

DEPARTMENT OF EDUCATION

	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020
Operating Expenditures:					
State General Fund	\$ 3,390,857,264	\$ 3,546,142,373	\$ 3,519,392,991	\$ 4,060,161,378	\$ 4,037,412,677
Other Funds	1,552,753,134	1,562,874,528	1,578,090,421	1,583,874,261	1,559,400,036
<i>Subtotal</i>	<i>\$ 4,943,610,398</i>	<i>\$ 5,109,016,901</i>	<i>\$ 5,097,483,412</i>	<i>\$ 5,644,035,639</i>	<i>\$ 5,596,812,713</i>
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	<u>\$ 4,943,610,398</u>	<u>\$ 5,109,016,901</u>	<u>\$ 5,097,483,412</u>	<u>\$ 5,644,035,639</u>	<u>\$ 5,596,812,713</u>
Percentage Change:					
Operating Expenditures					
State General Fund	9.5 %	4.6 %	3.8 %	14.5 %	14.7 %
All Funds	7.5	3.3	3.1	10.5	9.8
FTE Positions	257.5	267.3	267.3	266.3	266.3

About This Analysis. For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The Department of Education (KSDE) is overseen by the ten-member elected State Board of Education (State Board), which is established by the *Kansas Constitution*. The State Board is responsible for the general supervision of public schools and educational interests of the State not under the jurisdiction of the State Board of Regents. Its duties include accrediting elementary and secondary schools, establishing standard courses of study in the public schools, certifying teachers and administrators, approving public and private teacher education programs, and administering a variety of state and federal aid programs.

The State Board appoints a Commissioner of Education who is responsible for the administration of the Department of Education and serves at the pleasure of the State Board. KSDE consists of three main offices:

- **Office of the Commissioner.** This office oversees those agency functions that provide services to the entire agency, including human resources and legal services;

- **Division of Fiscal and Administrative Services.** This division supervises the financial aspects of the agency including preparation of the budget for KSDE and the distribution and audit of state aid payments to schools; and
- **Division of Learning Services.** This division oversees the State's assessed and non-assessed curricular standards; state assessments; planning, research, data analysis, and reporting requirements; educator licensure; and the review of educator training programs at all Kansas institutions of higher education.

MAJOR ISSUES FROM PRIOR YEARS

The **2014 Legislature** passed Senate Sub. for HB 2506 in response to the Kansas Supreme Court's ruling in *Gannon I* that the State's school finance system was constitutionally inequitable. Senate Sub. for HB 2506 appropriated an additional \$109.3 million, all from the State General Fund, for Supplemental General State Aid (local option budget, or LOB, equalization aid). Additionally, the bill made a revenue transfer of \$25.2 million from the State General Fund to the Capital Outlay Fund to fully fund Capital Outlay State Aid.

In addition, Senate Sub. for HB 2506 made several changes to the school finance formula, which resulted in a decrease in various weightings taking effect for FY 2015. These changes were:

- A phase-out of the school facilities weighting that limited its use to only those districts that have a LOB of at least 15.0 percent of the amount of state financial aid for which the contractual bond obligations incurred by the district were approved by voters on or before July 1, 2014;
- Non-proficient at-risk weighting was eliminated;
- Virtual weighting was eliminated from the LOB calculation; and
- At-risk weighting was eliminated for part-time students (grades 1 through 12) and students older than 19 years of age (excluding students with Individualized Education Plans [IEPs]).

The **2015 Legislature** passed House Sub. for SB 7, which repealed the School District Finance and Quality Performance Act (SDFQPA) and replaced it with the Classroom Learning Assuring Student Success (CLASS) Act. The CLASS Act provided a block grant form of funding to each school district for school years 2015-2016 and 2016-2017. Each district's block grant was based in part on, and was at least equal to, the total state financial support as provided in school year 2014-2015. The CLASS Act also changed the formulas for Supplemental General State Aid (LOB State Aid) and Capital Outlay State Aid and provided funding for the new formulas. The CLASS Act was given a sunset date of June 30, 2017.

Because the block grant froze state aid at the 2014-2015 amount, the Extraordinary Need Fund (ENF) was to be used for the following:

- Extraordinary increase in enrollment;

- Extraordinary decrease in the district's assessed valuation; and
- Other unforeseen acts or circumstances substantially impacting a district's general fund.

Districts could apply to the State Finance Council for payments from the ENF.

During the **2016 Session**, the Kansas Supreme Court's ruling in *Gannon II* held that 2015 House Sub. for SB 7 failed to cure the inequities in the school finance system and ordered the State to satisfactorily demonstrated legislative compliance with the equity standard by June 30, 2016.

In response, the **2016 Legislature** passed Senate Sub. for HB 2655. The bill reinstated the Capital Outlay State Aid formula that was in effect prior to the enactment of the CLASS Act. The bill also amended the formula for determining Supplemental General State Aid. The equalization factor would be 25.0 percent of the median assessed valuation per pupil (AVPP).

During the **2016 Session**, the Kansas Supreme Court's ruling in *Gannon III* held that Senate Sub. for HB 2655 corrected the inequities related to Capital Outlay State Aid, but also ruled that the new LOB State Aid formula was unconstitutional.

In response to the Court's ruling in *Gannon III*, in the **2016 Special Session**, the Legislature passed Sub. for HB 2001, which reinstated the previous LOB State Aid formula. Supplemental General State Aid was again equalized to the 81.2 percentile of AVPP. Administration of the ENF was given to the State Board of Education and a \$13.0 million limit of expenditures from the ENF was established. The Kansas Supreme Court then found that HB 2001 brought the State into compliance with the equity standard and retained jurisdiction over the issue.

