



March 11, 2022

## **BILL EXPLANATION FOR SUB. FOR SENATE BILL NO. 444**

Sub. for SB 444, as recommended by the Senate Committee on Ways and Means, contains FY 2022 supplemental funding, FY 2023 funding for most state agencies, and FY 2023 capital improvement expenditures for certain state agencies. An overview of the Governor's amended budget recommendations for FY 2022 through FY 2023 and the Senate Committee's adjustments to the Governor's amended recommendations are reflected below. Provisions of this bill regarding debt retirement in the Department of Administration are now contained in SB 443. Provisions of this bill regarding Kansas Public Employees Retirement System (KPERs) layering payments are now contained in SB 421.

### **FY 2022 Governor's Recommendation**

The FY 2022 budget approved by the 2021 Legislature totals \$20.7 billion, including \$8.3 billion from the State General Fund (SGF). The approved budget includes \$193.5 million in SGF reappropriations from FY 2021.

The Governor's recommendation totals \$23.0 billion from all funding sources, with \$9.3 billion financed from the SGF, in FY 2022. The recommendation increases total expenditures by \$1.2 billion, and increases SGF expenditures by \$2.1 billion, above the FY 2021 actual expenditures.

The Governor's recommendation for FY 2022 is an all funds increase of \$2.3 billion, or 11.1 percent, and an SGF increase of \$994.0 million, or 11.9 percent, above the FY 2022 approved budget. The increase is primarily attributable to:

- Adding \$460.0 million, all SGF, for the Residential Tax Rebate;
- Adding \$332.2 million, all SGF, for early debt retirement in the Department of Administration;
- Adding \$20.0 million, all SGF, in the Department of Commerce to expand the Moderate Income Housing Program;
- Adding \$731.9 million, including \$375.4 million SGF, to the Department of Education, including:
  - Adding \$199.5 million, all SGF, to eliminate delayed state aid payments;

- Adding \$253.9 million, all SGF, to eliminate the KPERS layering payments; and
- Adding \$336.5 million, all from federal funds, for Emergency School Relief;
- Adding \$64.9 million, including \$48.5 million SGF, to the Department of Corrections, including:
  - Adding \$18.3 million, all from federal American Rescue Plan Act (ARPA) funds, for the 24/7 pay plan;
  - Adding \$21.1 million, all SGF, to restore Evidence Based Initiatives funding; and
  - Adding \$6.7 million, all SGF, for Pathways to Success;
- Adding \$18.1 million, all SGF, for Highway Patrol aircraft;
- Deleting \$184.7 million, all from the State Highway Fund, largely related to the delayed construction of State Highway 69; and
- Deleting \$72.5 million, including \$173.2 million SGF, to implement revised human services caseloads estimates, largely related to the extension of the enhanced Federal Medical Assistance Percentage (FMAP) match.

## Overview of the FY 2023 Governor’s Recommendations

**State Operations—Agency operating costs for salaries and wages, contractual services, commodities, debt service interest, and capital outlay.** The Governor’s FY 2023 recommendation for state operations is \$6.7 billion, which is an increase of \$84.8 million, or 1.3 percent, above the FY 2022 revised estimate. The increase is primarily attributable to the Department of Commerce grant programs and enhancements (\$197.2 million SGF), state employee pay adjustments (\$145.5 million all funds, including \$56.8 million SGF), Department of Corrections 24/7 pay plan and enhancements (\$16.1 million SGF), partially offset by considerable reductions due to one-time expenditures in FY 2022 and reductions in federal funding.

**Local Units of Government—Aid payments to counties, cities, school districts, and other local government entities; may be from state or federal funds.** The Governor’s FY 2023 recommendation for aid to local units of government is \$7.1 billion, which is a decrease of \$207.5 million, or 2.9 percent, below the FY 2022 revised estimate. The reduction is primarily attributable to reduced education state aid (\$195.9 million), and COVID-19 pandemic relief funding in the Kansas Department of Health and Environment (KDHE). The reductions are partially offset by an increase in the Board of Regents student financial assistance (\$80.6 million), and \$13.0 million for the State Treasurer to implement the proposed food sales tax elimination.

**Other Assistance, Grants, and Benefits—Payments made to or on behalf of individuals as aid, including public assistance benefits, unemployment benefits, and tuition grants.** The Governor’s FY 2023 recommendation for other assistance, grants, and

benefits is \$7.1 billion, which is a decrease of \$128.2 million, or 1.8 percent, below the FY 2022 revised estimate. The decrease is primarily attributable to the resident tax rebate (\$460.0 million), unemployment benefits (\$48.2 million), and Department for Children and Families funding for the Low Income Energy Assistance Program (LIEAP), Emergency Water Assistance Program and Child Care Provider Assistance (\$42.0 million). The decreases are partially offset by an increase in KDHE—Health for Medicaid expansion (\$448.7 million).

**Capital Improvements—Cash or debt service payments for projects involving new construction, remodeling and additions, rehabilitation and repair, razing, and the principal portion of debt service for a capital expenditure.** The Governor’s FY 2023 recommendation for capital improvements is \$1.8 billion, which is a decrease of \$154.4 million, or 8.0 percent, below the FY 2022 revised estimate. The decrease is primarily attributable to accelerated debt retirement in FY 2022.

## **Senate Committee Adjustments for FY 2022-FY 2023**

### ***FY 2022 Senate Ways and Means Committee Recommendations***

The Senate Committee on Ways and Means recommends expenditures of \$21.8 billion; including \$8.1 billion SGF, in FY 2022. The recommendation is an all funds decrease of \$1.2 billion, or 5.1 percent, and an SGF decrease of \$1.2 billion, or 12.7 percent, below the FY 2022 Governor’s recommendation. The Senate Committee deleted \$586.1 million SGF for early retirement of debt and elimination of KPERS layering payments. While not included in this bill, the policies are reflected in SB 443 (Debt Retirement) and SB 421 (KPERS Layering Payments) and are included in the profile at the end of this explainer. Additionally, the Senate Committee of the Whole recommended SB 523, which authorizes payments of \$1.0 billion, including \$600.0 million in FY 2022, to the KPERS Trust Fund. That amount is also not included in this bill, but is included in the profile.

Major FY 2022 expenditure adjustments include:

- Deleting \$460.0 million SGF to not implement a one-time \$250 tax rebate;
- Deleting \$332.2 million SGF for the early payoff of Series 2015A/G bonds (moved to SB 443);
- Department of Education:
  - Deleting \$253.9 million SGF for the KPERS Layering Payment Payoff (moved to SB 421); and
  - Deleting \$199.6 million SGF to eliminate delayed school payments in FY 2022 (moved to FY 2023);
- Kansas Highway Patrol:
  - Deleting \$18.1 million SGF for the agency’s enhancement request for aircraft; and

- Transferring \$11.2 million from the State Highway Fund to the Aircraft Fund to purchase one new helicopter with forward-looking infrared (FLIR) (\$6.3 million) and one new C208 Cessna caravan with FLIR (\$5.7 million);
- Attorney General – Adding \$7.4 million, all from special revenue funds, to adjust receipts of opioid litigation settlement moneys; and
- Kansas Water Office – Adding \$80.0 million SGF to pay off water supply storage debt for Big Hill, Clinton, and Hillsdale reservoirs.

### ***FY 2023 Adjustments***

The Senate Committee on Ways and Means recommends expenditures of \$22.8 billion, including \$9.2 billion SGF, for FY 2023. The recommendation is an all funds decrease of \$203.2 million, or 0.9 percent, and an SGF increase of \$263.5 million, or 3.0 percent, from the FY 2023 Governor’s recommendation. Additionally, the Senate Committee of the Whole recommended SB 523, which authorizes payments of \$1.0 billion, including \$400.0 million in FY 2023, to the KPERS Trust Fund. That amount is not included in this bill but is reflected in the profile.

The Committee deleted a total of 11.0 FTE positions, including 8.0 FTE positions for the Department of Revenue to not implement the Governor’s Food Sales Tax plan and 5.0 FTE positions for Osawatomie State Hospital to not implement a social detox unit.

Major FY 2023 expenditure adjustments include:

- Department of Education – Adding \$199.4 million SGF to eliminate delayed school payments (moved from FY 2022);
- Board of Regents - Adding \$3.3 million SGF for FY 2023, including;
  - Deleting \$25.0 million SGF from the Kansas Access Partnership Grant;
  - Deleting \$20.7 million SGF from the Postsecondary Education Operating Grant;
  - Deleting \$15.0 million SGF from the Two-Year Colleges Special Projects;
  - Adding \$3.1 million SGF to the Postsecondary Tiered Technical Education State Aid;
  - Adding \$10.0 million SGF to the State Universities Facilities Capital Renewal Initiative;
  - Adding \$11.4 million SGF to the Non-Tiered Course Credit Hour Grant;
  - Adding \$19.0 million SGF to the Comprehensive Grant Program; and
  - Adding \$20.0 million SGF to a new Demolition Fund and designating \$750,000 for Washburn University;
- Wichita State University – Adding \$7.0 million SGF to a new Digital Transformation account for the reconfiguring of hangers associated with the National Institute for Aviation Research (NIAR). This is the first year of five years

of appropriations totaling \$35.0 million. This funding was deleted from the Department of Commerce University Challenge Grants;

- Kansas Department for Aging and Disability Services - Adding \$245.5 million, including \$103.6 million SGF for FY 2023, including;
  - Adding \$146.3 million, including \$58.5 million SGF, to provide a 30.0 percent reimbursement rate increase for providers of Home and Community Based Services (HCBS) Intellectual/Developmental Disability waiver services, excluding providers of specialized nursing care;
  - Adding \$65.2 million, including \$26.2 million SGF, to provide for a full rebase of the nursing facility daily Medicaid rate;
  - Adding \$12.5 million, including \$5.0 million SGF, to provide a 4.0 percent reimbursement rate increase for Medicaid behavioral health services;
  - Adding \$7.7 million, including \$3.1 million SGF, to increase the reimbursement rate for HCBS specialized nursing care from \$43.00 per hour to \$47.00 per hour;
  - Adding \$4.8 million SGF for mini-grants to assist in Certified Community Behavioral Health Clinic (CCBHCs) implementation; and
  - Adding \$3.5 million SGF for additional nutritional program expenditures;
- Department of Administration – Deleting \$60.0 million SGF for remodeling the Docking State Office Building; this portion of the expenditure is anticipated to be covered by federal funds;
- KDHE—Environment – Deleting \$32.5 million SGF for construction of the new laboratory on Lot 4 of the Capitol Complex; this portion of the expenditure is anticipated to be covered by federal funds;
- KDHE—Health - Deleting \$579.9 million and adding \$77.4 million SGF for FY 2023, including;
  - Deleting \$596.0 million, including the addition of \$68.5 million SGF, to remove funding for Medicaid Expansion and adding language to lapse the SGF funding if Medicaid Expansion is passed during the 2022 Session;
  - Adding \$10.0 million, including \$4.5 million SGF, to increase reimbursement rates of all Emergency Medical Services provider codes;
  - Adding \$3.5 million, including \$1.4 million SGF, to increase the availability of adult dental services; and
  - Adding \$2.0 million SGF to increase the availability of early intervention services provided through the Infant and Toddler Program (tiny-k);
- Kansas Highway Patrol:
  - Adding \$14.3 million, all from special revenue funds, and increase the transfer from the State Highway Fund by the same amount;

- Adding language authorizing the agency to expend up to \$9.0 million special revenue fund, and increase the transfer from the State Highway Fund for FY 2023 to replace the Governor’s Executive Aircraft and sell the King Air 350, and adding \$1.5 million for maintenance of the aircraft; and
- Adding \$3.6 million to enhance the KHP Career Progression Plan; and
- KPERS Policy Change – Deleting \$10.0 million SGF for conversion of certain Department of Corrections employees, including juvenile correctional officers, and Kansas Department of Wildlife and Parks law enforcement officers to the Kansas Police and Firemen’s (KP&F) retirement system. This policy was introduced in SB 524, which had not advanced at the time of Senate Committee on Ways and Means action on the budget.

***FY 2022 and FY 2023 Revenue Adjustments***

The following are the recommended adjustments to SGF transfers and taxes that adjust available SGF revenue. For FY 2022, the Senate Ways and Means Committee recommendation reduces SGF receipts by \$255.1 million. For FY 2023, the recommendation reduces SGF receipts by \$80.1 million. These numbers reflect both Committee action and tax bills that have been approved by the Senate Committee of the Whole.

**FY 2022 Revenue Adjustments:**

- SB 318 – Providing a sales tax exemption for purchases to reconstruct, repair or replace certain fencing damaged or destroyed by natural disasters - Deleting \$1.2 million.
- Transfer \$253.9 million SGF to the KPERS Trust Fund to eliminate the KPERS layering payments for the Department of Education. (SB 421)

**FY 2023 Revenue Adjustments:**

- SB 318 – Deleting \$1.4 million;
- SB 282 – Providing income tax credits for aerospace and aviation program graduates and their employers:
  - Aviation Tax Credits – Deleting \$7.9 million SGF;
  - Housing Credit – Deleting \$18.0 million SGF;
  - Teacher Classroom Supplies – Deleting \$10.4 million SGF; and
  - Homestead Tax Refund – Deleting \$6.9 million SGF;
- SB 327 – Excluding separately stated delivery charges from the sales or selling price for sales tax purposes – Deleting \$4.0 million SGF;

- SB 326 – Providing an income tax credit for qualified railroad track maintenance expenditures of short-line railroads and associated rail siding owners or lessees – deleting \$8.7 million SGF;
- SB 347 – Enacting the Attracting Powerful Economic Expansion Act – deleting \$18.9 million SGF; and
- HB 2237 – Extending the eligible time period for the Rural Opportunity Zone Loan Repayment Program and income tax credit. Delete \$3.2 million SGF.

**COMPARISON OF FY 2021 - FY 2023 RECOMMENDED EXPENDITURES**  
**Senate Ways and Means Profile**  
**As of Friday, March 11, 2022**

<b>FY 2022:</b>	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
<b>Governor's Recommendation</b>	\$ 9,330,685,436	\$ 23,009,932,852	41,367.6
<b>SWAM Rec. FY 2022 Budget</b>	<b>8,146,900,890</b>	<b>21,845,087,131</b>	<b>41,367.6</b>
<i>Difference From Governor's Recommendation</i>	<u>\$ (1,183,784,546)</u>	<u>\$ (1,164,845,721)</u>	<u>0.0</u>
<b>FY 2023:</b>	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
<b>Governor's Recommendation</b>	\$ 8,907,511,233	\$ 23,009,932,852	41,721.9
<b>SWAM Rec. FY 2023 Budget</b>	<b>9,171,010,634</b>	<b>22,806,719,110</b>	<b>41,710.9</b>
<i>Difference From Governor's Recommendation</i>	<u>\$ 263,499,401</u>	<u>\$ (203,213,742)</u>	<u>(11.0)</u>
<b>Two -Year Change from Gov. Rec.</b>	<b>\$ (920,285,145)</b>	<b>\$ (1,368,059,463)</b>	

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES**  
**Senate Ways and Means Profile**  
**As of Friday, March 11, 2022**

	<u>Actual FY 2021</u>	<u>SWAM Rec. FY 2022</u>	<u>SWAM Rec. FY 2023</u>
Beginning Balance	\$ 495.0	\$ 2,094.8	\$ 1,049.0
Receipts (November 2021 Consensus)	8,867.6	8,870.0	9,047.9
Governor's Revenue Adjustments (1)	-	(596.2)	(35.1)
Legislative Tax Adjustments	-	(1.2)	(80.1)
Legislative Receipt Adjustments	-	(253.9)	-
Adjusted Receipts	8,867.6	8,018.7	8,932.7
Total Available	<u>\$ 9,362.6</u>	<u>\$ 10,113.5</u>	<u>\$ 9,981.7</u>
Less Expenditures	7,267.8	8,146.9	9,171.0
2021 Authorized Federal Fund Swaps	0.0	(14.6)	0.0
SB 443 - Series 2015A/G Early Bond Payoff	0.0	332.2	0.0
SB 347 - APEX	0.0	0.0	6.3
SB 282 - Credits and Homestead	0.0	0.0	90.6
SB 523 - Authorizing Transfers to KPERS	0.0	600.0	354.2
Ending Balance	<u>\$ 2,094.8</u>	<u>\$ 1,049.0</u>	<u>\$ 359.6</u>
Ending Balance as a Percent of Expenditures	28.8%	12.9%	3.9%

(1) Excludes Food Sales Tax and Creative Industries Commission tax bills which have not passed the Senate.

**State General Fund Revenue Adjustments  
Senate Ways and Means Committee  
As of Friday, March 11, 2022**

**Transfers**

<b>FY 2022:</b>	
SB 421 - KPERS Layering Adjustment	\$ (253,866,022)
<b>FY 2023:</b>	
None	\$ -
<b>Total FY 2022 through FY 2023</b>	<b><u>\$ (253,866,022)</u></b>

**Tax Bills**

<b>FY 2022:</b>	
SB 318 - Fencing	\$ (1,200,000)
<b>FY 2023:</b>	
SB 327 - Delivery Charges	\$ (4,000,000)
SB 347 - APEX	(18,900,000)
SB 326 - Short Line Rail	(8,720,000)
SB 318 - Fencing	(2,200,000)
SB 282 - Aviation Program Graduates	(43,100,000)
HB 2237 - Rural Opportunity Zones Credits	(3,200,000)
<b>Total FY 2023</b>	<b>\$ (80,120,000)</b>

**Senate 2022 Appropriations Bill: Sub. for SB 444**  
**(Reflects Senate Committee Adjustments for FY 2022 through FY 2027)**

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<b>FY 2022</b>				
<u>Board of Veterinary Examiners</u>				
1. Add \$4,250 from the Veterinary Examiners Fee Fund for attorney fees in FY 2022.	0	4,250	4,250	0.0
2. Add \$2,400 from the Veterinary Examiners Fee Fund for rent and utilities in FY 2022.	0	2,400	2,400	0.0
3. Add \$2,606 from the Veterinary Examiners Fee Fund for contractual services including board member travel and Office of Information Technology Services fees in FY 2022.	0	2,606	2,606	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$9,256</i>	<i>\$9,256</i>	<i>0.0</i>
<u>Attorney General</u>				
1. Add \$7.4 million, all from special revenue funds, to adjust receipts of opioid litigation settlement moneys in FY 2022. Based on litigation developments after submission of its budget, the Office of the Attorney General now anticipates significantly larger recoveries than originally estimated.	0	7,446,334	7,446,334	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$7,446,334</i>	<i>\$7,446,334</i>	<i>0.0</i>
<u>Department of Administration</u>				
1. Delete \$332.2 million SGF for the early payoff of Series 2015A/G bonds in FY 2022. That appropriation is now included in SB 443, which was passed by the Senate Committee of the Whole February 23, 2022, and is currently referred to the House Committee on Appropriations.	(332,226,150)	0	(332,226,150)	0.0
2. Delete \$460.0 million SGF in FY 2022 to not implement a one-time \$250 tax rebate included in the Governor's recommendation.	(460,000,000)	0	(460,000,000)	0.0
<i>Agency Subtotal</i>	<i>(\$792,226,150)</i>	<i>\$0</i>	<i>(\$792,226,150)</i>	<i>0.0</i>
<u>Department of Revenue</u>				
1. Delete \$287,531 SGF for administrative costs related to elimination of the food sales tax in FY 2022.	(287,531)	0	(287,531)	0.0
<i>Agency Subtotal</i>	<i>(\$287,531)</i>	<i>\$0</i>	<i>(\$287,531)</i>	<i>0.0</i>
<u>Department of Labor</u>				
1. Add language to appropriate the American Rescue Plan State Relief Fund within the agency.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Health and Environment - Health</u>				
1. Add \$250,000 SGF for school-based oral health services in FY 2022.	250,000	0	250,000	0.0
<i>Agency Subtotal</i>	<i>\$250,000</i>	<i>\$0</i>	<i>\$250,000</i>	<i>0.0</i>
<u>Department of Education</u>				
1. Delete \$253.9 million SGF for the KPERS Layering Payment Payoff in FY 2022, as the transfer is included in the provisions of SB 421.	(253,866,022)	0	(253,866,022)	0.0
2. Delete \$199.6 million SGF to eliminate delayed school payments in FY 2022.	(199,554,843)	0	(199,554,843)	0.0
<i>Agency Subtotal</i>	<i>(\$453,420,865)</i>	<i>\$0</i>	<i>(\$453,420,865)</i>	<i>0.0</i>
<u>School for the Blind</u>				
1. Add \$283,235 from the State Institutions Building Fund to move the student use elevator upgrade capital improvement project from FY 2023 to FY 2022.	0	283,235	283,235	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$283,235</i>	<i>\$283,235</i>	<i>0.0</i>
<u>Department of Corrections</u>				
1. Add language requiring the Jobs for America's Graduates-Kansas (JAG-K) program to submit a report to the Juvenile Justice Oversight Committee provided the program receives funding from the Evidence-Based Juvenile Program account of the SGF, in an amount up to \$3.5 million, in FY 2022. The report should be submitted by October 20, 2022, and include number of youths served and performance outcomes.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Highway Patrol</u>				
1. Lapse \$18.1 million SGF to no longer fund the agency's enhancement request for aircraft with SGF in FY 2022.	(18,100,000)	0	(18,100,000)	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
2. Transfer \$11.2 million from the State Highway Fund to the Aircraft Fund to purchase one new helicopter with FLIR (\$6.3 million) and one new C208 Cessna caravan with FLIR (\$5.7 million) in FY 2022.	0	11,200,000	11,200,000	0.0
<i>Agency Subtotal</i>	<i>(\$18,100,000)</i>	<i>\$11,200,000</i>	<i>(\$6,900,000)</i>	<i>0.0</i>
<u>Kansas Water Office</u>				
1. Add \$80.0 million SGF to pay off water supply storage debt for Big Hill, Clinton, and Hillsdale reservoirs in FY 2022.	80,000,000	0	80,000,000	0.0
<i>Agency Subtotal</i>	<i>\$80,000,000</i>	<i>\$0</i>	<i>\$80,000,000</i>	<i>0.0</i>
<b>TOTAL</b>	<b>(\$1,183,784,546)</b>	<b>\$18,938,825</b>	<b>(\$1,164,845,721)</b>	<b>0.0</b>

**FY 2023**

Board of Veterinary Examiners

1. Add \$4,250 from the Veterinary Examiners Fee Fund for attorney fees for FY 2023.	0	4,250	4,250	0.0
2. Add \$3,000 from the Veterinary Examiners Fee Fund for rent and utilities for FY 2023.	0	3,000	3,000	0.0
3. Add \$2,112 from the Veterinary Examiners Fee Fund for contractual services including board member travel and Office of Information Technology Services fees for FY 2023.	0	2,112	2,112	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$9,362</i>	<i>\$9,362</i>	<i>0.0</i>

Governmental Ethics Commission

1. Delete \$48,423 SGF to remove the Governor's recommendation for partial adoption of the agency's salary pay plan for FY 2023.	(48,423)	0	(48,423)	0.0
<i>Agency Subtotal</i>	<i>(\$48,423)</i>	<i>\$0</i>	<i>(\$48,423)</i>	<i>0.0</i>

Attorney General

1. Add \$34.2 million, all from special revenue funds, to adjust receipts of opioid litigation settlement moneys for FY 2023. Based on litigation developments after submission of its budget, the Office of the Attorney General now anticipates significantly larger recoveries than originally estimated.	0	34,220,237	34,220,237	0.0
2. Add language setting the limitation on legal representation charges for state agencies to \$100 for FY 2023.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$34,220,237</i>	<i>\$34,220,237</i>	<i>0.0</i>

Board of Indigents' Defense Services

1. Add language to set the maximum compensation rate for assigned counsel at \$120 per hour for FY 2023.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

Department of Administration

1. Delete \$60.0 million SGF for the Docking State Office Building for FY 2023. 2021 SB 159 authorized the Department of Administration to issue up to \$120.0 million in bonds for the project. The Governor's recommendation includes an appropriation of \$120.0 million SGF in FY 2022 to pay the entire amount up front.	(60,000,000)	0	(60,000,000)	0.0
2. Add language to change the Budget Stabilization Fund from a no limit fund to an appropriated fund with a \$0 limitation for FY 2023.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>(\$60,000,000)</i>	<i>\$0</i>	<i>(\$60,000,000)</i>	<i>0.0</i>

Department of Revenue

1. Delete \$525,864 SGF and 8.0 FTE positions for administrative costs related to elimination of the food sales tax for FY 2023.	(525,864)	0	(525,864)	(8.0)
2. Delete \$17.99 SGF and review the agency policy on taxation of streaming services for FY 2023.	(18)	0	(18)	0.0
<i>Agency Subtotal</i>	<i>(\$525,882)</i>	<i>\$0</i>	<i>(\$525,882)</i>	<i>(8.0)</i>

Department of Commerce

1. Delete \$35.0 million SGF for University Challenge Grants for FY 2023 and delete language requiring funding for National Institute for Aviation Research (NIAR) from this source.	(35,000,000)	0	(35,000,000)	0.0
<i>Agency Subtotal</i>	<i>(\$35,000,000)</i>	<i>\$0</i>	<i>(\$35,000,000)</i>	<i>0.0</i>

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Department of Labor</u>				
1. Add language to appropriate the American Rescue Plan State Relief Fund within the agency.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Health and Environment - Health</u>				
1. Add \$250,000 SGF for school-based oral health services for FY 2023.	250,000	0	250,000	0.0
2. Add \$800,000 SGF to increase funds available to local health departments using the statutory distribution formula contained in KSA 65-242, for FY 2023.	800,000	0	800,000	0.0
3. Add \$10.0 million, including \$4.5 million SGF, to increase reimbursement rates of all Emergency Medical Services provider codes for FY 2023.	4,452,162	5,537,998	9,990,160	0.0
4. Add \$3.5 million, including \$1.4 million SGF, to increase the availability of adult dental services provided through the State Medicaid program for FY 2023.	1,400,000	2,100,000	3,500,000	0.0
5. Add \$2.0 million SGF to increase the availability of early intervention services provided through the Infant and Toddler Program (tiny-k) for FY 2023.	2,000,000	0	2,000,000	0.0
6. Delete \$596.0 million, including the addition of \$68.5 million SGF, to remove funding for Medicaid Expansion for FY 2023. The all funds deletion includes \$629.0 million from federal funds and \$35.5 million from special revenue funds. Add language to lapse the SGF funding if Medicaid Expansion is passed during the 2022 Session.	68,500,000	(664,500,000)	(596,000,000)	0.0
<i>Agency Subtotal</i>	<i>\$77,402,162</i>	<i>(\$656,862,002)</i>	<i>(\$579,459,840)</i>	<i>0.0</i>
<u>Dept. of Health and Environment - Environment</u>				
1. Add language for FY 2023 requiring the agency to maintain its current staffing levels of professional and associate engineers in the Livestock Waste Section of the Bureau of Environmental Field Services and require the agency to instead reduce staffing levels among either the environmental specialist staff or inspection staff within the Bureau of Field Services as necessary to not exceed the authorized SGF expenditures.	0	0	0	0.0
2. Delete \$32.5 million SGF for the new laboratory on Lot 4 of the Capitol Complex for FY 2023 and review at Omnibus.	(32,500,000)	0	(32,500,000)	0.0
<i>Agency Subtotal</i>	<i>(\$32,500,000)</i>	<i>\$0</i>	<i>(\$32,500,000)</i>	<i>0.0</i>
<u>Kansas Department for Aging and Disability Services</u>				
1. Add \$3.5 million SGF for additional nutritional program expenditures for FY 2023.	3,500,000	0	3,500,000	0.0
2. Add \$4.8 million SGF for mini-grants to assist in Certified Community Behavioral Health Clinic (CCBHCs) implementation for FY 2023.	4,800,000	0	4,800,000	0.0
3. Add \$7.7 million, including \$3.1 million SGF, and add language to increase the reimbursement rate for the T1000 Medicaid code for specialized nursing care from \$43.00 per hour to \$47.00 per hour for FY 2023.	3,094,545	4,641,815	7,736,360	0.0
4. Add \$146.3 million, including \$58.5 million SGF, to provide a 30.0 percent reimbursement rate increase, excluding the T1000 Medicaid code for specialized nursing care, for providers of Home and Community Based Services Intellectual and Developmental Disability waiver services, for FY 2023.	58,500,000	87,750,000	146,250,000	0.0
5. Add \$65.2 million, including \$26.2 million SGF, to provide for a full rebase of the nursing facility daily Medicaid rate for FY 2023. This amount is the difference between the amount to fully rebase the daily rate and the 3.0 percent increase already included in the Governor's recommendation for FY 2023. The full rebase amount is based on calendar year 2019, 2020, and 2021 cost data, however, the data for calendar year 2021 is an estimate.	26,184,882	39,049,005	65,233,887	0.0
6. Add \$500,000 SGF for FosterAdopt Connect to offer Behavioral Interventionist services for children with behavioral and emotional issues for FY 2023.	500,000	0	500,000	0.0
7. Add \$12.5 million, including \$5.0 million SGF, to provide a 4.0 percent reimbursement rate increase for providers of Medicaid behavioral health services for FY 2023.	5,000,000	7,500,000	12,500,000	0.0
8. Add \$2.0 million SGF to assist with staffing at Psychiatric Residential Treatment Facilities for FY 2023.	2,000,000	0	2,000,000	0.0
9. Add language to the Other Medical Assistance SGF account for FY 2023 to allow for any unencumbered balance at the end of FY 2022 to reappropriate into FY 2023.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$103,579,427</i>	<i>\$138,940,820</i>	<i>\$242,520,247</i>	<i>0.0</i>

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Department for Children and Families</u>				
1. Add \$10.0 million SGF for workforce recruitment and retention incentives for child placing agencies and licensed facilities, including qualified residential treatment programs for FY 2023.	10,000,000	0	10,000,000	0.0
2. Add \$158,531 SGF and 2.0 FTE positions for communication access services within the Kansas Commission for the Deaf and Hard of Hearing for FY 2023.	158,531	0	158,531	2.0
3. Add language requiring the agency to provide the Cerebral Palsy Research Foundation of Kansas with \$125,000, from existing resources, for the purpose of purchasing and providing durable medical equipment for individuals with disabilities in the state of Kansas for FY 2023.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$10,158,531</i>	<i>\$0</i>	<i>\$10,158,531</i>	<i>2.0</i>
<u>Osawatomic State Hospital</u>				
1. Delete \$993,018 SGF and 5.0 FTE positions, to not include the agency's enhancement request for a social detox unit for FY 2023.	(993,018)	0	(993,018)	(5.0)
<i>Agency Subtotal</i>	<i>(\$993,018)</i>	<i>\$0</i>	<i>(\$993,018)</i>	<i>(5.0)</i>
<u>Board of Regents</u>				
1. Delete \$15.0 million SGF from the Two-Year Colleges Special Projects for FY 2023.	(15,000,000)	0	(15,000,000)	0.0
2. Add \$3.1 million SGF to the Postsecondary Tiered Technical Education State Aid for FY 2023.	3,097,030	0	3,097,030	0.0
3. Add \$11.4 million SGF to the Non-Tiered Course Credit Hour Grant for FY 2023.	11,412,876	0	11,412,876	0.0
4. Add \$490,094 to the Career Technical Education Capital Outlay Aid for FY 2023.	490,094	0	490,094	0.0
5. Add language to the Postsecondary Tiered Technical Education State Aid and Non-Tiered Course Credit Hour Grant to hold all colleges harmless and funded for FY 2023 at no less than funding amounts allocated in FY 2022.	0	0	0	0.0
6. Delete \$25.0 million SGF from the Kansas Access Partnership Grant for FY 2023.	(25,000,000)	0	(25,000,000)	0.0
7. Add \$19.0 million SGF to the Comprehensive Grant Program and add language that all funds in the program must have a 1:1 match with non-government funding for FY 2023.	19,000,000	0	19,000,000	0.0
8. Add language to establish a working group to create a plan to reduce the tiered and non-tiered funding from those colleges currently over-funded, pursuant to the Board of Regents formula for FY 2023. This working group would be made of 11 members, including: three members from community colleges, two members from technical colleges, one member from the Board of Regents, the Chairperson from the Senate Committee on Education, the Chairperson of the Senate Committee on Ways and Means, the Chairperson of the House Committee on Higher Education Budget, the ranking member of the House Committee on Higher Education Budget, and the ranking member from the Senate Committee on Ways and Means.	0	0	0	0.0
9. Add \$10.0 million SGF to the State Universities Facilities Capital Renewal Initiative for FY 2023. Also, add language to the fund requiring a 1:1 match by the universities.	10,000,000	0	10,000,000	0.0
10. Delete \$20.7 million SGF from the Postsecondary Education Operating Grant for FY 2023 and review at Omnibus.	(20,700,000)	0	(20,700,000)	0.0
11. Add \$20.0 million SGF to a new Demolition Fund and designate \$750,000 for Washburn University for FY 2023. Also add language stating that the funds are for building demolition only.	20,000,000	0	20,000,000	0.0
<i>Agency Subtotal</i>	<i>\$3,300,000</i>	<i>\$0</i>	<i>\$3,300,000</i>	<i>0.0</i>
<u>Fort Hays State University</u>				
1. Add \$500,000 SGF for cybersecurity initiative operating expenditures for FY 2023 and review at Omnibus.	500,000	0	500,000	0.0
<i>Agency Subtotal</i>	<i>\$500,000</i>	<i>\$0</i>	<i>\$500,000</i>	<i>0.0</i>
<u>Wichita State University</u>				
1. Add \$7.0 million SGF to a new Digital Transformation account for FY 2023.	7,000,000	0	7,000,000	0.0
<i>Agency Subtotal</i>	<i>\$7,000,000</i>	<i>\$0</i>	<i>\$7,000,000</i>	<i>0.0</i>
<u>Department of Education</u>				
1. Add language to allow the Kansas Department of Education to distribute excess funds in the Local School District Contributions Checkoff Fund to school districts for FY 2023.	0	0	0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
2. Delete \$199.6 million SGF to eliminate delayed school payments in FY 2022 and move this amount to FY 2023 for the same purpose.	199,554,843	0	199,554,843	0.0
3. Add language to increase virtual state aid from \$5,000 for each full-time pupil to \$5,600 for each full-time pupil for FY 2023, from existing resources.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$199,554,843</i>	<i>\$0</i>	<i>\$199,554,843</i>	<i>0.0</i>
<u>School for the Blind</u>				
1. Delete \$283,235 from the State Institutions Building Fund to move the student use elevator upgrade capital improvement project from FY 2023 to FY 2022.	0	(283,235)	(283,235)	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$283,235)</i>	<i>(\$283,235)</i>	<i>0.0</i>
<u>School for the Deaf</u>				
1. Add \$386,000 SGF for children age birth to 2 (up to the child's 3rd birthday) Language Assessment Program (LAP) for FY 2023.	386,000	0	386,000	0.0
2. Add language requiring the Kansas School for the Deaf to implement a fee for service model to fund the full implementation of the LAP for children ages 3-8 through fees billed to school districts up to \$493,157 for FY 2023.	0	0	0	0.0
3. Add language that the Language Assessment Fee Fund shall be established, as a no-limit fund, for the purpose of assessing a fee for service for the LAP to the Kansas School for the Deaf for FY 2023.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$386,000</i>	<i>\$0</i>	<i>\$386,000</i>	<i>0.0</i>
<u>Department of Corrections</u>				
1. Add \$625,761 SGF to demolish former minimum-security honor camps at El Dorado and Toronto, and add language authorizing such demolition, for FY 2023.	625,761	0	625,761	0.0
<i>Agency Subtotal</i>	<i>\$625,761</i>	<i>\$0</i>	<i>\$625,761</i>	<i>0.0</i>
<u>Highway Patrol</u>				
1. Add \$141,675, all from special revenue funds, to match the Law Enforcement Officers pay matrix with Highway Patrol Troopers of the Kansas Highway Patrol for FY 2023.	0	141,675	141,675	0.0
2. Add language directing the agency to apply the \$3.6 million added to the agency's FY 2023 budget by the Governor to enhance the agency's Career Progression Plan.	0	0	0	0.0
3. Add \$3.6 million, all from special revenue funds, to enhance the KHP Career Progression Plan and increase the transfer from the State Highway Fund by the same amount for FY 2023.	0	3,600,000	3,600,000	0.0
4. Add language authorizing the agency to expend up to \$9.0 million, all from special revenue funds, and increase the transfer from the State Highway Fund for the amount for FY 2023 for the lease, lease-purchase, or purchase of a Cessna Citation CJ3+ executive aircraft should allocations from the SPARK funds not be available. Add language requiring the agency to sell the current King Air 350 by or before the delivery date of the Cessna CJ3+.	0	9,000,000	9,000,000	0.0
5. Add \$1.5 million, and increase the transfer from the State Highway Fund in the same amount, for maintenance of the executive aircraft for FY 2023.	0	1,500,000	1,500,000	0.0
6. Add language to return a car and fund repairs up to \$20,000, all from special revenue funds, and increase the transfer from the State Highway Fund by the same amount for FY 2023.	0	20,000	20,000	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$14,261,675</i>	<i>\$14,261,675</i>	<i>0.0</i>
<u>Department of Agriculture</u>				
1. Add \$60,000 SGF for Grain Warehouse Program expenditures for FY 2023 to allow the agency to decrease its proposed fee increase on licensed public grain warehouses.	60,000	0	60,000	0.0
2. Reallocate \$298,044 within State Water Plan Fund line items to fix a technical error in the agency's budget submission and align requested State Water Plan Fund expenditures with the recommendations of the Kansas Water Authority for FY 2023.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$60,000</i>	<i>\$0</i>	<i>\$60,000</i>	<i>0.0</i>
<u>Kansas Department of Transportation</u>				
1. Add \$3.0 million, all from the Transportation Technology Development Fund, for FY 2023.	0	3,000,000	3,000,000	0.0



## Bill Explanation for Sub. for SB 444

Appropriations for FY 2022, FY 2023, FY 2024, FY 2025, FY 2026, and FY 2027  
Includes Senate Ways and Means Action as of March 10, 2022

### Sec. 2 — Office of the State Bank Commissioner

The **agency** requests a revised estimate of \$12.0 million, all from special revenue funds, for FY 2022. This is a decrease of \$150,597, or 1.2 percent, below the FY 2022 approved amount. The revised estimate includes 110.0 FTE positions, which is the same as the approved FY 2022 number. Significant items in the agency estimate include the following:

- **BOARD MEMBER PER DIEM AND STAFF SALARY INCREASES.** The revised estimate includes two supplemental requests to increase the board member per diem rates and provide merit-based staff salary increases. The agency has historically reported having issues retaining staff due in part to wage competition with the private sector. Similarly, the agency has reported having issues recruiting for the State Banking Board due in large part to the low per diem rate.
- **STAFF RETIREMENTS AND RESIGNATIONS.** Offsetting the two supplemental requests are decreased expenditures for salaries and wages. The agency experienced several long-term staff retirements and resignations in FY 2021, which were filled with newer hires at a lower pay rate. As such, the agency adjusted its salary and wage expenditures to account for the lower compensation for these new hires.
- **TRAVEL-RELATED EXPENDITURES DUE TO THE COVID-19 PANDEMIC.** The revised estimate also includes several decreases for travel-related expenditures resulting from the COVID-19 pandemic. The agency originally anticipated resuming travel in FY 2021, however the agency reports that as the pandemic continues, it anticipates returning to travel in January 2022 instead.

