 | 100 | 400 | 2 | 100 | 200 | 1 | 100 | 100 | 2 | 100 | 200 | 2 | 100 | 200 |
| Landscape Specialist | 2 | 100 | 200 | 2 | 100 | 200 | 0 | 100 | 0 | 2 | 100 | 200 | 2 | 100 | 200 |
| Master Gardener | 30 | 100 | 3,000 | 32 | 100 | 3,200 | 25 | 100 | 2,500 | 30 | 100 | 3,000 | 30 | 100 | 3,000 |
| Garden Designer | | | | | | | 0 | 100 | 0 | 2 | 100 | 200 | 2 | 100 | 200 |
| Laborer | | | | | | | 3 | 170 | 510 | | | | | | |
| Sub-Total | 51 | | **$ 5,100** | 49 | | **$ 4,900** | 43 | | **$ 4,510** | 48 | | **$ 4,800** | 48 | | **$ 4,600** |
| **Reinstatement Total** | | | **$ 5,100** | | | **$ 4,900** | | | **$ 4,510** | | | **$ 4,800** | | | **$ 4,600** |
| 20% to SGF | | | 1,020 | | | 980 | | | 902 | | | 960 | | | 920 |
| **Net Revenue to Fee Fund** | | | **$ 4,080** | | | **$ 3,920** | | | **$ 3,608** | | | **$ 3,840** | | | **$ 3,680** |

## Explanation of Receipt Estimates for Biennial Agencies--DA 405

Division of the Budget
State of Kansas

Agency Board of Nursery & Garden Examiners

| | FY 2006 | | | FY 2007 | | | FY 2008 | | | FY 2009 | | | FY 2010 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Fee | Actual Totals | No. | Fee | Actual Totals | No. | Fee | Actual Totals | No. | Fee | Estimated Totals | No. | Fee | Estimated Totals |
| **Renewals** | | | | | | | | | | | | | | | |
| Landscape Architect | 961 | 90 | 86,490 | 1,036 | 90 | 93,240 | 1,024 | 90 | 92,160 | 1,036 | 70 | 72,520 | 1,024 | 70 | 71,680 |
| Garden Specialist | 192 | 90 | 17,280 | 172 | 90 | 15,480 | 169 | 90 | 15,210 | 172 | 70 | 12,040 | 169 | 70 | 11,830 |
| Landscape Specialist | 285 | 90 | 25,650 | 373 | 90 | 33,570 | 288 | 90 | 25,920 | 373 | 70 | 26,110 | 288 | 70 | 20,160 |
| Master Gardener | 3,353 | 90 | 301,770 | 3,729 | 90 | 335,610 | 3,371 | 90 | 303,390 | 3,733 | 70 | 261,310 | 3,371 | 70 | 235,970 |
| Garden Designer | | | | | | | 125 | 90 | 11,250 | 275 | 70 | 19,250 | 230 | 70 | 16,100 |
| Laborer | 669 | 5 | 3,345 | 777 | 5 | 3,885 | 675 | 5 | 3,375 | 778 | 5 | 3,890 | 675 | 5 | 3,375 |
| Corporations | 592 | 100 | 59,200 | | | | 872 | 100 | 87,200 | | | | 1,062 | 100 | 106,200 |
| Sub-Total | 6,052 | | **$ 493,735** | 6,087 | | **$ 481,785** | 6,524 | | **$ 538,505** | 6,367 | | **$ 395,120** | 6,819 | | **$ 465,315** |
| **Renewals - partial** | | | | | | | | | | | | | | | |
| Landscape Architect | 11 | 45 | 495 | 12 | 45 | 540 | 6 | 45 | 270 | 12 | 35 | 420 | 6 | 35 | 210 |
| Garden Specialist | 6 | 45 | 270 | 5 | 45 | 225 | 6 | 45 | 270 | 5 | 35 | 175 | 6 | 35 | 210 |
| Landscape Specialist | 1 | 45 | 45 | 4 | 45 | 180 | 4 | 45 | 180 | 4 | 35 | 140 | 4 | 35 | 140 |
| Master Gardener | 70 | 45 | 3,150 | 43 | 45 | 1,935 | 85 | 45 | 3,825 | 43 | 35 | 1,505 | 85 | 35 | 2,975 |
| Garden Designer | | | | | | | 2 | 45 | 90 | | | | 2 | 35 | 70 |
| Sub-Total | 88 | | **$ 3,960** | 64 | | **$ 2,880** | 103 | | **$ 4,635** | 64 | | **$ 2,240** | 103 | | **$ 3,605** |
| Renewals Total | | | **$ 497,695** | | | **$ 484,665** | | | **$ 543,140** | | | **$ 397,360** | | | **$ 468,920** |
| 20% to SGF | | | 99,539 | | | 96,933 | | | 108,628 | | | 79,472 | | | 93,784 |
| **Net Revenue to Fee Fund** | | | **$ 398,156** | | | **$ 387,732** | | | **$ 434,512** | | | **$ 317,888** | | | **$ 375,136** |