During the **2017 Session**, the Kansas Supreme Court's ruling in *Gannon IV* held the State's school finance system established by the CLASS Act (2015 House Sub. for SB 7) was constitutionally inadequate, both in its structure and implementation.

In response, the **2017 Legislature** passed SB 19, which created the Kansas School Equity and Enhancement Act (KSEEA) and amended statutes related to Capital Improvement State Aid and capital outlay. KSEEA is structurally similar to the former SDFQPA, determining State Foundation Aid (what used to be known as General State Aid) by multiplying a district's weighted FTE enrollment by the base aid for student excellence (BASE). The BASE was set at \$4,006 for school year 2017-2018, \$4,128 for school year 2018-2019, and adjusted each year thereafter according to the average percentage increase in the Consumer Price Index (CPI) for all urban consumers in the Midwest region during the three immediately preceding years.

KSEEA included weightings for at-risk students, bilingual students, low enrollment, high enrollment, high-density at-risk, transportation, career and technical education, new school facilities, cost-of-living, ancillary school facilities, declining enrollment (which expired on July 1, 2018), and special education. SB 19 expanded the authorized uses of capital outlay funds to include utilities and property and casualty insurance. The bill also amended the calculation of LOB State Aid to use the AVPP of the prior year during the 2017-2018 school year. Beginning in the 2018-2019 school year, the AVPP used would be an average of the three immediately preceding school years.

On **October 2, 2017**, the Kansas Supreme Court's ruling in *Gannon V* held that SB 19 was constitutionally inadequate in its implementation, but not its basic structure. In addition, the Court identified four specific points of inequity:

- The expansion of the authorized uses of capital outlay funds;
- The differing procedures for certain districts to raise their maximum LOB;
- The use of a district's prior year LOB to determine the amount of LOB State Aid; and
- The inclusion of a 10.0 percent floor for the at-risk weighting.

The **2018 Legislature**, in response, passed Sub. for SB 423 and House Sub. for SB 61. The bills phase in approximately \$522.0 million in additional school funding over a five-year period ending in school year 2022-2023. The BASE is scheduled to increase from \$4,165 in school year 2018-2019 (it was set at \$4,128 in 2017 SB 19) to \$4,713 by school year 2022-2023, after which inflationary increases will take effect.

The bills require each school district to adopt a LOB of at least 15.0 percent and to transfer the portion of the LOB attributable to the at-risk and bilingual weightings to the district's at-risk and bilingual funds. The bills change the process for calculating LOB State Aid to use of the district's current-year LOB, but requires districts intending to raise their LOB during the upcoming school year to notify the State Board by April 1 of the current school year.

The bills eliminate the 10.0 percent floor for the at-risk weighting, provide for the transportation weighting to be calculated using a static cost-density curve, and make smaller changes to the high-density at-risk, career and technical education, and bilingual weightings.

The bills also eliminate the provision in 2017 SB 19 that allow school districts to expend capital outlay funds on utilities and property and casualty insurance, and amend provisions related to approval of school district capital improvement bonds by the State Board.

Finally, the bills create the Mental Health Intervention Team pilot program for FY 2019. Participating school districts will enter into agreements with community mental health centers for clinical therapists, case managers, and school liaisons to provide mental health services in Abilene, Garden City, Kansas City, Parsons, Topeka, and Wichita.

On **June 25, 2018**, the Kansas Supreme Court issued its *Gannon VI* ruling. The Court held the Legislature had corrected the four equity issues identified in *Gannon V* and created no additional inequities. In addition, the Court ruled the school finance system remained constitutionally inadequate, determining the Legislature failed to consistently implement its plan to meet the threshold for adequacy identified in the *Montoy* litigation. The Court extended its stay to June 30, 2019, or until further order of the Court, to allow the Legislature to address the remaining adequacy issues during the 2019 Session.

BUDGET SUMMARY AND KEY POINTS

FY 2019 – Current Year. The **agency** estimates revised expenditures of \$5.1 billion, including \$3.5 billion from the State General Fund, in FY 2019. The revised estimate is an all

funds increase of \$17.4 million, or 0.3 percent, above the FY 2019 budget approved by the 2018 Legislature. This includes a State General Fund increase of \$17.0 million, or 0.5 percent, and a special revenue fund increase of \$469,714, or less than 0.1 percent. The increase above the FY 2019 approved budget is primarily attributable to the agency's supplemental requests for increased employer contributions for KPERS-School. The revised estimate includes 267.3 FTE positions, which is an increase of 7.8 FTE positions above the FY 2019 approved number.

The **Governor** recommends expenditures of \$5.1 billion, including \$3.5 billion from the State General Fund, in FY 2019. The recommendation is an all funds decrease of \$11.5 million, or 0.2 percent, below the agency's FY 2019 revised estimate. This includes a State General Fund decrease of \$26.7 million, or 0.8 percent, and a special revenue fund increase of \$15.2 million, or 1.0 percent. The recommendation includes 267.3 FTE positions, which is the same as the agency's FY 2019 revised estimate. The State General Fund decrease and special revenue fund increase are primarily attributable to the Governor's recommendation to adopt the Fall 2018 Education Consensus Estimates in FY 2019.