The **Governor** recommends \$11.9 million, all from special revenue funds, for FY 2022 expenditures. This is a decrease of \$162,724, or 1.4 percent, below the agency's FY 2022 revised estimate. This decrease is due to the Governor not recommending the agency's supplemental requests. The recommendation also includes 110.0 FTE positions, which is the same as the agency's FY 2022 revised estimate number.

The **agency** requests a revised estimate of \$12.4 million, all from special revenue funds, for FY 2023. This is a decrease of \$344,748, or 2.7 percent, below the FY 2023 approved amount. The revised estimate includes 110.0 FTE positions, which is the same as the approved FY 2023 number. Significant items in the agency estimate include the following:

- **BOARD MEMBER PER DIEM AND STAFF SALARY INCREASES.** The revised estimate includes two enhancement requests to continue the increased board member per diem rates and merit-based staff salary increases from FY 2022.

- **STAFF RETIREMENTS AND RESIGNATIONS.** Offsetting the two enhancements are decreased expenditures for salaries and wages. As the OSBC is a biennial agency, the 2021 Legislature approved a FY 2023 budget. As such, when the agency originally planned its budget, it included several long-term staff who subsequently retired or resigned in FY 2021. As such, the agency adjusted its salary and wage expenditures to account for the lower compensation rates for these new hires.

The **Governor** recommends \$12.2 million, all from special revenue funds, for FY 2023 expenditures. This is a decrease of \$167,156, or 1.4 percent, below the agency's FY 2023 revised estimate. This decrease is due to the Governor not recommending the agency's enhancement requests. The recommendation also includes 110.0 FTE positions, which is the same as the agency's FY 2023 revised estimate number.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 3 — Board of Barbering

The **agency** estimates revised operating expenditures of \$178,073, all from the Board of Barbering Fee Fund, in FY 2022. This is an increase of \$19,390, or 12.2 percent, above the amount approved by the 2021 Legislature. This increase in expenditures includes a supplemental request for a Computer Based Testing (CBT) contract the agency signed with an outside vendor. For FY 2022, the agency estimates fees of \$12,702 for the CBT contract. The agency's revised estimate also includes a supplemental request for computers leases and domain access from the Office of Information Technology Services (OITS), which has increased expenditures by \$2,553. An Administrative Assistant with the agency will be transitioning to a 32-hour work week, up from 24 hours per week, after completing their probationary period. This will increase salaries and wage expenses by \$3,411. Other notable increases include a supplemental request for attorney fees, which increased by \$1,500 per contract with the Office of the Attorney General, and travel expenses that increased by \$1,542.

The **Governor** concurs with the agency's FY 2022 revised estimate.

The **agency** estimates revised operating expenditures of \$172,840, all from the Board of Barbering Fee Fund, for FY 2023. This is an increase of \$13,678, or 8.6 percent, above the \$159,162 amount approved for FY 2023. This increase is primarily due to increases an enhancement request for the CBT contract which increased fees by \$5,800 for FY 2023. The increase is also caused by an enhancement request for OITS domain access and leasing of computers, which increased expenditures by \$3,362. The Board voted to increase the hours for the Administrative Assistant to 32 per week, up from 24 per week. This has increased salary and benefits expenditures by \$3,475. The agency's revised estimate includes increased attorney fees of \$1,500 per contract with the Office of the Attorney General.

The **Governor** concurs with the agency's FY 2023 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 4 — Behavioral Sciences Regulatory Board**

The **agency** requests a revised estimate of \$988,412, all from special revenue funds, for expenditures for FY 2023. This is an increase of \$20,350, or 2.1 percent, above the FY 2023 approved amount. The increase is due to continued funding for the licensing specialist position related to the passage of 2021 HB 2066 concerning occupational and professional licensing. The 2021 legislature added the funding in FY 2022 but not for FY 2023.

The agency request also includes 9.5 FTE positions, which is 0.5 FTE positions above the approved amount. The increase is to maintain the agency's current FTE position increase from FY 2022 due to the passage of 2021 HB 2066 concerning occupational and professional licensing.

The **Governor** concurs with the agency's FY 2023 revised estimate.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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#### **Sec. 5 — Kansas State Board of Healing Arts**

The **agency** requests a revised estimate of \$6.6 million, all from special revenue funds, in FY 2022. This is the same as the approved amount. However, there are adjustments to the expenditure categories. The revised estimate includes decreases in salaries and wages of \$55,217, or 1.2 percent, and commodities of \$9,150, or 17.8 percent, with offsetting increases in contractual services of \$917, or 0.1 percent, and capital outlay of \$63,450, or 119.9 percent, from the approved amounts.

The **Governor** recommends expenditures of \$6.6 million, all from special revenue funds. This is an increase of \$23,194, or 0.4 percent, above the revised estimate amount. The increase is due to the Governor's 24/7 pay plan in FY 2022.

The **agency** requests \$6.6 million, all from special revenue funds for FY 2023. This is a decrease of \$300,000, or 4.4 percent, below the approved amount. The decrease is primarily in capital outlay.

The **Governor** recommends expenditures of \$6.6 million, all from special revenue funds. This is an increase of \$43,071, or 0.6 percent, above the agency request. The increase is due to the Governor's 24/7 pay plan for FY 2023.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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#### **Sec. 6 — Board of Cosmetology**

The **agency** estimates revised operating expenditures of \$1.1 million, all from the Cosmetology Fee Fund, in FY 2022. This is a decrease of \$17,401, or 1.5 percent, below the amount approved by the 2021 Legislature. This change was entirely driven by a decrease in the agency contributions for employee fringe benefits, including health care, retirement, and unemployment compensation.

The **Governor** concurs with the agency's FY 2022 revised estimate.

The **agency** estimates revised operating expenditures of \$1.2 million, all from the Cosmetology Fee Fund, for FY 2023. This is a decrease of \$9,111, or 0.8 percent, below the amount approved for FY 2023. This decrease is due to a \$21,611 decrease in expenditures for salary and employee fringe benefits. This decrease is partially offset by a \$12,500 increase in expenditures for attorney fees.

The **Governor** concurs with the agency's FY 2023 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 7 — Kansas State Board of Mortuary Arts**

The **agency** estimates revised expenditures of \$367,875 in FY 2022, all from the Mortuary Arts Fee Fund. The revised estimate is a decrease of \$1,163, or 0.3 percent, below the FY 2022 approved amount. The agency requests 3.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 8 — Kansas Board of Hearing Aid Examiners**

The **agency** estimates revised expenditures of \$34,072 in FY 2022, all from the Hearing Aid Board Fee Fund. The revised estimate is an increase of \$1,884, or 5.9 percent, above the agency's FY 2022 approved amount. In FY 2022, the agency changed executive directors. The increase is primarily due to the new Executive Director's rate of pay being higher than the previous Executive Director's rate of pay. The agency requests no FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.

The **agency** estimates revised expenditures of \$34,010, all from the Hearing Aid Board Fee Fund, for FY 2023. The revised estimate is an increase of \$1,640, or 5.1 percent, above the FY 2023 approved amount. The increase is primarily due to continuing the pay increase for the new executive director hired in FY 2022. The agency requests no FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 9 — Board of Nursing

The **agency** estimates revised FY 2022 expenditures of \$3.4 million, all from special revenue funds, which is the same amount as the FY 2022 approved amount. Significant items in the agency estimate include the following:

- **NEW SOFTWARE MODULE.** The agency is purchasing the enforcement module of their current licensing software. This will provide the ability to use technology to track the investigative cases within the agency's licensing system and provide for consistent case documentation.
- **SOFTWARE UPGRADE.** The agency is upgrading their Microsoft software, as required, to ensure compatibility to receive standard security updates.

The **Governor** recommends expenditures of \$3.4 million, all from special revenue funds. This is an increase of \$24,179, or 0.7 percent, above the agency's revised estimate. Significant items in the Governor's recommendation include the following:

- **NURSE PAY ADJUSTMENT.** The Governor recommends adding \$24,179, all from the Board of Nursing Fee Fund, in FY 2022 to implement the 24/7 pay initiative recommended by the Strengthening People and Revitalizing Kansas (SPARK) Taskforce and approved by the State Finance Council. The plan provides a temporary base pay increase for hourly and salaried staff, pay differentials for hourly personnel, and one-time premium pay allocations up to \$3,500 for salaried staff.

The **agency** estimates revised expenditures of \$3.4 million for FY 2023, all from special revenue funds, which is an all funds increase of \$116,407, or 3.6 percent, above the FY 2023 approved amount. Significant items in the agency request include the following:

- **LICENSING SOFTWARE UPGRADE.** The agency indicates its licensing software needs to be updated to ensure required security protocol updates are performed for the imaging system, the enforcement module, and public verifications. The upgrade is estimated at \$160,000, but \$43,592 was already budgeted in the FY 2023 approved amount. Therefore, the remaining \$116,407 is requested to meet the total funding for this purchase for FY 2023.

The **Governor** recommends expenditures of \$3.4 million, all from special revenue funds. This is an increase of \$44,905, or 1.3 percent, above the agency's revised estimate. Significant items in the Governor's recommendation include the following:

- **NURSE PAY ADJUSTMENT.** The Governor also recommends adding \$44,905, all from the Board of Nursing Fee Fund, for FY 2023 to continue the 24/7 pay initiative recommended by the SPARK Taskforce and approved by the State Finance Council. For FY 2023, the plan provides a continuation of the temporary base pay increase as well as the temporary pay differentials for hourly personnel.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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## Sec. 10 — Board of Examiners in Optometry

The **agency** estimates revised expenditures of \$197,099 in FY 2022. This is an increase of \$25,000, or 14.5 percent, above the agency's FY 2022 approved amount. This increase is due to the agency's supplemental request for an unforeseen increase in legal expenditures. The agency estimates 1.0 FTE position, which is the same as the FY 2022 approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.

The **agency** estimates revised expenditures of \$199,618, all from special revenue funds, for FY 2023. The revised estimate is an increase of \$25,000, or 14.3 percent, above the agency's FY 2023 approved amount. This increase is due to the agency's supplemental request for an unforeseen increase in legal expenditures. The agency requests 1.0 FTE position, which is the same as the FY 2022 revised estimate and the FY 2023 approved number.

The **Governor** concurs with the agency's revised estimate for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 11 — Kansas Board of Pharmacy

The **agency** requests \$4.1 million, all from special revenue funds in FY 2022. This is an increase of \$368,470, or 9.8 percent, above the approved amount. The salaries and wages increases are primarily due to increased costs of employer contributions to retirement and group health insurance. Additionally, salaries funded by the Harold Rogers grant decreased, and the salary increased for a position funded by a U.S. Department of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA) grant. The contractual services increases are due to computer software maintenance, Office of Information Technology Services (OITS) fees, and attorney fees.

The **Governor** concurs with the agency's revised estimate in FY 2022.

The **agency** requests \$3,870,435, all from special revenue funds for FY 2023. This is an increase of \$156,639 above the approved amount. The increase is primarily due to a new grant (\$157,058) from SAMHSA, in which the Kansas Board of Pharmacy will serve as the Prescription Drug Monitoring Program (PDMP) project partner subrecipient.

The **Governor** concurs with the agency's FY 2023 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 12 — Real Estate Commission

The **agency** requests a revised estimate of \$1.4 million, all from special revenue funds, for FY 2023. The request is an increase of \$27,630, or 2.1 percent, above the FY 2023 approved amount. The agency requests an enhancement for legal representation by the Attorney General (\$7,100). The agency also increased contractual services expenditures by \$25,000 for the costs of administering background checks required for the original license

application. The Kansas Bureau of Investigation bills the agency for fingerprinting, background checks, and criminal history reports. The increases are partially offset by a reduction in travel costs.

The **Governor** concurs with the agency's FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 13 — Board of Veterinary Examiners**

The **agency** estimates revised FY 2022 expenditures of \$354,551, all from the Veterinary Examiners Fee Fund. This is an increase of \$18,580, or 5.5 percent, above the FY 2022 approved amount. This increase is primarily caused by the agency's five supplemental requests for bonuses for investigators and increased costs for attorney fees, rent, travel, and office supplies. The increase is also caused by increased expenditures for group health insurance for the new Executive Director and new Administrative Assistant.

The **Governor** recommends FY 2022 expenditures of \$339,745, all from the Veterinary Examiners Fee Fund. This is a decrease of \$14,806, or 4.2 percent, below the agency's FY 2022 revised estimate. This decrease is due to the Governor not recommending the agency's supplemental requests for bonuses for investigators and increased costs for attorney fees, rent, travel, and office supplies.

The **agency** estimates revised FY 2023 expenditures of \$351,671, all from the Veterinary Examiners Fee Fund. This is an increase of \$15,562, or 4.6 percent, above the FY 2023 approved amount. This increase is primarily caused by the agency's five supplemental requests for increased funding for attorney fees, rent, travel, and office supplies as well as the purchase of two Adobe Acrobat Pro licenses.

The **Governor** recommends FY 2023 expenditures of \$341,531, all from the Veterinary Examiners Fee Fund. This is a decrease of \$10,140, or 3.0 percent, below the agency's FY 2023 revised estimate. This decrease is due to the Governor not recommending the agency's supplemental requests for attorney fees, rent, travel, and office supplies as well as the purchase of two Adobe Acrobat Pro licenses.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2022**

1. Add \$4,250 from the Veterinary Examiners Fee Fund for attorney fees in FY 2022.
2. Add \$2,400 from the Veterinary Examiners Fee Fund for rent and utilities in FY 2022.
3. Add \$2,606 from the Veterinary Examiners Fee Fund for contractual services including board member travel and Office of Information Technology Services fees in FY 2022.

**FY 2023**

1. Add \$4,250 from the Veterinary Examiners Fee Fund for attorney fees for FY 2023.

2. Add \$3,000 from the Veterinary Examiners Fee Fund for rent and utilities for FY 2023.
3. Add \$2,112 from the Veterinary Examiners Fee Fund for contractual services including board member travel and Office of Information Technology Services fees for FY 2023.

#### **Sec. 14 — Governmental Ethics Commission**

The **agency** requests a revised estimate of \$723,764, including \$470,233 from the State General Fund (SGF), in FY 2022. This is the same all funds amount approved by the 2021 Legislature and includes an SGF increase of \$19,485. The SGF increase is due to the agency's supplemental request to restore \$20,756 SGF that was allotted by the Governor in the June 2020 allotment. The allotted funds were to be used to fund the conversion of a part-time attorney to a full-time position as approved by the 2020 Legislature. The agency has been using the Governmental Ethics Commission Fee Fund to fund the position.

The **Governor** concurs with the agency's revised estimate in FY 2022.

The **agency** requests \$809,049, including \$545,603 SGF, for FY 2023. This is an all funds increase of \$85,285, or 11.8 percent, above the FY 2023 approved amount. Significant items in the agency request include the following:

- **ENHANCEMENT—RESTORATION OF GOVERNOR'S JUNE 2020 ALLOTMENT.** The agency requests \$20,756 SGF, as approved by the 2020 Legislature;
- **ENHANCEMENT—SALARY PAY PLAN.** The agency requests \$79,566, including \$73,472 SGF, to provide pay increases after a salary study was conducted by a subcommittee of the Commission;
  - Reduction in printing expenditures related to electronic document distribution and in-house printing (\$4,000);
  - Reduction in data entry temporary assistance (\$3,000);
  - Reduction in budgeted mileage (\$2,705);
  - Reduction in postage cost projection fees (\$2,500); and
  - Reduction in court reporter expenditures (\$1,000).

The **Governor** recommends \$777,906, including \$520,554 SGF, for FY 2023. This includes a partial adoption of the salary pay plan enhancement request, totaling \$48,423, all SGF.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

#### **FY 2023**

1. Delete \$48,423 SGF to remove the Governor's recommendation for partial adoption of the agency's salary pay plan for FY 2023.

### Sec. 15 — Legislative Coordinating Council

The **agency** submits an FY 2022 revised estimate totaling \$779,439, all SGF. The revised estimate is a decrease of \$71,443, or 8.4 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2021. The majority of expenditures for this agency are in salaries and wages for the 8.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 15 — Legislative Research Department

The **agency** submits an FY 2022 revised estimate totaling \$4.8 million, all SGF. The revised estimate is a decrease of \$254,390, or 5.0 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2021. The majority of FY 2022 expenditures for this agency are in salaries and wages for the 40.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 15 — Office of the Revisor of Statutes

The **agency** submits an FY 2022 revised estimate totaling \$4.2 million, all SGF. The revised estimate is a decrease of \$498,193, or 10.5 percent, below the approved amount. The decrease is attributable to lapsing all of the SGF reappropriations from FY 2021. The agency's FY 2022 revised estimate includes 31.5 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 16 — Legislative Coordinating Council

The **agency** requests \$752,441, all SGF, for FY 2023. The request is a decrease of \$26,998, or 3.5 percent, below the FY 2022 revised estimate. The majority of the decrease is due to the lack of reappropriated funds, partially offset by increases in salaries and wages fringe benefit expenditures. The agency request also includes funding for 8.0 FTE positions, the same number as the FY 2022 revised estimate.

The **Governor** concurs with the agency's FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 16 — Legislative Research Department**

The **agency** requests \$4.7 million, all SGF, for FY 2023. The request is a decrease of \$164,395, or 3.4 percent, below the FY 2022 revised estimate. The decrease attributable to the lack of reappropriated funds. The agency request also includes funding for 40.0 FTE positions, which is the same number as the FY 2022 revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 16 — Office of the Revisor of Statutes**

The **agency** requests \$4.1 million, all SGF, for FY 2023. The request is a decrease of \$108,449, or 2.6 percent, below the FY 2022 revised estimate. The majority of the decrease is attributable to a reduction in contractual services associated with a projected decrease in publication expenditures. The decrease is partially offset by minor increases in salaries and wages fringe benefit expenditures. The agency request also includes funding for 31.5 FTE positions, the same number as the FY 2022 revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 17 — Legislature**

The **agency** submits an FY 2022 revised estimate totaling \$24.3 million, all SGF. The revised estimate is a decrease of \$7.8 million, or 24.2 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2021. The agency's FY 2022 revised estimate includes 50.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 18 — Legislature**

The **agency** requests \$23.2 million, all SGF, for FY 2023. The request is a decrease of \$1.2 million, or 4.8 percent, below the FY 2022 revised estimate. The majority of the decrease is due to the lack of reappropriated funds, partially offset by increases in salaries and wages fringe

benefit expenditures. The agency request also includes 50.0 FTE positions, which is the same number as the FY 2022 revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 19 — Legislative Division of Post Audit**

The **agency** submits an FY 2022 revised estimate totaling \$3.5 million, all SGF. The revised estimate is a decrease of \$171,163, or 4.6 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2021. The majority of FY 2022 expenditures for this agency are in salaries and wages for the 27.0 FTE positions, which is the same as the approved number. Contractual services expenditures in FY 2022 include a \$150,000 contingency for hiring outside contractors for both economic development tax incentives evaluation and contracted performance audits.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 20 — Legislative Division of Post Audit**

The **agency** requests \$3.5 million, all SGF, for FY 2023. The request is a decrease of \$36,147, or 1.0 percent, below the FY 2022 revised estimate. The majority of the decrease is due to the lack of reappropriated funds, partially offset by increases in salaries and wages fringe benefit expenditures. The agency request also includes 27.0 FTE positions, which is the same number as the FY 2022 revised estimate. One of the major contractual services expenditures is contracts for assistance with selected performance audits and evaluations of economic development tax incentives.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 21 — Office of the Governor**

The **agency** requests a revised estimate of \$50.2 million, including \$8.5 million SGF, in FY 2022. This is an increase of \$12.4 million above the FY 2022 approved amount. The agency's revised estimate includes expenditures of \$7.0 million in federal Coronavirus Relief Fund (CRF) moneys. The CRF is the largest source of state funding provided in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The agency was allocated a total of \$1.0 billion in discretionary moneys from the CRF, which must be used for expenditures related to the COVID-19 public health emergency. The agency's revised estimate includes \$3.5 million from the State Fiscal Recovery Fund provided in the federal American Rescue Plan Act. These

expenditures are for operating costs for the Office of Recovery in FY 2022. These expenditures include \$8.0 million for outside auditors and accountants for the distribution of funding and expenditures (\$1.9 million) for salaries and wages. The agency's revised estimate also includes a decrease of \$16,571 in Coronavirus Emergency Supplemental Funding (CESF) expenditures. The CESF, authorized through the CARES Act, provides funding to prevent, prepare for, and respond to the COVID-19 pandemic, specifically for state and local units of government and federally recognized Indian Tribal governments performing law enforcement functions.

The Governor's Grant Office anticipates an increase of \$696,657 in federal Family Violence Prevention and Services Act (FVPSA) grant expenditures in FY 2022. The FVPSA is a federal program to prevent incidents of family violence, domestic violence, and dating violence; provide immediate shelter, supportive services, and access to community-based programs for victims of family violence, domestic violence, or dating violence, and their dependents; and provide specialized services for children exposed to family violence, domestic violence, or dating violence, including victims who are members of underserved populations. The U.S. Department of Health and Human Services provides funding for this grant. The Governor's Grant Office also anticipates an increase of \$1.3 million in federal Victims of Crime Act (VOCA) grant expenditures in FY 2022.

All other adjustments include an increase of \$1,319 SGF due to an increase in operating expenditures for the Office of the Governor and Lieutenant Governor, which includes a corresponding decrease in special revenue funds of \$41,941. The agency also estimates additional federal funding decreases of \$17,280.

The **Governor** concurs with the agency's request in FY 2022.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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## Sec. 22 — Office of the Governor

The **agency** requests \$56.2 million, including \$8.2 million SGF, for FY 2023. This is an increase of \$6.0 million above the FY 2022 revised estimate. The American Rescue Plan (ARPA) was enacted on March 11, 2021, and provides \$1.9 trillion in federal spending to assist in the response to and recovery from the COVID-19 pandemic. It is the sixth in a series of federal legislation providing COVID-19 relief totaling \$5.2 trillion. Entities in Kansas are estimated to be allocated over \$4.9 billion in COVID-19 federal relief as part of ARPA. Federal agencies continue to determine allocations and guidance and, in some instances, allocations are dependent on application or opt-in requirements. The agency estimates \$19.6 million in ARPA expenditures for FY 2023. This is an increase of \$16.1 million above the FY 2022 revised estimate. The agency estimates decreases in federal Coronavirus Relief Fund moneys and Coronavirus Emergency Supplemental Fund moneys for FY 2023.

Additionally, the agency estimates a decrease in Victims of Crime Act (VOCA) Victim Assistance Grant expenditures, Family Violence Prevention and Services Act expenditures, and expenditures for Project Safe Neighborhoods grant program. The agency requests additional adjustments including a decrease of \$322,776 in SGF expenditures. The agency decreased the request for SGF moneys for other assistance for Domestic Violence Prevention Grants and Child Advocacy Center grants due to a lack of reappropriated funding for FY 2023. In addition to the reduction in SGF expenditures, the agency estimates a decrease of \$340,414 in other

expenditures for FY 2023. This includes a decrease of \$19,600 for expenditures related to training and conferences. Other reductions in federal funding are for Paul Coverdell Forensic Science Improvement Grants, Sexual Assault Services, and the Violence Against Women Act Grant expenditures.

The **Governor** concurs with the agency's request for FY 2023. The Governor also recommends that the SPARK Executive Committee and State Finance Council continue to review and approve obligations from the American Rescue Plan State Relief Fund for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 23 — Office of the Attorney General**

The **agency** requests \$31.3 million, including \$6.7 million SGF, in FY 2022. This is an all funds increase of \$3.9 million, including an SGF decrease of \$211,385, from the FY 2022 approved amount. The all funds increase is primarily attributable to the receipt of opioid litigation settlement funds through the Kansas Fights Addiction (KFA) Fund and Municipalities Fight Addiction (MFA) Fund.

Both funds were established pursuant to 2021 HB 2079 for the receipt of opioid litigation settlement moneys. The bill requires that 75.0 percent of all moneys received by the State pursuant to opioid litigation in which the Attorney General is involved for the abatement or remediation of substance abuse or addiction be deposited into the KFA Fund and 25.0 percent of all moneys received be deposited into the MFA Fund. The KFA Fund moneys will be used as grants to qualified applicants for projects and activities that reduce, treat, or mitigate the effects of substance abuse and addiction and provide support to the prescription drug monitoring program administered by the State Board of Pharmacy. The agency's revised estimate includes \$2.6 million in expenditures, all from the KFA Fund, for this purpose in FY 2022. The agency's revised estimate also includes \$995,834 in expenditures, all from the MFA Fund, in FY 2022. Moneys in the MFA Fund are to be expended subject to an agreement among the Attorney General, the Kansas Association of Counties, and the League of Kansas Municipalities, for projects and activities that prevent, reduce, treat, or mitigate the effects of substance abuse and addiction, or to reimburse a municipality for expenses related to previous substance abuse mitigation.

The agency request also includes 177.4 FTE positions, which is an increase of 2.1 FTE positions above the FY 2022 approved number. In FY 2022, 2.0 FTE positions are requested for additional auditors in the Office of the Medicaid Inspector General and 0.1 FTE is requested for the Consumer Protection Division.

The **Governor** recommends expenditures of \$31.2 million, including \$6.7 million SGF, in FY 2022. This is an all funds decrease of \$43,319, or 0.1 percent, below the agency's revised estimate, and is due to the Governor's recommendation not to adopt the agency's supplemental request of \$43,319 SGF and 2.0 FTE positions for additional personnel in the Office of the Medicaid Inspector General in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2022**

1. Add \$7.4 million, all from special revenue funds, to adjust receipts of opioid litigation settlement moneys in FY 2022. Based on litigation developments after submission of its budget, the Office of the Attorney General now anticipates significantly larger recoveries than originally estimated.

**Sec. 24 — Office of the Attorney General**

The **agency** requests \$26.9 million, including \$6.3 million SGF, for FY 2023. This is an all funds decrease of \$4.4 million, and an SGF decrease of \$395,854, below the FY 2022 revised estimate. The agency's request includes a decrease of \$2.5 million, all from the KFA Fund, and a decrease of \$944,431, all from the MFA Fund, for FY 2023. This decrease is due to the receipt of federal opioid litigation settlement moneys in FY 2022, the majority of which will be awarded as grants throughout the state, or transferred to Kansas municipalities, in FY 2022 and will not reoccur for FY 2023. The decrease in SGF expenditures is primarily attributable to a decrease in litigation costs (\$102,076), a decrease in operating expenses for the Solicitors Division (\$168,294), and a decrease in state match expenditures (\$135,126) for the Medicaid Fraud and Abuse Division for FY 2023. The agency request also includes 177.4 FTE positions, which is unchanged from the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2023**

1. Add \$34.2 million, all from special revenue funds, to adjust receipts of opioid litigation settlement moneys for FY 2023. Based on litigation developments after submission of its budget, the Office of the Attorney General now anticipates significantly larger recoveries than originally estimated.

2. Add language setting the limitation on legal representation charges for state agencies to \$100 for FY 2023.

**Sec. 25 — Office of the Secretary of State**

The **agency** requests \$5.6 million, including \$1.2 million from federal HAVA funds, for FY 2023. This is a decrease of \$344,293 below the FY 2022 revised estimate. The agency requests expenditures of \$1.6 million, all from special revenue funds, for the HAVA Program in FY 2023. This is a decrease of \$353,085 below the FY 2022 revised estimate. This decrease is attributable to a decrease of \$300,000 in expenditures from federal HAVA Title I funds, one-time expenditures for firewall upgrades and computer replacements totaling \$50,000, and HAVA state match requirements of \$3,085 that occurred in FY 2022 but do not reoccur for FY 2023. The remaining adjustments include an increase of \$8,792 in salaries and wages expenditures for FY 2023. This increase is attributable to an increase in employer contributions for fringe benefits such as group health insurance. The agency request also includes 41.5 FTE positions, which is unchanged from the FY 2022 revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## **Sec. 26 — Office of the State Treasurer**

The **agency** requests \$32.5 million, all from special revenue funds, for FY 2023. This is an increase of \$320,661, or 1.0 percent, above the FY 2022 revised estimate. The agency estimates unclaimed property claim payments of \$27.4 million, which is an increase of \$200,000 above the FY 2022 revised estimate. The agency anticipates an increase in unclaimed property claims and payouts for FY 2023. The agency requests \$2.7 million for salaries and wages for FY 2023, which is an increase of \$116,444 above the FY 2022 revised estimate. This increase is primarily attributable to anticipated increases in employer contributions to employee fringe benefits such as group health insurance. The remaining increase is attributable to an anticipated increase in Kansas Investments Development Scholars (KIDS) Matching Grant Program matching funds. This increase is partially offset by a decrease (\$20,783) in contractual services for FY 2023. The agency also requests 40.0 FTE positions, which is unchanged from the FY 2022 revised estimate.

