

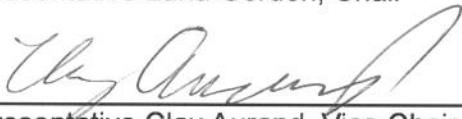
FY 2012 and FY 2013

Education Budget Committee

Department of Education



Representative Lana Gordon, Chair



Representative Clay Aurand, Vice-Chair



Representative Valdenia Winn, Ranking  
Minority Member



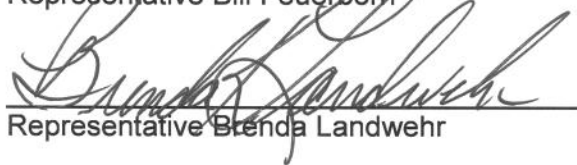
Representative Tom Arpke



Representative Ward Cassidy



Representative Bill Feuerborn



Representative Brenda Landwehr



Representative Connie O'Brien



Representative Sheryl Spalding

## House Budget Committee Report

**Agency:** Department of Education

**Bill No.** 2493

**Bill Sec.** 35

**Analyst:** Cussimano

**Analysis Pg. No.** 965

**Budget Page No.** 280

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 3,034,301,958	\$ 3,080,547,437	\$ 50,000
Other Funds	638,586,285	637,951,862	0
Subtotal	<u>\$ 3,672,888,243</u>	<u>\$ 3,718,499,299</u>	<u>\$ 50,000</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 3,672,888,243</u></u>	 <u><u>\$ 3,718,499,299</u></u>	 <u><u>\$ 50,000</u></u>
 FTE positions	 191.8	 188.3	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>191.8</u></u>	<u><u>188.3</u></u>	<u><u>0.0</u></u>

### Agency Estimate

The **agency** estimates a revised FY 2012 budget of \$3.7 billion, including \$3.0 billion from the State General Fund. This is an all funds increase of \$14.7 million, or 0.4 percent, and a State General Fund decrease of \$14.6 million, or 0.5 percent, below the amount approved by the 2011 Legislature. The estimate includes 191.8 FTE positions, an increase of 3.8 FTE positions above the amount approved by the 2011 Legislature.

Included in the revised estimate is a supplemental request of \$102,521, all from the State General Fund, for salaries and wages for a new part-time Accountant III position and a full-time Applications Developer II position, as well as other operating costs associated with 2011 House Bill 2360. The bill created the Uniform Financial Accounting and Reporting Act which requires the Kansas State Board of Education to develop and maintain a uniform reporting system for the revenue and expenditures of local school districts. Absent the supplemental request, the estimate is an all funds increase of \$14.6 million, or 0.4 percent, and a State General Fund decrease of \$14.7 million, or 0.5 percent, below the amount approved by the 2011 Legislature. The State General Fund decrease is due to a lapse of \$14.7 million in KPERS-School payments.

## **Governor's Recommendation**

The **Governor** recommends a FY 2012 budget of \$3.7 billion, including \$3.1 billion from the State General Fund in FY 2012. The recommendation is an all funds increase of \$45.6 million, or 1.2 percent, and a State General Fund increase of \$46.3 million, or 1.5 percent, above the agency revised FY 2012 estimate. The increase is due to the addition of \$21.7 million, all from the State General Fund, for KPERS-School employer contributions and \$24.6 million, all from the State General Fund, for General State Aid. The 2011 Legislature delayed the FY 2012 KPERS-School payment until FY 2013 to address an issue with the special education federal maintenance of effort requirement. The Governor recommends making this payment in FY 2012, and subsequently reduced the appropriation for KPERS-School in FY 2013 to reflect the payment. The increase was offset by a reduction of \$14.7 million, all from the State General Fund, due to lower than anticipated increases in teacher salaries for the current school year for a total increase of \$7.0 million. The Governor also added funding for General State Aid per the November 2011 consensus estimates to maintain the Base State Aid Per Pupil at \$3,780. The recommendation is an all funds increase of \$60.3 million, or 1.6 percent, above the amount approved by the 2011 Legislature. The recommendation is a State General Fund increase of \$31.6 million, or 1.1 percent, above the amount approved by the 2011 Legislature. The increase is due to the addition of \$7.0 million in KPERS-School employer contributions and \$24.6 million in General State Aid. The recommendation is increase of \$28.7 million in all other funds. The other funds increase is mainly due to an increase of \$21.1 million in federal funds, \$4.8 million in the School District Capital Improvements Fund, \$1.0 million in School District Finance funding, and \$1.4 million in Education Jobs (EduJobs) Funds. In FY 2012, South Carolina declined federal EduJobs funds, resulting in an increase to Kansas award. This funding was distributed to school districts through the current school finance formula.