FY 2020 – Budget Year. The **agency** requests expenditures of \$5.6 billion, including \$4.1 billion from the State General Fund, for FY 2020. The request is an all funds increase of \$535.0 million, or 10.5 percent, above the agency's FY 2019 revised estimate. This includes a State General Fund increase of \$514.0 million, or 14.5 percent, and a special revenue fund increase of \$21.0 million, or 1.3 percent. The request includes 266.3 FTE positions, which is a decrease of 1.0 FTE position below the FY 2019 revised estimate.

The increase above the agency's FY 2019 revised estimate is in part attributable to the increases in school funding contained in 2017 SB 19, 2018 Sub. for SB 423, and 2018 House Sub. for SB 61. The increase is also attributable to the agency's FY 2020 enhancement requests, which total \$227.1 million, including \$226.4 million from the State General Fund.

The **Governor** recommends expenditures of \$5.6 billion, including \$4.0 billion from the State General Fund, for FY 2020. The recommendation is an all funds decrease of \$47.2 million, or 0.8 percent, below the agency's FY 2020 request. This includes a State General Fund decrease of \$22.8 million, or 0.6 percent, and a special revenue fund decrease of \$24.5 million, or 1.5 percent. The recommendation includes 266.3 FTE positions, which is the same as the agency's FY 2020 request.

The State General Fund decrease is primarily attributable to the Governor's recommendation to adopt the Fall 2018 Education Consensus Estimates in FY 2019. The special revenue fund decrease is primarily attributable to the Governor's recommendation to replace the State Highway Fund transfer for State Foundation Aid with State General Fund moneys.

PERFORMANCE MEASURES

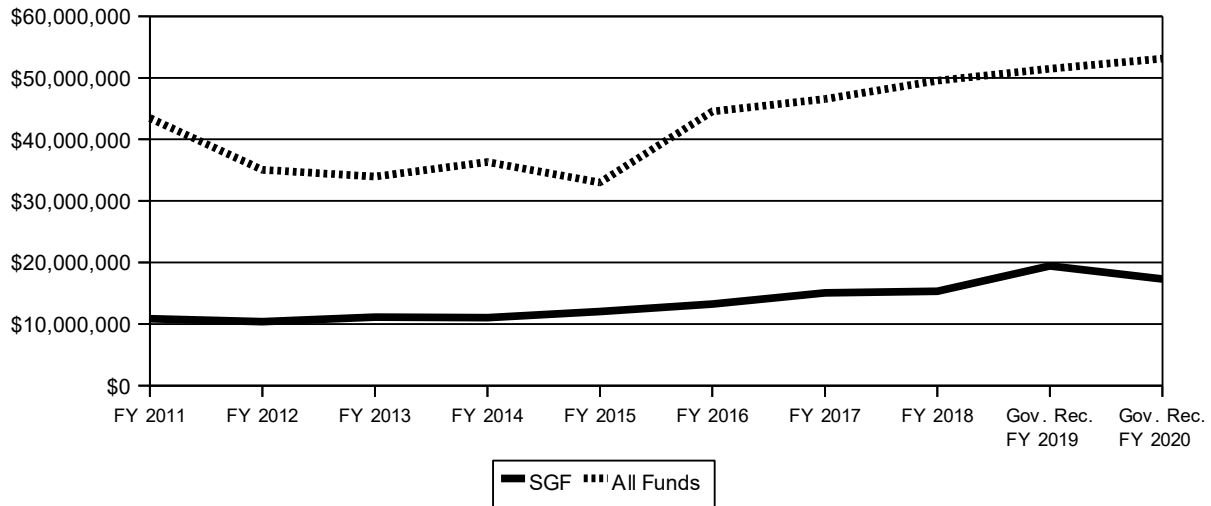
The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES						
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020
Number of meals and snacks served through Child Nutrition and Wellness program (in millions)	101.5	98.1	101.6	102.3	104.4	106.5
Average statewide ACT composite score	21.9	21.7	21.9	21.7	21.2	21.4
Number of families served through Parents as Teachers	N/A	8,275	N/A	8,522	9,900	9,900
Amount of state aid savings found by fiscal audit team (in thousands)	\$ 3,117	\$ 6,476	\$ 13,742	\$ 14,440	\$ 14,500	\$ 14,500
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 4,449.5	\$ 4,599.7	\$ 4,970.4	\$ 4,943.6	\$ 5,097.5	\$ 5,596.8
FTE Positions	246.4	247.4	257.5	257.5	267.3	266.3

The agency has modified the performance measure regarding participation in the Parents as Teachers program. Previously, the agency tracked the total number of children served. The agency now tracks the number of families served. Data for FY 2016 actuals and the FY 2018 Governor's recommendation were based on the total number of children served, not families served, and are therefore excluded.