The **Governor** recommends expenditures of \$45.5 million, all from special revenue funds, for FY 2023. This is an increase of \$13.0 million, or 28.6 percent, above the agency's FY 2023 request. The increase is a SGF transfer, occurring on a quarterly basis, to the Sales Tax and Revenue (STAR) Bonds Food Sales Tax Revenue Replacement Fund. The funds would be used to hold STAR bond districts harmless from the elimination of the sales tax on food and food ingredients, as proposed by the Governor.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## **Sec. 27 — Kansas Insurance Department**

The **agency** requests a revised estimate of \$37.5 million, from all funds, for expenditures in FY 2022. This is an increase of \$2.8 million, or 7.9 percent, above the FY 2022 approved amount. There are increased expenditures in all major categories of expenditure including salaries and wages (\$186,243), contractual services (\$2.4 million), commodities (\$1,750) and capital outlay (39,900). This amount includes a federal grant award of total of \$675,586 from the State Flexibility to Stabilize the Market Cycle II Grant from the federal Centers for Medicare and Medicaid Services (CMS) that will be split between FY 2022 and FY 2023. The agency estimate also includes 135.5 FTE positions. This is 0.5 FTE position below the FY 2022 approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 28 — Kansas Insurance Department

The **agency** requests FY 2023 expenditures of \$37.1 million, from all funds. This is a decrease of \$437,973, or 1.2 percent, below the FY 2022 revised estimate. The decrease is primarily due to expenditures on contractual services for training, accountants, and auditors. This amount includes a federal grant award of total of \$675,586 from the State Flexibility to Stabilize the Market Cycle II Grant from federal Centers for Medicare and Medicaid Services (CMS) that will be split between FY 2022 and FY 2023. The agency request also includes 135.5 FTE positions, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency's FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 29 — Health Care Stabilization Fund Board of Governors

The **agency** requests an estimate of \$37.0 million, all from special revenue funds, for expenditures for FY 2023. This is an increase of \$396,425, or 1.1 percent, above the FY 2022 revised estimate. The request includes increased expenditures in salaries and wages of \$43,639, or 2.3 percent, and an increase in contractual services of \$72,759, or 1.2 percent, above the FY 2022 revised estimate. The request includes decreased expenditures in commodities of \$4,980, or 13.2 percent, and in capital outlay of \$1,500, or 2.4 percent, below the FY 2022 revised estimate. Additionally, the request includes an increase in other assistance of \$286,507, or 1.0 percent, above the FY 2022 revised estimate, for estimated expenditures related to court-approved settlement agreements or jury awards. The agency request also includes includes 21.0 FTE positions, which is the same FY 2022 revised estimate.

The **Governor** concurs with the agency's FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 30 — Pooled Money Investment Board

The **agency** requests \$787,603, all from the Pooled Money Investment Portfolio Fee Fund, for FY 2023, which is an increase of \$25,008 above the FY 2022 revised estimate. Every two years, a statutory performance audit is required to be performed on the PMIB. The agency requests \$12,000, all from the Pooled Money Investment Portfolio Fee Fund, to cover anticipated costs for this audit for FY 2023. The agency requests additional adjustments of \$13,008 for FY 2023. This increase includes travel expenditures to attend annual investment conferences and for the agency's technology hardware replacement plan, which includes \$3,855 for annual software licenses and assurance fees. The agency requests 5.0 FTE positions, which is unchanged from the FY 2022 revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 31 — Judicial Council

The **agency** requests \$625,359 in expenditures, all from the Judicial Council Fund and the Publications Fee Fund, and 5.0 FTE positions for FY 2023. This represents an increase of \$7,323, or 1.2 percent, above the revised estimate in FY 2022. The request includes an additional \$5,000 in expenditures for attorney fees associated with registering the agency's copyrighted materials with the United States Copyright Office. These services are part of the publication process and occur as the agency produces the majority of its documents and materials. For FY 2023, the agency will distribute supplements to the Kansas Municipal Court Manual, the Pattern Instructions for Kansas (PIK)—Civil 4th, and the PIK—Criminal 4th. The request also includes an increase of \$2,323 in a variety of other expenditures, including travel reimbursements for vehicle mileage (\$756), state printing costs (\$630), and payments for local telephone services to the Office of Information and Technology Services (\$283). The request includes 5.0 FTE positions, which is the same as the agency's FY 2022 revised estimate.

The **Governor** concurs with the agency request for FY 2023. As the agency is part of the Judicial Branch, the Governor is statutorily required to include the Judicial Council's budget in *The Governor's Budget Report* as submitted by the agency, pursuant to KSA 75-3721(f).

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 32 — Board of Indigents' Defense Services

The **agency** requests a revised estimate of \$43.7 million, including \$43.1 million SGF, in FY 2022. This is an all funds decrease of \$43,863, or 0.1 percent, and an SGF decrease of \$51,612, or 0.1 percent, below the FY 2022 approved amount. The agency has decreased expenditures for salaries and wages (\$2.5 million) due to vacant positions, which is partially offset by increased expenditures for contractual services (\$2.1 million) primarily in reappropriated assigned counsel funding and capital outlay (\$278,899) for new equipment and furnishings to fill currently vacant positions. The agency estimate also includes 244.3 FTE positions, which is 0.3 FTE positions below the approved amount.

The **Governor** recommends expenditures of \$39.1 million, including \$38.5 million SGF, in FY 2022. This is an SGF decrease of \$4.6 million, or 10.5 percent, below the agency's FY 2022 revised estimate. The decrease is attributable to the fall assigned counsel caseload adjustment. The recommendation includes 244.3 FTE positions, which is the same as the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 33 — Board of Indigents' Defense Services

The **agency** requests \$59.1 million, including \$58.5 million SGF, for FY 2023. This is an all funds increase of \$15.4 million, or 35.2 percent, and an SGF increase of \$15.4 million, or 35.7 percent, above the FY 2022 revised estimate. The agency request also includes 344.3 FTE positions, which is an increase of 100.0 FTE positions above the FY 2022 revised estimate. Significant items in the agency request include the following:

- **ENHANCEMENT–RECRUITMENT AND RETENTION PLAN.** The agency requests \$4.1 million SGF to address recruitment and retention issues via pay scale adjustments and establishment of an internal training program for public defenders and assigned counsel.
- **ENHANCEMENT–ETHICAL CASELOADS STAFFING AND SUPPORT PLAN.** The agency requests \$8.1 million SGF to support 88.0 FTE positions to address chronic attorney caseload issues and insufficient support staffing in its public defender offices.
- **ENHANCEMENT–EXPANSION OF PUBLIC DEFENDER OFFICES.** The agency requests \$1.2 million SGF to establish a public defender office and 12.0 FTE positions in the 7th Judicial District (Douglas County).
- **ENHANCEMENT–INFRASTRUCTURE UPGRADES.** The agency requests \$526,512 SGF for the anticipated ongoing maintenance for the new Case Management System, additional Death Penalty Defense Unit office space, additional costs for Westlaw upgrades, and new licensing for video evidence software.
- **ENHANCEMENT–ASSIGNED COUNSEL RATE INCREASE.** The agency requests \$3.6 million SGF to fund assigned counsel rate increase up to \$120 per hour.

The **Governor** recommends expenditures of \$46.3 million, including \$45.7 million SGF, for FY 2023. This is an SGF decrease of \$12.7 million, or 27.5 percent, below the agency's FY 2023 request. The decrease is primarily due to the Governor not recommending the agency's enhancement requests for caseload staffing and expansion of public defenders offices. There is also a decrease due to the assigned counsel caseload adjustment. This is partially offset by partial funding for the agency's enhancement requests for infrastructure upgrades and recruitment and retention. The recommendation includes 244.3 FTE positions, which is 100.0 FTE positions below the agency's FY 2023 request. This is due to the Governor not recommending the agency's enhancement requests for ethical caseload staffing and the expansion of the public defender offices.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2023**

1. Add language to set the maximum compensation rate for assigned counsel at \$120 per hour for FY 2023.

**Sec. 34 — Judicial Branch**

The **agency** requests a revised estimate of \$165.5 million in expenditures and 1,938.0 FTE positions in FY 2022, including \$138.0 million SGF and \$18.7 million from the Docket Fee Fund. This represents a reduction of \$9.6 million, or 5.5 percent, below the amount approved by the 2021 Legislature. The revised estimate includes reductions in expenditures budgeted from the Docket Fee Fund because of decreased revenue attributed to the COVID-19 pandemic (a decrease of \$8.6 million). Subsequent to the 2021 Session, the agency adjusted planned

expenditures from the Docket Fee Fund from \$27.3 million to \$18.7 million. These expenditures occur in a variety of operational categories and were supplemented by an additional \$7.4 million SGF appropriated in FY 2021 to replace lost Docket Fee Fund revenue. The revised estimate also includes a reduction in eCourt maintenance expenditures (\$1.7 million decrease) and in salaries and wages fringe benefit expenditures to reflect Kansas Public Employees Retirement System (KPERs) employer contribution rates decreasing from 15.09 percent to 14.33 percent in FY 2022 (a decrease of \$500,556). This reflects the issuance of \$500.0 million in pension obligation bonds authorized by 2021 HB 2405 and associated rate adjustments required by 2021 SB 159.

The decreases from the approved budget are partially offset by increases attributable to higher distributions from federal grant funds (an increase of \$405,030) and for two capital improvement projects that were not present in the approved budget (an increase of \$425,000). Those projects include the creation of a secure mail processing area (\$175,000) and the second phase of the Court of Appeals judicial office remodeling project (\$250,000). Both projects were presented to, and approved by, the Joint Committee on State Building Construction on September 7, 2021.

The **Governor** concurs with the agency's revised estimate and recommends \$165.5 million in expenditures in FY 2022. Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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### **Sec. 35 — Judicial Branch**

The **agency** requests \$177.7 million in expenditures and 2,000.0 FTE positions for FY 2023, including \$148.3 million SGF and \$21.8 million from the Docket Fee Fund. This represents an increase of \$12.2 million, or 7.3 percent, above the agency's revised estimate in FY 2022. The request includes \$5.4 million in enhancement expenditures and an additional 58.0 FTE positions to create new judge and staff positions for FY 2023. Based on the findings of National Center for State Courts (NCSC) weighted workload studies on District Judges and Administrative Assistants, as well as feedback from Chief Judges of District Courts throughout Kansas, the agency determined that an additional 14 District Judges, 9 District Magistrate Judges, 13 Court Reporters, and 22 Administrative Assistants were needed.

The request includes \$325,917 in enhancement expenditures and an additional 4.0 FTE positions to accommodate for efficiencies at the District Court level and the expansion of technology services statewide. These new positions include (1) an IT Security Analyst, which would assist with District Court operations against cybersecurity attacks, (2) an IT Regional Operations Technician, which would address increased demand on regional IT teams from the continued use of remote technology, (3) an Internal Auditor, which would oversee internal financial and operational audits, and (4) a Data Analyst, which would oversee data collection and analysis in support of both public and private inquiries.

The request also includes \$256,761 in enhancement expenditures to convert 3.0 FTE positions from District Magistrate Judge to District Court Judge positions. There are currently three judicial districts that only have one District Court Judge for the entire district, with a District

Magistrate Judge in five of six counties in those districts. The Judicial Branch indicates that is difficult for that sole judge, who also serves as the Chief District Court Judge and has additional administrative duties throughout the district, to provide coverage for specific types of cases that must be heard by a District Judge. Accordingly, the agency requests enhancement funding to convert one District Magistrate Judge position in each of those three districts to a District Judge position.

The **Governor** concurs with the agency request and recommends \$177.7 million in expenditures for FY 2023. Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 36 — Kansas Public Employees Retirement System**

The **agency** requests \$67.7 million in expenditures and 98.4 FTE positions for FY 2023, including \$66.8 million from the Kansas Public Employees Retirement Fund. This represents an increase of \$4.6 million, or 7.2 percent, above the agency's revised estimate in FY 2022. The request includes an increase of \$2.6 million in expenditures for modernization of the pension administration system. For FY 2023, the agency has budgeted \$9.2 million for the project, with increased costs included for contractual expenditures with the company Sagitec as it develops the new system. Major efforts include employer web portal updates, administration system upgrades, business process management, data profiling and cleaning, and development of the member web portal. The request also includes an increase of \$1.8 million in expenditures from the Kansas Public Employees Retirement Fund for investment management expenses. Each year, the submitted budget assumes a 7.75 percent return, with associated investment management expenses. When the system's investment portfolio experiences higher returns, investment-related expenses also increase.

The **Governor** concurs with the agency request and recommends \$67.7 million in expenditures and 98.4 FTE positions for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 37 — Kansas Human Rights Commission**

The **agency** estimates revised operating expenditures of \$1.5 million, including \$1.1 million SGF, in FY 2022. This is an all funds decrease of \$21,638, or 1.4 percent, and an SGF decrease of \$1,587, or 0.1 percent, below the amount approved by the 2021 Legislature. This decrease is primarily caused by decreased estimates for food and beverages for the in-person employment law seminar (\$15,596). The agency also decreased its estimate for Office of Information Technology Services (OITS) fees by \$11,676. These decreases are partially offset by increased estimates for unemployment compensation (\$11,532) and a contract with a staffing agency (\$14,839).

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 38 — Kansas Human Rights Commission**

The **agency** requests operating expenditures of \$1.5 million, including \$1.0 million SGF, for FY 2023. This is an all funds decrease of \$27,241, or 1.8 percent, and an SGF decrease of \$43,737, or 4.1 percent, below the FY 2022 revised estimate. Both decreases are due to the completion of a database access project in FY 2022, decreasing expenditures for FY 2023. This decrease is partially offset by increased expenditures for food. Food expenditures include catering for the agency's public information programs, which have been held virtually since calendar year 2020 due to the COVID-19 pandemic.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 39 — Kansas Corporation Commission**

The **agency** requests FY 2023 expenditures of \$26.8 million, all from special revenue funds. This is an increase of \$960,678, or 3.7 percent, above the FY 2022 revised estimate. The agency's request includes funding to purchase the Docket Management System software. The increase is also due to increased federal funds for the Energy Division.

The **Governor** concurs with the agency's FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 40 — Citizens' Utility Ratepayer Board**

The **agency** requests \$1.2 million, all from the Utility Regulatory Fee Fund, for FY 2023. This is an all funds increase of \$90,968, or 8.2 percent, above the FY 2022 revised estimate. This increase is primarily due to the agency's enhancement requests for an additional attorney position and an accountant position. The agency states that with the increased number of cases filed and increased complexity of those cases, there is a need for an additional attorney and an in-house accountant. This increase is partially offset by a decrease in carry-over funds that occurred in FY 2022.

The **Governor** concurs with the agency's FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 41 — Department of Administration

The **agency** requests a revised estimate of \$216.9 million in on-budget expenditures and 89.0 on-budget FTE positions in FY 2022, including \$155.4 million SGF, \$36.1 million from the ELARF, and \$21.3 million in transfers from the State Highway Fund. This represents a reduction of \$4.6 million, or 2.1 percent, below the amount approved by the 2021 Legislature.

The reduction is primarily attributable to a lapse of \$4.6 million SGF for savings related to the issuance of pension obligation bonds. The 2021 Legislature added \$28.8 million SGF for estimated debt service payments for bonds issued pursuant to 2021 HB 2405, which authorized the issuance of up to \$500.0 million in bonds, plus costs, at an interest rate not to exceed 4.3 percent. In August 2021, the Kansas Development Finance Authority finalized and executed the bond purchase agreement at an interest rate of 2.7 percent. Accordingly, debt service payments decrease from \$28.8 million, which was estimated at the interest cap of 4.3 percent, to \$24.2 million, at the lower rate of 2.7 percent. The revised estimate includes a lapse of the difference, \$4.6 million, in FY 2022. Additionally, the revised estimate includes a lapse of \$29,954 SGF to reflect a decrease in Kansas Public Employees Retirement System (KPERs) employer contribution rates from 15.09 percent to 14.33 percent in FY 2022, based on the issuance of those bonds, pursuant to 2021 SB 159.

The revised estimate also includes \$87.7 million in off-budget expenditures and 373.7 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2022, off-budget expenditures increase by \$1.8 million, or 2.1 percent, above the FY 2022 approved amount. The increase is primarily due to maintenance and servicing fees across many of the agency's programs (\$1.7 million).

The **Governor** recommends \$1.0 billion in on-budget expenditures and 94.0 on-budget FTE positions in FY 2022, including \$947.8 million SGF, \$36.1 million from the ELARF, and \$21.3 million in transfers from the State Highway Fund. This represents an increase of \$792.4 million, or 365.3 percent, above the agency's revised estimate. The most significant increase is attributable to the Governor's recommendation to expend \$460.0 million SGF for a one-time \$250 tax rebate to eligible Kansas residents (\$500 for residents that filed jointly). This rebate occurs as a one-time direct payment, and all Kansas residents who filed a 2020 tax return in 2021 would be eligible. The Office of the Governor estimates that this payment would affect over 1.2 million resident taxpayers. The recommended amount includes expenditures for the rebate itself as well as for administrative costs.

The Governor's recommendation also includes \$332.2 million SGF to pay off two bonds early, ahead of scheduled final debt service payments in FY 2035. First, the recommendation includes \$160.5 million SGF to pay off Series 2015A, which consists of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building. The recommendation includes debt service payments (\$27.8 million) and the remaining balance (\$132.7 million) for FY 2023. Second, the recommendation includes \$171.8 million SGF to pay off Series 2015G, which is a debt service bond for the State's portion of the National Bio and Agro-Defense Facility located in Manhattan, Kansas. The recommendation includes debt service payments (\$17.4 million) and the remaining balance (\$154.3 million) for FY 2023. Debt service payments in FY 2022 for both bonds are already included in the agency's revised estimate, and the Governor does not recommend adjustments to that amount.

The Governor's recommendation also includes \$200,000 SGF and 5.0 FTE positions for the Division of the Child Advocate within the Office of Public Advocates. Executive Order 21-27 created the Office of Public Advocates within the agency and transferred the following entities to it:

- **OFFICE OF THE LONG-TERM CARE OMBUDSMAN.** This program currently exists within the Department of Administration. Estimated expenditures are already included in the agency's revised estimate and total \$729,446 in FY 2022.
- **KANCARE OMBUDSMAN.** This program would be transferred from the Kansas Department for Aging and Disability Services (KDADS). Its responsibilities include assisting in the resolution of concerns about services, coverage, access, and rights related to KanCare, the Medicaid program for the State of Kansas. Estimated expenditures are included in the KDADS revised estimate in FY 2022.
- **DIVISION OF THE CHILD ADVOCATE.** Executive Order 21-28 created this program within the Department of Administration to provide oversight for the child welfare system in Kansas. Estimated expenditures are not included in the agency's revised estimate. The recommendation includes salary (\$122,207) and fringe benefit (\$77,793) expenditures for five new positions within the agency.

The recommendation also includes \$87.7 million in off-budget expenditures and 373.7 off-budget FTE positions, which is the same as the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2022**

1. Delete \$332.2 million SGF for the early payoff of Series 2015A/G bonds in FY 2022. That appropriation is now included in SB 443, which was passed by the Senate Committee of the Whole February 23, 2022, and is currently referred to the House Committee on Appropriations.
2. Delete \$460.0 million SGF in FY 2022 to not implement a one-time \$250 tax rebate included in the Governor's recommendation.

## **Sec. 42 — Department of Administration**

The **agency** requests \$215.1 million in on-budget expenditures and 89.0 on-budget FTE positions for FY 2023, including \$159.0 million SGF, \$36.1 million from the ELARF, and \$15.9 million in transfers from the State Highway Fund. This represents a reduction of \$1.9 million, or 0.9 percent, below the agency's revised estimate in FY 2022.

The request includes an overall reduction of \$2.0 million for changes in debt service expenditures. Of that amount, there is an increase of \$3.5 million SGF, offset by reductions of \$4,031 from the ELARF and \$5.5 million in transfers from the State Highway Fund. There are five sets of bonds included within this adjustment: (1) Statehouse Renovation Bonds (\$2.3 million reduction), which were issued for the renovation of the Kansas Statehouse; (2) Series 2015A (\$1.0 million increase), which includes four debt service refunding bonds, debt service for

the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building; (3) Series 2015G (\$3.3 million reduction), which is the State's portion of the National Bio and Agro-Defense Facility (NBAF) located in Manhattan, Kansas; (4) Series 2020R (\$3.1 million reduction), which refunded bonds related to renovations of the Kansas Statehouse, the NBAF, and public broadcasting facilities; and (5) Series 2021P (\$5.8 million increase), which refunded bonds related to renovations of the Kansas Statehouse, the NBAF, Kansas State Fairgrounds, and Kansas Department of Wildlife and Parks facilities.

The request also includes \$89.5 million in off-budget expenditures and 373.7 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2023, off-budget expenditures increase by \$1.8 million, or 2.0 percent, above the FY 2022 revised estimate. The increase is primarily due to higher expenditures for workers' compensation claims (\$420,387) and building rent (\$863,500).

The **Governor** recommends \$290.6 million in on-budget expenditures and 96.9 on-budget FTE positions for FY 2023, including \$250.4 million SGF, \$36.1 million from the ELARF, and no State Highway Fund appropriations. This represents an increase of \$75.5 million, or 26.0 percent, above the agency request.

The most significant increase is attributable to the Governor's recommendation to appropriate \$120.0 million SGF for the rehabilitation and repair of the Docking State Office Building. The 2021 Legislature added language authorizing the Department of Administration to issue up to \$120.0 million in bonds for the Docking Building, subject to approval from the State Finance Council. Incorporating recommendations from the Joint Committee on State Building Construction, the State Finance Council approved the renovation of the Docking Building into a three-story building with office and meeting space. The Office of the Governor indicates this proposal would utilize the budget surplus to fund the project in its entirety rather than incurring additional debt.

The Governor also recommends ending extraordinary transfers from the Kansas Department of Transportation beginning in FY 2023. For the Department of Administration, this includes an increase of \$15.9 million SGF and a corresponding decrease of \$15.9 million in transfers from the State Highway Fund. The \$15.9 million allocated to this agency funds debt service payments for the state, and adopting the recommendation would result in such payments being primarily made from the SGF instead.

The recommendation also includes a reduction of \$45.2 million SGF to account for the Governor's proposal to pay off Series 2015A (\$27.8 million SGF) and Series 2015G (\$17.4 million SGF) bonds in FY 2022. If those bonds are paid off in FY 2022, then those budgeted expenditures would not continue into FY 2023 and onward.

The recommendation also includes an increase of \$724,814 SGF and 8.0 FTE positions for the Office of Public Advocates. This includes expenditures for the KanCare Ombudsman (\$224,814 SGF, 3.0 FTE positions) and the Division of the Child Advocate (\$500,000 SGF, 5.0 FTE positions).

The recommendation also includes \$89.5 million in off-budget expenditures and 373.7 off-budget FTE positions, which is the same as the agency request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2023**

1. Add language to change the Budget Stabilization Fund from a no limit fund to an appropriated fund with a \$0 limitation for FY 2023.

**Sec. 43 — Office of Information and Technology Services**

The **agency** request is \$4.3 million, including \$4.3 million SGF, for on-budget expenditures for FY 2023. The revised estimate is the same as the FY 2022 revised estimate. Included in this amount is \$43,000 from the GIS Contracting Services Fund.

For FY 2023, the request also includes \$51.5 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$79,736, or 0.2 percent, below the FY 2022 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The decrease can primarily be attributed to reduced expenditures associated with purchases made on the behalf of other agencies for IT equipment and peripherals (\$415,000), payments to third-party vendors for operation of the Unisys data center and state mainframe (\$250,000), completion of internal IT projects present in the FY 2022 revised estimate for implementation of new ServiceNow modules and Apptio (\$200,000), elimination of rent for a data center previously located in the Landon State Office Building (\$150,000), and the absence of expenditures for passenger vehicles that were present in the FY 2022 revised request (\$50,000).

The decrease is partially offset by increased off-budget expenditures for a three-year license renewal of the IT security product offered by Splunk (\$800,000) for the Kansas Information Security Offices (KISO), increase cost for project management software licenses (\$50,000), and salaries, wages, and associated benefits costs across the agencies programs (\$135,764). The request also includes 117.0 off-budget FTE positions for FY 2023, which is an increase of 2.0 FTE positions above the FY 2022 agency request number. The increase is to accommodate increased use of services offered by the Hosted Services program for the Unisys data center.

The **Governor** concurs with the agency request for FY 2023

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 44 — Kansas Information Security Office**

The **agency** requests expenditures totaling \$5.1 million, all from special revenue funds, for FY 2023. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds increase of \$790,440, or 18.3 percent, above the FY 2022 revised estimate. The increase can primarily be attributed to the three-year license renewal for IT security services provided by the vendor, Splunk (\$800,000). These licenses were last renewed in FY 2020. The KISO program request also includes 17.0 FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 45 — Office of Administrative Hearings**

The **agency** estimates revised operating expenditures of \$1.5 million, all from the Administrative Hearings Office Fund, in FY 2022. This is an increase of \$135,128, or 10.0 percent, above the amount approved by the 2021 Legislature. The increase is primarily due to increased expenditures for salaries, which increased by \$96,084. This increase includes salary increases for staff and hiring a part-time temporary administrative law judge. The increase is also due to increased estimates for employee training expenditures by \$28,324.

The **Governor** concurs with the agency's revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 46 — Office of Administrative Hearings**

The **agency** requests operating expenditures of \$1.6 million, all from the Administrative Office Hearings Fund, for FY 2023. This is an increase of \$93,614, or 6.3 percent, above the FY 2022 revised agency estimate. The increase is primarily due to increased expenditures on salaries and wages of \$78,065. This increase includes a 5.0 percent salary increase for staff. The increase is also due to an Office of Information Technology (OITS) fee increase of \$3,971 and a Westlaw subscription fee increase of \$2,401.

The **Governor** concurs with the agency's request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 47 — Board of Tax Appeals**

The **agency** estimates revised expenditures of \$2.0 million, including \$711,589 SGF, in FY 2022. This is an all funds increase of \$43,178, or 2.3 percent, and an SGF increase of \$43,178, or 6.5 percent, above the agency's FY 2022 approved amount. This increase is primarily due to the agency's supplemental request to fund six months of salary for a new FTE position. The FTE position would be for an information technology (IT) employee. The IT employee would develop remote hearing capabilities to allow the Board to conduct hearings remotely. The new FTE position would be fully funded by SGF moneys.

The **Governor** recommends revised expenditures of \$2.0 million, including \$711,410 SGF, in FY 2022. This is an SGF decrease of \$179, or less than 0.1 percent, below the agency's revised expenditures in FY 2022. The slight decrease is due to the Governor's recommendation to decrease expenditures on capital outlay by \$3,000, or 34.0 percent, and to increase salaries

and wages expenditures by \$2,821, or 0.2 percent, compared to the agency's FY 2022 revised estimate.

The Governor recommends approving a modified agency supplemental request. The Governor recommends upgrading the requested FTE position from a Technological Support Consultant II position to an Information Technology Manager position. The Governor has directed the agency to use the new FTE position to conduct an IT needs assessment, in addition to providing dedicated in-house IT support for the agency.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 48 — Board of Tax Appeals**

The **agency** requests expenditures of \$2.0 million, including \$852,901 SGF, for FY 2023. This is an all funds increase of \$36,006, or 1.8 percent, and an SGF increase of \$141,312, or 19.9 percent, above the agency's FY 2022 revised estimate. This increase is to fund a full year's salary and benefits for the additional FTE position requested in the FY 2022 revised estimate. The IT employee would continue to develop remote hearing capabilities to allow the Board to conduct hearings remotely. This FTE position is fully funded by SGF moneys.

In addition to funding the additional FTE position, the SGF increase is attributed to a funding swap. The agency requests a decrease of \$103,306, or 8.4 percent, from the COTA Filing Fee Fund. This funding swap reverses a FY 2022 change recommended by the Governor, and approved by the Legislature, to decrease SGF expenditures by \$100,000 and to increase COTA Filing Fee Fund expenditures by \$100,000 as part of the agency's reduced resources package.

The **Governor** recommends expenditures of \$2.0 million, including \$873,554 SGF, for FY 2023. This is an all funds increase of \$20,653, or 1.0 percent, including an SGF increase of \$20,653, or 2.4 percent, above the agency's FY 2023 request. This increase is primarily due to increased salary and benefits for the Governor's recommendation to modify the agency's enhancement request for a new FTE position from a Technology Support Consultant II position to an Information Technology Manager position.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 49 — Kansas Department of Revenue**

The **agency's** revised estimate totals \$107.6 million, including \$14.8 million SGF, for FY 2022. The request is an all funds decrease of \$115,569, or 0.1 percent, including an SGF decrease of \$26,011, or 0.2 percent, below the FY 2022 approved budget. The agency added \$2.7 million in salaries and wages expenditures by reducing the shrinkage rate. The shrinkage rate reduction was partially offset by the deletion of funding associated with vacant positions. The agency also reduced the transfer for the Special County Mineral Production Tax Fund (\$968,450).

The **Governor** recommends \$107.8 million, including \$15.1 million SGF, for FY 2022. The recommendation is an increase of \$287,531, or 0.3 percent, all SGF, above the FY 2022 agency revised estimate. The increase is attributable to administrative expenditures related to the Governor's plan to eliminate the food sales tax.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2022**

1. Delete \$287,531 SGF for administrative costs related to elimination of the food sales tax in FY 2022.

## **Sec. 50 — Kansas Department of Revenue**

The **agency** requests \$106.9 million, including \$14.8 million SGF, for FY 2023. The agency request is an all funds decrease of \$686,096, or 0.6 percent, including an SGF increase of \$490, or less than 0.1 percent, from the FY 2022 revised estimate. The agency reduced the transfer to the Special County Mineral Production Tax Fund (\$316,050), reduced information technology contracting services (\$220,000), and reduced the estimate for outside counsel (\$250,000).

The **Governor** recommends \$108.6 million, including \$15.3 million SGF, for FY 2023. The recommendation is an all funds increase of \$1.7 million, or 1.6 percent, and an SGF increase of \$525,864, or 3.4 percent, above the FY 2023 agency request. The increase is attributable to expenditures associated with 2021 SB 13 from the Taxpayer Notification Fund that were inadvertently omitted (\$1.2 million), and administrative expenses related to the Governor's plan to eliminate the food sales tax (\$525,864). Additionally, the recommendation includes a transfer of \$1.0 million from the SGF to the Division of Vehicles Modernization Fund and the elimination of the \$4 surcharge.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2023**

1. Delete \$525,864 SGF and 8.0 FTE positions for administrative costs related to elimination of the food sales tax for FY 2023.
2. Delete \$17.99 SGF and review the agency policy on taxation of streaming services for FY 2023.

## **Sec. 51 — Kansas Lottery**

The **agency** requests \$376.4 million, all from special revenue funds, for FY 2023. This is an increase of \$1.1 million, or 0.3 percent, above the FY 2022 revised estimate. The agency estimates \$38.0 million in lottery prizes paid by the State, which is an increase of \$1.0 million above the FY 2022 revised estimate. The agency requests additional increases of \$104,728, all from special revenue funds, for FY 2023. These adjustments primarily comprise increases in salaries and wages expenditures (\$377,928) and contractual services (\$926,000). However, these increases are partially offset by a decrease of \$1.2 million for capital outlay expenditures

due to the purchase of additional lottery vending machines in FY 2022 that does not reoccur for FY 2023. The agency request also includes 93.0 FTE positions, which is an increase of 3.0 FTE positions above the FY 2022 revised estimate.

The **Governor** recommends expenditures of \$376.2 million, all from special revenue funds, for FY 2023. This is a decrease of \$187,864, or less than 0.1 percent, below the agency's FY 2023 request. This decrease is due to the Governor directing the agency to use existing resources and vacant FTE positions, rather than additional expenditures, to support the enhancement request for 3.0 additional FTE positions in the Administration program. The Governor's recommendation includes 90.0 FTE positions, which is a decrease of 3.0 FTE positions below the agency's FY 2023 request. The decrease is due to the Governor not recommending the enhancement request for an additional 3.0 FTE positions in the Administration program.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 52 — Kansas Racing and Gaming Commission**

The **agency** requests \$9.0 million, all from special revenue funds, for FY 2023. This is an increase of \$11,898 above the FY 2022 revised estimate. This increase is primarily attributable to increased expenditures for employer contributions for fringe benefits such as group health insurance. The agency request also includes 99.5 FTE positions, which is unchanged from the FY 2022 revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 53 — Kansas Department of Commerce**

The **agency** estimates revised FY 2022 expenditures of \$110.7 million, including \$6.6 million SGF, which is an increase of \$3.9 million, or 3.7 percent, above the FY 2022 approved budget. The adjustment includes \$2.4 million in Economic Development Initiative Fund (EDIF) reappropriations primarily for operations (\$865,442), the Main Street Program (\$519,158), the Rural Opportunity Zone Program (\$429,973) and Community Development (\$277,804).

There were also expansions to several federal programs, including Community Development Block Grants (CDBG) (\$2.0 million), Federal Trade Adjustment Assistance (\$4.0 million), remaining spending from Round 3 of the Coronavirus Relief Fund (CRF) awards (\$800,000), and apprenticeship programs (\$488,938). The increases were partially offset due to phasing out of the Kansas Health Professional Opportunity Project (\$2.9 million) and other federal programs.

Additionally, the agency request for Job Creation Program Fund (JCPF) moneys decreased by \$1.4 million. The State Finance Council appropriated additional SGF moneys to replace JCPF dollars used for COVID-19 relief, and the agency is using those SGF moneys in the place of JCPF moneys in FY 2022.

The **Governor** recommends expenditures of \$136.2 million, including \$26.6 million SGF, in FY 2022. The recommendation is an increase of \$25.5 million, including \$20.0 million SGF, above the FY 2022 agency revised estimate. The increase is attributable to \$20.0 million SGF for the Moderate Income Housing Program, \$5.0 million from the JCPF for economic development, and the new federal grant to assist in reemployment of former inmates (\$500,000).

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 54 — Kansas Department of Commerce**

The **agency** requests FY 2023 expenditures of \$105.8 million, all from special revenue funds, which is a decrease of \$4.9 million, or 4.5 percent, below the FY 2022 revised estimate. The request includes 334.0 FTE positions, which is an increase of 10.5 FTE positions due to enhancement requests.

Major reductions in the request include the elimination of \$6.6 million in reappropriated SGF moneys, which are budgeted for job creation in FY 2022, \$2.5 million in EDIF reappropriations, and \$4.8 million in debt service for the Impact Program Service Bonds, which were paid off in FY 2023.

The decreases are partially offset by 13 enhancement requests totaling an increase of \$6.9 million and 10.5 FTE positions. The enhancements are focused on expansion of the Kansas Industrial Training and Kansas Industrial Retraining (KIT/KIR) programs, additional staff for the Office of Innovation and Broadband Development, Workforce Development investments, and investments in data tracking and analysis. Additionally, the agency added \$4.3 million in JCPF dollars due to the exhaustion of SGF moneys. Various federal programs reduced spending as the grant periods ran out but are likely to be replaced with extended or new grants as those grant periods are reached.

The **Governor** recommends expenditures totaling \$339.6 million, including \$205.1 million SGF, for FY 2023. The recommendation is an increase of \$233.8 million, including \$205.1 million SGF, above the FY 2023 agency request. The increase is attributable to \$195.0 million SGF for University matching grants, \$10.0 million SGF for higher education grants, \$27.9 million from the JCPF for economic development, \$125,000 for the executive director for Advantage Kansas, and further extension of the federal Pathway Home 2 Grant (\$700,000).