## **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's FY 2012 recommendation with the following adjustment:

1. Add \$50,000, all from the State General Fund, in FY 2012 for costs associated with the passage of 2011 Senate Bill 21 which created the Uniform Financial Accounting and Reporting Act. The bill required the Department of Education to develop and maintain a uniform reporting system for revenues and expenditures of local school districts.

## Senate Subcommittee Report

**Agency:** Department of Education

**Bill No.** 433

**Bill Sec.** 34

**Analyst:** Cussimano

**Analysis Pg. No.** 965

**Budget Page No.** 280

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 3,655,299,970	\$ 3,038,088,648	\$ 1,115,663
Other Funds	634,302,755	628,132,643	1,500,000
Subtotal	<u>\$ 4,289,602,725</u>	<u>\$ 3,666,221,291</u>	<u>\$ 2,615,663</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 4,289,602,725</u></u>	 <u><u>\$ 3,666,221,291</u></u>	 <u><u>\$ 2,615,663</u></u>
 FTE positions	 191.8	 187.3	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>191.8</u></u>	<u><u>187.3</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests a FY 2013 budget of \$4.3 billion, including \$3.7 billion from the State General Fund. This is an all funds increase of \$616.7 million, or 16.8 percent, and a State General Fund increase of \$621.0 million, or 20.5 percent, above the revised FY 2012 estimate. The agency request includes an enhancement request totaling \$616.5 million, including \$612.4 million from the State General Fund. Absent the enhancement, the request would be \$3.7 billion, including \$3.0 billion from the State General Fund. The request is an all funds increase of \$230,102, or less than 0.1 percent, and a State General Fund increase of \$8.6 million, or 1.4 percent, above the revised FY 2012 estimate. The agency's revised FY 2012 estimate was \$344.7 million while the FY 2013 request is \$353.8 million, an increase of \$9.1 million, or 2.6 percent.

### Governor's Recommendation

The **Governor** recommends a FY 2013 budget of \$3.7 billion, including \$3.0 billion from the State General Fund for FY 2013. The recommendation is an all funds decrease of \$623.4 million, or 14.5 percent, and a State General Fund decrease of \$617.2 million, or 16.9 percent, below the agency FY 2013 request. The Governor did not recommend any of the agency's enhancement requests totaling \$616.5 million, including \$612.4 million from the State General Fund. In addition, the Governor recommended making the delayed KPERS-School payment in FY 2012, and subsequently reduced the appropriation for KPERS-School in FY 2013.

## Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments and notations:

1. Delete \$500,000, all from the State General Fund, for the Mentor Teacher Program for FY 2013. The Subcommittee notes that this leaves \$600,000 in the program.
2. Add \$500,000, all from the State General Fund, for the Kansas Educator Evaluation Protocol (KEEP) and state accreditation. The Department of Education with guidance from the Educational Testing Service and in collaboration with the Kansas Learning Network schools, is developing a reliable, researched based evaluation instrument that conforms to the federal mandates. The instrument will be available for use by all Kansas districts that choose to implement it.
3. Add \$1.0 million, all from the State General Fund, for special education maintenance of effort for FY 2013. The Department of Education provided testimony indicating that the special education FY 2013 appropriation is within approximately \$400,000 of the maintenance of effort requirement set forth by the federal government.
4. Add language for FY 2013 stating that any additional funds received in the Children's Initiatives Fund over \$40.0 million shall go to the Parents As Teachers program with first priority, up to \$1.0 million. Second priority would go to the Kansas Pre-School Program, up to \$500,000. The Subcommittee notes the need for added funding for the programs and believes they should be given first priority should additional funds become available.
5. Add \$1.0 million, all from the Children's Initiatives Fund, for the Parents As Teachers program for FY 2013, subject to available funding. Under the Governor's recommendation, the program would sustain a budget reduction of \$2.2 million below the FY 2012 recommendation, which would eliminate services to 4,500 students and their parents for FY 2013.
6. Add \$500,000, all from the Children's Initiatives Fund, for the Kansas Pre-School Program for FY 2013, subject to available funding. Under the Governor's recommendation, the program would sustain a budget reduction of \$1.5 million below the FY 2012 recommendation, which would eliminate services to approximately 450 students.
7. Add \$65,663, all from the State General Fund, for costs associated with an increase in the transaction fee for the Financial Management System (FMS), also known as SMART. The fee is proposed to increase from 0.67 to \$1.01 transaction for FY 2013.
8. Add \$50,000, all from the State General Fund, to fill an existing 1.0 FTE Applications Developer II position to maintain the Uniform Financial Accounting system for FY 2013.
9. Delete \$28.9 million, all from the State General Fund, from the Technical Education Grants program fund for FY 2013.
10. Add \$28.9 million, all from the State General Fund, to General State Aid and maintain the .5 weighting for career and technical education for FY 2013.

11. Review at Omnibus the addition of \$2.5 million, all from the State General Fund, for professional development for FY 2013.
12. The Subcommittee notes that under K.S.A. 72-64c03 the money necessary to fund General State Aid and Supplemental General State Aid under the School District Finance and Quality Performance Act and state aid for the provision of special education and related services under the special education for exceptional children act shall be given first priority in the legislative budgeting process and shall be paid first from existing state revenues.
13. The Subcommittee notes that \$477.5 million would be necessary to increase the Base State Aid Per Pupil (BSAPP) to \$4,492 per K.S.A. 72-6410 for FY 2013. The Subcommittee further notes that if the BSAPP were to have been adjusted according to the Consumer Price Index, based on 2011 dollars, the following BSAPP would have applied:

School Year	Base State Aid Per Pupil Actual	Base State Aid Per Pupil Adjusted
2002-2003	\$3,863	\$4,862
2003-2004	3,863	4,754
2004-2005	3,863	4,630
2005-2006	4,257	4,935
2006-2007	4,316	4,847
2007-2008	4,374	4,776
2008-2009	4,400	4,627
2009-2010	4,012	4,234
2010-2011	3,937	4,166
2011-2012	3,780	3,780

### Senate Committee Recommendation

The **Committee** concurs with the Subcommittee recommendation with the following adjustments and notations:

1. Add language for FY 2013 stating that any additional funds received in the Children's Initiatives Fund over \$40.0 million shall go to the Parents As Teachers program with first priority, up to \$2.5 million. Second priority would go to the Kansas Pre-School Program, up to \$1.5 million. The Subcommittee recommended \$1.0 million for Parents As Teachers and \$500,000 for the Kansas Pre-School Program.
2. Add \$2.5 million, all from the Children's Initiatives Fund, for the Parents As Teachers program for FY 2013, subject to available funding. The Subcommittee recommended adding \$1.0 million for the program.