BUDGET TRENDS

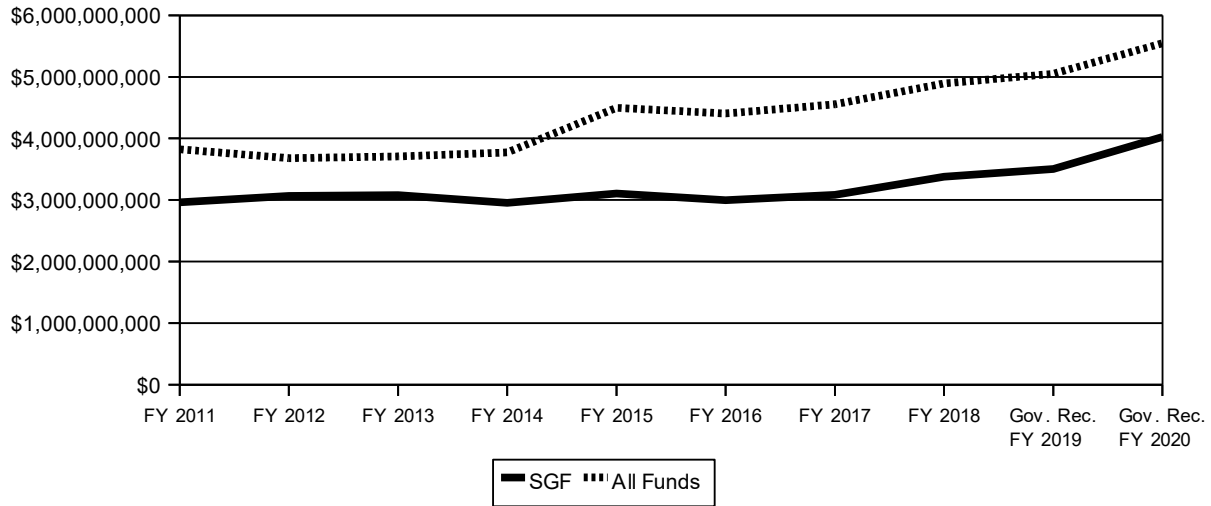
AGENCY OPERATING EXPENDITURES (INCLUDING CHILDREN'S CABINET) FY 2011 – FY 2020



AGENCY OPERATING EXPENDITURES FY 2011 – FY 2020

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2011	\$ 10,876,684	1.3 %	\$ 43,460,681	28.4 %	210.3
2012	10,361,045	(4.7)	35,064,224	(19.3)	284.6
2013	11,132,026	7.4	33,956,966	(3.2)	264.5
2014	11,050,938	(0.7)	36,308,792	6.9	273.0
2015	12,011,002	8.7	32,997,169	(9.1)	255.0
2016	13,220,867	10.1	44,536,694	35.0	246.4
2017	15,039,455	13.8	46,552,420	4.5	244.4
2018	15,332,057	1.9	49,536,746	6.4	257.5
2019 Gov. Rec.	19,431,044	26.7	51,483,837	3.9	267.3
2020 Gov. Rec.	17,317,914	(10.9)	53,119,016	3.2	266.3
Ten-Year Change Dollars/Percent	\$ 6,441,230	59.2 %	\$ 9,658,335	22.2 %	56.0

**AID AND OTHER ASSISTANCE EXPENDITURES
FY 2011 – FY 2020**



**AID AND OTHER ASSISTANCE EXPENDITURES
FY 2011 – FY 2020**

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2011	\$ 2,960,334,113	9.7 %	\$ 3,824,032,285	7.7 %	210.3
2012	3,066,459,334	3.6	3,678,685,623	(3.8)	284.6
2013	3,080,705,948	0.5	3,707,586,052	0.8	264.5
2014	2,952,153,298	(4.2)	3,772,323,727	1.7	273.0
2015	3,105,426,306	5.2	4,496,737,571	19.2	255.0
2016	2,996,140,141	(3.5)	4,404,997,971	(2.0)	246.4
2017	3,084,482,960	2.9	4,555,470,870	3.4	244.4
2018	3,377,839,807	9.5	4,894,107,377	7.4	257.5
2019 Gov. Rec.	3,505,376,947	3.8	5,051,414,575	3.2	267.3
2020 Gov. Rec.	4,023,394,763	14.8	5,546,993,697	9.8	266.3
Ten-Year Change Dollars/Percent	\$ 1,063,060,650	35.9 %	\$ 1,722,961,412	45.1 %	56.0