Corporations renew December even years

## Explanation of Receipt Estimates for Biennial Agencies--DA 405

Division of the Budget
State of Kansas

Agency Board of Nursery & Garden Examiners

| | FY 2006 | | | FY 2007 | | | FY 2008 | | | FY 2009 | | | FY 2010 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. | Fee | Actual Totals | No. | Fee | Actual Totals | No. | Fee | Actual Totals | No. | Fee | Estimated Totals | No. | Fee | Estimated Totals |
| **Replacements** | | | | | | | | | | | | | | | |
| Certificates | 17 | 20 | 340 | 7 | 20 | 140 | 10 | 20 | 200 | 15 | 20 | 300 | 15 | 20 | 300 |
| **Proctoring Fees** | | | | | | | | | | | | | | | |
| Landscape Architect | | | | | | | | | | | | | | | |
| Garden Specialist | 5 | 100 | 500 | 2 | 100 | 200 | 5 | 100 | 500 | 5 | 100 | 500 | 5 | 100 | 500 |
| Landscape Specialist | 0 | 100 | 0 | 2 | 100 | 200 | 3 | 100 | 300 | 3 | 100 | 300 | 3 | 100 | 300 |
| Master Gardener | 0 | 100 | 0 | 5 | 100 | 500 | 2 | | | | | | | | |
| Garden Designer | | | | | | | 3 | | 300 | | | | | | |
| Sub-Total | 5 | | **$ 500** | 9 | | **$ 900** | 13 | | **$ 1,100** | 8 | | **$ 800** | 8 | | **$ 800** |
| Total Misc Fees | | | 840 | | | 1,040 | | | 1,300 | | | 1,100 | | | 1,100 |
| Recovery Expenditures | | | 8,730 | | | 1,432 | | | 1,432 | | | 10,000 | | | 10,000 |
| **Total Other Fee Revenue** | | | **$ 9,570** | | | **$ 2,472** | | | **$ 2,732** | | | **$ 11,100** | | | **$ 11,100** |
| **Total Fee Fund Revenue** | | | **$ 511,689** | | | **$ 489,996** | | | **$ 549,104** | | | **$ 447,856** | | | **$ 505,584** |

**Budget Cost Indices:** Cost indices for FY 2011 and FY 2012 are provided as guidelines to be used by all state agencies in preparing their budget requests. The FY 2013 indices are provided for biennial agencies.

## Salaries and Wages

Salary Adjustments ..... Agencies should not budget for step movement or a base salary adjustment. Any adjustments to the salary plan will be handled on a statewide basis.

Longevity Bonus Payments ..... Longevity bonuses should be budgeted at $50 per year of service for employees hired prior to June 15, 2008 (KSA 75-5541).

| | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|
| Shift Differential for Regular Employees (per hour or 10% of base salary) | $0.30 | $0.30 | $0.30 |
| Shift Differential for Highway Patrol Troopers | 0.75 | 0.75 | 0.75 |
| Shift Differential for Employees Covered by KOSE | 0.50 | 0.50 | 0.50 |
| Retention Incentive Diff. for Building Trades Employees | 0.30 | 0.30 | 0.30 |

## Rates for Computing Fringe Benefits

| | | | |
|---|---|---|---|
| KPERS Regular and School Member Retirement | | | |
| Retirement Rate | 8.17 % | 8.77 % | 9.37 % |
| Death & Disability Insurance | 0.75 | 1.00 | 1.00 |
| Composite Total | 8.92 % | 9.77 % | 10.37 % |
| TIAA Members Current Service | | | |
| Retirement Rate | 8.50 % | 8.50 % | 8.50 % |
| Death & Disability Insurance | 0.75 | 1.00 | 1.00 |
| Composite Total | 9.25 % | 9.50 % | 9.50 % |
| Judges Retirement | | | |
| Retirement Rate & Disability Benefits | 19.49 % | 21.28 % | |
| Death Insurance | 0.30 | 0.40 | |
| Composite Total | 19.79 % | 21.68 % | |
| Deferred Compensation | | | |
| Retirement Rate | 8.00 % | 8.00 % | 8.00 % |
| Death & Disability Insurance | 0.75 | 1.00 | 1.00 |
| Composite Total | 8.75 % | 9.00 % | 9.00 % |
| Retirees Returning to Different Employer | 11.39 % | 15.13 % | |
| Retired Nurses Returning to Same Employer | 7.39 % | 11.13 % | |

| | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|
| Retirees Returning to School Employment that requires a license under K.S.A 72-1388 (state agencies) | 15.39 % | 19.13 % | |
| Security Officer Retirement—Group A—Age 55 | | | |
| Retirement Rate | 8.64 % | 9.24 % | 9.84 % |
| Death & Disability Insurance | 1.00 | 1.00 | 1.00 |
| Composite Total | 9.64 % | 10.24 % | 10.84 % |
| Security Officer Retirement—Group B—Age 60 | | | |
| Retirement Rate | 8.50 % | 9.10 % | 9.70 % |
| Death & Disability Insurance | 1.00 | 1.00 | 1.00 |
| Composite Total | 9.50 % | 10.10 % | 10.70 % |
| KBI[1] | 12.72 % | 14.44 % | |
| Highway Patrol State Troopers[1] | 12.72 % | 14.44 % | |
| Highway Patrol CASP & Motor Carrier Inspectors, State Fire Marshal, Regents, and Adjutant General[1] | 12.72 % | 14.44 % | |
| FICA Rate (Composite Rate for OASDI—6.2% & Medicare—1.45%) | 7.65 % | 7.65 % | 7.65 % |
| Maximum Salary for OASDI (none for Medicare) | | | |
| Paychecks issued July 1-Dec. 31, 2010, 2011, 2012 | $106,800 | $111,600 | $116,600 |
| Paychecks issued Jan. 1-June 30, 2011, 2012, 2013 | 111,600 | 116,600 | 121,800 |
| Unemployment Insurance Assessment | 0.41 % | 0.26 % | 0.26 % |
| State Leave Payment Assessment | 0.57 % | 0.54 % | 0.54 % |
| Single Member Health Insurance Premium (Monthly)[2] | | | |
| Full-Time Employees | $471.51 | $542.24 | $596.47 |
| Part-Time Employees (minimum of 1,000 Hours) | 375.57 | 431.91 | 475.11 |
| Dependent Health Insurance Premium (Monthly) | | | |
| Full-Time Employees | 218.21 | 250.95 | 276.05 |
| Part-Time Employees (minimum of 1,000 Hours) | 172.55 | 198.44 | 218.29 |
| Workers Compensation Assessment | | | |
| Experienced-based Rates by Agency: | | | |
| 016 Abstracters Board of Examiners | 1.692 % | 1.675 % | 1.643 % |
| 028 Board of Accountancy | 0.230 | 0.228 | 0.223 |
| 034 Adjutant General | 2.226 | 2.305 | 2.354 |
| 039 Department on Aging | 0.667 | 0.690 | 0.705 |
| 046 Department of Agriculture | 0.378 | 0.391 | 0.400 |
| 055 Animal Health Department | 0.086 | 0.090 | 0.092 |

[1] Composite total, including retirement rate as well as death and disability benefits.

[2] The 60-day waiting period for health insurance eligibility will be reduced to 30 days, effective FY 2010. Agencies should budget for the additional amount for insurance for new hires.

| | | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|---|
| 058 | Kansas Human Rights Commission | 0.086 % | 0.090 % | 0.092 % |
| 082 | Attorney General | 0.133 | 0.138 | 0.141 |
| 083 | Kansas Bureau of Investigation | 0.433 | 0.448 | 0.458 |
| 094 | Banking Department | 0.086 | 0.090 | 0.092 |
| 100 | Board of Barbering | 0.304 | 0.301 | 0.295 |
| 102 | Behavioral Sciences Regulatory Board | 0.086 | 0.090 | 0.092 |
| 105 | Board of Healing Arts | 0.086 | 0.090 | 0.092 |
| 122 | Citizens Utility Ratepayer Board | 0.086 | 0.090 | 0.092 |
| 143 | Kansas Corporation Commission | 0.389 | 0.403 | 0.411 |
| 149 | Board of Cosmetology | 0.086 | 0.090 | 0.092 |
| 159 | Department of Credit Unions | 0.086 | 0.090 | 0.092 |
| 167 | Kansas Dental Board | 0.242 | 0.239 | 0.235 |
| 171 | Kansas Health Policy Authority | 0.379 | 0.392 | 0.401 |
| 173 | Department of Administration | 1.307 | 1.353 | 1.381 |
| 177 | Ellsworth Correctional Facility | 2.689 | 2.784 | 2.843 |
| 178 | Office of Administrative Hearings | 0.116 | 0.115 | 0.113 |
| 195 | El Dorado Correctional Facility | 4.904 | 5.077 | 5.185 |
| 204 | Board of Mortuary Arts | 0.207 | 0.205 | 0.201 |
| 206 | Emergency Medical Services Board | 0.086 | 0.090 | 0.092 |
| 234 | State Fire Marshal | 1.828 | 1.892 | 1.933 |
| 246 | Fort Hays State University | 0.861 | 0.891 | 0.910 |
| 247 | Governmental Ethics Commission | 0.086 | 0.090 | 0.092 |
| 252 | Office of the Governor | 0.086 | 0.090 | 0.092 |
| 264 | Health and Environment | 0.354 | 0.366 | 0.374 |
| 266 | Hearing Instruments Board of Examiners | 1.796 | 1.793 | 1.758 |
| 270 | Health Care Stabilization | 0.086 | 0.090 | 0.092 |
| 276 | Kansas Department of Transportation | 2.977 | 3.082 | 3.148 |
| 280 | Highway Patrol | 1.597 | 1.654 | 1.689 |
| 288 | Historical Society | 0.517 | 0.536 | 0.547 |
| 291 | Kansas Home Inspectors Registration Board | 0.000 | 0.000 | 0.000 |
| 296 | Department of Labor | 0.631 | 0.653 | 0.667 |
| 300 | Department of Commerce | 0.741 | 0.768 | 0.784 |
| 313 | Hutchinson Correctional Facility | 4.052 | 4.195 | 4.284 |
| 328 | Board of Indigents Defense Services | 0.340 | 0.352 | 0.360 |
| 331 | Insurance Department | 0.481 | 0.498 | 0.509 |
| 349 | Judicial Council | 0.086 | 0.090 | 0.092 |
| 350 | Juvenile Justice Authority | 0.086 | 0.090 | 0.092 |
| 352 | Kansas Juvenile Correctional Complex | 6.967 | 7.213 | 7.367 |
| 359 | Kansas Arts Commission | 0.086 | 0.090 | 0.092 |
| 360 | Kansas, Inc. | 0.132 | 0.131 | 0.128 |
| 363 | Kansas Neurological Institute | 5.357 | 5.546 | 5.664 |
| 365 | KPERS | 0.112 | 0.116 | 0.119 |
| 367 | Kansas State University | 0.723 | 0.748 | 0.764 |
| 368 | Kansas State University—Veterinary Med. Center | 0.723 | 0.748 | 0.764 |
| 369 | Kansas State University—ESARP | 0.723 | 0.748 | 0.764 |
| 371 | Kansas Technology Enterprise Corp. | 0.086 | 0.090 | 0.092 |

| | | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|---|
| 373 | Kansas State Fair | 1.002 % | 1.038 % | 1.060 % |
| 379 | Emporia State University | 0.867 | 0.898 | 0.917 |
| 385 | Pittsburg State University | 0.626 | 0.648 | 0.662 |
| 400 | Lansing Correctional Facility | 6.114 | 6.329 | 6.464 |
| 408 | Larned Correctional MH Facility | 3.417 | 3.537 | 3.613 |
| 410 | Larned State Hospital | 4.561 | 4.722 | 4.823 |
| 412 | Larned Juvenile Correctional Facility | 5.411 | 5.602 | 5.722 |
| 422 | Legislative Coordinating Council | 0.086 | 0.090 | 0.092 |
| 425 | Legislative Research Department | 0.086 | 0.090 | 0.092 |
| 428 | Legislature | 0.211 | 0.218 | 0.223 |
| 434 | State Library | 0.086 | 0.090 | 0.092 |
| 446 | Office of the Lieutenant Governor | 0.193 | 0.305 | 0.299 |
| 450 | Kansas Lottery | 0.064 | 0.066 | 0.068 |
| 482 | Board of Nursing | 0.086 | 0.090 | 0.092 |
| 488 | Board of Examiners in Optometry | 0.688 | 0.681 | 0.668 |
| 494 | Osawatomie State Hospital | 7.000 | 7.247 | 7.402 |
| 507 | Parsons State Hospital and Training Center | 3.430 | 3.551 | 3.627 |
| 521 | Department of Corrections | 1.734 | 1.796 | 1.834 |
| 523 | Kansas Parole Board | 0.086 | 0.090 | 0.092 |
| 529 | KS Comm. on Peace Officers' Standards & Training | 0.105 | 0.104 | 0.102 |
| 531 | Board of Pharmacy | 0.086 | 0.090 | 0.092 |
| 540 | Legislative Division of Post Audit | 0.086 | 0.090 | 0.092 |
| 543 | Real Estate Appraisal Board | 0.257 | 0.254 | 0.249 |
| 549 | Kansas Real Estate Commission | 0.086 | 0.090 | 0.092 |
| 553 | Kansas Racing and Gaming Commission | 1.132 | 1.171 | 1.196 |
| 555 | Rainbow Mental Health Facility | 8.240 | 8.531 | 8.713 |
| 561 | Board of Regents | 0.086 | 0.090 | 0.092 |
| 562 | Court of Tax Appeals | 0.086 | 0.090 | 0.092 |
| 565 | Department of Revenue | 0.722 | 0.748 | 0.764 |
| 579 | Revisor of Statutes | 0.086 | 0.090 | 0.092 |
| 581 | Norton Correctional Facility | 3.908 | 4.046 | 4.132 |
| 604 | School for the Blind | 1.569 | 1.625 | 1.659 |
| 610 | School for the Deaf | 3.983 | 4.124 | 4.212 |
| 622 | Secretary of State | 0.086 | 0.090 | 0.092 |
| 625 | Office of the Securities Commissioner | 0.086 | 0.090 | 0.092 |
| 626 | Sentencing Commission | 0.086 | 0.090 | 0.092 |
| 628 | Social and Rehabilitation Services | 0.551 | 0.571 | 0.583 |
| 634 | State Conservation Commission | 0.086 | 0.090 | 0.092 |
| 652 | Department of Education | 0.439 | 0.454 | 0.464 |
| 660 | Topeka Correctional Facility | 8.140 | 8.427 | 8.607 |
| 663 | Board of Technical Professions | 0.152 | 0.150 | 0.147 |
| 670 | State Treasurer | 0.086 | 0.090 | 0.092 |
| 671 | Pooled Money Investment Board | 0.086 | 0.090 | 0.092 |
| 677 | Judiciary | 0.440 | 0.455 | 0.465 |
| 682 | University of Kansas | 0.563 | 0.583 | 0.596 |
| 683 | KU Medical Center | 0.448 | 0.464 | 0.474 |
| 694 | Commission on Veterans Affairs | 7.808 | 8.084 | 8.256 |

| | | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|---|
| 700 | Board of Veterinary Examiners | 0.214 % | 0.211 % | 0.207 % |
| 709 | Kansas Water Office | 0.086 | 0.090 | 0.092 |
| 710 | Department of Wildlife and Parks | 1.775 | 1.837 | 1.877 |
| 712 | Winfield Correctional Facility | 2.226 | 2.305 | 2.354 |
| 715 | Wichita State University | 0.449 | 0.465 | 0.475 |