The recommendation includes 335.0 FTE positions, which is an increase of 1.0 FTE position above the agency request due to Advantage Kansas.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

#### **FY 2023**

1. Delete \$35.0 million SGF for University Challenge Grants for FY 2023 and delete language requiring funding for National Institute for Aviation Research (NIAR) from this source.

## Sec. 55 — Kansas Housing Resources Corporation

The Kansas Housing Resources Corporation is a quasi-governmental entity which administers the State Housing Trust Fund. All expenditures from the State Housing Trust Fund shall be made by the Kansas Housing Resources Corporation for the purposes of administering and supporting housing programs of the Kansas housing resources corporation. The State Housing Trust Fund is funded by a \$2.0 million annual transfer from the Economic Development Initiatives Fund.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 56 — Kansas Department of Labor

The **agency** estimates revised FY 2022 expenditures of \$298.4 million, including \$17.7 million SGF. This is an all funds decrease of \$164.9 million, or 35.6 percent, and an SGF increase of \$6.8 million, or 62.6 percent, from the FY 2022 approved amount. The SGF increase is due to the agency's supplemental request for additional staffing in the Administration and Unemployment Insurance Services programs. The all funds decrease is primarily due to decreased expenditures on unemployment insurance benefits. The agency states it estimates decreased benefit expenditures as additional federal benefit program have ended and fewer individuals are claiming benefits. This decrease is partially offset by increased federal COVID-19 relief funds. In August 2021, the State Finance Council approved \$11.0 million in federal COVID-19 relief funds for surge staffing in the agency's call center.

The **Governor** recommends FY 2022 expenditures of \$291.8 million, including \$11.1 million SGF. This is a decrease of \$6.6 million, all SGF, below the agency's FY 2022 revised estimate. This decrease is due to the Governor not recommending the agency's enhancement request for staffing for the Administration and Unemployment Insurance Benefits programs. This decrease is partially offset by the Governor's recommendations for salary enhancements for customer service representatives and adjudicators and for costs to implement 2021 Special Session HB 2001, which requires the agency to investigate complaints filed under the provisions of the bill.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

### **FY 2022**

1. Add language to appropriate the American Rescue Plan State Relief Fund within the agency.

## Sec. 57 — Kansas Department of Labor

The **agency** requests FY 2023 expenditures of \$221.9 million, including \$8.5 million SGF. This is an all funds decrease of \$76.6 million, or 25.7 percent, and an SGF decrease of \$9.3 million, or 52.2 percent, below the agency's FY 2022 revised estimate.

The SGF decrease is due to the unemployment insurance benefit system update, which occurred in FY 2022 and does not reoccur in FY 2023, partially offset by the agency's enhancement request for additional staffing. The all funds decrease is primarily due to

decreased expenditures on unemployment insurance benefits and decreased federal COVID-19 relief funds for FY 2023.

The **Governor** recommends FY 2023 expenditures of \$217.3 million, including \$3.9 million SGF. This is a decrease of \$4.6 million, all SGF, below the agency's FY 2023 request. This decrease is primarily due to the Governor recommending only partial funding for the agency's enhancement request for additional staffing. The Governor also recommends additional funding for customer service representatives and adjudicators salary enhancements.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2023**

1. Add language to appropriate the American Rescue Plan State Relief Fund within the agency.

**Sec. 58 — Kansas Commission on Veterans Affairs Office**

The **agency** requests a revised estimate of \$26.8 million, including \$6.5 million SGF, in FY 2022. This is an all funds increase of \$5.0 million, or 22.7 percent, including an SGF increase of \$863,348, or 15.3 percent, above the FY 2022 approved amount. Significant items in the agency estimate include the following:

- **FEDERAL FUNDING.** The agency request includes additional federal funding from the American Rescue Plan Act (\$2.2 million) for the veterans' homes and the Consolidated Appropriations Act of 2021 (\$355,754) for state extended care facilities to address the COVID-19 pandemic.
- **SUPPLEMENTAL REQUESTS.** The agency request includes funding requests for temporary staffing (\$500,000), Veterans Services Program (\$85,130), architect fees for a new veterans' home (\$250,000), and funding for a new Information Resource Manager position (\$36,625) in FY 2022.
- **CAPITAL IMPROVEMENTS.** The agency request includes a revised estimate of \$4.3 million, including \$111,900 SGF, in FY 2022.

The agency estimate also includes 373.0 FTE positions, which is the same as the FY 2022 approved number.

The **Governor** recommends \$29.0 million, including \$6.5 million SGF, for expenditures in FY 2022. This is an increase of \$2.1 million, or 7.9 percent, above the agency's FY 2022 revised estimate. Significant items in the Governor's recommendation include the following:

- **ARPA 24/7 PAY PLAN.** The Governor recommends adding \$2.1 million, all from the federal American Rescue Plan Act Fund, in FY 2022 to implement the 24/7 pay initiative recommended by the SPARK Taskforce Executive Committee and approved by the State Finance Council. The plan provides a base pay increase for hourly and

salaried staff, pay differentials for hourly personnel, and one-time premium pay allocations up to \$3,500 for salaried staff.

The Governor's recommendation also includes 373.0 FTE positions, which is the same number as the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 59 — Kansas Commission on Veterans Affairs Office**

The **agency** requests \$24.4 million, including \$9.3 million SGF, in expenditures for FY 2023. This is an all funds decrease of \$2.4 million, or 9.1 percent, including an SGF increase of \$2.8 million, or 42.8 percent, from the FY 2022 approved amount. Significant items in the agency request include the following:

- **ENHANCEMENT REQUESTS.** The agency request includes funding to address revenue shortfalls (\$3.2 million), the Veterans Services Program (\$340,519), and funding for a new Information Resource Manager position (\$111,239).
- **CAPITAL IMPROVEMENTS.** The agency requests a total capital improvements estimate of \$2.0 million, including \$127,000 SGF, for FY 2023.

The agency request also includes 373.0 FTE positions, which is the same as the FY 2022 approved number.

The **Governor** recommends \$25.5 million, including \$10.4 million SGF, in expenditures for FY 2023. This is an increase of \$1.1 million, or 4.4 percent, above the agency's FY 2022 revised estimate. Significant items in the Governor's recommendation include the following:

- **24/7 PAY PLAN.** The Governor also recommends adding \$4.1 million SGF for FY 2023 to continue the 24/7 pay initiative recommended by the SPARK Taskforce Executive Committee and approved by the State Finance Council. For FY 2023, the plan provides a continuation of the temporary base pay increase as well as the temporary pay differentials for hourly personnel.

The Governor's recommendation also includes 375.0 FTE positions, which is 2.0 FTE positions above the agency's FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 60 — Kansas Department of Health and Environment – Division of Public Health**

The **agency** requests a Division of Public Health revised estimate of \$320.6 million, including \$31.1 million SGF, in FY 2022. This is an all funds increase of \$129.2 million, or 67.5 percent, including an SGF increase of \$248,377, or 0.8 percent, above the amount approved by

the 2021 Legislature. The FY 2022 agency revised request includes the following for each bureau:

- \$103,693, including \$7,395 SGF, for Health Administration;
- \$19.1 million, including \$1.9 million SGF, for the Bureau of Disease Control and Prevention;
- \$20.5 million, including \$430,712 SGF, for the Bureau of Health Promotions;
- \$94.0 million, including \$8.6 million SGF, for the Bureau of Family Health;
- \$62.1 million, including \$19.3 million SGF, for the Bureau of Community Health Systems;
- \$1.0 million, including \$575,511 SGF, for the Bureau of Oral Health; and
- \$123.6 million, including \$196,845 SGF, for the Bureau of Epidemiology and Public Health Informatics.

The all funds increase includes a reappropriation from the Children's Initiatives Fund due to a COVID-19-related drop in services in the Newborn Hearing Aid Program and an increase in funding for the Childcare Development Block grant. The largest reason for the increase is COVID-19 pandemic relief funds for public health activities, such as testing, vaccine preparedness, and hospitals. These funds were not originally budgeted because the allocation occurred after the agency created its original FY 2022 budget in September 2020. The increase in SGF is due to the agency's supplemental request for \$250,000 for school-based oral health programming.

The revised request for the Division of Public Health includes an increase of 69.4 FTE positions above the 398.8 approved by the 2021 Legislature. The positions are primarily associated with COVID-relief efforts and housed within the bureaus of Epidemiology and Public Health Informatics, Disease Control and Prevention, and Community Health Systems.

The **Governor** recommends FY 2022 Division of Public Health expenditures totaling \$370.9 million, including \$30.8 million SGF. This is an increase of \$50.4 million from all funds, including a decrease of \$250,000 SGF, from the agency's FY 2022 revised estimate. The all funds increase is largely due to the \$50.0 million Front Line Hospital Employee Retention Plan included in the Governor's recommendation, as approved by the SPARK Executive Committee and the State Finance Council.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2022**

1. Add \$250,000 SGF for school-based oral health services in FY 2022.

**Sec. 61 — Kansas Department of Health and Environment – Division of Public Health**

The **agency** requests Division of Public Health expenditures of \$215.1 million, including \$29.2 million SGF, for FY 2023. This is an all funds decrease of \$105.5 million, or 32.9 percent, including an SGF decrease of \$1.9 million, or 6.0 percent, below the FY 2022 revised estimate. The FY 2023 agency request includes the following for each bureau:

- \$4,325, all federal funds, for Health Administration;

- \$18.5 million, including \$1.3 million SGF, for the Bureau of Disease Control and Prevention;
- \$20.5 million, including \$430,467 SGF, for the Bureau of Health Promotions;
- \$88.7 million, including \$8.4 million SGF, for the Bureau of Family Health;
- \$49.3 million, including \$18.3 million SGF, for the Bureau of Community Health Systems;
- \$1.0 million, including \$575,597 SGF, for the Bureau of Oral Health; and
- \$37.0 million, including \$196,937 SGF, for the Bureau of Epidemiology and Public Health Informatics.

The all funds decrease is primarily due to a reduction in the amount of federal COVID-19 pandemic relief funds anticipated to be available for FY 2023. Major areas of decrease include \$78.3 million in epidemiology and laboratory capacity (ELC) and testing funds, \$11.7 million in COVID-19 pandemic relief funding for the Small Rural Hospital Improvement Program, and a \$4.1 million reduction in funding for the Woman, Infants, and Children (WIC) program. The all funds decrease was partially offset by the agency's enhancement request for an additional \$1.4 million, all from the Children's Initiatives Fund, for the Maternal and Child Home Visiting Program.

The SGF decrease is largely due to \$1.9 million in reappropriations from FY 2021 into FY 2022 that were not budgeted to reoccur in FY 2023. This was partially offset by the agency's enhancement request for the school-based oral health program. The agency request for the Division of Public Health in FY 2023 includes 468.2 FTE positions, which is the same as the FY 2022 revised estimate number.

The **Governor** recommends FY 2023 Division of Public Health expenditures totaling \$215.7 million, including \$29.1 million SGF. This is an increase of \$650,532 above the agency's FY 2023 request, largely due to federal funds that were added for COVID-19 pandemic relief after the agency submitted their budget.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2023**

1. Add \$250,000 SGF for school-based oral health services for FY 2023.
2. Add \$800,000 SGF to increase funds available to local health departments using the statutory distribution formula contained in KSA 65-242, for FY 2023..
3. Add \$2.0 million SGF to increase the availability of early intervention services provided through the Infant and Toddler Program (tiny-k) for FY 2023.

**Sec. 62 — Kansas Department of Health and Environment – Division of Health Care Finance**

The **agency** requests a Division of Health Care Finance revised estimate of \$3.1 billion, including \$780.7 million SGF, in FY 2022. This is an all funds decrease of \$5.0 million, or 0.2 percent, including an SGF increase of \$1.5 million, or 0.2 percent, from the amount approved by the 2021 Legislature. The SGF increase of \$1.5 million is due to the agency's supplemental

requests to extend Medicaid coverage for pregnant women and for an additional 5.0 FTEs in the Medicaid program.

The **Governor** recommends FY 2022 Division of Health Care Finance expenditures totaling \$3.2 billion, including \$713.9 million SGF. This is an increase of \$58.9 million from all funds and a decrease of \$66.8 million SGF from the agency's FY 2022 revised estimate, largely due to adjustments to human services caseloads.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 63 — Kansas Department of Health and Environment – Division of Health Care Finance**

The **agency** requests Division of Health Care Finance expenditures of \$3.1 billion, including \$774.3 million SGF, for FY 2023. This is an all funds decrease of \$1.6 million, or less than 0.1 percent, including an SGF decrease of \$6.4 million, or 0.8 percent, below the FY 2022 revised estimate. The decrease in SGF expenditures for FY 2023 is largely due to funds that were reappropriated from FY 2021 into FY 2022 that were not budgeted to reoccur in FY 2023. This decrease was partially offset by the agency's four enhancement requests in the Division of Health Care Finance. These include funding for the KMMS Project (\$9.1 million SGF), a continuation of the additional FTE positions in Medicaid eligibility and pharmacy programs, and the extension of Medicaid coverage for pregnant women (\$7.9 million from all funds, including \$3.1 million SGF). The agency's request for the Division of Public Health in FY 2023 includes 627.0 FTE positions, which is the same as the FY 2022 revised estimate number.

The **Governor** recommends FY 2023 Division of Health Care Finance expenditures totaling \$3.7 billion, including \$706.8 million SGF. This is an increase of \$600.0 million from all funds and a decrease of \$67.5 million SGF from the agency's FY 2023 estimate, largely due to the addition of expenditures and savings for Medicaid Expansion.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

#### **FY 2023**

1. Delete \$596.0 million, including the addition of \$68.5 million SGF, to remove funding for Medicaid Expansion for FY 2023. The all funds deletion includes \$629.0 million from federal funds and \$35.5 million from special revenue funds. Add language to lapse the SGF funding if Medicaid Expansion is passed during the 2022 Session.
2. Add \$10.0 million, including \$4.5 million SGF, to increase reimbursement rates of all Emergency Medical Services provider codes for FY 2023.
3. Add \$3.5 million, including \$1.4 million SGF, to increase the availability of adult dental services provided through the State Medicaid program for FY 2023.

## Sec. 64 — Kansas Department of Health and Environment – Division of Environment

The **agency** estimates Division of Environment revised FY 2022 expenditures of \$159.4 million, including \$4.3 million SGF. This is an all funds increase of \$87.6 million, or 122.0 percent, including an SGF increase of \$216,680, or 5.3 percent, above the FY 2022 approved amount. The SGF increase is primarily due to the agency's supplemental request for laboratory equipment to test drinking water. The all funds increase is primarily due to increased receipt of COVID-19 pandemic relief federal funds for COVID-19 testing at the agency's laboratory.

The **Governor** recommends FY 2022 Division of Environment expenditures of \$201.4 million, including \$4.3 million SGF. This is an increase of \$42.0 million, all from COVID-19 pandemic relief federal funds, above the agency's FY 2022 revised estimate. The State Finance Council approved these funds to continue COVID-19 testing. Approval of these funds occurred after the agency submitted its budget and were therefore not included in the revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 65 — Kansas Department of Health and Environment – Division of Environment

The **agency** requests Division of Environment FY 2023 expenditures of \$113.1 million, including \$4.2 million SGF. This is an all funds decrease of \$46.3 million, or 29.0 percent, including an SGF decrease of \$107,416, or 2.5 percent, below the Division's FY 2022 revised estimate. The all funds decrease is primarily due to decreased receipt of COVID-19 pandemic relief federal funds for COVID-19 testing. The agency's request includes State Water Plan Fund enhancements for the Drinking Water Protection Program and the Watershed Restoration and Protection Strategy (WRAPS) Program.

The Governor recommends FY 2023 Division of Environment expenditures of \$113.1 million, including \$4.2 million SGF. This is the same as the agency's FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

### **FY 2023**

1. Add language for FY 2023 requiring the agency to maintain its current staffing levels of professional and associate engineers in the Livestock Waste Section of the Bureau of Environmental Field Services and require the agency to instead reduce staffing levels among either the environmental specialist staff or inspection staff within the Bureau of Field Services as necessary to not exceed the authorized SGF expenditures.

## Sec. 66 — Kansas Department for Aging and Disability Services

The **agency** requests a revised estimate of \$2.4 billion, including \$894.7 million SGF, in FY 2022. This is a decrease of \$6.9 million below the amount approved by the 2021 Legislature. Significant items in the agency estimate include the following:

- **CONTINUED COVID-19 PANDEMIC RELIEF FUNDS.** In FY 2021, the agency received a large influx of COVID-19 pandemic-related relief funds. Some of this aid

was provided through direct distributions from several federal relief acts, which the agency passed on to the appropriate organizations for disbursement. Subsequent to the calendar year 2021 budget discussions, the agency received more federal moneys from the federal American Rescue Plan Act (ARPA) to be provided to organizations in FY 2022. Additionally, the agency continues to receive an increased Federal Medical Assistance Percentage (FMAP) rate increase as the federal public health emergency continues.

- **10.0 PERCENT INCREASE IN THE FMAP RATE FOR HCBS WAIVER SERVICES.** Included in the APRA funding the agency anticipates receiving is an increase in the FMAP rate for HCBS waiver services. ARPA included a provision for the increased FMAP rate as an incentive for states to invest, supplement, or strengthen their home and community-based services. The agency viewed this increase as an opportunity to study some of the issues surrounding the waivers as well as provide some relief to providers. It submitted its plan to the federal Centers for Medicare and Medicaid Services (CMS) and is awaiting approval in order to draw down the additional federal funds.
- **DELAYED IMPLEMENTATION OF PROGRAMS.** There were several projects that the agency originally anticipated would begin in FY 2022. These include the installation of the infrastructure for the Electronic Health Records system at the four state hospitals and the establishment of the acute psychiatric beds for youth in Hays. Both of these projects were delayed due to the contract procurement process. Additionally, the project to remodel the Biddle Building at Osawatomie State Hospital was delayed due to supply and labor issues associated with the COVID-19 pandemic. As a result, a new estimate was drafted for the cost of the remodel. The revised estimate was \$1.7 million higher than the original appropriation, which the agency has subsequently requested as a supplemental.

The revised estimate also includes 325.5 FTE positions, which is an increase of 29.5 FTE positions above the number approved by the 2021 Legislature.

The **Governor** recommends \$2.3 billion, including \$830.7 million SGF, for expenditures in FY 2022. This is a decrease of \$78.1 million below the agency's FY 2022 revised estimate. Significant items in the Governor's recommendation include the following:

- **HUMAN SERVICES CONSENSUS CASELOADS.** The Governor's recommendation adopts the Fall 2021 Human Services Consensus Caseloads estimate. This amounts in a decrease of approximately \$89.7 million, including \$66.0 million SGF below the agency's revised estimate. The decrease is due to a lower than anticipated Medicaid eligible population than what was originally estimated in Spring 2021.
- **GOVERNOR'S 24/7 PAY PLAN.** The Governor's recommendation includes the addition of \$9.6 million, all from federal ARPA-related funding, to allow for salary increases for the nursing staff at the state hospitals. The Governor's pay plan includes both permanent increases in the base pay for certain nursing positions as well as temporary increases if facilities meet certain criteria. The goal of these increases is to assist the state hospitals with retention issues they have historically faced, which increased due to the COVID-19 pandemic.

- **CRISIS INTERVENTION CENTERS.** The recommendation also includes \$2.0 million SGF for the implementation of crisis intervention centers. Currently, the state has several crisis stabilization centers, which provide services to individuals on a voluntary basis who are experiencing a mental health crisis. The funding aims to provide KDADS funding to establish a new classification in the state to allow involuntary patients similar services within the community. These additional services aim to reduce the number of involuntary admissions to the state hospitals.

The Governor's recommendation also includes 325.5 FTE positions, which is the same as the number requested in the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 66 — State Institutions for Intellectual Disabilities**

The State Institutions for Intellectual Disabilities (I/D Institutions) serve individuals diagnosed with intellectual and developmental disabilities who require specialized residential service provisions. There are two residential treatment, training, and care facilities operated by the State of Kansas: Kansas Neurological Institute (KNI) and Parsons State Hospital and Training Center (Parsons). Both facilities are state agencies administered by the Kansas Department for Aging and Disability Services (KDADS), pursuant to KSA 39-1904.

The **agencies** request a revised estimate of \$60.5 million, including \$23.5 million SGF. This is an increase of \$3.1 million above the amount approved by the 2021 Legislature. Significant items in the agencies' estimate include the following:

- **SALARY INCREASES ASSOCIATED WITH EXECUTIVE DIRECTIVES.** Included in the agencies' revised estimate are increases associated with Executive Directive Nos. 21-537 and 21-538. Both hospitals have requested salary increases for its Mental Health/Developmental Disability Technician positions. In July and August 2021, the Governor issued two Executive Directives that effectively increased the starting salaries to approximately \$16.00 per hour. In FY 2022, the total cost for these salary increases is \$5.4 million, which the agencies were able to cover with excess federal funding and salary savings due to vacancy rates.
- **CONTRACTUAL NURSING STAFF.** Included in KNI's budget is an increase in contractual nursing staff. KNI has historically reported issues with staff turnover, and therefore relies on contractual nursing staff to ensure adequate coverage for the hospital. Due to the ongoing COVID-19 pandemic, the hospital has continued to face staffing issues related to COVID-19 outbreaks, and as a result it continues to see an uptick in the use of contractual staffing services. The total increase for KNI associated with contractual nursing is \$1.1 million. However part of this contractual staffing is covered by federal funds, which allowed for a decrease in SGF expenditures of \$914,994 in FY 2022.
- **GENERAL INCREASE IN SUPPLIES.** Included in Parsons' revised estimate are several general increases in utilities and other general supplies for hospital operations. According to the hospital, it saw a general increase in the cost of these

supplies in the FY 2021 actual amount, and therefore adjusted its budget request accordingly. The total increase was \$513,037 which was primarily covered by federal funds, which allowed for a decrease in SGF expenditures of \$282,726.

The revised estimate also includes 914.7 FTE positions in FY 2022, which is the same as the number approved by the 2021 Legislature.

The **Governor** recommends \$60.5 million, including \$23.5 million SGF, for expenditures in FY 2022. This is a decrease of \$15,000 SGF, or less than 0.1 percent, below the agencies' revised estimate. This decrease is due to the Governor not recommending Parsons' supplemental request for \$15,000 SGF to begin development of a Crisis Stabilization Unit. The recommendation also includes 914.7 FTE positions in FY 2022, which is the same number as the agencies' revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## **Sec. 66 — State Institutions for Mental Health**

The State Institutions for Mental Health (Mental Health Institutions) serve individuals diagnosed with severe and persistent mental illnesses who require inpatient treatment. There are two mental health institutions operated by the State of Kansas: Osawatomie State Hospital (OSH) and Larned State Hospital (LSH). Both facilities are state agencies administered by the Kansas Department for Aging and Disability Services (KDADS), pursuant to KSA 39-1904.

The **agencies** request a revised estimate of \$134.3 million, including \$110.0 million SGF, for expenditures in FY 2022. For LSH, the revised estimate was \$86.6 million including, \$75.1 million SGF, while OSH's revised estimate was \$47.7 million, including \$34.8 million SGF. Overall, the expenditures increased by \$17.1 million, or 14.6 percent, above the amount approved by the 2021 Legislature. Significant items in the agencies' revised estimate includes the following:

- **FUNDING FOR OPERATIONS COST AT LSH.** LSH had several supplemental requests that pertained to additional costs associated with staffing coverage and food service at the hospital. As part of its revised estimate, LSH included a request for \$13.0 million SGF for anticipated contractual staffing expenditures to ensure adequate coverage at the hospital. As the agency has historically indicated, it continually relies on contractual staff and has found that the COVID-19 pandemic has created more of a need for these services. Additionally, the estimate included an increase associated for LSH's food service contract. The agency relies on a third-party to provide meals to its patients and received a revised estimate for the contract, which increased by 62.0 percent. This would result in a total increase of \$15.0 million SGF for operational costs at LSH in FY 2022.
- **SHIFT IN CATEGORY OF EXPENDITURE FOR OSH STAFFING.** Overall, OSH's revised estimate does not increase significantly. However, there is a \$2.4 million swap between salaries and wages expenditures and contractual services. As with LSH, OSH relies on contractual nursing staff to provide direct support coverage for the hospital when there is a shortage in FTE positions. The agency revised its

budget to include additional funding for contractual staff as it anticipates an increased vacancy rate in FY 2022. This does not result in an overall expenditure increase for OSH in FY 2022, but causes decreases in certain categories of expenditure.

The agency estimate also includes 1,425.0 FTE positions, which is a decrease of 4.0 FTE positions below the number approved by the 2021 Legislature.

The **Governor** recommends \$120.1 million, including \$95.8 million SGF, for expenditures in FY 2022. This is a decrease of \$14.2 million SGF below the agencies' FY 2022 revised estimate. Decreases in the recommendation are primarily related to the Governor not including several of the agencies' supplemental requests, including the following:

- **OPERATIONAL COSTS AT LSH.** The Governor's recommendation does not include the additional \$13.0 million SGF for LSH to fund additional contractual nursing staff. Additionally, subsequent to its budget submission, LSH revised its food contract estimate to \$893,000 SGF. As such, the Governor's recommendation adopts this new estimate for LSH's anticipated increase for its food service contract. This would result in a total decrease of \$13.5 million SGF below LSH's revised estimate in FY 2022.
- **SPTP SAFETY AND SECURITY FTEs.** The Governor does not recommend LSH's request for \$552,271 for 18.0 Safety and Security FTE positions for the SPTP program. The request was originally to fund these positions for half of FY 2022 and into FY 2023. However, while the Governor's recommendation does not include funding for FY 2022, it does include partial funding for FY 2023. This would result in a total decrease of \$552,241 SGF, and 18.0 FTE positions, below LSH's revised estimate in FY 2022.
- **OSH MICO HOUSE REAPPROPRIATION.** The Governor's recommendation does not include an additional \$53,759 that was inadvertently lapsed from the appropriation for OSH's SPTP reintegration unit. This would result in a total decrease of \$53,759 SGF below OSH's revised estimate in FY 2022.

The recommendation also includes 1,407.0 FTE positions, which is a decrease of 18.0 FTE positions below the agencies' FY 2022 revised number. The decrease is due to the Governor not recommending LSH's supplemental request for additional safety and security positions in FY 2022.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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## **Sec. 67 — Kansas Department for Aging and Disability Services**

The **agency** requests \$2.3 billion, including \$903.4 million SGF, for FY 2023. This is a decrease of \$19.4 million below the agency's FY 2022 revised estimate. Significant items in the agency request include the following:

- **DECREASING COVID-19 PANDEMIC RELIEF EXPENDITURES.** As the agency anticipates the pandemic's conclusion, the request for pandemic-related expenditures decreases. As such, the agency's FY 2023 request reflects a decrease of approximately \$10.3 million in COVID-19 pandemic-related transactions.
- **RETURN TO REGULAR FMAP DISTRIBUTION.** Similarly, the agency anticipates the increased FMAP associated with the COVID-19 pandemic will end in FY 2022. As such, the agency's submission reflects an increase of \$87.8 million SGF for the increased utilization of state funds for HCBS waiver services.
- **ENHANCEMENTS RELATED TO MEDICAID SERVICES.** The agency requests approximately \$34.7 million, including \$13.8 million SGF, for several enhancements related to Medicaid services. These enhancements are primarily centered around standardizing reimbursement rates between waivers and increasing funding to address waiver waitlists.
- **ENHANCEMENTS RELATED TO HCBS I/DD WAIVER.** The agency requests \$21.5 million, including \$9.0 million SGF, for several enhancements related to the I/DD waiver. These enhancements center around raising the reimbursement rate for specialized nursing services to match the rate for the TA waiver, and funding in order to bring individuals off the waitlist and onto the waiver.
- **ENHANCEMENTS RELATED TO OVERSIGHT OF FACILITIES.** The agency requests \$14.7 million, including \$9.0 million SGF, for several enhancements related to the agency's oversight of adult care homes. These enhancements are generally related to increasing the agency's staff to survey these facilities as well as additional funding to supplement its statutory background check requirements.

The revised estimate also includes 341.5 FTE positions, which is an increase of 16.0 FTE positions above the number included in the FY 2022 revised estimate. This increase is due to the agency's enhancement requests for additional staffing.

The **Governor** recommends \$2.4 billion, including \$970.4 million SGF, for FY 2023 expenditures. This is an increase of \$20.4 million, including \$67.0 million SGF, above the agency's FY 2023 request. Significant items in the Governor's recommendation include the following:

- **CONTINUATION OF FY 2022 INITIATIVES.** The Governor's recommendation includes the addition of \$28.0 million SGF to continue funding associated with the salary increase provided by the Governor's 24/7 facility pay plan, as well as funding for crisis intervention centers. For FY 2023, the Governor recommends that the expenditures for the 24/7 facility pay plan be funded with SGF moneys rather than federal ARPA funds.
- **EXPANSION OF MENTAL HEALTH SERVICES.** The Governor's recommendation includes \$19.3 million SGF in additional funding for mental health services. This includes initiatives to reduce the burden on the state hospitals through expanded

funding for mobile competency evaluations and expansion of regional hospital beds to provide inpatient mental health services.

- **SHIFT IN FUNDING FOR MENTAL HEALTH EXPENDITURES.** The Governor's recommendation includes shifting the source of approximately \$13.6 million in mental health related expenditures from special revenue funds to the SGF. These shifts move the expenditures from the State Highway Fund and the Children's Initiatives Fund.
- **DECREASES ASSOCIATED WITH ENHANCEMENTS.** The Governor's recommendation also includes a decrease of \$35.3 million, including \$17.7 million SGF, associated with the Governor not recommending adoption of several of the agency's enhancement requests.

The Governor's recommendation also includes 330.5 FTE positions, which is a decrease of 11.0 FTE positions below the agency's FY 2023 request. This decrease is due to the transfer of the KanCare Ombudsman to the Department of Administration and the partial adoption of the agency's enhancement request for additional survey and credentialing staff.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2023**

1. Add \$3.5 million SGF for additional nutritional program expenditures for FY 2023.
2. Add \$4.8 million SGF for mini-grants to assist in Certified Community Behavioral Health Clinic (CCBHCs) implementation for FY 2023.
3. Add \$7.7 million, including \$3.1 million SGF, and add language to increase the reimbursement rate for the T1000 Medicaid code for specialized nursing care from \$43.00 per hour to \$47.00 per hour, for FY 2023.
4. Add \$146.3 million, including \$58.5 million SGF, to provide a 30.0 percent reimbursement rate increase, excluding the T1000 Medicaid code for specialized nursing care, for providers of Home and Community Based Services Intellectual and Developmental Disability waiver services, for FY 2023.
5. Add \$65.2 million, including \$26.2 million SGF, to provide for a full rebase of the nursing facility daily Medicaid rate, for FY 2023. This amount is the difference between the amount to fully rebase the daily rate and the 3.0 percent increase already included in the Governor's recommendation for FY 2023. The full rebase amount is based on calendar year 2019, 2020, and 2021 cost data, however, the data for calendar year 2021 is an estimate.
6. Add \$500,000 SGF for FosterAdopt Connect to offer Behavioral Interventionist services for children with behavioral and emotional issues, for FY 2023.
7. Add \$12.5 million, including \$5.0 million SGF, to provide a 4.0 percent reimbursement rate increase for providers of Medicaid behavioral health services, for FY 2023.

8. Add \$2.0 million SGF to assist with staffing at Psychiatric Residential Treatment Facilities, for FY 2023.

9. Add language to the Other Medical Assistance SGF account for FY 2023 to allow for any unencumbered balance at the end of FY 2022 to reappropriate into FY 2023.

## Sec. 67 — State Institutions for Intellectual Disabilities

The State Institutions for Intellectual Disabilities (I/D Institutions) serve individuals diagnosed with intellectual and developmental disabilities who require specialized residential service provisions. There are two residential treatment, training, and care facilities operated by the State of Kansas: Kansas Neurological Institute (KNI) and Parsons State Hospital and Training Center (Parsons). Both facilities are state agencies administered by the Kansas Department for Aging and Disability Services (KDADS), pursuant to KSA 39-1904.

The **agencies** request \$61.0 million, including \$31.7 million SGF. This is an all funds increase of \$472,400, and an SGF increase of \$8.2 million, above the FY 2022 revised estimate. Significant items in the estimate include the following:

- **ENHANCEMENTS TO CONTINUE SALARY INCREASES.** Both hospitals submitted enhancement requests to continue the salary increases associate with Executive Directive Nos. 21-537 and 21-538. The agencies found means to cover these expenditures in FY 2022. KNI utilized increase federal funds the hospitals received due to COVID-19 pandemic relief funding, while Parsons utilized savings it realized due to an increased vacancy rate. Despite finding funds to cover these expenditures in FY 2022, the agencies anticipate requiring an SGF increase to their base budgets to continue these increases into the future. For FY 2023, the total cost for these salary increases is \$5.5 million SGF.
- **DECREASED TITLE XIX FUNDING.** The FY 2023 requests also includes decreased Title XIX funds for both agencies. Due to the COVID-19 pandemic, the Federal Medical Assistance Percentage (FMAP) rate was temporarily increased as a form of relief to allow for states to receive more federal funds for Medicaid expenditures. This increase will end at the end of the quarter when the federal COVID-19 public health emergency declaration expires. Currently, the declaration is set to expire in January 2022, which would continue the increased FMAP until March 2022. The total decrease is approximately \$7.7 million, which is offset with increases in SGF utilization for FY 2023.

The request also includes 927.7 FTE positions for FY 2023, which is an increase of 13.0 FTE positions above the FY 2022 revised estimate. This is due to Parsons' enhancement request for a behavioral health crisis unit at the hospital.

The **Governor** concurs with the agencies' request for FY 2023 expenditures.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 67 — State Institutions for Mental Health

The State Institutions for Mental Health (Mental Health Institutions) serve individuals diagnosed with severe and persistent mental illnesses who require inpatient treatment. There are two mental health institutions operated by the State of Kansas: Osawatomie State Hospital (OSH) and Larned State Hospital (LSH). Both facilities are state agencies administered by the Kansas Department for Aging and Disability Services (KDADS), pursuant to KSA 39-1904.