Summary of Operating Budget FY 2018 - FY 2020

Department of Education

	Actual FY 2018	Agency Estimate				Governor's Recommendation			
		Estimate FY 2019	Request FY 2020	Dollar Change from FY 19	Percent Change from FY 19	Rec. FY 2019	Rec. FY 2020	Dollar Change from FY 19	Percent Change from FY 19
By Program:									
Administration	\$ 14,573,095	\$ 16,917,859	\$ 16,806,226	\$ (111,633)	(0.7) %	\$ 16,917,859	\$ 16,702,004	\$ (215,855)	(1.3)%
Governance of Ed.	360,691	393,802	415,335	21,533	5.5	393,802	415,335	21,533	5.5
Child Nutrition & Wellness	4,050,993	3,822,328	3,976,960	154,632	4.0	3,822,328	3,976,960	154,632	4.0
Standards & Assessments	9,949,142	12,161,163	12,460,920	299,757	2.5	12,161,163	12,460,920	299,757	2.5
Special Ed. Services	14,057,987	12,434,933	12,362,708	(72,225)	(0.6)	12,434,933	12,362,708	(72,225)	(0.6)
Title Progs. & Services	3,419,056	2,951,102	5,231,350	2,280,248	77.3	2,951,102	5,231,350	2,280,248	77.3
Career & Tech. Ed.	1,913,917	1,907,183	2,081,451	174,268	9.1	1,907,183	2,081,451	174,268	9.1
Financial Aid	4,877,309,272	5,037,171,312	5,569,538,041	532,366,729	10.6	5,025,637,823	5,522,419,337	496,781,514	9.9
Children's Cabinet	17,976,245	21,257,219	21,162,648	(94,571)	(0.4)	21,257,219	21,162,648	(94,571)	(0.4)
TOTAL	\$ 4,943,610,398	\$ 5,109,016,901	\$ 5,644,035,639	\$ 535,018,738	10.5 %	\$ 5,097,483,412	\$ 5,596,812,713	\$ 499,329,301	9.8 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 17,805,592	\$ 20,655,456	\$ 20,766,236	\$ 110,780	0.5 %	\$ 20,655,456	\$ 20,642,014	\$ (13,442)	(0.1)%
Contractual Services	30,488,460	30,137,530	33,889,455	3,751,925	12.4	30,137,530	31,809,455	1,671,925	5.5
Commodities	474,711	529,632	494,142	(35,490)	(6.7)	529,632	494,142	(35,490)	(6.7)
Capital Outlay	767,983	161,219	173,405	12,186	7.6	161,219	173,405	12,186	7.6
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 49,536,746</i>	<i>\$ 51,483,837</i>	<i>\$ 55,323,238</i>	<i>\$ 3,839,401</i>	<i>7.5 %</i>	<i>\$ 51,483,837</i>	<i>\$ 53,119,016</i>	<i>\$ 1,635,179</i>	<i>3.2 %</i>
Aid to Local Units	4,839,647,685	4,991,243,900	5,527,266,501	536,022,601	10.7	4,979,960,411	5,482,887,797	502,927,386	10.1
Other Assistance	54,425,967	66,289,164	61,445,900	(4,843,264)	(7.3)	66,039,164	60,805,900	(5,233,264)	(7.9)
TOTAL	\$ 4,943,610,398	\$ 5,109,016,901	\$ 5,644,035,639	\$ 535,018,738	10.5 %	\$ 5,097,483,412	\$ 5,596,812,713	\$ 499,329,301	9.8 %
Financing:									
State General Fund	\$ 3,390,857,264	\$ 3,546,142,373	\$ 4,060,161,378	\$ 514,019,005	14.5 %	\$ 3,519,392,991	\$ 4,037,412,677	\$ 518,019,686	14.7 %
State Highway Fund	107,250,000	45,000,000	45,000,000	0	0.0	45,000,000	0	(45,000,000)	(100.0)
20 Mill Property Tax	641,067,606	669,656,040	695,948,713	26,292,673	3.9	678,356,878	711,953,488	33,596,610	5.0
Federal Funds	479,836,035	502,060,060	484,215,161	(17,844,899)	(3.6)	502,060,060	484,215,161	(17,844,899)	(3.6)
All Other Funds	324,599,493	346,158,428	358,710,387	12,551,959	3.6	352,673,483	363,231,387	10,557,904	3.0
TOTAL	\$ 4,943,610,398	\$ 5,109,016,901	\$ 5,644,035,639	\$ 535,018,738	10.5 %	\$ 5,097,483,412	\$ 5,596,812,713	\$ 499,329,301	9.8 %

BUDGET OVERVIEW

A. FY 2019 – Current Year

Adjustments to Approved State General Fund Budget

The 2018 Legislature approved a State General Fund budget of \$3,527,415,441 for the Department of Education in FY 2019. One adjustment has been made subsequently to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made:

- An increase of \$1,773,178, based on the reappropriation of FY 2018 funding that was not spent in FY 2018 and has shifted to FY 2019. This excludes budgeted reappropriations that were approved by the 2018 Legislature.

This adjustment changes the FY 2019 approved State General Fund amount to \$3,529,188,619. That amount is reflected in the table below as the currently approved FY 2019 State General Fund amount.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2019	Agency Estimate FY 2019	Agency Change from Approved	Governor Rec. FY 2019	Governor Change from Approved
State General Fund	\$ 3,529,188,619	\$ 3,546,142,373	\$ 16,953,754	\$ 3,519,392,991	\$ (9,795,628)
All Other Funds	1,562,404,814	1,562,874,528	469,714	1,578,090,421	15,685,607
TOTAL	\$ 5,091,593,433	\$ 5,109,016,901	\$ 17,423,468	\$ 5,097,483,412	\$ 5,889,979
FTE Positions	259.5	267.3	7.8	267.3	7.8

The **agency** estimates revised expenditures of \$5.1 billion, including \$3.5 billion from the State General Fund, in FY 2019. The revised estimate is an all funds increase of \$17.4 million, or 0.3 percent, above the FY 2019 budget approved by the 2018 Legislature. This includes a State General Fund increase of \$17.0 million, or 0.5 percent, and a special revenue fund increase of \$469,714, or less than 0.1 percent. The revised estimate includes 267.3 FTE positions, which is an increase of 7.8 FTE positions above the FY 2019 approved number.

The increase above the approved budget is primarily attributable to the agency's supplemental requests, which are described below.

KPERS–USDs. The agency requests \$19.0 million, all from the State General Fund, for increased KPERS employer contributions for public schools. The Department of Education estimates covered payroll will increase by approximately 4.75 percent during FY 2019.

KPERS–Non-USDs. The agency requests \$1.0 million, all from the State General Fund, for increased KPERS employer contributions for interlocals, community colleges, and technical colleges. The Department of Education estimates covered payroll will increase by approximately 4.75 percent during FY 2019.

The increase is partially offset by the agency's request to decrease expenditures by \$2.0 million, all from the State General Fund, for the database authorized for the Mental Health Intervention Team (MHIT) pilot program created in 2018 Sub. for SB 423. The agency believes it is more economical to construct the database using agency staff than to solicit bids for the administration and maintenance of the database. The agency proposes to expend \$100,000 for the construction of the database and \$400,000 for administration and maintenance during FY 2019 and \$500,000 per year thereafter for administration and maintenance. To do so, the agency requests authority to reappropriate unspent moneys after the conclusion of FY 2019.