## General Cost Guidelines [3]

| | | | |
|---|---|---|---|
| Motor Vehicle Supplies | (1.3) % | (0.1) % | 0.5 % |
| Clothing | 0.3 | 1.0 | 1.0 |
| Food | 1.8 | 1.8 | 1.8 |
| Fuel Oil and Coal | 4.9 | 4.8 | 3.9 |
| Gasoline and Oil | 5.3 | 4.9 | 3.0 |
| Electricity | 4.9 | 4.8 | 3.9 |
| Natural Gas | 4.9 | 4.8 | 3.9 |
| Medical Care | 4.7 | 4.2 | 4.0 |
| General | 2.0 | 2.8 | 2.5 |

Use 8.5 percent for financing items acquired under the master lease equipment program.

## Rent and Other Cost Estimates

**Base Rates per Square Foot:**[4]

| | | | |
|---|---|---|---|
| Office Space: | | | |
| Docking, Landon, Memorial, Curtis, Awl, Finney, Eisenhower, 1020 Kansas | $17.09 | $17.09 | $17.43 |
| Computer Space: | | | |
| Docking, Landon, Curtis, Eisenhower | 50.05 | 50.05 | 51.05 |
| Storage Space: | | | |
| Docking, Landon, Memorial, Curtis, Finney, Eisenhower | 5.50 | 5.50 | 5.61 |
| Other Building Costs: | | | |
| Moving Costs (per square foot)[5] | 2.00 | 2.00 | 2.00 |
| Lease Administration Costs (per square foot) | 0.03 | 0.03 | 0.03 |

[3] Source: Moody's Economy.com, May 2010.

[4] The total rates represent the space rental rates for state buildings. The federal rates, for agencies with federal fund revenues, represent that portion of the total rates that federal funds are estimated to finance. The difference must be financed from non-federal sources when the total rate exceeds the federal rate.

[5] Actual moving rates could vary, depending on the type of moving services required. The cost estimate is for packing, transporting, and unpacking only. Space design, telephone connect and disconnect, office partitions, etc. are not included.

| | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|
| Security Keycard (each) | 12.00 | 12.25 | 12.50 |
| Security Card Reader Installation | Actual | Actual | Actual |
| Security Card Reader (maintenance and support per month) | 34.00 | 35.00 | 35.00 |
| State Records Center (per cubic foot) | 4.75 | 5.00 | 5.00 |
| **Federal Rates per Square Foot:** | | | |
| Office Space: | | | |
| Docking | 16.75 | 17.09 | 16.81 |
| Landon, Memorial, Curtis & Eisenhower | 17.09 | 17.09 | 17.43 |
| Computer Space: | | | |
| Docking, Landon, Eisenhower, Curtis | 50.05 | 50.05 | 51.05 |
| **Monumental Building Surcharge per Square Foot**[6] | | | |
| For support of State Capitol, Judicial Center, Cedar Crest, and Capitol Complex Parking Lots | 2.78 | 2.78 | 2.78 |
| **Private Reimbursement per Mile:** | | | |
| Automobile | 0.500 | 0.580 | 0.580 |
| Motorcycle | 0.340 | 0.470 | 0.470 |
| Airplane | 1.130 | 1.290 | 1.290 |

| **Subsistence:** | FY 2011 | | FY 2012 | | FY 2013 | |
|---|---|---|---|---|---|---|
| | Meals | Lodging[7] | Meals | Lodging[7] | Meals | Lodging[7] |
| In-State—Regular | $39 | $79 | $43 | $81 | $46 | $83 |
| Out-of-State—Regular | 39 | 101 | 43 | 104 | 46 | 107 |
| Out-of-State—High Cost | 42 | 147 | 46 | 151 | 49 | 155 |
| Out-of-State—Special High Cost | 54 | 162 | 60 | 166 | 64 | 170 |
| International Travel | 57[8] | Actual | 63 | Actual | 67 | Actual |
| Conference Lodging (KAR 1-16-18a(e))[9] | | Actual | | Actual | | Actual |

[6] Applies to all agencies located within Shawnee County; cannot be funded with federal funds; rate per square foot of rentable space in state buildings or leased space. Used to support the maintenance and operation of the State Capitol, Judicial Center, Cedar Crest, and Capitol Complex parking lots.

[7] Actual cost of lodging up to this maximum.

[8] Or actual to a maximum of $91 in FY 2011, $97 in FY 2012, and $101 in FY 2013.