The **agencies** requests \$144.9 million, including \$123.5 million SGF, for expenditures for FY 2023. For LSH, the revised estimate is \$93.2 million including, \$83.8 million SGF, while OSH's request is \$51.8 million, including \$39.7 million SGF. Overall, the expenditures increased by \$10.6 million, or 7.9 percent, above the FY 2022 revised estimate. Significant items in the agency request include the following:

- **ADDITIONAL SPTP FUNDING.** LSH's request includes several enhancement requests related to increased services through the Sexual Predator Treatment Program (SPTP). These requests include funding for an additional SPTP unit as well as funding for addition staff to assist in the growing population of the SPTP. The hospital has indicated that the SPTP population is continuing to grow, and that the new participants appear to be increasingly aggressive. As such, the agency would like to increase its SPTP staff and services to account for this increasing population. This would result in a total increase of \$6.3 million SGF for the SPTP program for FY 2023.
- **ADDITIONAL STAFF FOR PSP AT LSH.** The request that LSH submitted includes \$1.4 million and 17.0 FTE positions for FY 2023 to add additional staff to the Psychiatric Services Program (PSP). The hospital reports that it had a waitlist for 96 days during FY 2021. The agency indicates that these positions are necessary to appropriately assess, treat and supervise, and discharge patients. The hospital's goal in increasing staff is to provide quicker services to individuals civilly committed, in an attempt to reduce the wait time for services at LSH. This would result in a total increase of \$1.4 million SGF for the PSP program for FY 2023.
- **MORATORIUM-RELATED INCREASES.** OSH's request includes two enhancement requests to assist in lifting the moratorium on voluntary admissions. The requests primarily relate to adding FTE positions and funding to staff the Biddle Building once the remodel has concluded and the addition of funding dedicated to a social detox program to assist individuals with substance use disorders who are admitted to the hospital. This would result in a total increase of \$2.4 million SGF for moratorium-related expenditures for FY 2023.

The agency request also includes 1,572.0 FTE positions, which is an increase of 147.0 FTE positions above the FY 2022 revised estimate amount. This increase is due to the agencies' enhancement requests for additional staffing at the hospitals.

The **Governor** recommends \$124.8 million, including \$103.3 million SGF, for FY 2023 expenditures. This is a decrease of \$20.2 million SGF below the agencies' FY 2023 request. Decreases in the Governor's recommendation are primarily related to the Governor not including several of the agencies' enhancement requests including the following:

- **LSH ENHANCEMENT REQUESTS.** As with FY 2022, the Governor's recommendation does not include the addition of \$13.0 million SGF for LSH to fund additional contractual nursing staff, nor the agency's enhancement request for additional FTE positions for the Psychiatric Services Program. This results in a total decrease of \$15.0 million SGF, and 17.0 FTE positions, below LSH's request for FY 2023.
- **ADDITIONAL SPTP FUNDING.** The Governor's recommendation does not include additional funding to expand the SPTP program. LSH's request includes several enhancements to expand the SPTP program by adding an additional SPTP unit as well as adding additional FTE positions for the current units. This would result in a total decrease of \$6.3 million SGF, and 96.0 FTE positions, below LSH's request for FY 2023.

Significant items in the Governor's recommendation that partially offset the decreases discussed above include the following:

- **MORATORIUM-RELATED INCREASES.** The Governor's recommendation adopts OSH's two enhancement requests to assist in lifting the moratorium on voluntary admissions. These requests were to add FTE positions and funding to staff the Biddle Building and the addition of a social detox program to assist individuals with substance use disorders who are admitted to the hospital. This would result in a total increase of \$3,018 SGF, due to a technical correction to OSH's request for FY 2023.
- **OPERATIONAL AND UPGRADE COSTS AT LSH.** The recommendation adopts several enhancements for operational costs and upgrades at the state hospital. This includes \$893,000 for anticipated increases to its food services contract. LSH's request was originally \$1.4 million, but subsequent to its budget submission, LSH revised its food contract estimate to \$893,000 SGF. The recommendation also includes LSH's requests to upgrade the phone systems at the hospital as well as upgrades and FTE positions for the State Security Program. This does not result in an increase in expenditures above LSH's request for FY 2023, but causes a shift in the source of funding.
- **SALARY INCREASES.** The recommendation also includes funding associated with the Governor's Executive Directives (EDs) Nos. 21-537 and 21-538 to increase salaries for direct care staff in order to assist in staff retention issues. The recommendation includes a total of \$1.5 million SGF. Originally, only LSH included an enhancement request to fund the increases. This would result in a total increase of \$1.2 million SGF above OSH's request for FY 2023.

The recommendation also includes 1,459.0 FTE positions, which is a decrease of 113.0 FTE positions below the agencies' FY 2023 request. The decrease is due to the Governor not recommending a majority LSH's enhancement requests for additional positions for the SPTP and PSP Programs for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2023**

1. Delete \$993,018 SGF and 5.0 FTE positions to not include the agency's enhancement request for a social detox unit for FY 2023.

**Sec. 68 — Department for Children and Families**

The **agency** requests FY 2022 expenditures of \$1.1 billion, including \$365.4 million SGF. This is an all funds increase of \$335.1 million, or 42.4 percent, above the amount approved by the 2021 Legislature. This increase is largely attributable to increased federal funding made available due to the COVID-19 pandemic for assistance programs such as Temporary Assistance for Needy Families (TANF) pandemic funds, the Low Income Energy Assistance Program (LIEAP), the Low Income Water Assistance Program, and funding for child care providers. This is an SGF decrease of \$500,247, or 0.1 percent, below the agency's approved amount. This is primarily attributable to a decrease in the Kansas Public Employees Retirement System (KPERs) employer contribution rate and moneys inadvertently apportioned for the Hope Ranch pilot program twice during the 2021 Legislative budget process.

The SGF decrease is partially offset by an increase in unemployment insurance employer contributions in FY 2022. The FY 2022 revised estimate includes 2,657.9 FTE positions, which is an increase of 108.0 FTE positions above the approved amount. This increase is primarily due to several pandemic-funded positions that will be deleted once the pandemic funds are expended.

The **Governor** recommends FY 2022 expenditures of \$1.1 billion, including \$348.1 million SGF. This is an all funds decrease of \$18.4 million, or 1.6 percent, below the agency's FY 2022 revised estimate for human services consensus caseload estimates. The Governor's recommendation also includes an SGF decrease of \$17.0 million, or 7.4 percent, below the agency's FY 2022 revised estimate. In October 2021, the human services consensus caseloads estimate for FY 2022 was a decrease of \$1.9 million federal funds for TANF cash assistance and a decrease of \$16.5 million, including \$17.0 million SGF, for foster care below the prior estimate. The decrease in the TANF cash assistance estimate is primarily attributable to the availability of federal COVID-19 stimulus funds.

The decrease in the foster care program is primarily attributable to \$10.0 million in reappropriated SGF moneys from FY 2021, as well as maintaining case management provider rates at the FY 2021 levels as adopted from the reduced resources options presented to the 2021 Legislature. While the projected number of children in the program is slightly lower than the spring estimate, there is a slight increase in the projected average cost per child. The Governor also recommends 2,657.9 FTE positions, which is the same number as the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 69 — Department for Children and Families

The **agency** requests FY 2023 expenditures of \$979.3 million, including \$371.0 million SGF. This is an all funds decrease of \$145.4 million, or 12.9 percent, below the FY 2022 revised estimate. This decrease is largely attributable to federal COVID-19 relief funds that are no longer available for FY 2023. This decrease is partially offset by 11 enhancement requests totaling \$23.5 million, including \$15.6 million SGF. This is an SGF increase of \$6.0 million, or 1.6 percent, above the agency's FY 2023 request. The increase is primarily attributable to the agency's 11 enhancement requests.

The **Governor** recommends FY 2023 expenditures of \$972.5 million, including \$367.3 million SGF. This is an all funds decrease of \$6.7 million, or 0.7 percent, below the agency's FY 2023 request. This decrease is primarily attributable to adopting the human services consensus caseloads fall 2021 estimate and not recommending all of the agency's enhancement requests.

In October 2021, the human services consensus caseloads estimate for FY 2023 was a decrease of \$2.3 million federal funds for TANF cash assistance and an increase of \$500,000, including \$1.0 million SGF, for foster care from the prior estimate. The increase in foster care is due to an anticipated fluctuation in contract expenditures based on changing acuity and service needs of children in care. This increase also includes replacing \$3.0 million from special revenue funds that was a one-time reduction as a part of the Governor's reduced resources budget in FY 2022.

The Governor funds \$18.6 million, including \$10.9 million SGF, of the agency's enhancements. The Governor recommends four of the agency's eleven enhancement requests in full. These enhancements include: protection specialists salary increase (\$3.7 million), Kansas Management Information System replacement (\$3.5 million), Amazon Connect Virtual Call Center (\$1.9 million), and Families First Prevention Services program increase (\$7.0 million). In addition, the Governor recommends partial acceptance of three additional enhancement requests.

These enhancements include: Families First Prevention Services SGF only grants (\$1.4 million), Independent Living subsidy for foster youth (\$756,000), and capital improvements budget (\$450,000).

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

### **FY 2023**

1. Add \$10.0 million SGF for workforce recruitment and retention incentives for child placing agencies and licensed facilities, including qualified residential treatment programs, for FY 2023.
2. Add \$158,531 SGF and 2.0 FTE positions for communication access services within the Kansas Commission for the Deaf and Hard of Hearing for FY 2023.
3. Add language requiring the agency to provide the Cerebral Palsy Research Foundation of Kansas with \$125,000, from existing resources, for the purpose of purchasing and providing durable medical equipment for individuals with disabilities in the state of Kansas, for FY 2023.

## Sec. 70 — Kansas Guardianship Program

The **agency** requests \$1.4 million, all SGF, for FY 2023. This is the same as the agency's FY 2022 revised estimate. The agency requests 10.0 FTE positions, which is the same as the agency's FY 2022 revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 71 — Kansas State Department of Education

The **agency** requests a revised estimate of \$6.1 billion, including \$4.2 billion SGF, in FY 2022. This is an all funds increase of \$314.3 million, or 5.4 percent, and an SGF decrease of \$31.3 million, or 0.7 percent, from the amount approved by the 2021 Legislature. Significant items in the agency estimate include the following:

- **FEDERAL COVID-19 FUNDING.** The agency's revised estimate in FY 2022 includes \$345.0 million from federal COVID-19-relief funding. The majority of this funding will be awarded to unified school districts (USDs) for COVID-19-related expenditures. More information on this funding can be found online in the KLRD memorandum "COVID-19 Federal Funds for K-12 Education." This includes:
  - Lapsing \$9.0 million, all from the federal Elementary and Secondary School Emergency Relief (ESSER) Fund, which was appropriated by the 2021 Legislature for School Safety and Security Grants, the Mental Health Intervention Team (MHIT) Pilot Program, and Communities in Schools;
  - Adding \$329.0 million to reflect a portion of the federal ESSER Fund moneys appropriated by Congress in federal legislation, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan Act (ARPA);
  - Adding \$16.3 million to reflect federal Emergency Assistance to Nonpublic Schools (EANS) funding for private schools; and
  - Adding \$8.7 million for emergency child nutrition funding under CRRSAA.
- **KPERS EMPLOYER CONTRIBUTION RATE DECREASE.** The agency's revised estimate includes the deletion of \$31.3 million from the approved amount to reflect decreased KPERS employer contribution rates for KPERS-USDs and KPERS Non-USDs. This is partially offset by the reappropriations noted above.
- **SPECIAL REVENUE FUND REAPPROPRIATIONS.** The agency requests \$452,055, all from the Children's Initiative Fund and KEY Fund, be reappropriated from FY 2021 to FY 2022.

The **Governor** recommends expenditures of \$6.5 billion, including \$4.6 billion SGF, in FY 2022. This is an increase of \$404.4 million, or 6.6 percent, including an SGF increase of \$394.1 million, or 9.4 percent, above the agency's FY 2022 revised estimate. The increase is primarily attributable to the Governor recommending a one-time appropriation to eliminate delayed school payments and to pay off the KPERS layering payments in FY 2022. Significant items in the Governor's recommendation include the following:

- **EDUCATION CONSENSUS ADJUSTMENT.** The Governor recommends adoption of the fall 2021 education consensus estimates in FY 2022. For school finance, the Governor recommends decreased expenditures of \$34.8 million, including \$45.1 million SGF, below the approved amount and below the agency's revised estimate. For KPERS, the Governor recommends decreased expenditures of \$35.1 million, all SGF, below the approved amount and below the agency's revised estimate.
- **EDUCATION SUPERHIGHWAY.** The Governor recommends additional expenditures of \$178,986 SGF for the state match for the Education SuperHighway program in FY 2022. The Education SuperHighway program supports school building access to high-speed internet. USD 361 Chaparral notified KSDE that its E-rate funding application was approved in FY 2022, which would require additional funding.
- **ELIMINATE DELAYED SCHOOL PAYMENT.** The Governor recommends additional expenditures of \$199.6 million SGF to eliminate delayed state aid payments to school districts in FY 2022. This one-time expenditure will allow the state to make timely payments for obligations incurred in the same fiscal year and will end the current accounting practice.
- **KPERS LAYERING PAYMENT PAYOFF.** The Governor recommends additional expenditures of \$253.9 million SGF in FY 2022, to pay off the KPERS-School payments to eliminate the debt owed to the State's retirement system. This recommendation by the Governor is estimated to save the state an aggregate of \$189.9 million in interest payments over each loan's final maturity.

The Governor's recommendation also includes 269.3 FTE positions, which is unchanged from the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2022**

1. Delete \$253.9 million SGF for the KPERS Layering Payment Payoff in FY 2022, as the transfer is included in the provisions of SB 421.
2. Delete \$199.6 million SGF to eliminate delayed school payments in FY 2022 and move this amount to FY 2023 for the same purpose.

**Sec. 72 — Kansas State Department of Education**

The **agency** requests \$6.5 billion, including \$4.4 billion SGF, for FY 2023. This is an all funds increase of \$354.8 million, or 5.8 percent, including an SGF increase of \$187.9 million, or

4.5 percent, above the FY 2022 revised estimate. The increase is primarily due to anticipated school finance increases, additional federal COVID-19 pandemic relief funding, and 12 enhancement requests totaling \$84.7 million, including \$83.7 million SGF. The FY 2023 agency request includes 269.3 FTE positions, which is the same number as the FY 2022 revised estimate. Significant items in the agency request include the following:

- **FEDERAL COVID FUNDING.** The agency request includes \$479.1 million to reflect federal ESSER (\$458.2 million) and EANS (\$20.8 million) funds for FY 2023. This is an increase of \$124.9 million above the FY 2022 revised estimate.
- **APPROVED SCHOOL FINANCE INCREASES.** The agency request includes school finance increases approved by the 2021 Legislature, including increases to Special Education State Aid (\$7.5 million), State Foundation Aid (\$86.6 million), Supplemental State Aid (\$10.4 million), and Capital Outlay State Aid (\$2.4 million) above the FY 2022 revised estimate.
- **KPERS RATE ADJUSTMENTS.** The agency's request includes KPERS rate adjustments totaling \$9.8 million, all SGF.

The **Governor** recommends expenditures of \$6.4 billion, including \$4.2 billion SGF, for FY 2023. This is a decrease of \$127.3 million, including an SGF decrease of \$152.3 million, below the agency's FY 2023 request. The overall decrease is primarily attributable to the Governor recommending adoption of the fall 2021 education consensus adjustment. The SGF decrease is also partially attributable to the decrease in KPERS layering payment expenditures due to the Governor's recommendation to pay off the KPERS layering payments in FY 2022. Additional decreases in the Governor's recommendation include the following:

- **ENHANCEMENT—SPECIAL EDUCATION SERVICES STATE AID.** The Governor's recommendation includes a decrease of \$74.1 million SGF to not recommend adoption of the agency's enhancement request for Special Education State Aid for FY 2023.
- **ENHANCEMENT—COMMUNITIES IN SCHOOLS.** The Governor's recommendation includes a decrease of \$35,000 SGF to not recommend adoption of the agency's enhancement request to increase the funding for the Communities in Schools program.

Partially offsetting these decreases in the Governor's recommendation are several recommendations for additional expenditures, including recommending adoption of 5, and partial adoption of 1, of the agency's 12 enhancement requests. The Governor also recommends expenditures of \$31.1 million, all from special revenue funds, for the Children's Cabinet for FY 2023. This is an increase of \$500,000, all from the Children's Initiatives Fund (CIF), above the agency's FY 2023 request. This increase is attributable to the Governor recommending expenditures of \$500,000 for Dolly Parton's Imagination Library.

The Governor's recommendation also includes 270.3 FTE positions, which is 1.0 FTE position above the agency's FY 2023 request. This additional FTE position is attributable to the Governor's recommendation for a Dyslexia Coordinator. The Governor also recommends a transfer from the KEY Fund to the CIF in the amount of \$52.3 million for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2023**

1. Add language to allow the Kansas Department of Education to distribute excess funds in the Local School District Contributions Checkoff Fund to school districts for FY 2023.
2. Add \$199.6 million SGF to eliminate delayed school payments for FY 2023.
3. Add language to increase virtual state aid from \$5,000 for each full-time pupil to \$5,600 for each full-time pupil for FY 2023, from existing resources.

**Sec. 73 — Kansas State Department of Education**

The **Governor** recommends expenditures of \$3.1 billion, all SGF, for FY 2024, including \$2.6 billion for the SGF portion of State Foundation Aid, and \$568.2 million for Supplemental State Aid, which provides equalization for school districts' Local Option Budgets. The Governor's recommendation does not include expenditures for the other components of the State Foundation Aid, which are the 20-mill property tax levy, the School District Finance Fund (operation local property taxes), and the Mineral Production Education Fund. The Governor's recommendation does not include Special Education State Aid, KPERS-USDs, KPERS-Non-USDs, Capital Outlay State Aid, Capital Improvement State Aid, other aid programs, the Children's Cabinet, or the Department of Education operating budget.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 74 — State Library**

The **agency** requests a revised estimate of \$8.5 million, including \$4.0 million SGF, in FY 2022. This is an all funds increase of \$2.6 million, or 44.7 percent, with an SGF decrease of \$3,062, or 0.6 percent, from the amount approved by the 2021 Legislature. Significant items in the agency estimate include the following:

- **AMERICAN RESCUE PLAN ACT (ARPA).** ARPA appropriated \$2.6 million in additional funding for libraries through the Federal Library Services and Technology Act (LSTA) Fund. This funding has primarily been awarded to libraries across the state. The revised estimate includes 30.5 FTE positions, which is 0.5 FTE positions below the number approved by the 2021 Legislature.

The **Governor** concurs with the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 75 — State Library

The **agency** requests \$5.9 million, including \$4.0 million SGF, for FY 2023 expenditures. This is an all funds decrease of \$2.6 million, or 30.9 percent, and an SGF decrease of \$24,529, or less than 1.0 percent, below the FY 2022 revised estimate. Significant items in the agency request include the following:

- **END OF ARPA COVID FUNDING.** The agency's request decreases from FY 2022 to FY 2023 primarily due to the anticipated end of one-time funding received under ARPA for COVID-19-related expenditures. The majority of the funding was through the LSTA Fund and was distributed to public libraries (\$2.1 million). The remainder was expended for access to the TumbleBooks database for three years.
- **LANDON BUILDING RENT.** The FY 2022 approved amount included \$30,000, all SGF, for moving or remodeling the State Library offices. In October 2021, statewide services staff moved to office space in the Landon State Office Building. The agency anticipates rent expenditures totaling \$33,000 for FY 2023 for this staff's office space. The revised estimate includes 29.5 FTE positions for FY 2023, which is 1.0 FTE position below the FY 2022 revised estimate number.

The **Governor** concurs with the agency's FY 2023 request.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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## Sec. 76 — Kansas State School for the Blind

The **agency** requests a revised estimate of \$7.9 million, including \$5.8 million SGF, in FY 2022. This is an all funds increase of \$103,625, or 1.3 percent, and an SGF decrease of \$13,063, or 0.2 percent, from the amount approved by the 2021 Legislature. The revised estimate includes 81.5 FTE positions, which is the same number approved by the 2021 Legislature. The revised estimate includes an operating budget of \$7.0 million, including \$5.8 million SGF, in FY 2022. This is an all funds increase of \$103,137, or 1.5 percent, and an SGF decrease of \$13,063, or 0.2 percent, from the amount approved by the 2021 Legislature. The increase is primarily due to increased expenditures from the General Fee Fund. General Fee Fund revenue and expenditures fluctuate according to the number of students needing paraprofessional assistance.

The **Governor** recommends total expenditures of \$7.9 million, including \$5.8 million SGF, in FY 2022. This is an increase of \$12,533 SGF, or 0.2 percent, above the agency's FY 2022 revised estimate. The Governor recommends adding \$12,533 SGF in FY 2022 to implement the 24/7 pay initiative recommended by the SPARK Taskforce and approved by the State Finance Council. The plan provides a temporary base pay increase for hourly and salaried staff, pay differentials for hourly personnel, and one-time premium pay allocations up to \$3,500 for salaried staff. The recommendation includes 81.5 FTE positions, which is the same number as the agency's revised estimate in FY 2022.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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## Sec. 77 — Kansas State School for the Blind

The **agency** requests \$8.6 million, including \$5.9 million SGF, for FY 2023. This is an all funds increase of \$699,782, or 8.8 percent, including an SGF increase of \$63,108, or 1.1 percent, above the FY 2022 revised estimate. The agency request includes 81.5 FTE positions, which is the same as the FY 2022 revised estimate. The request includes an operating budget of \$7.1 million, including \$5.9 million SGF, for FY 2023. This is an all funds increase of \$84,456, or 1.2 percent, and an SGF increase of \$63,108, or 1.1 percent, above the FY 2022 revised estimate. This increase is primarily due to increased SGF for salaries and wages pursuant to KSA 76-11a16 and new federal grant funding. Pursuant to KSA 76-11a16, the FY 2023 agency request includes \$48,519 for teacher salary increases. KSA 76-11a16 requires KSSB to provide salaries for teachers and certain staff that are commensurate with salaries for staff at USD 233 Olathe the prior year.

The **Governor** recommends total expenditures of \$8.4 million, including \$5.9 million SGF, for FY 2023. This is an all funds decrease of \$220,725, or 2.6 percent, and an SGF increase of \$44,275, or 0.7 percent, from the agency's FY 2023 request. The Governor's recommendation includes an increase of \$21,000 SGF to fund the KSA 76-11a16 required salary increase. The agency's FY 2023 request includes \$50,000 for this purpose. However, USD 233 Olathe completed teacher salary negotiations, which would require an additional \$21,000 above the FY 2023 agency request. Therefore, the Governor's recommendation includes total expenditures of \$71,000 SGF for FY 2023 to fund these statutory salary increases. The Governor also recommends adding \$23,275 SGF for FY 2023 to continue the 24/7 pay initiative recommended by the SPARK Taskforce and approved by the State Finance Council. For FY 2023, the plan provides a continuation of the temporary base pay increase as well as temporary pay differentials for hourly personnel.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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## Sec. 78 — Kansas State School for the Deaf

The **agency** requests a revised estimate of \$12.5 million, including \$9.6 million SGF, in FY 2022. This is an all funds increase of \$763,560, or 6.5 percent, and an SGF decrease of \$23,331, or less than 1.0 percent, from the amount approved by the 2021 Legislature. The revised estimate includes 143.5 FTE positions, which is the same as the number approved by the 2021 Legislature.

The revised estimates includes an operating budget of \$11.3 million, including \$9.6 million SGF, in FY 2022. This is an all funds increase of \$750,099, or 7.1 percent, and an SGF decrease of \$23,331, or 0.2 percent, from the amount approved by the 2021 Legislature. The all funds increase is primarily attributable to funding transferred from the Kansas State Department of Education (KSDE) and the Kansas Department of Health and Environment (KDHE) to fund Phase 3 of the LAP (\$545,738) and increased special revenue funds. The increase for the LAP was transferred from KSDE (\$200,000) and KDHE (\$345,738) from unused funds in FY 2021.

The **Governor** recommends expenditures of \$12.5 million, including \$9.6 million SGF, in FY 2022. This is an increase of \$17,833 SGF above the agency's FY 2022 revised estimate due to the Governor's recommendation to implement the 24/7 pay initiative recommended by the SPARK Taskforce and approved by the State Finance Council. The plan provides a temporary

base pay increase for hourly and salaried staff, pay differentials for hourly personnel, and one-time premium pay allocations up to \$3,500 for salaried staff.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 79 — Kansas State School for the Deaf**

The **agency** requests \$13.1 million, including \$10.4 million SGF, for FY 2023. This is an all funds increase of \$585,867, or 4.7 percent, including an SGF increase of \$856,141, or 8.9 percent, above the FY 2022 revised estimate. This request includes 143.5 FTE positions, which is the same as the FY 2022 revised estimate number. The agency request includes an operating budget of \$11.6 million, including \$10.4 million SGF, for FY 2023. This is an all funds increase of \$261,992, or 2.3 percent, and an SGF increase of \$856,141, or 8.9 percent, above the FY 2022 revised estimate. This increase is primarily attributable to increased expenditures for salaries and wages for staff and for contractual services due to the agency's enhancement requests for increase dorm and paraprofessional salaries and the implementation of Phase 3 and Phase 4 of the Language Assessment Program (LAP). The SGF increase is partially offset by decreased special revenue funds to reflect the end of one-time funding for the LAP Phase 3 from KDHE and KSDE. Without the enhancement requests, the agency's FY 2023 operating budget request totals \$10.8 million, including \$9.7 million SGF. Significant items in the agency request include the following:

- **TEACHER SALARY INCREASE.** KSA 76-11a17 requires teachers at KSSD be paid the same as teachers at USD 233 Olathe in the prior year. The agency's FY 2023 budget includes \$75,094 associated with these teacher salary and wage increases. This is a 2.5 percent increase from FY 2022.
  
- **ENHANCEMENT FOR DORM/PARAPROFESSIONAL SALARY INCREASE.** The agency requests \$112,820 SGF for a 10.0 percent increase for dorm and paraprofessional staff salaries and wages. The agency stated this funding is necessary to compete with other higher paying job opportunities in the area and recruit and retain dorm and paraprofessional staff.
  
- **ENHANCEMENT FOR LAP PHASE 3 AND PHASE 4 IMPLEMENTATION.** The agency requests \$658,865 SGF to implement Phase 3 and Phase 4 of the LAP in FY 2023. Funding for Phase 3 implementation (\$466,658) includes expenditures for salaries and wages for three specialists and one interpreter positions, assessment tools, training and travel costs, and technology. Funding for Phase 4 implementation (\$192,207) includes expenditures for salaries and wages for 2.5 FTE positions, assessment tools, training costs, and technology.

The **Governor** recommends expenditures of \$12.5 million, including \$9.9 million SGF, for FY 2023. This is an SGF decrease of \$569,736, or 4.6 percent, below the agency's FY 2023 request. The decrease is primarily attributable to the Governor not recommending the agency's enhancement requests for Phase 3 and Phase 4 implementation of the LAP. The decrease is partially offset by \$56,010 in additional funding for the KSA 76-11a17 salary increases, which brings the total expenditures for these increases to \$131,010 SGF. Additionally, the

recommendation includes \$33,119 associated with the Governor's pay plan for nursing positions.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2023**

1. Add \$386,000 SGF for children age birth to 2 (up to the child's 3rd birthday) Language Assessment Program (LAP) for FY 2023.
2. Add language requiring the Kansas School for the Deaf to implement a fee for service model to fund the full implementation of the LAP for children ages 3-8 through fees billed to school districts up to \$493,157 for FY 2023.
3. Add language that the Language Assessment Fee Fund shall be established, as a no-limit fund, for the purpose of assessing a fee for service for the LAP to the Kansas School for the Deaf for FY 2023.

**Sec. 80 — State Historical Society**

The **agency** estimates total expenditures of \$7.9 million, including \$4.3 million SGF, in FY 2022. The revised estimate is an all funds increase \$879,487, or 12.5 percent, and an SGF decrease of \$6,497, or 0.2 percent, from the FY 2022 approved amount. The revised estimate also includes 85.5 FTE positions, which is the same as the FY 2022 approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 81 — State Historical Society**

The **agency** requests FY 2023 expenditures of \$7.3 million, including \$4.5 million SGF. This is an all funds decrease of \$586,532, or 7.4 percent, and an SGF increase of \$264,313, or 6.2 percent, from the FY 2022 revised estimate.

This includes an enhancement request of \$453,867, all SGF, for operations in support of new exhibits at the Kansas Museum of History. The decrease in expenditures is related to reduced collection of fees due to the COVID-19 pandemic and federal grants. The request also includes 85.5 FTE positions, which is the same number as the FY 2022 revised estimate.

The **Governor** recommends expenditures of \$7.5 million, including \$4.7 million SGF. This is an SGF increase of \$125,000, or 1.7 percent, above the agency's FY 2023 request. The recommendation also includes 85.5 FTE positions, which is the same number as the FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 82 — Fort Hays State University

The **agency** requests a budget of \$144.5 million, including \$36.9 million SGF, for FY 2022. This is an all funds decrease of \$359,165, or 0.2 percent, including an SGF increase of \$944,683, or 2.6 percent, from the FY 2022 approved amount. The decrease is primarily due to reduced expenditures in capital outlay (\$2.4 million) with an offsetting increase of contractual services (\$1,110,993), while the SGF increase is due to the transfer of one-time SGF expenditures from the 2021 Session in FY 2022 by the Board of Regents to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds and additional employee benefits.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 83 — Fort Hays State University

The **agency** requests an operating budget of \$130.1 million, including \$36.1 million SGF, for FY 2023. This is an all funds decrease of \$2.6 million, or 2.0 percent, including an SGF decrease of \$810,530, or 2.2 percent, below the FY 2022 revised estimate. The decrease is primarily due to reduced expenditures in other assistance (\$2.8 million), while the SGF decrease is due to the increase of one-time SGF expenditures from the 2021 Session in FY 2022 to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds. The other assistance decrease is due to the increase of one-time SGF expenditures in need-based aid from the 2021 Session in the FY 2022 budget to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds, which are not part of the FY 2023 budget. FTE position adjustments are due to the fluctuations of grants, federal funds, and programs.

The **Governor** concurs with the agency's budget request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

### **FY 2023**

1. Add \$500,000 SGF for cybersecurity initiative operating expenditures for FY 2023 and review at Omnibus.

## Sec. 84 — Kansas State University

The **agency** requests a budget of \$650.0 million, including \$115.7 million SGF, for FY 2022. This is an all funds increase of \$73.0 million, or 12.6 percent, including an SGF increase of \$4.4 million, or 4.0 percent, from the FY 2022 approved amount. The increase is primarily due to increased expenditures in all expenditure categories, while the SGF increase is due to the transfer of one-time SGF expenditures from the 2021 Session in FY 2022 by the Board of Regents to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds and additional employee benefits.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 85 — Kansas State University**

The **agency** requests an operating budget of \$553.8 million, including \$111.6 million SGF, for FY 2023. This is an all funds decrease of \$59.1 million, or 9.6 percent, including an SGF decrease of \$4.1 million, or 3.5 percent, below the FY 2022 revised estimate. The decrease is due to reductions in all expenditure categories mostly due to the decrease of federal funds for FY 2023. The SGF decrease is due to the operating grant transfer and need-based aid transfers from the Board of Regents after the 2021 Session in the FY 2022 budget, which are not part of the FY 2023 budget. FTE position adjustments are due to the fluctuations of grants, federal funds, and programs.

The **Governor** concurs with the agency's budget request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 86 — Kansas State University – Extension Systems and Agricultural Research Programs**

The **agency** requests a budget of \$157.9 million, including \$50.6 million SGF, for FY 2022. This is an all funds increase of \$1.2 million, or 0.8 percent, including an SGF increase of \$89,665, or 0.2 percent, from the FY 2022 approved amount.

The increase is primarily due to increased expenditures in salaries and wages (\$6.9 million) with offsetting decreases in contractual services (\$4.8 million) and other assistance (\$1.6 million), while the SGF increase is due to the transfer of one-time SGF expenditures from the 2021 Session in FY 2022 by the Board of Regents to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds and additional employee benefits.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 87 — Kansas State University – Extension Systems and Agricultural Research Programs**

The **agency** requests an operating budget of \$157.9 million, including \$50.7 million SGF, for FY 2023. This is an all funds increase of \$144,197, or 0.1 percent, and an SGF increase of \$67,067, or 0.1 percent, above the FY 2022 revised estimate. The increase is primarily due to additional salaries and wages fringe benefit expenditures. FTE position adjustments are due to the fluctuations of grants, federal funds, and programs.

The **Governor** concurs with the agency's budget request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 88 — Kansas State University Veterinary Medical Center**

The **agency** requests a budget of \$72.6 million, including \$15.5 million SGF, for FY 2022. This is an all funds increase of \$2.9 million, or 4.1 percent, including an SGF increase of \$26,978, or 0.2 percent, from the FY 2022 approved amount. The increase is primarily due to increased expenditures in salaries and wages (\$2.9 million) and commodities (\$1.2 million) with offsetting decreases in capital outlay (\$1.3 million), while the SGF increase is due to the transfer of one-time SGF expenditures from the 2021 Session in FY 2022 by the Board of Regents to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds and additional employee benefits.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 89 — Kansas State University Veterinary Medical Center**

The **agency** requests an operating budget of \$72.3 million, including \$15.6 million SGF, for FY 2023. This is an all funds increase of \$91,522, or 0.1 percent, including an SGF increase of \$20,011, or 0.1 percent, above the FY 2022 revised estimate. The increase is primarily due to additional salaries and wages fringe benefit expenditures (\$72,801).

The **Governor** concurs with the agency's budget request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 90 — Emporia State University**

The **agency** requests a budget of \$113.4 million, including \$34.8 million SGF, for FY 2022. This is an all funds increase of \$16.6 million, or 17.1 percent, including an SGF increase of \$921,488, or 2.7 percent, from the FY 2022 approved amount. The increase is primarily due to increased expenditures in other assistance (\$7.9 million) with an offsetting decrease in salaries and wages (\$1.5 million), while the SGF increase is due to the transfer of one-time SGF expenditures from the 2021 Session in FY 2022 by the Board of Regents to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds and additional employee benefits.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 91 — Emporia State University

The **agency** requests an operating budget of \$91.1 million, including \$34.1 million SGF, for FY 2023. This is an all funds decrease of \$10.2 million, or 10.1 percent, including an SGF decrease of \$734,492, or 2.1 percent, below the FY 2022 revised estimate. The decrease is primarily due to reduced expenditures in contractual services (\$2.0 million) and other assistance (\$6.6 million), while the SGF decrease is due to the increase of one-time SGF expenditures from the 2021 Session in FY 2022 to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds. The other assistance decrease is due to the increase of one-time SGF expenditures in need-based aid from the 2021 Session in the FY 2022 budget to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds, which are not part of the FY 2023 budget. The expenditure of federal funds also decreases for FY 2023. FTE position adjustments are due to the fluctuations of grants, federal funds, and programs.