In addition, the agency proposes the remaining balance in the Extraordinary Declining Enrollment State Aid Fund be transferred back to the State General Fund. Senate Sub. for HB 2002 (2017) created this special revenue fund and authorized a one-time transfer of \$2.6 million from the State General Fund to provide funding. FY 2018 expenditures from the Fund totaled \$2.5 million, leaving a balance of \$105,894.

The increase in FTE positions is attributable to the creation of 6.5 FTE positions to absorb increase workloads in school finance (1.0 FTE), Teacher Education and Licensure (1.0 FTE), Child Nutrition and Wellness (1.0 FTE), Special Education Services (1.5 FTE), and Standards and Assessments (2.0 FTE). According to the Department of Education, all of these positions are paid from state fee funds, federal funds, or federal indirect cost reimbursement funds. In addition, the agency created 1.0 FTE position to develop the MHIT database.

The **Governor** recommends expenditures of \$5.1 billion, including \$3.5 billion from the State General Fund, in FY 2019. The recommendation is an all funds decrease of \$11.5 million, or 0.2 percent, below the agency's FY 2019 revised estimate. This includes a State General Fund decrease of \$26.7 million, or 0.8 percent, and a special revenue fund increase of \$15.2 million, or 1.0 percent. The recommendation includes 267.3 FTE positions, which is the same as the agency's FY 2019 revised estimate.

Fall 2018 Education Consensus Estimates

The Governor recommends adoption of the Fall 2018 Education Consensus Estimates in FY 2019. For school finance, the Governor recommends decreased expenditures of \$11.3 million, including \$26.5 million from the State General Fund. For KPERS, the Governor recommends increased expenditures of \$20.0 million, all from the State General Fund. This concurs with the agency's supplemental requests for KPERS in FY 2019. The individual components of the Fall 2018 Estimates are described below.

School Finance–State Foundation Aid. The Governor recommends decreased expenditures of \$27.3 million, including \$39.3 million from the State General Fund, for decreased State Foundation Aid payments in FY 2019. This includes increased expenditures of \$8.7 million from the statewide 20-mill property tax, increased expenditures of \$3.2 million from the School District Finance Fund (optional local property taxes), and increased expenditures of \$164,000 from the Mineral Production Fund. The all funds decrease is primarily attributable to a decrease in weighted FTE enrollment from the Spring 2018 Education Consensus Estimates.

School Finance–Supplemental State Aid. The Governor recommends increased expenditures of \$10.4 million, all from the State General Fund, for increased Supplemental State Aid payments in FY 2019. Supplemental State Aid provides equalization aid for school districts' Local Option Budgets.

School Finance–Capital Outlay State Aid. The Governor recommends increased expenditures of \$2.4 million, all from the State General Fund, for increased Capital Outlay State Aid payments in FY 2019. Capital Outlay State Aid provides equalization aid for school districts' optional capital outlay property taxes, which may not exceed eight mills. Expenditures for Capital Outlay State Aid are a demand transfer from the State General Fund. As such, they are considered normal State General Fund expenditures, but there is no line-item appropriation in the appropriations bill.

School Finance–Capital Improvement State Aid. The Governor recommends increased expenditures of \$3.2 million, all from special revenue funds, for increased Capital Improvement State Aid payments in FY 2019. Capital Improvement State Aid provides equalization aid for school districts' bonded indebtedness incurred for capital construction projects. Also known as Bond and Interest State Aid, expenditures are made from a special revenue fund, but is funded through a revenue transfer from the State General Fund. Therefore, Capital Improvement State Aid is not classified as a State General Fund expenditure, but is still a State General Fund obligation.

KPERS–USDs. The Governor recommends increased expenditures of \$19.0 million, all from the State General Fund, for KPERS–USDs in FY 2019. This concurs with the agency's supplemental request for increased funding for KPERS–USDs. The Fall 2018 Estimates projected the same increase in the KPERS–USDs obligation that was included in the agency's FY 2019 revised estimate.

KPERS–Non-USDs. The Governor recommends increased expenditures of \$1.0 million, all from the State General Fund, for KPERS–Non-USDs in FY 2019. This concurs with the agency's supplemental request for increased funding for KPERS–Non-USDs. The Fall 2018 Estimates projected the same increase in the KPERS–Non-USDs obligation that was included in the agency's FY 2019 revised estimate.

Other Recommendations

In addition to the adoption of the Fall 2018 Education Consensus Estimates, the Governor recommends the following:

- Delete \$250,000, all from the State General Fund, to lapse unused funding for Teach for America in FY 2019. The 2018 Legislature appropriated \$520,000 for the program. However, the agency indicates it will only expend \$270,000 in FY 2019;
- Lapse \$2.0 million, all from the State General Fund, for the database used by the Mental Health Intervention Team pilot program. The agency's request included a planned reappropriation of \$2.0 million from FY 2019 to FY 2020. Instead, the Governor recommends lapsing the \$2.0 million and appropriating \$500,000 for FY 2020; and
- The Governor recommends the transfer of \$105,894 from the Extraordinary Declining Enrollment Fund back to the State General Fund.

Supplemental Detail

FY 2019 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
KPERS–USDs	\$ 18,986,873	\$ 18,986,873	0.0	\$ 18,986,873	\$ 18,986,873	0.0
KPERS–Non-USDs	1,036,647	1,036,647	0.0	1,036,647	1,036,647	0.0
TOTAL	\$ 20,023,520	\$ 20,023,520	0.0	\$ 20,023,520	\$ 20,023,520	0.0

The **agency** requests supplemental funding of \$20.0 million, all from the State General Fund, in FY 2019. The agency's supplemental requests are detailed below.