[9] Meals allowance is based on destination city.

| DISC Rate Estimates | Unit | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|---|
| **Information Processing Services:** | | | | |
| MVS CPU | Hour | $400 | $400 | $400 |
| CICS On-line processing | Second | 0.20 | 0.20 | 0.20 |
| Data Storage | Mb Month | 0.0075 | 0.0075 | 0.0075 |
| Data Entry Service | Hour | 24.00 | 24.00 | 24.00 |
| SMART Payment Documents | Detail Line | 0.25 | 0.25 | 0.25 |
| Enterprise Applications—State [10] | Per Employee | 3.75 | 3.75 | 3.75 |
| Enterprise Applications—Regents [10] | Per Employee | 2.00 | 2.00 | 2.00 |
| **Telecommunication Services:** | | | | |
| Data Connect | Node/Month | 42.50 | 42.50 | 42.50 |
| KANWIN Router Only: | | | | |
| 1-6 nodes | Router/Month | 240.00 | 240.00 | 240.00 |
| 7-23 nodes | Router/Month | 540.00 | 540.00 | 540.00 |
| >23 nodes | Router/Month | 775.00 | 775.00 | 775.00 |
| Dial Access (Remote 800 Service) | Minute | 0.12 | 0.12 | 0.12 |
| Dial Access (Local Topeka Only) | Minute | 0.04 | 0.04 | 0.04 |
| Dial Access (Internet Topeka Only) | Monthly | 12.00 | 12.00 | 12.00 |
| Voice Switching Service | Month | 17.50 | 17.50 | 17.50 |
| Voice Mail Topeka and Wichita | Station Month | 1.00 | 1.00 | 1.00 |
| Customer Support Services:[11] | | | | |
| Local Area Network Support | Hour | 50.00 | 50.00 | 50.00 |
| Programming Services | Hour | 50.00 | 50.00 | 50.00 |
| DISC Technical Services | Hour | 50.00 | 50.00 | 50.00 |
| DISC Technical Services Off Hours | Hour | 75.00 | 75.00 | 75.00 |
| Video Management Services | Hour | 50.00 | 50.00 | 50.00 |
| KANS-A-N Long Distance: | | | | |
| Interstate | | | | |
| Switched to Switched | Per Minute | 0.0551 | 0.0551 | 0.0551 |
| Switched to Dedicated | Per Minute | 0.0325 | 0.0325 | 0.0325 |
| Dedicated to Switched | Per Minute | 0.0325 | 0.0325 | 0.0325 |
| Dedicated to Dedicated | Per Minute | 0.0276 | 0.0276 | 0.0276 |
| 56/64K Dedicated to Dedicated | Per Minute | 0.0710 | 0.0710 | 0.0710 |
| 384K Dedicated to Dedicated | Per Minute | 0.1821 | 0.1821 | 0.1821 |
| 384K Dedicated to Switched | Per Minute | 0.3944 | 0.3944 | 0.3944 |
| 56/64K Switched to Dedicated | Per Minute | 0.0699 | 0.0699 | 0.0699 |
| 56/64K Switched to Switched | Per Minute | 0.1398 | 0.1398 | 0.1398 |

[10] Applies to all state agencies based on rate per employee per payroll period. This rate supports SMART, SHARP, and iBars applications.

[11] The statewide telecommunications installation and repair services contract administered by the Division of Purchases designates six areas of service within the state. This takes advantage of localized fees and services versus a single, higher fee for statewide coverage. Please refer to the website http://da.ks.gov/purch/contracts/contractdata/07763.doc for specific contract details. Information regarding area, job type, and contractor is available at the following website: http://da.ks.gov/purch/adds/PricingSheet.xls.

| | Unit | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|---|
| Intrastate | | | | |
| Switched to Switched | Per Minute | $0.0749 | $0.0749 | $0.0749 |
| Switched to Dedicated | Per Minute | 0.0468 | 0.0468 | 0.0468 |
| Dedicated to Switched | Per Minute | 0.0468 | 0.0468 | 0.0468 |
| Dedicated to Dedicated | Per Minute | 0.0221 | 0.0221 | 0.0221 |
| 56/64K Dedicated to Dedicated | Per Minute | 0.0595 | 0.0595 | 0.0595 |
| 384K Dedicated to Dedicated | Per Minute | 0.1951 | 0.1951 | 0.1951 |
| 384K Dedicated to Switched | Per Minute | 0.4376 | 0.4376 | 0.4376 |
| 56/64K Switched to Dedicated | Per Minute | 0.0771 | 0.0771 | 0.0771 |
| 56/64K Switched to Switched | Per Minute | 0.1398 | 0.1398 | 0.1398 |
| International Calls | Per Minute | At Cost | At Cost | At Cost |
| Operator-Assisted Calls | Per Call | 3.25 | 3.25 | 3.25 |
| Directory Assistance (Local) | Per Call | 1.25 | 1.25 | 1.25 |
| Directory Assistance | | | | |
| Intrastate | Per Call | 2.00 | 2.00 | 2.00 |
| Interstate | Per Call | 2.00 | 2.00 | 2.00 |
| International | Per Call | 2.00 | 2.00 | 2.00 |
| Interactive Voice Response | Per Call | 0.04 | 0.04 | 0.04 |
| Administrative Surcharge (Applies to all rate categories listed above; cannot be funded with federal funds) | All Rates Above | 2.5% | 2.5% | 2.5% |
| Other Rates (Not subject to administrative surcharge): | | | | |
| Agency Security Service | Per Month | At Cost | At Cost | At Cost |
| Vendor Data Circuits | Drop/Month | At Cost | At Cost | At Cost |
| Video Access Circuits | Circuit/Month | At Cost | At Cost | At Cost |
| Frame Relay Circuits | Circuit/Month | At Cost | At Cost | At Cost |
| Special Toll Services | | At Cost | At Cost | At Cost |