The **Governor** concurs with the agency's budget request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 92 — Pittsburg State University

The **agency** requests a budget of \$141.9 million, including \$38.9 million SGF, for FY 2022. This is an all funds increase of \$35.4 million, or 33.2 percent, including an SGF increase of \$1.0 million, or 2.7 percent, from the FY 2022 approved amount. The increase is primarily due to increased expenditures in contractual services (\$7.4 million) and capital outlay (\$9.2 million) with an offsetting decrease in salaries and wages (\$1.5 million), while the SGF increase is due to the transfer of one-time SGF expenditures from the 2021 Session in FY 2022 by the Board of Regents to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds and additional employee benefits.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 93 — Pittsburg State University

The **agency** requests an operating budget of \$101.3 million, including \$38.0 million SGF, for FY 2023. This is an all funds decrease of \$25.2 million, or 19.9 percent, including an SGF decrease of \$871,312, or 2.2 percent, below the FY 2022 revised estimate. The decrease is primarily due to decreases in expenditures of federal funds for FY 2023. The SGF decrease is due to the operating grant transfer and need-based aid transfers from the Board of Regents after the 2021 Session in the FY 2022 budget, which are not part of the FY 2023 budget. FTE position adjustments are due to the fluctuations of grants, federal funds, and programs.

The **Governor** concurs with the agency's budget request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 94 — University of Kansas

The **agency** requests a budget of \$799.8 million, including \$145.7 million SGF, for FY 2022. This is an all funds increase of \$53.8 million, or 7.2 percent, including an SGF increase of \$3.9 million, or 2.8 percent, from the FY 2022 approved amount. The increase is primarily due to increased expenditures in contractual services (\$32.7 million) and other assistance (\$13.5 million) with an offsetting decrease in salaries and wages (\$15.7 million), while the SGF increase is due to the transfer of one-time SGF expenditures from the 2021 Session in FY 2022 by the Board of Regents to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds and additional employee benefits.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 95 — University of Kansas

The **agency** requests an operating budget of \$743.7 million, including \$142.3 million SGF, for FY 2023. This is an all funds decrease of \$19.4 million, or 2.5 percent, including an SGF decrease of \$3.4 million, or 2.3 percent, below the FY 2022 revised estimate. The decrease is due to reductions in most expenditure categories due to the decrease of federal funds for FY 2023. There is a slight increase in salaries and wages of \$625,601, or 0.1 percent. The SGF decrease is due to the operating grant transfer and need-based aid transfers from the Board of Regents after the 2021 Session in the FY 2022 budget, which are not part of the FY 2023 budget. FTE position adjustments are due to the fluctuations of grants, federal funds, and programs.

The **Governor** concurs with the agency's budget request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 96 — University of Kansas Medical Center

The **agency** requests a budget of \$499.7 million, including \$115.2 million SGF, for FY 2022. This is an all funds increase of \$33.7 million, or 7.2 percent, including an SGF increase of \$2.9 million, or 2.6 percent, from the FY 2022 approved amount. The increase is primarily due to increased expenditures in all expenditure categories, while the SGF increase is due to the transfer of one-time SGF expenditures from the 2021 Session in FY 2022 by the Board of Regents to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds and additional employee benefits.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 97 — University of Kansas Medical Center

The **agency** requests an operating budget of \$486.6 million, including \$112.3 million SGF, for FY 2023. This is an all funds increase of \$6.0 million, or 1.3 percent, including an SGF decrease of \$2.9 million, or 2.5 percent, from the FY 2022 revised estimate. The all funds increase is due to increases in expenditures in salaries and wages (\$1.1 million), contractual services (\$5.9 million), commodities (\$281,119), and capital outlay (\$2.1 million), with a partially offsetting decrease of \$3.2 million in other assistance. The decrease in SGF moneys and other assistance is due to the operating grant transfer and need-based aid transfers from the Board of Regents after the 2021 Session in the FY 2022 budget, which are not part of the FY 2023 budget. FTE position adjustments are due to the fluctuations of grants, federal funds, and programs.

The **Governor** concurs with the agency's budget request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 98 — Wichita State University

The **agency** requests a budget of \$535.9 million, including \$86.1 million SGF, for FY 2022. This is an all funds increase of \$105.2 million, or 24.4 percent, including an SGF increase of \$1.9 million, or 2.2 percent, from the FY 2022 approved amount. The increase is primarily due to increased expenditures in all expenditure categories, while the SGF increase is due to the transfer of one-time SGF expenditures from the 2021 Session in FY 2022 by the Board of Regents to fulfill maintenance of effort requirements for federal COVID-19 pandemic relief funds and additional employee benefits.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 99 — Wichita State University

The **agency** requests an operating budget of \$488.0 million, including \$84.4 million SGF, for FY 2023. This is an all funds decrease of \$28.8 million, or 5.6 percent, including an SGF decrease of \$1.7 million, or 1.9 percent, below the FY 2022 revised estimate. The decrease is primarily due to decreases in federal funds (\$26.8 million). The decrease in SGF moneys and other assistance (\$17.5 million) is due to the operating grant transfer and need-based aid transfers from the Board of Regents after the 2021 Session in the FY 2022 budget, which are not part of the FY 2023 budget. FTE position adjustments are due to the fluctuations of grants, federal funds, and programs.

The **Governor** concurs with the agency's budget request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2023**

1. Add \$7.0 million SGF to a new Digital Transformation account for FY 2023.

**Sec. 100 — Wichita State University**

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee recommends the following:

**FY 2024**

1. Add \$7.0 million SGF to a new Digital Transformation account for FY 2024.

**Sec. 101 — Wichita State University**

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee recommends the following:

**FY 2025**

1. Add \$7.0 million SGF to a new Digital Transformation account for FY 2025.

**Sec. 102 — Wichita State University**

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee recommends the following:

**FY 2026**

1. Add \$7.0 million SGF to a new Digital Transformation account for FY 2026.

**Sec. 103 — Wichita State University**

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee recommends the following:

**FY 2027**

1. Add \$7.0 million SGF to a new Digital Transformation account for FY 2027.

**Sec. 104 — Board of Regents**

The **agency** requests a budget of \$294.3 million, including \$265.7 million SGF, for FY 2022. This is an all funds decrease of \$45.8 million, or 13.5 percent, including an SGF decrease of \$15.0 million, or 13.5 percent, from the FY 2022 approved amount. The decrease is primarily due to transfers to the universities for maintenance of effort funding and the education building fund for rehabilitation and repair.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 105 — Board of Regents

The **agency** requests an operating budget of \$388.6 million, including \$371.6 million SGF, for FY 2023. This is an all funds increase of \$94.3 million, or 32.0 percent, including an SGF increase of \$105.9 million, or 39.9 percent, above the FY 2022 revised estimate. The increase is primarily due to the enhancement requests (\$136.6 million) to increase funding for the universities and colleges, fully fund the Excel in Career Technical Education Program, provide additional scholarships, increase the capital outlay for the technical colleges, and add funding for capital improvements. Absent the enhancement requests, the Board of Regents FY 2023 budget has a decrease of \$11.7 million in federal fund expenditures.

The **Governor** recommends operating expenditures of \$370.1 million, including \$353.1 million SGF, for FY 2023. This is an all funds decrease of \$18.6 million, or 4.2 percent, including an SGF decrease of \$18.6 million, or 4.9 percent, below the agency's request due to not all enhancements being recommended.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

### **FY 2023**

1. Delete \$15.0 million SGF from the Two-Year Colleges Special Projects for FY 2023.
2. Add \$3.1 million SGF to the Postsecondary Tiered Technical Education State Aid for FY 2023.
3. Add \$11.4 million SGF to the Non-Tiered Course Credit Hour Grant for FY 2023.
4. Add \$490,094 to the Career Technical Education Capital Outlay Aid for FY 2023.
5. Add language to the Postsecondary Tiered Technical Education State Aid and Non-Tiered Course Credit Hour Grant to hold all colleges harmless and funded for FY 2023 at no less than funding amounts allocated in FY 2022.
6. Delete \$25.0 million SGF from the Kansas Access Partnership Grant for FY 2023.
7. Add \$19.0 million SGF to the Comprehensive Grant Program and add language that all funds in the program must have a 1:1 match with non-government funding for FY 2023.
8. Add language to establish a working group to create a plan to reduce the tiered and non-tiered funding from those colleges currently over-funded, pursuant to the Board of Regents formula for FY 2023. This working group would be made of 11 members, including: three members from community colleges, two members from technical colleges, one member from the Board of Regents, the Chairperson from the Senate Committee on Education, the Chairperson of the Senate Committee on Ways and Means, the Chairperson of the House Committee on Higher Education Budget, the ranking member of the House Committee on Higher Education Budget, and the ranking member from the Senate Committee on Ways and Means.
9. Delete \$20.7 million SGF from the Postsecondary Education Operating Grant for FY 2023 and review at Omnibus.

## Sec. 106 — Kansas Department of Corrections

The **agencies** request a revised estimate of \$486.7 million, including \$426.0 million SGF, for the entire Kansas Department of Corrections (KDOC) System in FY 2022. These are expenditures for KDOC, Kansas Correctional Industries, eight adult correctional facilities, and the Kansas Juvenile Correctional Complex. This is an all funds decrease of \$15.8 million, or 3.1 percent, including an SGF decrease of \$18.6 million, or 4.2 percent, below the FY 2022 approved amount. The revised estimate includes 3,321.0 FTE positions for the KDOC System, which is a decrease of 12.5 FTE positions below the FY 2022 approved number. The position decrease is mainly at the Norton Correctional Facility.

The agencies request revised operating budgets totaling \$462.5 million, including \$419.4 million SGF, in FY 2022. This is an all funds decrease of \$18.1 million, and an SGF decrease of \$16.6 million, below the FY 2022 approved amount. The decrease is primarily attributed to decreased expenditures from the Evidence-Based Juvenile Programs account and for contracted inmate beds. The decrease is partially offset by the agencies' supplemental requests totaling \$2.8 million for: the replacement of revenue lost from reduced inmate phone charges, expansion of a post-release housing program, and information technology outreach staff. The supplemental requests also include overtime expenditures and a shrinkage reduction among the correctional facilities.

The **Governor** recommends expenditures of \$534.9 million, including \$455.6 million SGF, for the entire KDOC System in FY 2022. This is an all funds increase of \$48.2 million, including an SGF increase of \$29.7 million, above the agencies' FY 2022 revised estimate. The recommendation includes 3,321.0 FTE positions, which is unchanged from the agencies' FY 2022 revised estimate.

The Governor recommends operating budgets totaling \$510.7 million, including \$449.0 million SGF, in FY 2022. This is an all funds increase of \$30.1 million, including an SGF increase of \$13.1 million, above the agency's FY 2022 revised estimate. The increase is due to the addition of \$21.1 million SGF to the Evidence Based Juvenile Programs account to restore funding lapsed in the previous budget cycle, \$18.6 million from the federal American Rescue Plan Act (ARPA) Fund for implementation of the 24/7 pay initiative, \$2.6 million SGF for salary increases among community corrections agencies, and \$6.7 million for the Pathway for Success technical education initiative. The increase is partially offset by decreased expenditures due to the Governor not recommending two of the agencies' supplemental requests.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2022**

1. Add language requiring the Jobs for America's Graduates-Kansas (JAG-K) program to submit a report to the Juvenile Justice Oversight Committee provided the program receives funding from the Evidence-Based Juvenile Program account of the SGF, in an amount up to \$3.5 million, in FY 2022. The report should be submitted by October 20, 2022, and include number of youths served and performance outcomes.

## Sec. 107 — Kansas Department of Corrections

The **agencies** request \$517.3 million, including \$480.4 million SGF, for the entire KDOC System for FY 2023. These are expenditures for KDOC, Kansas Correctional Industries, eight adult correctional facilities, and the Kansas Juvenile Correctional Complex. This is an all funds increase of \$30.7 million, or 6.3 percent, and an SGF increase of \$54.5 million, or 12.8 percent, above the FY 2022 revised estimate. The request also includes 3,405.0 FTE positions for the KDOC System, which is an increase of 84.0 FTE positions above the FY 2022 revised number. The position increase is primarily at the Lansing and Winfield correctional facilities to support operation of new substance abuse treatment centers and an assisted living unit.

The agencies request operating budgets totaling \$505.1 million, including \$480.4 million SGF, for FY 2023. This is an all funds increase of \$42.6 million, including an SGF increase of \$61.1 million, above the FY 2022 revised estimate. The increase is attributed to the agency's 20 enhancement requests, which total \$54.2 million SGF. The enhancements primarily include: operating expenditures for new substance abuse treatment centers and an assisted living unit at Lansing and Winfield correctional facilities; and reentry programs, replacement of revenue lost as result of decreased inmate phone charges, and increased staff for community corrections and parole services. The enhancement requests also include shrinkage reductions at five correctional facilities. The increase is partially offset by decreased expenditures from the Evidence-Based Juvenile Programs account and for the Athena 2 data system.

The **Governor** recommends expenditures of \$518.9 million, including \$478.6 million SGF, for the entire KDOC System for FY 2023. This is an all funds increase of \$1.5 million, and an SGF decrease of \$1.9 million, from the agencies' FY 2023 request. The recommendation includes 3,420.1 FTE positions, which is an increase of 15.1 FTE positions above the agencies' FY 2023 request. The increase is due to the addition of positions at the Lansing and Winfield correctional facilities.

The Governor recommends operating budgets totaling \$510.6 million, including \$478.6 million SGF, for FY 2023. This is an all funds increase of \$5.5 million, and an SGF decrease of \$1.9 million, from the agencies' FY 2023 request. The SGF decrease is due to the Governor not recommending several enhancement requests. The recommendation includes \$33.9 million SGF to continue the 24/7 pay initiative, \$9.6 million in operating expenditures for newly established substance abuse treatment centers and an assisted living unit at the Lansing and Winfield correctional facilities, and \$2.6 million for replacement of vehicles and safety and security equipment utilized by correctional staff.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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## Sec. 108 — Adjutant General's Department

The **agency** requests a revised estimate of \$167.2 million, including \$13.5 million SGF, in FY 2022. This is an all funds increase of \$103.7 million, and an SGF increase of \$358,247, above the FY 2022 approved amount. The all funds increase is primarily attributable to receipt of federal funds (\$72.8 million) for expenditures associated with the COVID-19 pandemic and other federally declared disasters. The agency's revised estimate includes three supplemental requests totaling \$22.8 million, including \$2.4 million SGF, for deferred maintenance and routine rehabilitation and repair of National Guard facilities (\$805,626), and increased state disaster

payments (\$22.0 million). The agency's revised estimate also includes 289.0 FTE positions, which is an increase of 1.0 FTE position above the FY 2022 approved amount. This increase is due to the addition of a Media Projection Technician position in the Administration program.

The **Governor** recommends expenditures totaling \$168.2 million, including \$13.5 million SGF, in FY 2022. This is an increase of \$1.1 million, all from special revenue funds, above the agency's FY 2022 revised estimate. The Governor recommends an increase of \$1.1 million, all from special revenue funds, for Kansas Department of Emergency Management (KDEM) to update recovery plans with lessons learned from the COVID-19 pandemic. These expenditures include \$525,000 from the State Emergency Fund to provide state match for \$525,000 from a federal Emergency Management Performance Grant. The recommendation includes transferring the unspent balance of the State Emergency Fund (\$8.6 million) back to the SGF. These funds were initially SGF moneys approved by the State Finance Council for expenditures in response to the COVID-19 pandemic; however, federal relief funds became available for this purpose. The Governor's recommendation also includes 289.0 FTE positions, which is unchanged from the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 109 — Adjutant General's Department**

The **agency** requests \$199.7 million, including \$94.5 million SGF, for FY 2023. This is an all funds increase of \$32.5 million, and an SGF increase of \$81.0 million, above the FY 2022 revised estimate. The increase is attributable to the agency's 11 enhancement requests totaling \$108.1 million, including \$86.8 million SGF. These enhancements primarily include: deferred maintenance and routine rehabilitation and repair of National Guard facilities (\$41.8 million), remodel of the State Defense Building (\$21.0 million), state disaster payments (\$20.2 million), a new armory in Hays (\$18.1 million), and the addition of 10.5 FTE positions (\$812,596) at the KDEM and the Kansas Intelligence Fusion Center (KIFC). The increase is partially offset by decreased expenditures from federal funds for expenditures associated with the COVID-19 pandemic and other federally declared disasters (\$71.7 million). The agency request also includes 299.5 FTE positions, which is an increase of 10.5 FTE positions above the FY 2022 revised estimate number. The increase is due the agency's enhancement request to add 8.5 FTE positions to KDEM and 2.0 FTE positions to KIFC.

The **Governor** recommends expenditures totaling \$157.4 million, including \$52.3 million SGF, for FY 2023. This is an all funds decrease of \$42.3 million, and an SGF decrease of \$42.2 million, below the agency's FY 2023 request. The Governor recommends enhancements for the State Defense Building remodel, a new armory in Hays, state disaster payments, and increased rehabilitation and repair of armories. However, the recommendation includes only partial funding for deferred maintenance and additional FTE positions at KDEM and KIFC. The Governor's recommendation also includes 294.0 FTE positions, which is a decrease of 5.5 FTE positions below that agency FY 2023 request. The decrease is due to the Governor not recommending 4.5 FTE positions for KDEM and 1.0 position for KIFC, which was part of the agency's enhancement request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 110 — State Fire Marshal

The **agency** requests \$6.9 million, all from special revenue funds, for FY 2023. This is an increase of \$482,220, or 7.5 percent, above the FY 2022 revised estimate. The request includes an enhancement in salaries and wages of \$410,071 for recruitment and retention. There is a decrease in expenditures on training materials and from the new data servers that were purchased in FY 2022. The Kansas Firefighter Recruitment and Safety Grant is not funded in FY 2023. The grant provides no-match funds to volunteer/part-time departments across the state for personal protective equipment, physicals not covered by insurance, and support of junior firefighter programs.

The **Governor** recommends expenditures of \$6.9 million, all from special revenue funds, for FY 2023. This is a decrease of \$60,341, or 0.9 percent, below the agency's request. Significant items in the Governor's recommendation include the following:

- **RECRUITMENT AND RETENTION.** The Governor recommends \$249,730 beginning in FY 2023 for recruitment and retention issues. The Governor did not recommend the agency's enhancement request.
- **KANSAS FIREFIGHTER RECRUITMENT AND SAFETY GRANT PROGRAM.** The Governor recommends increasing expenditures by \$100,000 from the Fire Marshal Fee Fund to restore the Kansas Firefighter Recruitment and Safety Grant Program.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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## Sec. 111 — Kansas Highway Patrol

The **agency** requests an FY 2022 revised estimate of \$102.0 million, all from special revenue funds, for total agency expenditures. This is a decrease of \$326,668, or 0.3 percent, below the FY 2022 approved amount. The decrease is largely due to the agency's revised request for capital improvement expenditures being \$462,256 below the amount included in the FY 2021 approved budget. This was partially offset by an additional \$135,588 in COVID-19 relief transactions that were not included in the approved amount. The FY 2022 revised estimate is composed of \$100.7 million of operating expenditures and \$1.4 million of capital improvement expenditures. The FY 2022 revised estimate includes 880.0 FTE positions, which is no change from the approved number.

The **Governor** recommends expenditures totaling \$120.1 million, including \$18.1 million SGF, in FY 2022. This is an increase of \$18.1 million, or 17.7 percent, all SGF, above the agency's FY 2022 revised estimate. The increase is due to recommending the agency's FY 2023 enhancement request for law enforcement aircraft replacement in FY 2022. The Governor also recommends funding this request with SGF moneys rather than through the KHP Operations Fund as was included in the agency's enhancement request. The Governor concurs with the agency's FY 2022 revised estimate for capital improvements expenditures. Significant items in the Governor's recommendation include the following:

- **REPLACEMENT AND UPGRADE OF LAW ENFORCEMENT AIRCRAFT ASSETS.**

The Governor recommends \$18.1 million, all SGF, for the purchase of two new helicopters, one multipurpose single-engine airplane, and the upgrade of FLIR (Forward-Looking Infrared Radar) on the 2012 Cessna 206 aircraft (\$800,000) in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2022**

1. Delete \$18.1 million SGF to no longer fund the agency's enhancement request for aircraft with SGF in FY 2022.

2. Transfer \$11.2 million from the State Highway Fund to the Aircraft Fund to purchase one new helicopter with FLIR (\$6.3 million) and one new C208 Cessna caravan with FLIR (\$5.7 million) in FY 2022.

### **Sec. 112 — Kansas Highway Patrol**

The **agency** request totals agency expenditures of \$122.1 million, all from special revenue funds, for FY 2023. This is an increase of \$20.1 million, or 19.7 percent, above the FY 2022 revised estimate. The increase is primarily due to the agency's enhancement requests, totaling \$19.4 million. The first enhancement request (\$18.1 million) is for the replacement and upgrade of the KHP law enforcement aircraft assets. This request includes the purchase of two new helicopters, one multipurpose single-engine airplane, and the upgrade of FLIR (Forward-Looking Infrared Radar) on the 2012 Cessna 206 aircraft. The second enhancement request (\$1.3 million) is to establish an annual operating budget for the aircraft unit to sustain aircraft operations. The FY 2023 budget includes 880.0 FTE positions, which is no change from agency's FY 2022 revised estimate.

The **Governor** recommends operations expenditures totaling \$105.8 million, all from special revenue funds, for FY 2023. This is an all funds decrease of \$15.2 million, or 12.5 percent, below the agency's FY 2023 request. The decrease is due to the Governor recommending the agency's enhancement request for aircraft support funding in FY 2022 rather than FY 2023. Also included in the Governor's recommendation are the agency's enhancement request to establish an annual operating budget of \$1.3 million for aircraft operations, and increased expenditures for the agency's Career Progression Plan.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2023**

1. Add \$141,675, all from special revenue funds, to match the Law Enforcement Officers pay matrix with Highway Patrol Troopers of the Kansas Highway Patrol for FY 2023.

2. Add language directing the agency to apply the \$3.6 million added to the agency's FY 2023 budget by the Governor to enhance the agency's Career Progression Plan.

3. Add \$3.6 million, all from special revenue funds, to enhance the KHP Career

Progression Plan and increase the transfer from the State Highway Fund by the same amount for FY 2023.

4. Add language authorizing the agency to expend up to \$9.0 million, all from special revenue funds, and increase the transfer from the State Highway Fund for the amount for FY 2023 for the lease, lease-purchase, or purchase of a Cessna Citation CJ3+ executive aircraft should allocations from the SPARK funds not be available. Add language requiring the agency to sell the current King Air 350 by or before the delivery date of the Cessna CJ3+.

5. Add \$1.5 million, and increase the transfer from the State Highway Fund in the same amount, for maintenance of the executive aircraft for FY 2023.

6. Add language to return a car and fund repairs up to \$20,000, all from special revenue funds, and increase the transfer from the State Highway Fund by the same amount for FY 2023.

### **Sec. 113 — Kansas Bureau of Investigation**

The **agency** requests a revised estimate of \$41.5 million, including \$28.1 million SGF, in FY 2022. This is an all funds increase of \$1.1 million and an SGF decrease of \$2,851 from the FY 2022 approved amount. The all funds increase is primarily attributable to increased receipt and expenditures of federal funds in FY 2022. These additional federal funds include \$369,015 in Coronavirus Emergency Supplemental funding, an increase of \$393,610 in federal National Criminal History Improvement Grant funds, and \$354,674 in additional E-Citation Priority Safety federal grant funds. The agency's revised estimate includes 353.5 FTE positions, which is unchanged from the FY 2022 approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 114 — Kansas Bureau of Investigation**

The **agency** requests \$43.1 million, including \$30.8 million SGF, for FY 2023. This is an all funds increase of \$1.7 million and an SGF increase of \$2.7 million above the FY 2022 revised estimate. The agency requests enhancements totaling \$4.0 million, all SGF, for recruitment and retention efforts that include professional staff (\$918,181), commissioned personnel (\$1.1 million), and forensic scientists (\$947,050). The agency also requests an enhancement of \$1.1 million SGF to restore the agency's previous base budget amount, which was decreased by 4.5 percent in FY 2021 as part of a reduced resource measure item adopted by the Governor. The agency offset the increase in SGF for enhancement requests by increasing the shrinkage rate for FY 2023. The agency request also includes 353.5 FTE positions, which is unchanged from the FY 2022 revised estimate.

The **Governor** recommends \$40.2 million, including \$28.8 million SGF, for FY 2023. The recommendation is a decrease of \$3.0 million, or 7.4 percent, below the FY 2023 agency request. This includes the restoration of \$1.1 million SGF, which was reduced from the agency's

budget as a part of the agency's FY 2022 reduced resource budget. The funding will be used to hire 16.0 FTE positions in investigations and forensic science services. Additionally, the Governor recommends \$943,925 be expended from the SGF as opposed to the Kansas Criminal Justice Information System fee fund.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 115 — Emergency Medical Services Board**

The **agency** requests \$2.6 million, all from special revenue funds, for FY 2023. This is a decrease of \$12,512, or 0.5 percent, below the FY 2022 revised estimate. There are increases of expenditures in all categories, including \$45,930 in contractual services and \$16,953 in capital outlay. There is a decrease in aid to local units of \$79,311, or 10.4 percent. This amount was carried forward from FY 2021 in FY 2022. There were no changes to the 14.0 FTE positions. The increase in contractual services includes increased rent and increased legal fees due to anticipated increased hearings. The increase in capital outlay is for replacement of computer equipment.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 116 — Kansas Sentencing Commission**

The **agency** estimates revised expenditures of \$13.6 million, including \$13.6 million SGF, in FY 2022. This is an all funds decrease of \$137,488, and an SGF increase of \$14,984, from the FY 2022 approved amount. The decrease is attributed to decreased expenditures for the 2003 SB 123 substance abuse treatment program (SB 123 Program), which experienced lower admissions due to court delays resulting from the COVID-19 pandemic. The decrease is partially offset by the agency's supplemental request of \$17,605 for the initial phase of a two-year salary adjustment plan. The decrease is also partially offset by increased expenditures for implementation of 2021 HB 2026, which allows substance abuse treatment for drug offenders on diversion. The agency's revised estimate includes 14.0 FTE positions, which is an increase of 0.25 FTE positions above the FY 2022 approved amount. The FTE increase is due to the SB 123 Program Director transitioning from part-time to full-time.

The **Governor** recommends expenditures of \$9.8 million, including \$9.8 million SGF, in FY 2022. This is an SGF decrease of \$3.8 million below the agency's FY 2022 revised estimate. The recommendation includes a lapse of \$3.8 million from the SB 123 Program, which is the amount reappropriated from FY 2021. The recommendation does not include funding for the initial phase of the agency's salary adjustment plan. However, funding for the final phase in FY 2023 is recommended, with modifications. The recommendation includes 14.0 FTE positions, which is unchanged from the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 117 — Kansas Sentencing Commission

The **agency** requests \$10.7 million, including \$10.6 million SGF, for FY 2023. This is an all funds decrease of \$2.9 million, and an SGF decrease of \$2.9 million, below the FY 2022 revised estimate. The decrease is attributable to decreased expenditures for the SB 123 Program, which is primarily due to SGF reappropriations available in FY 2022 that are not available for FY 2023. The decrease is partially offset by the agency's two enhancement requests, which include the final phase of two-year salary adjustment plan (\$91,801) and expenditures to sustain implementation of 2021 HB 2026 (\$764,293). The agency's request includes 14.0 FTE positions, which is unchanged from the FY 2022 revised number.

The **Governor** recommends expenditures of \$9.9 million, including \$9.9 million SGF, for FY 2023. This is an SGF decrease of \$764,293, or 7.7 percent, below the agency's FY 2023 request. The recommendation does not include additional funds to sustain implementation of 2021 HB 2026. The recommendation does include funding for the agency's salary adjustment plan, but implements the plan in one year rather than two and excludes the Executive Director from the plan for FY 2023. The recommendation includes 14.0 FTE positions, which is unchanged from the agency's FY 2022 requested number.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 118 — Kansas Commission on Peace Officers' Standards and Training

The **agency** estimates revised expenditures of \$917,379, all from a special revenue funds, in FY 2022, which is an increase of \$44,563, or 5.1 percent, above the FY 2022 approved amount. The increase is attributable to increased salaries and wages expenditures to allow for a two-month period of overlap for the previous Executive Director to train a newly hired Executive Director. The increase is also due to the agency's enhancement request to replace a vehicle used for employee travel and records and evidence transport. The increase is partially offset by decreased reimbursements of municipalities for law enforcement training due to declining revenue to the Local Law Enforcement Training Reimbursement Fund. The revised estimate includes 6.0 FTE positions, which is an increase of 1.0 FTE position above the approved number. The additional FTE position is the result of converting a part-time investigator position to a full-time position.

The **Governor** concurs with the agency's revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

## Sec. 119 — Kansas Commission on Peace Officers' Standards and Training

The **agency** requests \$889,326, all from the special revenue funds, for FY 2023. This is an all funds decrease of \$28,053, or 3.1 percent, below the FY 2022 revised estimate. The decrease is attributable decreased salaries and wages expenditures related to the transition of Executive Directors that occur in FY 2022, but do not reoccur for FY 2023, and decreased expenditures for the purchase of computer equipment. The decrease is partially offset by increased expenditures for data storage services and attorney fees for legal consultation. In addition, the agency submitted an enhancement request of \$25,000 to replace an existing

vehicle. The request includes 6.0 FTE positions, which is unchanged from the FY 2022 revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 120 — Kansas Department of Agriculture**

The **agency** estimates FY 2022 revised expenditures of \$55.1 million, including \$9.0 million from SGF. This is an all funds increase of \$5.9 million, or 12.0 percent, and an SGF decrease of \$20,134, or 0.2 percent, from the FY 2022 approved amount. The all funds increase is primarily due to State Water Plan Fund reappropriations totaling \$2.6 million. The increase is also caused by increased receipt of federal funds for floodplain mapping and animal feed testing. Additionally, the agency estimates increased expenditures on software maintenance in the Conservation program, vehicles, and laboratory equipment.

The **Governor** concurs with the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 121 — Kansas Department of Agriculture**

The **agency** requests FY 2023 expenditures of \$54.5 million, including \$10.3 million SGF. This is an all funds decrease of \$629,644, or 1.1 percent, and an SGF increase of \$1.3 million, or 14.7 percent, from the FY 2022 revised estimate. The all funds decrease is primarily due to decreased State Water Plan Fund expenditures, which were higher in FY 2022 due to reappropriations. The decrease is also caused by the completion of a software maintenance project in FY 2022 in the Conservation program, decreased receipt of federal funds, and decreased expenditures on laboratory equipment. These decreases are partially offset by the agency's State Water Plan Fund and SGF enhancements. The SGF increase is due to the agency's enhancement requests.

The **Governor** recommends FY 2023 expenditures of \$54.3 million, including \$10.1 million SGF. This is an all funds decrease of \$218,248, or 0.4 percent, and an SGF decrease of \$182,248, or 1.8 percent, below the agency's FY 2023 request. This decrease is due to the Governor not recommending the agency's enhancement requests for salary raises for engineers in the Dam Safety and Water Appropriations programs and for inspectors in the Meat and Poultry programs.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2023**

1. Add \$60,000 SGF for Grain Warehouse Program expenditures for FY 2023 to allow the agency to decrease its proposed fee increase on licensed public grain warehouses.

2. Reallocate \$298,044 within State Water Plan Fund line items to fix a technical error in the agency's budget submission and align requested State Water Plan Fund expenditures with the recommendations of the Kansas Water Authority.

### Sec. 122 — Kansas Department of Agriculture

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee recommends the following:

#### **FY 2024**

1. Add \$60,000 SGF for Grain Warehouse Program expenditures for FY 2024 to allow the agency to decrease its proposed fee increase on licensed public grain warehouses.

### Sec. 123 — Kansas State Fair

The **agency** estimates revised FY 2022 expenditures of \$6.4 million, including \$1.7 million SGF. This is an all funds decrease of \$1.2 million, or 16.1 percent, and an SGF decrease of \$850,500, or 33.9 percent, below the FY 2022 approved amount. The SGF decrease is due to decreased expenditures on debt service for bonds for the State Fair Master Plan. During FY 2001, the State Fair began implementing a six-year capital plan to repair the infrastructure of the State Fairgrounds. This plan was completed in FY 2006. The agency was not scheduled to pay off the bonds for these projects until FY 2024; during FY 2022, the Department of Administration refinanced several SGF bonds and chose to pay off these bonds. The all funds decrease is due to the agency reappropriating \$1.5 million SGF from FY 2021 to FY 2022. The agency redesignated expenditures previously budgeted to use special revenue funds to instead use these reappropriated SGF moneys. This decrease is partially offset by increased expenditures on salaries and wages to rehire furloughed positions and on expenditures such as advertising and entertainers.

The **Governor** concurs with the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 124 — Kansas State Fair

The **agency** requests FY 2023 expenditures of \$6.4 million, including \$135,000 SGF. This is an all funds decrease of \$8,866, or 0.1 percent, and an SGF decrease of \$1.5 million, or 91.9 percent, below the FY 2022 revised estimate. The all funds decrease is primarily due to decreased expenditures on advertising, and debt service principal for renovation of the Expo Center. The SGF decrease is due to SGF reappropriations that were present in FY 2022 but not FY 2023. In FY 2021, the agency received \$2.3 million from the Coronavirus Relief Account of the SGF to replace lost revenue due to the cancellation of the 2020 State Fair event. Of that amount, \$1.5 million was reappropriated into FY 2022. For FY 2023, those SGF moneys are no longer available, and the agency plans to replace them with fee fund moneys.

The **Governor** concurs with the agency's FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 125 — Kansas Water Office

The **agency** estimates revised FY 2022 expenditures of \$16.8 million, including \$949,813 SGF. This is an all funds increase of \$3.0 million, or 22.0 percent, and an SGF increase of \$24,061, or 2.6 percent, from the FY 2022 approved amount. The all funds increase and the SGF increase are primarily due to the agency's three supplemental requests to pay off a water supply storage contract, increased operation costs for reservoirs, and a water resources planner position. The all funds increase is also due to State Water Plan Fund reappropriations.

The **Governor** concurs with the agency's FY 2022 revised estimate. The Governor's recommendation recategorizes \$2.1 million as a contractual service rather than debt service. The expenditure is categorized as an operating expenditure instead of a capital improvement expenditure.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2022**

1. Add \$80.0 million SGF to pay off water supply storage debt for Big Hill, Clinton, and Hillsdale reservoirs in FY 2022.