KPERS–USDs. The agency requests \$19.0 million, all from the State General Fund, for increased KPERS employer contributions for public schools. Due to the additional K-12 funding included in 2018 Sub. for SB 423 and 2018 House Sub. for SB 61, the Department of Education estimates covered payroll will increase by approximately 4.75 percent in FY 2019. This would produce a KPERS obligation of \$279.1 million (excluding the \$194.0 million delayed payment) during the current fiscal year. The current approved appropriation for KPERS–USDs is \$260.1 million.

KPERS–Non-USDs. The agency requests \$1.0 million, all from the State General Fund, for increased KPERS employer contributions for interlocals, community colleges, and technical colleges. The Department of Education estimates covered payroll will increase by approximately 4.75 percent in FY 2019. This would produce a KPERS obligation of \$33.6 million from the State General Fund. The current State General Fund appropriation for KPERS–Non-USDs is \$32.5 million.

Without the supplemental requests, the agency's revised estimate for FY 2019 totals \$5.1 billion, including \$3.5 billion from the State General Fund.

The **Governor** concurs with the agency's supplemental requests in FY 2019 as part of the recommendation to adopt the FY 2018 Education Consensus Estimates.

B. FY 2020 – Budget Year

FY 2020 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 5,644,035,639	\$ 5,596,812,713	\$ (47,222,926)
FTE Positions	266.3	266.3	0.0
Change from FY 2019:			
<i>Dollar Change:</i>			
State General Fund	\$ 514,019,005	\$ 518,019,686	
All Other Funds	20,999,733	(18,690,385)	
TOTAL	\$ 535,018,738	\$ 499,329,301	
<i>Percent Change:</i>			
State General Fund	14.5 %	14.7 %	
All Other Funds	1.3	(1.2)	
TOTAL	10.5 %	9.8 %	
Change in FTE Positions	(1.0)	(1.0)	

The **agency** requests expenditures of \$5.6 billion, including \$4.1 billion from the State General Fund, for FY 2020. The request is an all funds increase of \$535.0 million, or 10.5 percent, above the agency's FY 2019 revised estimate. This includes a State General Fund increase of \$514.0 million, or 14.5 percent, and a special revenue fund increase of \$21.0 million, or 1.3 percent. The request includes 266.3 FTE positions, which is a decrease of 1.0 FTE position below the FY 2019 revised estimate.

The increase above the FY 2019 revised estimate is in part attributable to the school funding increases included in 2017 SB 19, 2018 Sub. for SB 423, and 2018 House Sub. for SB 61. The increase is also attributable to the agency's enhancement requests totaling \$227.1 million, including \$226.4 million from the State General Fund. The enhancements include the following major items:

- \$92.7 million, all from the State General Fund, to increase the base aid for student excellence (BASE) from \$4,302 to \$4,436 for FY 2020;
- \$28.5 million, all from the State General Fund, to increase Special Education State Aid payments for FY 2020; and
- \$81.4 million, all from the State General Fund, for increased KPERS employer contributions for both KPERS–USDs and KPERS–Non-USDs for FY 2020.

For greater detail on all enhancement requests by the Department of Education, please see the following Enhancement Detail section.

The special revenue fund increase is also attributable to increased revenue estimates from the statewide 20-mill property tax levy.

The decrease in FTE positions is attributable to the elimination of the 1.0 FTE position created in FY 2019 to create the MHIT database. The agency anticipates construction of the database will be completed by the end of FY 2019.

The **Governor** recommends expenditures of \$5.6 billion, including \$4.0 billion from the State General Fund, for FY 2020. The recommendation is an all funds decrease of \$47.2 million, or 0.8 percent, below the agency's FY 2020 request. This includes a State General Fund decrease of \$22.8 million, or 0.6 percent, and a special revenue fund decrease of \$24.5 million, or 1.5 percent. The recommendation includes 266.3 FTE positions, which is the same as the agency's FY 2020 request.

Fall 2018 Education Consensus Estimates

The Governor recommends adoption of the Fall 2018 Education Consensus Estimates for FY 2020. For school finance, the Governor recommends increased expenditures of \$1.5 million, including a State General Fund decrease of \$19.7 million. For KPERS, the Governor recommends increased expenditures of \$81.4 million, all from the State General Fund. This concurs with the agency's enhancement requests for KPERS for FY 2020. The individual components of the Fall 2018 Estimates are described below.

School Finance–State Foundation Aid. The Governor recommends decreased expenditures of \$15.3 million, including \$36.6 million from the State General Fund, for decreased State Foundation Aid payments for FY 2020. This includes increased expenditures of \$16.0 million from the statewide 20-mill property tax, increased expenditures of \$3.2 million from the School District Finance Fund (optional local property taxes), and increased expenditures of \$2.0 million from the Mineral Production Fund. The all funds decrease is primarily attributable to a decrease in weighted FTE enrollment from the Spring 2018 Education Consensus Estimates.

School Finance–Supplemental State Aid. The Governor recommends increased expenditures of \$12.1 million, all from the State General Fund, for increased Supplemental State Aid payments for FY 2020. This is an increase of \$4.4 million, all from the State General Fund, above the agency's FY 2020 enhancement request. Supplemental State Aid provides equalization aid for school districts Local Option Budgets.