3. Add \$1.5 million, all from the Children's Initiatives Fund, for the Kansas Pre-School Program for FY 2013, subject to available funding. The Subcommittee recommended adding \$500,000 for the program.
4. Add language to make the recommendation to add \$1.0 million, all from the State General Fund, to special education for maintenance of effort subject to available funding.
5. Add language to make the recommendation to add \$65,663, all from the State General Fund, for costs associated with an increase in the transaction fee for the Financial Management System subject to available funding.
6. Add language to make the recommendation to add \$50,000, all from the State General Fund, to fill an existing 1.0 FTE Applications Developer II position subject to available funding.



**House Budget Committee Report**

**Agency:** Department of Education

**Bill No.** HB 2760

**Bill Sec.** 34

**Analyst:** Cussimano

**Analysis Pg. No.** 965

**Budget Page No.** 280

<u>Expenditure Summary</u>	<u>Agency Request FY 2013</u>	<u>Governor Recommendation FY 2013</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 3,655,299,970	\$ 3,038,088,648	\$ 0
Other Funds	634,302,755	628,132,643	0
Subtotal	<u>\$ 4,289,602,725</u>	<u>\$ 3,666,221,291</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 4,289,602,725</u></u>	<u><u>\$ 3,666,221,291</u></u>	<u><u>\$ 0</u></u>
FTE positions	191.8	187.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>191.8</u></u>	<u><u>187.3</u></u>	<u><u>0.0</u></u>

**Agency Request**

The **agency** requests a FY 2013 budget of \$4.3 billion, including \$3.7 billion from the State General Fund. This is an all funds increase of \$616.7 million, or 16.8 percent, and a State General Fund increase of \$621.0 million, or 20.5 percent, above the revised FY 2012 estimate. The agency request includes an enhancement request totaling \$616.5 million, including \$612.4 million from the State General Fund. Absent the enhancement, the request would be \$3.7 billion, including \$3.0 billion from the State General Fund. The request is an all funds increase of \$230,102, or less than 0.1 percent, and a State General Fund increase of \$8.6 million, or 1.4 percent, above the revised FY 2012 estimate. This increase is mainly attributable to KPERS-School. The KPERS employer contribution rate increases six-tenths of 1.0 percent in FY 2013 while salaries and are projected to increase 1.0 percent. The agency's revised FY 2012 estimate was \$344.7 million while the FY 2013 request is \$353.8 million, an increase of \$9.1 million, or 2.6 percent.



### **Governor's Recommendation**

The **Governor** recommends a FY 2013 budget of \$3.7 billion, including \$3.0 billion from the State General Fund for FY 2013. The recommendation is an all funds decrease of \$623.4 million, or 14.5 percent, and a State General Fund decrease of \$617.2 million, or 16.9 percent, below the agency FY 2013 request. The Governor did not recommend any of the agency's enhancement requests totaling \$616.5 million, including \$612.4 million from the State General Fund. In addition, the Governor recommended making the delayed KPERS-School payment in FY 2012, and subsequently reduced the appropriation for KPERS-School in FY 2013.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. Delete \$615,663, all from the State General Fund, for the Mentor Teacher Program for FY 2013.
2. Add \$500,000, all from the State General Fund, for the Kansas Educator Evaluation Protocol (KEEP) and state accreditation. The Department of Education with guidance from the Educational Testing Service and in collaboration with the Kansas Learning Network schools, is developing a reliable, research based evaluation instrument that conforms to the federal mandates. The instrument will be available for use by all Kansas districts that choose to implement it.
3. Add \$65,663, all from the State General Fund, for costs associated with an increase in the transaction fee for the Financial Management System (FMS), also known as SMART. The fee is proposed to increase from 0.67 to \$1.01 transaction for FY 2013.
4. Add \$50,000, all from the State General Fund, to fill an existing 1.0 FTE Applications Developer II position to maintain the Uniform Financial Accounting system for FY 2013.
5. Review the status of the Children's Initiatives Fund, including a review of the Parents As Teachers Program and Kansas Pre-School Program for FY 2013 during Omnibus.