### Sec. 126 — Kansas Water Office

The **agency** requests FY 2023 expenditures of \$13.7 million, including \$1.0 million SGF. This is an all funds decrease of \$3.1 million, or 18.5 percent, and an SGF increase of \$77,873, or 8.2 percent, from the FY 2022 revised estimate. The all funds decrease is primarily due to a one-time payment to pay off a water supply storage contract in FY 2022 that is not reoccurring for FY 2023. This decrease is also caused by decreased expenditures on conservation projects in the Republican River Basin and on reservoir operations and maintenance. These decreases are partially offset by the agency's enhancement requests for a water resources planner position and multiple State Water Plan Fund programs.

The **Governor** concurs with the agency's FY 2023 funding request. The Governor recommends filling the vacant water planner position with an existing FTE position rather than adding a new FTE position.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 127 — Department of Wildlife and Parks

The **agency** estimates revised FY 2022 expenditures of \$94.9 million, all from special revenue funds. This is an increase of \$3.7 million, or 4.0 percent, above the FY 2022 approved amount. This increase is primarily due to the \$3.8 million in supplemental requests for record-keeping software and body cameras for the Law Enforcement Division, state park repairs, and

land maintenance equipment. This increase is partially offset by decreased expenditures primarily for gasoline and utility costs.

The **Governor** concurs with the agency's FY 2022 revised estimate.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 128 — Department of Wildlife and Parks**

The **agency** requests FY 2023 expenditures of \$97.8 million, all from special revenue funds. This is an increase of \$2.8 million, or 3.0 percent, above the FY 2022 revised estimate. This increase is primarily due to increased expenditures for capital improvement projects, primarily for parks and fish and wildlife maintenance. Of this increase, \$1.7 million comes from federal funds. Projects include campground improvements, dock and dam repairs, storage building in various wildlife areas, and fish hatchery improvements. The agency also estimates increased receipt of federal funds for FY 2023, primarily for the Public Lands program and public land maintenance.

The agency's enhancement requests for operations total \$918,457, which is a decrease of \$219,508 from the agency's FY 2022 supplemental requests for operations. FY 2023 operations enhancement requests include funding to combat aquatic nuisance species, to purchase boats, and for land maintenance equipment.

The **Governor** concurs with the agency's FY 2023 request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 129 — Kansas Department of Transportation**

The **agency** requests \$2.1 billion, which includes a State Highway Fund decrease of \$179.7 million, or 8.3 percent, and an increase of federal and other funds of \$39.9 million, or 36.1 percent, from the FY 2022 approved amount. The decrease is attributable to a \$256.8 million reduction in the Expansion Program related to a delay in the U.S. 69 Highway (US-69) project. The reduction is partially offset by an increase in federal CARES Act funding (\$14.2 million), rail improvements (\$7.5 million), local support (\$54.5 million), and modernization projects (\$39.3 million).

The agency requests 2,297.3 FTE positions, which is an increase of 47.0 FTE positions above the FY 2022 approved number. In addition to the FTE position increase, there is an increase of expenditures for salaries and wages of \$4.3 million associated with the Governor's Executive Orders.

The agency requests \$21.0 million in capital improvements for buildings for FY 2022. The request is an increase of \$6.0 million above the FY 2022 approved amount. The majority of the increase is in subarea modernization.

The **Governor** recommends expenditures of \$2.1 billion, which is an increase of \$10.4 million, or 0.5 percent, above the FY 2022 agency request. The increase is attributable to a revised estimate for State Highway Fund revenues. The Governor concurs with the agency's request for capital improvements for FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 130 — Kansas Department of Transportation**

The **agency** requests \$2.0 billion, including \$41.3 million in special revenue and federal funds, for FY 2023. The request is a decrease of \$36.7 million, or 1.8 percent, below the FY 2022 revised estimate. The decrease is attributable to a reduction in federal CARES Act funding (\$14.2 million), rail line improvements (\$7.8 million), cost share program estimates (\$10.8 million), and the construction schedule (\$19.4 million). The reductions are partially offset by increases in maintenance commodities such as concrete and asphalt and an increase in salaries and wages for the maintenance program (\$2.9 million). The agency request includes 2,397 FTE positions, which is the same number as the FY 2022 agency revised estimate. The agency requests \$23.0 million in capital improvements for buildings for FY 2023. The request is an increase of \$2.0 million above the FY 2022 revised estimate. The majority of the increase is for construction of a new District One Headquarters in Topeka.

The **Governor** recommends expenditures of \$2.0 billion, which is an increase of \$10.6 million, or 0.5 percent, above the FY 2023 agency request. The Governor's recommendation eliminates transfers from the State Highway Fund to the Kansas Department for Aging and Disability Services for mental health grants (\$9.8 million), the Office of Emergency Communications in the Adjutant General's Department (\$320,000), and for debt service on the Statehouse bonds (\$20.4 million). The recommendation also eliminates the transfer to the SGF as planned. The transfers adjustment reductions are partially offset by increases of transfers for Kansas Highway Patrol (KHP) operations and to the Division of Vehicles Operating Fund in the Department of Revenue totaling \$6.7 million. The Governor concurs with the agency's request for capital improvements for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2023**

1. Add \$3.0 million, all from the Transportation Technology Development Fund, for FY 2023.
2. Add language to allow public and private postsecondary educational institution to apply for and receive grants from the Transportation Technology Development Fund in the Kansas Department of Transportation for FY 2023. This language will waive the requirement for applicants to partner and projects be administered by local units of government and allow universities and local governments to match the grants with other state funding.

### Sec. 131 — Interim Legislative Pay

This section continues the Legislative non-session allowance at the rate of \$354.15 per pay period for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 132 — Expanded Lottery Act Revenues Fund

The **Governor** recommends that any remaining unencumbered funds in the Expanded Lottery Act Revenues Fund shall be transferred to the SGF on June 30, 2023. The Governor further recommends that if the balance in the Expanded Lottery Act Revenues Fund is insufficient to fund those appropriations and transfers which are approved by the Legislature the Director of the Budget shall certify a transfer from the SGF to the Expanded Lottery Act Revenues fund to cover such shortfall.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 133 — State Employee Pay

For FY 2023, the **Governor** recommends adding \$145.5 million, including \$56.8 million SGF, for a 5.0 percent state employee base pay adjustment. Adjustments for eligible unclassified employees would be applied to state agencies as a lump sum, to be distributed as a merit pool. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Elected officials, including legislators, teachers at the Schools for the Blind and Deaf, and Kansas Highway Patrol Troopers would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 134 — Department of Administration Capital Improvements

The **agency** requests \$56.6 million in on-budget capital improvement expenditures for FY 2023, including \$44.6 million SGF and \$12.0 million in transfers from the State Highway Fund. For FY 2023, capital project expenditures include only rehabilitation and repair expenditures for Capitol Complex buildings (\$3.4 million), while debt service expenditures include various bond refinances (\$40.4 million) and NBAF (\$9.2 million).

The **Governor** recommends \$147.3 million SGF in on-budget capital improvement expenditures for FY 2023. No transfers from the State Highway Fund are included in this recommendation. This represents an increase of \$90.6 million, or 147.8 percent, above the agency request for FY 2023, primarily due to the Governor's recommendation to add \$120.0 million SGF for the issuance of bonds to renovate the Docking State Office Building at the recommendation of the Joint Committee of State Building Construction and the State Finance Council.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2023**

1. Delete \$60.0 million SGF for the Docking State Office Building for FY 2023 and review at Omnibus. 2021 SB 159 authorized the Department of Administration to issue up to \$120.0 million in bonds for the project. The Governor's recommendation includes an appropriation of \$120.0 million SGF in FY 2022 to pay the entire amount up front.

**Sec. 135 — Department of Commerce Capital Improvements**

The **agency** requests \$100,000, all from special revenue funds, for replacement of HVAC controls at the Topeka Workforce Center. The request is an decrease of \$130,000 below the FY 2022 agency revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 136 — Kansas Department of Health and Environment – Division of Environment Capital Improvements**

The Governor recommends \$65.0 million SGF for a new Kansas Department of Health and Environment laboratory on Lot 4 of the Capitol Complex for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2023**

1. Delete \$32.5 million SGF for the new laboratory on Lot 4 of the Capitol Complex for FY 2023 and review at Omnibus.

**Sec. 137 — Kansas Department for Aging and Disability Services Capital Improvements**

The **agency** requests \$13.8 million, all from the State Institutions Building Fund, for capital improvement expenditures for FY 2023. This includes \$11.3 million for rehabilitation and repair projects at the state hospitals and \$2.5 million for debt service principal payments for older rehabilitation and repair projects at the state hospitals.

The **Governor** concurs with the agency request for capital improvement expenditures for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 138 — Department of Labor Capital Improvements

The **agency** requests FY 2023 capital improvement expenditures of \$1.6 million, all from special revenue funds. This is a decrease of \$190,000, or 10.9 percent, below the agency's FY 2022 revised capital improvement expenditures. The decrease is due to decreased expenditures on debt service, as bonds for the remodel of 401 SW Topeka Boulevard will be paid off in FY 2022. This decrease is partially offset by increased expenditures on repavement of parking lots at 401 SW Topeka Boulevard and 1309 SW Topeka Boulevard. New FY 2023 projects include:

- **THIRD FLOOR RENOVATION AT 2650 EAST CIRCLE DRIVE SOUTH.** This phase of the building renovation includes total reconfiguration of the office floor plan, ceiling and lighting replacement, and enlarging bathrooms to meet federal Americans with Disabilities Act standards.
- **WINDOW REPLACEMENT.** The agency plans to replace windows at all three of the agency's buildings in Topeka to increase efficiency of the HVAC system and decrease utility costs.
- **REPAVING PARKING LOTS.** The agency plans to repave the parking lot at 401 SW Topeka Boulevard and apply a seal coating to the parking lot at 1309 SW Topeka Boulevard.

The **Governor** concurs with the agency's FY 2023 capital improvements request.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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### Sec. 139 — Kansas Commission On Veterans Affairs Office Capital Improvements

The **agency** requests \$2.0 million, including \$127,000 SGF, for FY 2023. This is an all funds decrease of \$2.4 million, or 54.7 percent, and an SGF increase of \$15,100 or 13.5.4 percent, from the FY 2022 revised estimate. The all funds decrease is primarily attributable to the anticipated completion of the Winfield Columbarium project and other project in FY 2022.

The **Governor** concurs with the agency's FY 2023 request.

<b>SENATE COMMITTEE RECOMMENDATION.</b> The Senate Committee concurs with the Governor's recommendation.
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### Sec. 140 — Kansas State School for the Blind Capital Improvements

The **agency's** revised estimate includes a capital improvements budget of \$919,504, all from the SIBF, in FY 2022. This is an increase of \$488 above the amount approved by the 2021 Legislature. This increase is due to funding reappropriated from FY 2021 to FY 2022.

- **CAMPUS BOILERS AND HVAC UPGRADES.** The agency requests \$250,818, all from the SIBF, which is an increase of \$488 above the FY 2022 approved amount.

This increase reflects the reappropriated funding from FY 2021 to FY 2022. Planned work includes replacement of HVAC systems in the Brighton Building and infrastructure repairs for older boiler systems.

- **REHABILITATION AND REPAIR.** The agency requests a revised estimate of \$530,930, all from the SIBF, which is the same as the FY 2022 approved amount. Planned work includes general repairs of campus facilities and the repair of perimeter fencing.
- **SAFETY AND SECURITY.** The agency requests a revised estimate of \$137,756, all from the SIBF, which is the same as the FY 2022 approved amount. Planned work includes ongoing maintenance and upgrades for the Life/Safety systems.

The **Governor** concurs with the agency's capital improvement revised estimate in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2022**

1. Add \$283,235 from the State Institutions Building Fund in FY 2022 to move the student use elevator upgrade capital improvement project from FY 2023 to FY 2022.

#### **Sec. 141 — Kansas State School for the Blind Capital Improvements**

The **agency** request includes a capital improvements budget of \$1.5 million, all from the SIBF, for FY 2023. This is an increase of \$615,326, or 66.9 percent, above the FY 2022 revised estimate. This increase is primarily due to increased expenditures for elevator upgrades in the Brighton Building.

- **CAMPUS BOILERS AND HVAC UPGRADES.** The agency requests \$300,234, all from the SIBF, which is an increase of \$49,416 above the FY 2022 revised estimate. The increase was anticipated by the agency to reflect additional work. Planned work includes replacement of HVAC systems components in the Irwin Building.
- **REHABILITATION AND REPAIR.** The agency requests \$806,816, all from the SIBF, which is an increase of \$275,886, or 52.0 percent, above the FY 2022 revised estimate. The increase is primarily due to an agency budget submission error that included the rehabilitation and repair base of \$265,000 twice in the budget. Planned work includes general repairs of campus facilities, replacement of freezer/refrigeration equipment, and electrical services upgrades.
- **SAFETY AND SECURITY.** The agency request includes \$144,545, all SIBF, which is an increase of \$6,789, or 4.9 percent, above the FY 2022 revised estimate. Planned work includes ongoing maintenance and upgrades for the Life/Safety systems.
- **STUDENT USE ELEVATOR.** The agency requests \$283,235, all from the SIBF, for the elevator upgrades in the Brighton Building.

The **Governor** recommends a capital improvements budget of \$1.3 million, all from the SIBF, for FY 2023. This is a decrease of \$265,000 below the agency request. This decrease is due to a correction in the agency budget submission, which erroneously included \$265,000 twice in the rehabilitation and repair budget.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2023**

1. Delete \$283,235 from the State Institutions Building Fund for FY 2023 to move the student use elevator upgrade capital improvement project from FY 2023 to FY 2022.

### **Sec. 142 — Kansas State School for the Deaf Capital Improvements**

The **agency** requests \$1.5 million, all SIBF, for FY 2023. This is an increase of \$323,875, or 26.9 percent, above the FY 2022 revised estimate.

- **CAMPUS BOILERS AND HVAC UPGRADES.** The agency requests \$571,230, all SIBF, which is an increase of \$42,030, or 7.9 percent, above the FY 2022 revised estimate. Planned work includes Phase 2 of the upgrades for the Foltz Gym, Student Center, and Parks-Bilger complex.
- **REHABILITATION AND REPAIR.** The agency requests a revised estimate of \$650,148, all SIBF, which is an increase of \$157,910, or 32.1 percent, above the FY 2022 revised estimate. Planned work includes general repairs of campus facilities, wall stabilization in the gym, and freezer/refrigeration replacement.
- **SAFETY AND SECURITY.** The agency requests a revised estimate of \$194,495, all SIBF, which is an increase of \$9,900, or 5.4 percent, above the FY 2022 revised estimate. Planned work includes ongoing maintenance and upgrades for the Life/Safety systems.
- **RENOVATION.** The agency requests \$114,035, all SIBF, for FY 2023 for classroom renovation. Planned work includes the remodel of the Roberts High School classrooms.

The **Governor** concurs with the agency's capital improvements request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 143 — State Historical Society Capital Improvements**

The **agency** requests capital improvement expenditures of \$412,800, including \$250,000 SGF, for FY 2023. This is an all funds decrease of \$644,700, or 61.0 percent, and an SGF decrease of \$200,000, or 44.4 percent, below the FY 2022 revised capital improvements estimate. The decrease is due to the completion of multiple projects in FY 2022, including repairs at the Kansas Museum of History.

The **Governor** recommends capital improvement expenditures of \$537,800, including \$375,000 SGF, for FY 2023. This is an SGF increase of \$125,000, or 50.0 percent above the agency's FY 2023 SGF request. The increase is due to the Governor's recommendation that annual SGF support for rehabilitation and repair at state historic sites increase by \$125,000 for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 144 — Emporia State University Capital Improvements**

The **agency** requests \$3.8 million, all from special revenue funds, for capital improvements for FY 2023. This is a decrease of \$8.3 million, or 68.6 percent, below the FY 2022 revised estimate.

The **Governor** concurs with the agency's capital improvement request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 145 — Fort Hays State University Capital Improvements**

The **agency** requests \$11.6 million, all from special revenue funds, for capital improvements for FY 2023. This is a decrease of \$165,683 million, or 1.4 percent, below the FY 2022 revised estimate.

The **Governor** concurs with the agency's capital improvement request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 146 — Kansas State University Capital Improvements**

The **agency** requests \$21.2 million, all from special revenue funds, for capital improvements for FY 2023. This is a decrease of \$15.9 million, or 42.8 percent, below the FY 2022 revised estimate.

The **Governor** concurs with the agency's capital improvement request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 147 — Kansas State University – Extension Systems and Agricultural Research Programs Capital Improvements**

The **agency** requests \$85,000, all from special revenue funds, for capital improvements for FY 2023. This is a decrease of \$70,000, or 45.2 percent, below the FY 2022 revised estimate.

The **Governor** concurs with the agency's capital improvement request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 148 — Kansas State University Veterinary Medical Center Capital Improvements**

The **agency** requests \$368,546, all from special revenue funds, for capital improvements for FY 2023. This is the same as the FY 2022 revised estimate.

The **Governor** concurs with the agency's capital improvement request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 149 — Pittsburg State University Capital Improvements**

The **agency** requests \$5.6 million, including \$661,978 SGF, for capital improvements for FY 2023. This is an all funds decrease of \$9.7 million, or 63.3 percent, and an SGF increase of \$46,892, or 7.6 percent, from the FY 2022 revised estimate.

The **Governor** concurs with the agency's capital improvement request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 150 — University of Kansas Capital Improvements**

The **agency** requests \$14.4 million, all from special revenue funds, for capital improvements for FY 2023. This is a decrease of \$22.3 million, or 60.8 percent, below the FY 2022 revised estimate.

The **Governor** concurs with the agency's capital improvement request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 151 — University of Kansas Medical Center Capital Improvements**

The **agency** requests \$13.0 million, all from special revenue funds, for capital improvements for FY 2023. This is a decrease of \$6.1 million, or 32.0 percent, below the FY 2022 revised estimate.

The **Governor** concurs with the agency's capital improvement request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 152 — Wichita State University Capital Improvements

The **agency** requests \$13.6 million, all from special revenue funds, for capital improvements for FY 2023. This is a decrease of \$5.6 million, or 29.1 percent, below the FY 2022 revised estimate.

The **Governor** concurs with the agency's capital improvement request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### Sec. 153 — Board of Regents Capital Improvements

The **agency** requests \$70.0 million, including \$25.0 million SGF, for capital improvements for FY 2023. This includes \$45.0 million from the Educational Building Fund and an enhancement of \$25.0 million SGF for the capital renewal initiative.

The **Governor** concurs with the agency's capital improvement request for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustments:

**FY 2023**

1. Add \$10.0 million SGF to the State Universities Facilities Capital Renewal Initiative for FY 2023. Also, add language to the fund requiring a 1:1 match by the universities.
2. Add \$20.0 million SGF to a new Demolition Fund and designate \$750,000 for Washburn University for FY 2023. Also add language stating that the funds are for building demolition only.

### Sec. 154 — Kansas Department of Corrections Capital Improvements

The **agencies** request \$12.2 million, all from special revenue funds, for capital improvement expenditures throughout the KDOC System for FY 2023. This is a decrease of \$12.0 million below the FY 2022 revised estimate. The decrease is primarily attributed to the completion of expansion projects involving substance abuse treatment centers and an assisted living unit at the Lansing and Winfield correctional facilities in FY 2022. The decrease is partially offset by the agency's enhancement request of \$3.9 million from the Correctional Institutions Building Fund (CIBF) to adjust the annual appropriation from the fund to a level that would account for inflation. Moneys from the CIBF are utilized for repair and rehabilitation of correctional facilities. The agency notes that the current annual appropriation of approximately \$5.0 million has been statutorily fixed since 1997; however, the cost of materials and services have grown. The agency requests a total appropriation of \$8.5 million CIBF for FY 2023, which would reflect a 2.5 percent inflation rate since 1997.

The **Governor** recommends \$8.3 million, all from special revenue funds, for capital improvements expenditures for FY 2023. This is a decrease of \$3.9 million below the agencies' FY 2023 request. The decrease is due to the Governor not recommending the agency's enhancement request to increase expenditures from the CIBF to account for inflation.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

**FY 2023**

1. Add \$625,761 SGF to demolish former minimum-security honor camps at El Dorado and Toronto, and add language authorizing such demolition, for FY 2023.

**Sec. 155 — Kansas Bureau of Investigation Capital Improvements**

The **agency** requests \$2.9 million, all SGF, for capital improvement expenditures for FY 2023. This is an increase of \$135,000 above the FY 2022 revised estimate. The agency requests funding for following projects for FY 2023:

- **REHABILITATION AND REPAIR.** The agency requests \$100,000 SGF for rehabilitation and repair projects for FY 2023. These expenditures include HVAC systems and security improvements at the Topeka headquarters and annex and the Great Bend office.
- **FORENSIC SCIENCE LABORATORY (DEBT SERVICE PRINCIPAL).** The agency requests \$2.8 million SGF for debt service principal payments for the Forensic Science Laboratory located at Washburn University for FY 2023.

The **Governor** concurs with the agency's FY 2023 request for capital improvements expenditures.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 156 — Kansas Highway Patrol Capital Improvements**

The **agency** requests FY 2023 capital improvements expenditures totaling \$1.1 million, all from special revenue funds. This is a decrease of \$274,789, or 19.6 percent, below the 2022 revised request. The requested amount includes the following expenditures:

- **TROOP J TRAINING ACADEMY MAJOR PROJECTS (PROJECTS GREATER THAN \$50,000).** The agency requests \$221,375, all from special revenue funds, for dorm and gym window replacement - Phase 1.
- **TROOP J TRAINING ACADEMY MAINTENANCE AND REPAIR (PROJECTS LESS THAN \$50,000).** The agency requests \$84,030, all from special revenue funds, to replace gym lighting with LED fixtures (\$44,430) and install a ground level entry into Troop J (\$39,600).
- **TROOP FACILITY MAJOR PROJECTS (PROJECTS GREATER THAN \$50,000).** The agency requests \$502,500, all from special revenue funds, for fleet building exterior painting (\$172,500) and Troop C elevator repairs (\$330,000).

- **TROOP FACILITY MAINTENANCE AND REPAIR (PROJECTS LESS THAN \$50,000).** The agency requests \$107,910, all from special revenue funds, to complete the following projects for FY 2023: window laminate (\$6,935) and exterior/interior cameras (\$12,000) at Troop A; plumbing work (\$6,000) at Fleet; and replace carpeting (\$42,000), paint roof (\$38,575), and finish weight room walls (\$2,400) at Troop D.
- **TROOP I SCALE REPAIR AND REPLACEMENT.** The agency requests \$211,200, all from special revenue funds, for Troop I scale repair and replacement projects for FY 2023. The agency's request includes expenditures to replace the Wabaunsee Scale (175,200) and ongoing scale maintenance (\$36,000).

The **Governor** concurs with the agency's request for capital improvement expenditures for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 157 — Adjutant General's Department Capital Improvements**

The **agency** requests \$94.4 million, including \$84.4 million SGF, for capital improvements for FY 2023. This request includes six enhancement requests totaling \$86.9 million, including \$83.9 million SGF, for the remodel of the State Defense Building (SDB), a new armory in Hays, the purchase of an emergency supply warehouse, additional rehabilitation and repair, and deferred maintenance project expenditures. The request is composed of the following:

- **SGF MONEYS.** The request includes \$993,974 for rehabilitation and repair expenditures, \$38.3 million for deferred maintenance, \$21.0 million for the remodel of the SDB, \$18.1 million for the land and construction of a new armory in Hays, and \$6.0 million for the purchase of an emergency supply warehouse.
- **ALL OTHER FUNDS.** The request includes \$10.0 million, all from federal funds, for eligible projects. This includes matching funds for two of the agency's enhancement requests for additional rehabilitation and repair and deferred maintenance projects for FY 2023. Further, the request includes \$5.0 million from federal funds for construction of a new Joint Forces Headquarters (JFHQ) on federal property at Forbes Field in Topeka. The total project cost is estimated at \$16.5 million, with construction concluding in FY 2025.

FY 2023 enhancement requests for capital improvement projects are as follows:

- **REHABILITATION AND REPAIR.** The agency requests \$1.0 million, including \$500,000 SGF, for additional routine rehabilitation and repair among the 38 armories and other National Guard facilities, for FY 2023. These expenditures would support physical security upgrades, groundskeeping, code compliance, and utility infrastructure replacement. The agency notes the cooperative agreement with the

federal National Guard Bureau generally provides a 50.0 percent matching rate, with a few exceptions at 25.0 percent matching rate for readiness centers (armories).

- **DEFERRED MAINTENANCE.** The agency requests \$5.0 million, including \$2.5 million SGF, to continue renovation and modernization of the 38 armories and other National Guard facilities, for FY 2023. These expenditures would support large restoration projects, HVAC replacements, roof replacements, interior upgrades, and building exterior improvements. The agency notes the cooperative agreement with the federal National Guard Bureau generally provides a 50.0 percent rate, with a few exceptions at 25.0 percent matching rate for readiness centers (armories). The agency indicates deferred maintenance work would occur at armories in Concordia, Dodge City, Paola, Salina, Smith Center, and Wichita for FY 2023.
- **DEFERRED MAINTENANCE - ARPA.** The agency request \$35.8 million, all SGF, to address deferred maintenance among all remaining National Guard facilities. The agency suggests discretionary funds provided through the federal American Rescue Plan Act (ARPA) may be suitable to be used instead of SGF moneys for this purpose. The agency notes that National Guard readiness centers (armories) were last updated between 2001 and 2012 and many systems have reached the end of their life cycle.
- **SDB REMODEL.** The agency requests \$21.0 million, all SGF, for the complete remodeling of the current State Defense Building (SDB) and the State Emergency Operations Center (SEOC). The Kansas Division of of Emergency Management (KDEM) is currently housed in the basement of the the SDB in Topeka. The agency states that the current space is inadequate for the day-to-day operations of the SEOC. The complete remodeling includes construction, partial demolition, and engineering costs, as well as the acquisition and integration of technology. The agency states that remodeling of the current facility is the most suitable option, as it sits within a secured site and is the location of the current SEOC and Joint Operations Center and supports the consolidation of multiple agency offices, such as the Comptroller's Office and Human Resources Office. The agency suggests that discretionary funds provided through ARPA may be suitable to be used instead of SGF moneys for this purpose.
- **NEW HAYS ARMORY.** The agency requests \$18.1 million, all SGF, to establish a new National Guard armory in Hays. This estimate includes the purchase of a 15-acre site (\$2.1 million), yet to be determined, and the construction of a 49,792-square foot National Guard Readiness Center (\$16.0 million). The agency suggests discretionary funds provided through ARPA may be suitable to be used instead of SGF moneys for this purpose. The agency states that the current armory in Hays is over 60 years old and located in a flood plain, which does not support new construction. The current facility lacks adequate administrative and classroom space, kitchen facilities, and affords limited maintenance bay capacity, all of which inhibits training. The agency estimates construction would be complete by FY 2026.
- **WAREHOUSE - ARPA.** The agency requests \$6.0 million, all SGF, for the purchase of a warehouse in Topeka to enable the storage and statewide distribution of personal protective equipment (PPE), and other emergency supplies. The agency

suggests discretionary funds provided through ARPA may be suitable to be used instead of SGF moneys for this purpose.

The **Governor** recommends expenditures totaling \$52.6 million, including \$42.6 million SGF, for capital improvements for FY 2023. This is an SGF decrease of \$41.8 million below the agency's FY 2023 request. The decrease is due to the Governor not recommending the agency's enhancement requests for additional deferred maintenance of all remaining armories (\$35.8 million), nor the purchase of a supply warehouse (\$6.0 million). The recommendation does not include ARPA funding for any projects, but notes that such federal funding should be pursued with the SPARK Executive Committee.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 158 — Kansas State Fair Board Capital Improvements**

The **agency** requests FY 2023 capital improvement expenditures of \$763,358, all from special revenue funds. This is a decrease of \$2,620, or 0.3 percent, below the FY 2022 revised capital improvements estimate. This decrease is due to decreased expenditures on the Grandstand repair, partially offset by increased expenditures on ongoing maintenance.

The **Governor** concurs with the agency's FY 2023 capital improvements request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 159 — Kansas Department of Wildlife and Parks Capital Improvements**

The **agency** requests FY 2023 capital improvements expenditures of \$17.0 million, all from special revenue funds. This is an increase of \$2.7 million, or 18.9 percent, above the FY 2022 revised estimate. This increase is primarily for parks and fish and wildlife maintenance. Of this increase, \$1.7 million comes from federal funds. Projects include campground improvements, dock and dam repairs, storage building in various wildlife areas, and fish hatchery improvements.

The **Governor** concurs with the agency's FY 2023 capital improvements request.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

### **Sec. 160 — Kansas State Fair Capital Improvements Fund**

The **Governor** recommends transferring the greater of \$300,000 or the amount equal to 5.0 percent of the total gross receipts during FY 2022 from state fair activities and non-fair day activities from the State Fair Fee Fund to the State Fair Capital Improvement Fund for FY 2023. The Governor also recommends transferring the amount required to pay the bonded debt service payment from the State Fair Fee Fund to the State Fair Capital Improvement Fund.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 161 — Tax Increment Financing Revenue Replacement Fund**

The **Governor** recommends that transfer from the SGF to the Tax Increment Financing Revenue Replacement Fund shall be suspended through FY 2024.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 162 — State Housing Trust Fund**

The **Governor** recommends transferring \$2.0 million from the Economic Development Initiatives Fund to the State Housing Trust Fund through FY 2024. The Governor further recommends that moneys in the State Housing Trust Fund shall be used solely for housing or infrastructure development in rural areas and the president of the KHRC shall report annually to the Legislature through FY 2025.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 163 — Securities Act Fee Fund**

This section suspends the statutory transfer from the Securities Act Fee Fund at the Insurance Department to the SGF for FY 2022, FY 2023, and FY 2024.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 164 — School District Capital Improvement Fund**

This section establishes the Capital Improvement State Aid Fund and identifies transfers as revenue transfers from the SGF.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 165 — Job Creation Program Fund**

The **Governor** recommends that the total amount credited to the Job Creation Program Fund shall not exceed \$8.5 million in FY 2022 and \$35.0 million per year for FY 2023 and FY 2024. The Governor also recommends not transferring, prior to FY 2025, from the net savings realized from the elimination, modification or limitation of any credit, deduction, or program be transferred to the Job Creation Program Fund.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 166 — Kansas Bioscience Authority**

The **Governor** recommends no moneys be transferred from the SGF to the Bioscience Development and Investment Fund through FY 2024.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 167 — Unclaimed Property**

The **Governor** recommends that no moneys shall be transferred from excess unclaimed property receipts to the KPERS Unclaimed Property Fund through FY 2024.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 168 — Budget Stabilization Fund – Tax Receipt Certification**

Amend KSA 75-6707, for FY 2022 through FY 2024, directing the the Director of the Budget, in consultation with the Director of Legislative Research, to transfer 50.0 percent of certified excess receipts above the revenue estimates from the SGF to the Budget Stabilization Fund.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 169 — Faculty of Distinction**

This section provides that the transfer of matching funds pursuant to the Faculty of Distinction Program shall be treated as a revenue transfer.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 170 — Infrastructure Maintenance Fund**

The **Governor** recommends that transfers from the SGF to the Infrastructure Maintenance Fund shall be suspended through FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 171 — Local Ad Valorem Tax Reduction Fund**

The **Governor** recommends that transfers from the SGF to the Local Ad Valorem Tax Reduction Fund be suspended through FY 2024. Transfers from the SGF to the Local Ad Valorem Tax Reduction Fund is limited to \$54.0 million beginning in FY 2025.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 172 — County and City Revenue Sharing Fund**

The **Governor** recommends that transfers from the SGF to the County and City Revenue Sharing Fund be suspended through FY 2024.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 173 — Special City and County Highway Fund**

The **Governor** recommends that transfers from the SGF to the Special City and County Highway Fund be suspended through FY 2024.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 174 — Kansas Retail Dealers Incentive Fund**

The **Governor** recommends that transfers from the SGF to the Kansas Retail Dealers Incentive Fund be suspended through FY 2024.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 175 — Economic Development Initiatives Fund**

The **Governor** recommends that transfers from the Economic Development Initiatives Fund to the State Water Plan Fund be capped at \$1.7 million in FY 2022.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 176 — Repealer**

The **Governor** recommends repealing current statutes related to the establishment of the State Fair Capital Improvements Fund, the School District Capital Improvements Fund, the Bioscience Development and Investment Fund, Local Ad Valorem Tax Reduction, City and County Revenue Sharing Fund, and the Tax Increment Financing Revenue Replacement Fund; transfers to the State Housing Trust Fund, the Infrastructure Maintenance Fund, the Special City

and County Highway Fund, Kansas Retail Dealer and Incentive Fund, Economic Development Initiatives Fund, and the Budget Stabilization Fund; administration of the Uniform Securities Act; debt service obligations for IMPACT bonds; management of moneys by the Pooled Money Investment Board; and transfer of qualifying gift for universities. These statutes are to be replaced with new language cited throughout the bill.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 177 — Fund and Account Name Reconciliation**

The **Governor** recommends that if any fund or account name in the bill does not match the numerical accounting code that follows it, it will be presumed by the Legislature that the fund or account name is the correct fund or account name over the contradictory numerical accounting code.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 178 — Severability**

The **Governor** recommends that if any provision or clause of the bill or application of the bill is held invalid, such invalidity will not affect other provisions or applications of the bill that can be given effect without the invalid provision or application. The provisions of the bill are declared to be severable.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 179 — Appeals to Exceed Expenditure Limitations**

The **Governor** recommends that expenditures from special revenue funds may exceed the amounts specified in the bill upon written application to the Governor and approval of the State Finance Council. This provision does not apply to the Expanded Lottery Act Revenues Fund, the State Economic Development Initiatives Fund, the Children's Initiative Fund, the State Water Plan Fund, or the Kansas Endowment for Youth Fund.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

#### **Sec. 180 — Savings**

The **Governor** recommends that any unencumbered balance as of June 30, 2022 in any special revenue fund of any state agency named in the bill that is not otherwise specifically appropriated or limited for FY 2023 is hereby reappropriated for FY 2023 for the same use and purpose. This provision does not apply to the Expanded Lottery Act Revenues Fund, the State Economic Development Initiatives Fund, the Children's Initiative Fund, the State Water Plan Fund, or the Kansas Endowment for Youth Fund.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 181 — Kansas Development Finance Authority**

This section directs proceeds of bonds issued by the Kansas Development Finance Authority to the corresponding special revenue funds within agencies for which such bonds were issued.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 182 — Federal Grants**

For FY 2023, state agencies may apply for and receipt federal grants not otherwise appropriated in this or other appropriation act of the 2022 session, except, that State agencies may not expend or incur obligations against such funds without approval of the Governor. The provisions of this section shall not apply to the American Rescue Plan State Fiscal Relief Fund, which is addressed in Section 22, the Office of the Governor.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 183 — Correctional Institutions Building Fund**

The **Governor** recommends that any unencumbered balance from Correctional Institutions Building Fund at the end of FY 2022 be reappropriated into FY 2023, unless specific provision is made to lapse moneys from such balance.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 184 — Kansas Educational Building Fund**

The **Governor** recommends that any unencumbered balance from Kansas Educational Building Fund at the end of FY 2022 be reappropriated into FY 2023, unless specific provision is made to lapse moneys from such balance.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 185 — State Institutions Building Fund**

The **Governor** recommends that any unencumbered balance from State Institutions Building Fund at the end of FY 2022 be reappropriated into FY 2023, unless specific provision is made to lapse moneys from such balance.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. 186 — Legislative Division of Post Audit**

Transfers from any special revenue fund to the Legislative Post Audit – Audit Services Fund shall be in excess of stated expenditure limitations for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation.