**Central Mail Estimation Factors:**

The Central Mail Assessment covers the cost of operations for building mail, metering, presorting mail, and mail automation. In July of each year, DISC distributes a one-time assessment to recover these costs. The billing is determined based on each agency's share of the previous year's total billings for postage. Actual postage is billed at cost on a monthly basis.

The U.S. Postal Service has not announced rate increases for FY 2011. For FY 2011, customers should multiply their FY 2010 annual postage charges by 1.10 percent. DISC does not project an increase to customer assessments for FY 2011 and FY 2012. See example on the next page:

| | FY 2010 | Times Factor | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|---|---|
| 1st Class Postage | $1,000 | 1.10 | $1,100 | | |
| 1st Class Postage | $1,100 | 1.10 | | $1,210 | |
| 1st Class Postage | $1,210 | 1.10 | | | $1,331 |
| Assessment | $1,000 | 1.00 | $1,000 | | |
| Assessment | $1,000 | 1.00 | | $1,000 | |
| Assessment | $1,000 | 1.00 | | | $1,000 |

For customers submitting mail for barcode/sorting services only, the following rate applies:

| Rate Category | Unit | FY 2011 Rate | FY 2012 Rate | FY 2013 Rate |
|---|---|---|---|---|
| MLOCR Bar-coding | Mail Piece | $0.025 | $0.025 | $0.025 |

Contact: Agencies needing assistance for budgeting DISC services should contact Morey Sullivan at (785) 296-3343.

**Financial Management Development Fee:**

In 2007 SB 357 the Legislature directed the Department of Administration to institute an FMS development fee to provide funding for the development of a new Financial Management System to replace STARS. The rate became effective in FY 2008 and is based on an agency's STARS transactions. This fee cannot be funded with federal funds.

| | Unit | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|---|
| FMS Development—State | Per Transaction | $0.67 | $0.67 | $0.67 |
| FMS Development—Regents | Per Transaction | $0.18 | $0.18 | $0.18 |

**Division of Printing**[12]

| | | | | |
|---|---|---|---|---|
| Printing Services | | 4.0 % | 4.0 % | 4.0 % |
| Black and white copying, single sided | per sheet | $0.036 | $0.036 | $0.036 |
| Black and white copying, duplex | per sheet | 0.064 | 0.064 | 0.064 |
| Color copying, single sided, 8 1/2 x 11 | per sheet | 0.28 | 0.28 | 0.28 |
| Color copying, single sided, 11 x 17 | per sheet | 0.57 | 0.57 | 0.57 |
| Graphic design services | per hour | 49.00 | 49.00 | 49.00 |

**Facilities Planning Project Fee** [13]

| | | | | |
|---|---|---|---|---|
| Architect | per hour | 105.00 | 105.00 | 105.00 |
| Engineer | per hour | 120.00 | 120.00 | 120.00 |

| **Price and Cost Guidelines for Selected Equipment Items:** | FY 2011 Est. Price | FY 2012 Est. Price | FY 2013 Est. Price |
|---|---|---|---|
| Statewide Contract Management Fee (Applied to orders against statewide requirements contracts) | 0.5 % | 0.5 % | 0.5 % |

[12] These prices are subject to change because of renegotiation of equipment rental or fluctuation in material costs.

[13] A complete list of facilities management project fees can be found at http://da.ks.gov/fp/manual/11_FPDC_Services.pdf.

| | FY 2011 Est. Price | FY 2012 Est. Price | FY 2013 Est. Price |
|---|---|---|---|
| New Motor Vehicles—Passenger (Fleet Prices) | | | |
| Sedan, 4-door compact | $13,400 | $13,800 | $14,200 |
| Sedan, 4-door compact, hybrid | 23,000 | 23,600 | 24,300 |
| Sedan, 4-door intermediate | 14,700 | 15,100 | 15,600 |
| Sedan, 4-door intermediate, hybrid | 25,500 | 26,300 | 27,000 |
| Sedan, 4-door full size (non-police) | 23,200 | 23,900 | 24,600 |
| New Motor Vehicles—Trucks (Fleet Prices) | | | |
| Mini-Van, 7-passenger | 20,300 | 20,900 | 21,600 |
| Van, 8-passenger | 18,600 | 19,200 | 19,800 |
| Van, 12-passenger | 20,300 | 20,900 | 21,500 |
| Van, 15-passenger | 22,600 | 23,300 | 24,000 |
| Suburban, 1/2 ton (2 w/d) | 30,200 | 31,100 | 32,100 |
| Suburban, 3/4 ton (2 w/d) | 31,800 | 32,700 | 33,700 |
| Pickup, compact, extended cab | 13,000 | 13,400 | 13,800 |
| Pickup, 1/2 ton | 15,500 | 15,900 | 16,400 |
| Pickup, 3/4 ton | 17,000 | 17,500 | 18,000 |
| Pickup, 1 ton | 18,500 | 19,000 | 19,500 |
| 4 w/d pickup, 1/2 ton | 17,800 | 18,300 | 18,800 |
| 4 w/d pickup, 3/4 ton | 19,700 | 20,200 | 20,800 |
| 4 w/d ext cab compact pickup | 17,000 | 17,500 | 18,000 |
| Cabs and chassis, 1 ton | 22,300 | 22,900 | 23,600 |
| One ton, with flat bed and hoist | 28,600 | 29,500 | 29,900 |
| Cab and chassis, 1-1/2 ton (GVW up to 17,000 pounds) | 29,000 | 29,800 | 30,700 |
| Vertical Files - Economy | | | |
| 2-drawer, metal, letter | 169 | 168 | 168 |
| 2-drawer, metal, legal | 192 | 190 | 190 |
| 4-drawer, metal, letter | 236 | 234 | 234 |
| 5-drawer, metal, letter | 312 | 310 | 310 |
| 5-drawer, metal, legal | 348 | 345 | 345 |
| Traditional Style Steel Desks | | | |
| Flat top, 72” x 36,” executive, double pedestal | 1,149 | 1,208 | 1,208 |
| Flat top, 60” x 30,” executive, double pedestal | 1,021 | 1,078 | 1,078 |
| 60” x 30,” executive, single pedestal | 975 | 1,033 | 1,033 |
| Double pedestal typing return | 808 | 868 | 868 |
| Contemporary Style Steel Desks | | | |
| Double pedestal, 70” x 36” | 554 | 591 | 591 |
| Double pedestal, 60” x 30” | 483 | 513 | 513 |
| Single pedestal, 60” x 30” | 464 | 501 | 501 |
| Single pedestal, typing return, 45” long w/drawers | 265 | 287 | 287 |
| Steel Storage Units, 78” x 36” x 18,” shelves w/doors | 272 | 301 | 301 |

| | FY 2011 Est. Price | FY 2012 Est. Price | FY 2013 Est. Price |
|---|---|---|---|
| Shell Chairs (fabric inner shell) | | | |
| Swivel tilt arm chair | $131 | $139 | $139 |
| Steno posture | 85 | 84 | 84 |
| Stack chair | 99 | 65 | 65 |
| Economy stack chair | 45 | 57 | 57 |
| Ergonomic Style Office Chairs | | | |
| Executive high back swivel tilt w/arms and casters | 357 | 389 | 389 |
| Same as above with low back | 330 | 379 | 379 |
| Manager swivel tilt w/arms and casters | 285 | 305 | 305 |
| Secretarial swivel | 263 | 239 | 239 |
| Facsimile Equipment | | | |
| Plain paper fax | 166 | 180 | 180 |
| Plain paper fax, 1 MB memory, 36.6 Kbps | 550 | 300 | 302 |
| Plain paper fax, dual tray, 8 MB memory, 33.6 Kbps | 881 | 300 | 320 |
| Rental Photocopiers (price quoted is monthly) | | | |
| Digital Copier with stand, speed of 25 copies per minute, 30,000 copies per month volume | 100 | 83 | 83 |
| Digital Copier with stand and sorter, speed of 30 copies per minute, 12,000 copies per month volume | 139 | 184 | 184 |
| Digital Copier with sorter, automatic document feeder and automatic duplexing, speed of 50 copies per minute, 40,000 copies per month volume | 322 | 357 | 357 |
| Digital Copier, console style, sorter, automatic document feeder and automatic duplexing, speed of 60 copies per minute, 60,000 copies per month volume | 442 | 469 | 469 |
| Digital Copier, console style, sorter, automatic document feeder and automatic duplexing, speed of 80 copies per minute, 100,000 copies per month volume | 1,204 | 717 | 717 |
| Laptop / Notebook Microcomputers | | | |
| Desktop Replacement | 1,139 | 1,298 | 1,298 |
| Standard Laptop | 991 | 1,085 | 1,085 |
| Ultra-Light Weight | 1,299 | 1,599 | 1,599 |
| Desktop Microcomputers | | | |
| Intel Configuration | | | |
| Intel Duo Core2 3.0 GHz, 2GB RAM, 160GB Hard Drive, DVD-RW | 685 | 685 | 685 |
| Monitors | | | |
| 17” Flat Panel | 174 | 155 | 155 |
| 19” Flat Panel | 214 | 180 | 180 |
| 20” Flat Panel | 264 | 188 | 188 |
| 22” Flat Panel | 264 | 196 | 196 |