**Sec. -- — KPERS Policy Change**

The **Governor** recommends the addition of \$10.0 million SGF to convert certain Kansas Department of Corrections employees, including juvenile correctional officers, and Kansas Department of Wildlife and Parks law enforcement officers to the Kansas Police and Firemen's (KP&F) retirement system for FY 2023.

**SENATE COMMITTEE RECOMMENDATION.** The Senate Committee concurs with the Governor's recommendation with the following adjustment:

1. Delete \$10.0 million SGF for conversion of certain Kansas Department of Corrections employees, including juvenile correctional officers, and Kansas Department of Wildlife and Parks law enforcement officers to the Kansas Police and Firemen's retirement system for FY 2023.

# Children's Initiatives Fund

## FY 2021 - FY 2023

	Actual FY 2021	Approved FY 2022	Gov Rec FY 2022	SWAM Adjustments FY 2022	Gov Rec FY 2023	SWAM Adjustments FY 2023
<b>Department of Health and Environment</b>						
Healthy Start/Home Visitor	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ 1,650,000	\$ -
Infants and Toddlers Program (Tiny K)	5,800,000	5,800,000	5,800,000	-	5,800,000	-
Smoking Cessation/Prevention Program Grants	1,001,960	1,001,960	1,001,960	-	1,001,960	-
Newborn Hearing Aid Loaner Program*	63,902	80,142	80,142	-	-	-
SIDS Network Grant	96,374	96,374	96,374	-	96,374	-
<i>Subtotal - KDHE</i>	<u>\$ 7,212,236</u>	<u>7,228,476</u>	<u>7,228,476</u>	<u>-</u>	<u>8,548,334</u>	<u>-</u>
<b>Department for Aging and Disability Services</b>						
Children's Mental Health Initiative	\$ 3,800,000	\$ 3,800,000	\$ 3,800,000	\$ -	\$ -	\$ -
<b>Department for Children and Families</b>						
Child Care Services	\$ 5,033,679	\$ 5,033,679	\$ 5,033,679	\$ -	\$ 5,033,679	\$ -
Family Preservation	3,241,062	3,241,062	3,241,062	-	3,241,062	-
<i>Subtotal - DCF</i>	<u>\$ 8,274,741</u>	<u>\$ 8,274,741</u>	<u>\$ 8,274,741</u>	<u>\$ -</u>	<u>\$ 8,274,741</u>	<u>\$ -</u>
<b>Department of Education</b>						
Parents as Teachers*	\$ 8,454,860	\$ 8,556,522	\$ 8,556,522	\$ -	\$ 8,437,635	\$ -
Pre-K Pilot	4,200,000	4,200,000	4,200,000	-	4,200,000	-
<i>Under Education Commissioner Authority</i>	<u>\$ 12,654,860</u>	<u>\$ 12,756,522</u>	<u>\$ 12,756,522</u>	<u>\$ -</u>	<u>\$ 12,637,635</u>	<u>\$ -</u>
Children's Cabinet Accountability Fund	\$ 375,000	\$ 375,000	\$ 375,000	\$ -	\$ 375,000	\$ -
Combined Block Grant (Early Childhood and Smart Start)*	18,145,635	18,366,647	18,366,647	-	20,729,848	-
Early Childhood Block Grants - Autism	50,000	50,000	50,000	-	-	-
Communities Aligned in Early Dev and Ed	1,000,000	1,000,000	1,000,000	-	-	-
Child Care Quality Initiative	500,000	500,000	500,000	-	-	-
Early Childhood Infrastructure	-	-	-	-	1,400,773	-
Imagination Library	-	-	-	-	500,000	-
<i>Under Children's Cabinet Authority</i>	<u>\$ 20,070,635</u>	<u>\$ 20,291,647</u>	<u>\$ 20,291,647</u>	<u>\$ -</u>	<u>\$ 23,005,621</u>	<u>\$ -</u>
<i>Subtotal - Dept. of Ed.</i>	<u>\$ 32,725,495</u>	<u>\$ 33,048,169</u>	<u>\$ 33,048,169</u>	<u>\$ -</u>	<u>\$ 35,643,256</u>	<u>\$ -</u>
State Employee Pay Plan	\$ -	\$ -	\$ -	\$ -	\$ 7,739	\$ -
<b>TOTAL</b>	<b><u>\$ 52,012,472</u></b>	<b><u>\$ 52,351,386</u></b>	<b><u>\$ 52,351,386</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 52,474,070</u></b>	<b><u>\$ -</u></b>
<b>Beginning Balance</b>						
Beginning Balance	\$ 2,248,170	\$ 858,124	\$ 858,124	\$ 858,124	\$ 219,550	\$ 219,550
<b>Plus: Other Income</b>						
Reappropriation	-	-	-	-	-	-
Released Encumbrance	219,599	-	-	-	-	-
KEY Fund Transfer In**	50,402,827	51,712,812	51,712,812	51,712,812	52,254,520	52,254,520
Transfer in from CI Reserve Fund	-	-	-	-	-	-
<b>Total Available</b>	<u>\$ 52,870,596</u>	<u>\$ 52,570,936</u>	<u>\$ 52,570,936</u>	<u>\$ 52,570,936</u>	<u>\$ 52,474,070</u>	<u>\$ 52,474,070</u>
<b>Less: Expenditures</b>						
Less: Expenditures	52,012,472	52,351,386	52,351,386	52,351,386	52,474,070	52,474,070
Transfer Out to State General Fund	-	-	-	-	-	-
<b>ENDING BALANCE</b>	<b><u>\$ 858,124</u></b>	<b><u>\$ 219,550</u></b>	<b><u>\$ 219,550</u></b>	<b><u>\$ 219,550</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

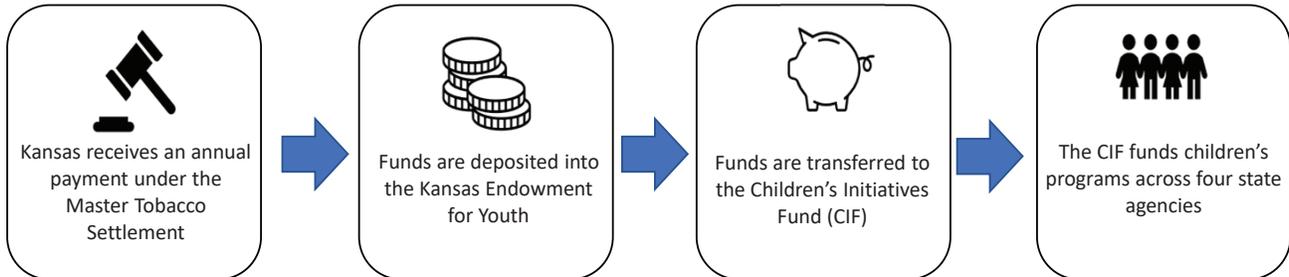
\*FY 2022 approved includes reappropriations of unused funds from FY 2021 to FY 2022.

\*\*FY 2021 included the following transfers from the Kansas Endowment for Youth (KEY) Fund: \$460,593 to the Attorney General for MSA compliance; \$200,000 to the Judicial Branch; and \$1.2 million to the Department of Revenue for MSA compliance. FY 2022 includes the following transfers from the KEY Fund: \$460,593 to the Attorney General; \$225,000 to the Judicial Branch; and \$1.2 million to the Department of Revenue. FY 2023 includes the following transfers from the KEY Fund: \$460,593 to the Attorney General and \$1.2 million to the Department of Revenue.

# Children's Initiatives Fund

## Statutory Authority

The Children's Initiatives Fund (CIF) is authorized by KSA 38-2102. This statute was passed by the 1999 Legislature as part of the response to the 1998 Master Settlement Agreement with four major tobacco companies. Payments from the settlement are deposited into the Kansas Endowment for Youth (KEY) Fund. Moneys are then transferred from the KEY Fund to the Children's Initiatives Fund. Further details on the Children's Initiatives Fund is provided below.



### **KSA 38-2102(b)**

–Requires all moneys deposited into the CIF be used for "the purposes of providing additional funding for programs, projects, improvements, services and other purposes directly or indirectly beneficial to the physical and mental health, welfare, safety and overall well-being of children in Kansas."

–Statute requires the Legislature to emphasize programs and services that are data-driven and outcomes-based. Additionally, the statute says the Legislature may emphasize programs and services "that are generally directed toward improving the lives of children and youth by combating community-identified risk factors associated with children and youth becoming involved in tobacco, alcohol, drugs or juvenile delinquency."

–In order to receive funding, programs must meet the following requirements: have a clearly identified objective; show the program design is supported by credible research; who the program will constitute best practices in the field; include an evaluation and assessment component is part of the program design; identify needed program modifications to enhance performance; show how the program can be modified for use in other areas; and identify when performance no longer justifies funding.

–Community-based programs must show the availability of sufficient community leadership and the ability to appropriately implement the program. Programs that require community mobilization to be successful must show a specific strategy to obtain the required community mobilization.

–Prohibits CIF moneys from replacing or substituting for moneys appropriated from the State General Fund in the immediately preceding fiscal year.

### **KSA 38-2102(d)**

–Requires the transfer from the KEY Fund to the CIF be 102.5 percent of the amount transferred the prior year.

–Allows the Legislature to adjust the required transfers from the KEY Fund to the CIF.

### **KSA 38-2102(f)**

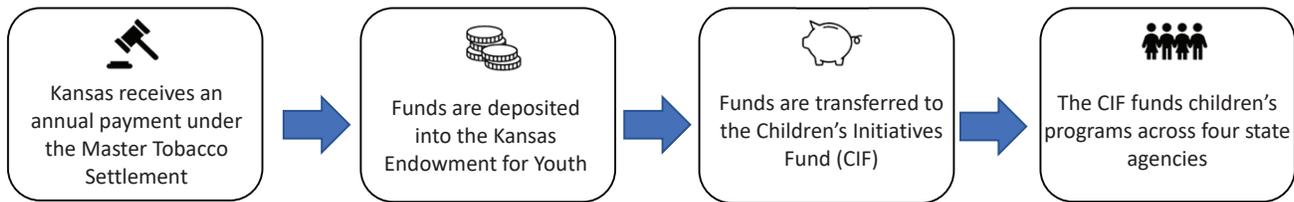
–Requires the Director of Accounts and Reports to make a monthly transfer from the KEY Fund to the State General Fund based on: 1) the average daily balance of moneys in the CIF for the preceding month and 2) the net earnings rate of the Pooled Money Investment Portfolio for the preceding month.

**Kansas Endowment for Youth (KEY) Fund Summary**  
**FY 2021 - FY 2023**

	FY 2021 Actuals	FY 2022 Approved	FY 2022 Gov Rec	FY 2022 SWAM Adjustments	FY 2023 Gov Rec	FY 2023 SWAM Adjustments
<b>Beginning Balance</b>	\$ 21,422,790	\$ 28,734,342	\$ 28,734,342	\$ -	\$ 21,758,345	\$ -
Released Encumbrances and Other Adjustments	29,092	-	-	-	-	-
Tobacco Receipts	59,777,642	47,000,000	47,000,000	-	45,000,000	-
Strategic Contributions Funds	-	-	-	-	-	-
Transfer to Children's Initiatives Fund	(50,402,827)	(51,712,812)	(51,712,812)	-	(52,254,520)	-
Transfer to State General Fund	-	-	-	-	-	-
Transfer in from Children Initiatives Fund	-	-	-	-	-	-
Transfer to the Attorney General	(460,593)	(460,593)	(460,593)	-	(460,593)	-
Transfer to the Judicial Branch	(200,000)	(225,000)	(225,000)	-	-	-
Transfer to the Department of Revenue	(1,220,688)	(1,220,688)	(1,220,688)	-	(1,200,000)	-
<i>Total Available</i>	\$ 28,945,416	\$ 22,115,249	\$ 22,115,249	\$ -	\$ 12,843,232	\$ -
Children's Cabinet Administration	(211,074)	(260,535)	(356,904)	-	(268,534)	-
<b>Ending Balance</b>	<b>\$ 28,734,342</b>	<b>\$ 21,854,714</b>	<b>\$ 21,758,345</b>	<b>\$ -</b>	<b>\$ 12,574,698</b>	<b>\$ -</b>

**Kansas Endowment for Youth**  
**Statutory Authority**

The Kansas Endowment for Youth (KEY) was established by KSA 38-2101 with the intention of providing an ongoing source of investment earnings available to fund programs for Kansas youth. The fund was established by the 1999 Legislature as part of the response to the 1998 Master Tobacco Settlement Agreement with four major tobacco companies. Payments from the settlement are deposited into the KEY fund and much of the money is transferred to the Children's Initiative Fund to fund programs that benefit children and families.



**KSA 38-2101**

(a) The Kansas Endowment for Youth shall constitute a trust fund and be managed and administered by the board of trustees of the Kansas public employees retirement system (KPERs).

(b) All moneys received by the state pursuant to the tobacco litigation settlement, shall be deposited into the state treasury and credited to the Kansas Endowment for Youth. Expenditures may be made from the KEY fund to pay for operating expenses of the Kansas Children's Cabinet and board of trustees, including the expenses of investing and managing moneys attributable to the KEY Fund. All money credited to the KEY Fund shall be invested to provide an ongoing source of investment earnings available for periodic transfer to the Children's Initiatives Fund (CIF).

**KSA 38-2102**

(a) Establishes the CIF.

(d) Requires the transfer from the KEY Fund to the CIF be 102.5 percent of the amount transferred the prior year but allows the legislature to adjust the required transfers should the amounts received under the tobacco litigation settlement agreement be reduced or increased from the anticipated amount.

**KSA 38-2104**

(b) Money shall be invested and reinvested with the goal of preserving the fund and providing benefits to the beneficiaries of the CIF. No moneys in the fund shall be invested if the "primary investment objective is for economic development or social purposes or objectives."

**ECONOMIC DEVELOPMENT INITIATIVES FUND  
FY 2021 - FY 2023**

<b>Agency/Program</b>	<b>Actuals FY 2021</b>	<b>Approved FY 2022</b>	<b>Gov Rec. FY 2022</b>	<b>Senate Adj. FY 2022</b>	<b>Gov Rec. FY 2023</b>	<b>Senate Adj. FY 2023</b>
<b>Department of Commerce</b>						
Operating Grant	\$ 9,519,588	\$ 8,477,832	\$ 9,248,974	\$ -	\$ 9,088,882	\$ -
Broadband Development Program	-	-	-	-	1,000,000	-
Build Up Kansas	125,000	125,000	125,000	-	125,000	-
Community Development Program	366,257	644,061	921,865	-	644,061	-
Global Trade Services	-	-	-	-	-	-
Governor's Council of Economic Advisors	8,532	193,795	379,058	-	193,795	-
International Trade Program	200,062	203,771	207,480	-	203,771	-
Kansas Creative Arts Industries Comm.	503,270	502,084	503,211	-	502,084	-
KIT/KIR Program	-	-	-	-	2,000,000	-
Main Street Program	333,943	825,000	1,344,158	-	825,000	-
MyReemployment Program	-	94,300	94,300	-	94,300	-
Older Kansans Employment Program	437,361	503,164	580,315	-	503,164	-
Public Broadcasting Grants	500,000	500,000	500,000	-	500,000	-
Registered Apprenticeship	-	-	-	-	500,000	-
Rural Opportunity Zones Program	839,780	1,008,583	1,438,556	-	1,008,583	-
Senior Community Service Employment	10,046	7,941	8,421	-	7,941	-
Small Business R&D Grants	-	-	-	-	1,000,000	-
Strong Military Bases Program	200,745	195,880	196,944	-	195,880	-
Tourism Program	-	1,701,576	1,701,576	-	2,601,576	-
Work Based Learning	-	-	-	-	714,000	-
<i>Subtotal - Commerce</i>	<i>\$ 13,044,584</i>	<i>\$ 14,982,987</i>	<i>\$ 17,249,858</i>	<i>\$ -</i>	<i>\$ 21,708,037</i>	<i>\$ -</i>
<b>Board of Regents &amp; Universities</b>						
Vocational Education Capital Outlay	\$ 2,547,726	\$ 2,547,726	\$ 2,547,726	\$ -	\$ 2,547,726	\$ -
Technology Innovation & Internship	165,426	179,284	202,478	-	179,284	-
EPSCoR	993,265	993,265	993,265	-	993,265	-
Community College Competitive Grants	500,000	500,000	500,000	-	500,000	-
KSU - ESARP	307,939	307,939	307,939	-	307,939	-
<i>Subtotal - Regents &amp; Universities</i>	<i>\$ 4,514,356</i>	<i>\$ 4,528,214</i>	<i>\$ 4,551,408</i>	<i>\$ -</i>	<i>\$ 4,528,214</i>	<i>\$ -</i>
<b>Department of Agriculture</b>						
<i>Agriculture Marketing Program</i>	<i>\$ 983,664</i>	<i>\$ 983,664</i>	<i>\$ 983,664</i>	<i>\$ -</i>	<i>\$ 983,664</i>	<i>\$ -</i>
<b>Department of Wildlife &amp; Parks</b>						
Operating Expenditures	\$ 1,768,635	\$ 1,953,824	\$ 1,953,824	\$ -	\$ 1,953,828	\$ -
Travel Tourism	1,695,295	-	-	-	-	-
Parks Operations	1,591,348	1,621,902	1,611,299	-	1,611,295	-
<i>Subtotal - Wildlife &amp; Parks</i>	<i>\$ 5,055,278</i>	<i>\$ 3,575,726</i>	<i>\$ 3,565,123</i>	<i>\$ -</i>	<i>\$ 3,565,123</i>	<i>\$ -</i>
<b>Global Adjustments</b>						
State Employee Pay	-	-	-	-	578,211	-
<i>Subtotal - Global Adjustments</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 578,211</i>	<i>\$ -</i>
<b>Total Expenditures</b>	<b>\$ 23,597,882</b>	<b>\$ 24,070,591</b>	<b>\$ 26,350,053</b>	<b>\$ -</b>	<b>\$ 31,363,249</b>	<b>\$ -</b>
<b>State Housing Trust Fund</b>						
State Housing Trust Fund	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
State Water Plan Fund	913,325	1,719,264	1,719,264	-	2,000,000	-
State General Fund	16,286,686	15,032,110	15,032,110	-	-	-
<i>Subtotal - Transfers</i>	<i>\$ 19,200,011</i>	<i>\$ 18,751,374</i>	<i>\$ 18,751,374</i>	<i>\$ -</i>	<i>\$ 4,000,000</i>	<i>\$ -</i>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 42,797,893</b>	<b>\$ 42,821,965</b>	<b>\$ 45,101,427</b>	<b>\$ -</b>	<b>\$ 35,363,249</b>	<b>\$ -</b>
<b>EDIF Resource Estimate</b>						
	<b>Actuals FY 2021</b>	<b>Approved FY 2022</b>	<b>Gov Rec. 2022</b>	<b>Senate Adj. 2023</b>	<b>Gov Rec 2023</b>	<b>Senate Adj. 2023</b>
Beginning Balance	\$ 2,852,446	\$ 3,244,248	\$ 3,244,248	\$ -	\$ 624,821	\$ -
Gaming Revenues	42,432,000	42,432,000	42,432,000	-	42,432,000	-
Other Income*	757,695	50,000	50,000	-	50,000	-
Total Available	\$ 46,042,141	\$ 45,726,248	\$ 45,726,248	\$ -	\$ 43,106,821	\$ -
Less: Expenditures and Transfers	42,797,893	42,821,965	45,101,427	-	35,363,249	-
Reappropriations	-	-	-	-	-	-
<b>ENDING BALANCE</b>	<b>\$ 3,244,248</b>	<b>\$ 2,904,283</b>	<b>\$ 624,821</b>	<b>\$ -</b>	<b>\$ 7,743,572</b>	<b>\$ -</b>

\* Other income includes interest, transfers, reimbursements and released encumbrances.

## Economic Development Initiatives Fund (EDIF)

### EDIF Revenues and Transfers

The State Gaming Revenues Fund transfers 85.0 percent of the first \$50.0 million, or \$42.43 million per fiscal year, in net receipts from regular lottery revenues to the EDIF. Of that amount, the following transfers are made:

- **State Housing Trust Fund** – The State Housing Trust Fund does not have a statutorily designated revenue source. Since FY 2010, \$2.0 million per year has been transferred to this fund from EDIF. The State Housing Trust Fund is used to support the Moderate-Income Housing Program in the Kansas Housing Resources Corporation.
- **State Water Plan Fund (SWPF)** – KSA 79-4804 directs that \$2.0 million per year will be transferred from the EDIF to the SWPF. That amount has been regularly modified by the appropriations bill and has varied between \$500,000 and \$2.0 million over the last decade.
- **State General Fund** – There is no statutory transfer to the SGF from the EDIF; however, excess receipts in the EDIF, after transfers and appropriated expenditures, have been transferred to the SGF by action of the appropriations bills. This amount has varied between \$10.0 million and \$27.0 million per year over the last decade.

### EDIF Expenditures

KSA 79-4804 establishes the EDIF. The statute indicates that expenditures from the fund shall be used generally for:

- Supporting and enhancing the existing economic foundation of the State;
- Fostering growth through the expansion of current businesses, and
- The establishment and attraction of new, commercial, and industrial enterprises.

The statute requires that 50.0 percent of the funds transferred to the EDIF shall be split evenly between the four Kansas congressional districts.

KSA 79-4804 further creates three EDIF accounts and requires that all EDIF revenue be deposited into one of those three accounts. The appropriations bills have created new EDIF accounts and deposited the funding as instructed by the Legislature. The statutory EDIF accounts include:

- *Kansas Capital Formation Account* - Used to provide, encourage, and implement capital development and formation in Kansas.
- *Kansas Economic Development Research and Development Account* - used to promote, encourage, and implement research and development programs and activities in Kansas and technical assistance funded through state educational institutions under the supervision and control of the state Board of Regents or other Kansas colleges and universities; and
- *Kansas Economic Development Endowment Account* - provide an ongoing source of funds to support specific community infrastructure projects in Kansas that stimulate economic growth.

**Expanded Lottery Act Revenues Fund FY 2021 - FY 2023**

	<b>FY 2021 Actual</b>	<b>FY 2022 Governor's Rec.</b>	<b>FY 2022 SWAM Adjustments</b>	<b>FY 2023 Governor's Rec.</b>	<b>FY 2023 SWAM Adjustments</b>
<b>Department of Administration (Debt Service)</b>					
KPERS Bonds	\$ 36,119,102	\$ 36,114,485	\$ -	\$ 36,110,453	\$ -
Public Broadcasting Council Bonds	427,801	-	-	-	-
<i>Subtotal</i>	<u>\$ 36,546,903</u>	<u>\$ 36,114,485</u>	<u>\$ -</u>	<u>\$ 36,110,453</u>	<u>\$ -</u>
<b>Department of Education</b>					
KPERS School Employer Contributions	\$ 41,640,023	\$ 41,143,515	\$ -	\$ 41,389,547	\$ -
<b>Transfers to Other Funds</b>					
<i>University Engineering Initiative:</i>					
Kan-Grow Engineering Fund - KSU	\$ 3,500,000	\$ 3,500,000	\$ -	\$ 3,500,000	\$ -
Kan-Grow Engineering Fund - KU	3,500,000	3,500,000	-	3,500,000	-
Kan-Grow Engineering Fund - WSU	3,500,000	3,500,000	-	3,500,000	-
<i>Subtotal</i>	<u>\$ 10,500,000</u>	<u>\$ 10,500,000</u>	<u>\$ -</u>	<u>\$ 10,500,000</u>	<u>\$ -</u>
State General Fund Transfer	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL TRANSFERS AND EXPENDITURES</b>	<b>\$ 88,686,926</b>	<b>\$ 87,758,000</b>	<b>\$ -</b>	<b>\$ 88,000,000</b>	<b>\$ -</b>
<b>ELARF Resource Estimate</b>					
	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2023</b>
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Gaming Revenues	82,422,361	87,736,000	-	88,000,000	-
Transfer from State General Fund	6,264,565	22,000	-	-	-
Released Encumbrances / Lapses	-	-	-	-	-
Privilege Fees	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 88,686,926</u>	<u>\$ 87,758,000</u>	<u>\$ -</u>	<u>\$ 88,000,000</u>	<u>\$ -</u>
Less: Expenditures and Transfers	88,686,926	87,758,000	-	88,000,000	-
<b>ENDING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**State Water Plan Fund  
2022 Session**

<b>EXPENDITURES</b>	<b>FY 2021 ACTUALS</b>	<b>FY 2022 Gov Rec</b>	<b>FY 2022 SWAM Adjustments</b>	<b>FY 2023 Gov Rec</b>	<b>FY 2023 SWAM Adjustments</b>
<b>Department of Agriculture</b>					
Interstate Water Issues	\$ 435,436	\$ 722,886	\$ -	\$ 473,184	\$ 26,097
Water Use Study	65,908	143,531	-	72,600	27,400
Basin Management	443,342	979,587	-	584,023	37,628
Water Resources Cost Share	2,404,488	2,475,044	-	2,698,289	-
Nonpoint Source Pollution Assistance	2,002,236	1,978,238	-	1,853,185	6,919
Aid to Conservation Districts	2,192,637	2,223,373	-	2,473,373	-
Water Transition Assistance/CREP	132,709	768,820	-	496,593	50,000
Watershed Dam Construction	411,715	688,285	-	550,000	-
Water Quality Buffer Initiative	192,855	436,599	-	200,000	-
Riparian & Wetland Program	80,479	555,840	-	54,024	100,000
Streambank Stabilization	1,196,678	918,286	-	1,044,264	(294,264)
Irrigation Technology	76,178	325,046	-	300,000	50,000
Lake Restoration	769,915	0	-	0	-
Crop and Livestock Water Research	350,000	250,000	-	250,000	-
Soil Health Initiative	0	0	-	103,780	(3,780)
<b>SUBTOTAL - Agriculture</b>	<b>\$ 10,754,576</b>	<b>\$ 12,465,535</b>	<b>\$ -</b>	<b>\$ 11,153,315</b>	<b>\$ 0</b>
<b>Kansas Water Office</b>					
Assessment and Evaluation	\$ 491,110	\$ 812,287	\$ -	\$ 834,078	\$ -
MOU - Storage Operation and Maintenance	582,408	578,862	-	530,464	-
Technical Assistance to Water Users	325,000	341,391	-	325,000	-
Streamgaging	413,580	423,130	-	413,580	-
Reservoir Surveys and Research	266,027	486,277	-	350,000	-
Watershed Conservation Practices Implementation	0	550,000	-	1,000,000	-
Milford Lake RCPP	20,000	580,000	-	50,000	-
Water Vision Education	225	224,775	-	250,000	-
Water Technology Farms	4,125	175,000	-	200,000	-
Equus Beds Chloride Plume	0	0	-	50,000	-
Arbuckle Study	61,700	60,000	-	150,000	-
Water Injection Dredging	0	975,000	-	875,000	-
Flood Response Study	0	0	-	200,000	-
<b>SUBTOTAL - Kansas Water Office</b>	<b>\$ 2,164,175</b>	<b>\$ 5,206,722</b>	<b>\$ -</b>	<b>\$ 5,228,122</b>	<b>\$ -</b>
<b>KDHE-Environment</b>					
Contamination Remediation	\$ 1,089,869	\$ 1,088,772	\$ -	\$ 1,088,301	\$ -
Total Maximum Daily Load	275,574	345,232	-	380,738	-
Nonpoint Source Program	393,118	316,247	-	403,208	-
Harmful Algae Bloom Pilot	326,697	1,272,064	-	150,000	-
Watershed Restoration and Protection (WRAPS)	752,127	730,884	-	1,000,000	-
Drinking Water Protection Program	264,346	350,000	-	800,000	-
<b>SUBTOTAL - KDHE-E</b>	<b>\$ 3,101,731</b>	<b>\$ 4,103,199</b>	<b>\$ -</b>	<b>\$ 3,822,247</b>	<b>\$ -</b>
<b>Department of Wildlife, Parks and Tourism</b>					
Aquatic Nuisance Species	\$ 0	\$ 0	\$ -	\$ 224,457	\$ -
<b>University of Kansas</b>					
Geological Survey	\$ 26,841	\$ 26,841	\$ -	\$ 26,841	\$ -
<b>Governor's COLA</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ 75,459</b>	<b>\$ -</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 16,047,323</b>	<b>\$ 21,802,297</b>	<b>\$ -</b>	<b>\$ 20,530,441</b>	<b>\$ -</b>
<b>REVENUE</b>					
<b>Beginning Balance</b>	\$ 4,732,980	5,930,173	5,930,173	1,324,609	1,324,609
<b>Receipts</b>					
Municipal Water Fees	\$ 3,086,612	3,174,791	3,174,791	3,167,209	3,167,209
Industrial Water Fees	724,951	916,874	916,874	850,000	850,000
Stock Water Fees	482,459	384,120	384,120	375,000	375,000
Pesticide Registration Fees	1,522,250	1,362,734	1,362,734	1,365,000	1,365,000
Fertilizer Registration Fees	4,161,963	3,781,386	3,781,386	3,829,194	3,829,194
Pollution Fines and Penalties	135,519	200,000	200,000	200,000	200,000
Sand Royalty Receipts	17,166	30,000	30,000	25,000	25,000
Clean Drinking Water Fees	2,794,133	2,830,876	2,830,876	2,738,890	2,738,890
<b>Transfers and Adjustments</b>					
Transfer to KS Department of Administration	\$ (1,260,426)	(1,260,426)	(1,260,426)	0	(1,260,426)
State General Fund Transfer	6,000,000	4,005,632	4,005,632	6,000,000	6,000,000
Economic Development Initiatives Fund Transfer	913,325	1,719,264	1,719,264	2,000,000	2,000,000
Governor's Allotment	(2,407,699)	0	0	0	0
Prior Year Released Encumbrances	1,027,969	0	0	0	0
Other Service Charges	46,294	51,482	51,482	50,000	50,000
<b>Total Available</b>	<b>\$ 21,977,496</b>	<b>\$ 23,126,906</b>	<b>\$ 23,126,906</b>	<b>\$ 21,924,902</b>	<b>\$ 20,664,476</b>
<b>Total Expenditures</b>	<b>\$ 16,047,323</b>	<b>\$ 21,802,297</b>	<b>\$ 21,802,297</b>	<b>\$ 20,530,441</b>	<b>\$ 20,530,441</b>
<b>ENDING BALANCE</b>	<b>\$ 5,930,173</b>	<b>\$ 1,324,609</b>	<b>\$ 1,324,609</b>	<b>\$ 1,394,461</b>	<b>\$ 134,035</b>

## Status of State Building Funds

	FY 2021 Actual	FY 2022 Gov Rec	FY 2022 Senate Adjustments	FY 2023 Gov Rec	FY 2023 Senate Adjustments
<b><u>Educational Building Fund</u></b>					
Beginning Balance	\$ 31,440,336	\$ 41,251,865	-	\$ 2,520,454	-
Released Encumbrances/Adjustments	-	-	-	-	-
Property Tax	39,583,283	40,310,000	-	41,800,000	-
Motor Vehicle Taxes	4,065,538	4,105,175	-	4,187,278	-
Other Receipts/Recoveries	-	-	-	-	-
Revenue	<u>43,648,821</u>	<u>44,415,175</u>	-	<u>45,987,278</u>	-
Resources Available	\$ 75,089,157	\$ 85,667,040	-	\$ 48,507,732	-
Expenditures	<u>33,837,292</u>	<u>83,146,586</u>	-	<u>45,000,000</u>	-
<b>Ending Balance</b>	<b>\$ 41,251,865</b>	<b>\$ 2,520,454</b>	<b>-</b>	<b>\$ 3,507,732</b>	<b>-</b>
<b><u>State Institutions Building Fund</u></b>					
Beginning Balance	\$ 14,737,471	\$ 19,363,962	-	\$ 10,548,927	-
Released Encumbrances/Adjustments	210,767	-	-	-	-
Property Tax	19,522,205	20,150,000	-	20,900,000	-
Motor Vehicle Taxes	2,032,464	2,114,787	-	2,157,083	-
Other Receipts/Recovery	-	-	-	-	-
Revenue	<u>21,765,436</u>	<u>22,264,787</u>	-	<u>23,057,083</u>	-
Resources Available	\$ 36,502,907	\$ 41,628,749	-	\$ 33,606,010	-
Expenditures	<u>17,138,945</u>	<u>31,079,822</u>	283,235 <sup>1</sup>	19,747,105	(283,235) <sup>2</sup>
<b>Ending Balance</b>	<b>\$ 19,363,962</b>	<b>\$ 10,548,927</b>	<b>(283,235)</b>	<b>\$ 13,858,905</b>	<b>283,235</b>
<b><u>Correctional Institutions Building Fund</u></b>					
Beginning Balance	\$ 2,401,109	\$ 2,368,398	-	\$ 116,896	-
Released Encumbrances/Adjustments	49,650	-	-	-	-
Gaming Revenues	4,992,000	4,992,000	-	4,992,000	-
Other Receipts/Recovery	-	-	-	-	-
Revenue	<u>5,041,650</u>	<u>4,992,000</u>	-	<u>4,992,000</u>	-
Resources Available	\$ 7,442,759	\$ 7,360,398	-	\$ 5,108,896	-
Expenditures	<u>5,074,361</u>	<u>7,243,502</u>	-	<u>4,992,000</u>	-
<b>Ending Balance</b>	<b>\$ 2,368,398</b>	<b>\$ 116,896</b>	<b>-</b>	<b>\$ 116,896</b>	<b>-</b>

<sup>1</sup> Add \$283,235 SIBF to Kansas State School for the Blind (KSSB) to move the student use elevator upgrade capital improvement project from FY 2023 to FY 2022.

<sup>2</sup> Delete \$283,235 SIBF from KSSB to move the student use elevator upgrade capital improvement project from FY 2023 to FY 2022.