School Finance–Capital Outlay State Aid. The Governor recommends increased expenditures of \$4.8 million, all from the State General Fund, for increased Capital Outlay State Aid payments for FY 2020. This is an increase of \$1.3 million, all from the State General Fund, above the agency's FY 2020 enhancement request. Capital Outlay State Aid provides equalization aid for school districts' optional capital outlay property taxes, which may not exceed eight mills. Expenditures for Capital Outlay State Aid are a demand transfer from the State General Fund. As such, they are considered normal State General Fund expenditures, but there is no line-item appropriation in the appropriations bill.

School Finance–Capital Improvement State Aid. The Governor concurs with the agency's FY 2020 request for Capital Improvement State Aid. The Fall 2018 Estimates projected the same state aid entitlement for Capital Improvement State Aid that was included in the agency's FY 2020 request.

KPERS–USDs. The Governor recommends increased expenditures of \$73.5 million, all from the State General Fund, for KPERS–USDs for FY 2020. This concurs with the agency's enhancement request for increased funding for KPERS–USDs. The Fall 2018 Estimates projected the same increase in the KPERS–USDs obligation that was included in the agency's FY 2019 revised estimate.

KPERS–Non-USDs. The Governor recommends increased expenditures of \$7.9 million, all from the State General Fund, for KPERS–Non-USDs for FY 2020. This concurs with the agency's enhancement request for increased funding for KPERS–Non-USDs. The Fall 2018 Estimates projected the same increase in the KPERS–Non-USDs obligation that was included in the agency's FY 2019 revised estimate.

School Finance Remedy

In response to the Kansas Supreme Court's ruling in *Gannon VI*, the Governor recommends a school finance remedy of \$104.5 million, all from the State General Fund, for FY 2020. The individual components of the remedy are described below.

State Foundation Aid and BASE Increase. The Governor concurs with the agency's enhancement request for increased funding of \$92.7 million, all from the State General Fund, to increase the base aid for student excellence (BASE) from \$4,302 to \$4,436 for FY 2020. In addition, the Governor recommends adoption of the remainder of the State Board of Education's proposed *Gannon VI* remedy. It includes the following State Foundation Aid and BASE increases through FY 2023:

- FY 2021: Increased expenditures of \$89.7 million, all from the State General Fund, to increase the BASE from \$4,439 to \$4,569;
- FY 2022: Increased expenditures of \$89.7 million, all from the State General Fund, to increase the BASE from \$4,576 to \$4,706; and
- FY 2023: Increased expenditures of \$91.7 million, all from the State General Fund, to increase the BASE from \$4,713 to \$4,846.

KPERS–USDs. The Governor recommends increased expenditures of \$10.3 million, all from the State General Fund, for increased KPERS employer contributions for public schools. This increase is attributable to the recommendation to increase the BASE for FY 2020, which is expected to increase covered payroll.

KPERS–Non-USDs. The Governor recommends increased expenditures of \$1.6 million, all from the State General Fund, for increased KPERS employer contributions for interlocals, community colleges, and technical colleges. This increase is attributable to the recommendation to increase the BASE for FY 2020, which is expected to increase covered payroll.

Other Recommendations

In addition to the adoption of the Fall 2018 Education Consensus Estimates and the *Gannon VI* remedy, the Governor recommends the following:

- Add \$45.0 million, all from the State General Fund, and delete \$45.0 million, all from special revenue funds, to eliminate the transfer from the State Highway Fund to the Department of Education for State Foundation Aid for FY 2020;
- Delete \$41.9 million, including \$41.2 million from the State General Fund, to not fund the agency's enhancement requests for Special Education State Aid, professional development, the Mentor Teacher program, Career and Technical Education (CTE) transportation, Parents as Teachers, the Technical Education Incentive, school food assistance, Kansas Foundation for Agriculture in the Classroom, environmental education, Communities in Schools, and employer contributions for KPERS and group health insurance for FY 2020;
- Delete \$5.0 million, all from the State General Fund, to eliminate funding for the School Safety and Security Grants for FY 2020;
- Delete \$2.1 million, all from the State General Fund, to eliminate funding for Kansas Reading Success for FY 2020;
- Delete \$800,000, all from the State General Fund, to eliminate funding for the Technical Education Incentive for FY 2020;
- Delete \$520,000, all from the State General Fund, to eliminate funding for Teach for America for FY 2020;
- Add \$950,000, all from the State General Fund, for the Education SuperHighway Initiative for FY 2020, which will allow school districts to draw down federal funds totaling \$9.5 million through the e-Rate project to upgrade Internet bandwidth. The agency's FY 2019 revised estimate includes \$300,000 for the Education SuperHighway, but the agency did not request funding for FY 2020. Therefore, the Governor's FY 2020 recommendation is an increase of \$650,000 above the FY 2019 recommendation;
- Add \$20,000, all from the State General Fund, to create the Governor's Scholars Program for FY 2020. The Governor will work with the Department of Education to recognize students who may not otherwise be given recognition through other programs;
- Appropriate \$500,000, all from the State General Fund, for database used by the Mental Health Intervention Team pilot program instead of the agency's planned reappropriation from FY 2019 to FY 2020;
- The Governor recommends Capital Improvement State Aid remain a revenue transfer from the State General Fund for FY 2020;

- The Governor recommends the agency be given authority to transfer funds between the agency's State General Fund accounts; and
- The Governor recommends proviso language allowing the agency to distribute state aid from the State Safety Fund whenever funds are available, instead of by November 1, 2019, for FY 2020.

Enhancement Detail

FY 2020 ENHANCEMENTS						
Enhancements	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
State Foundation Aid	\$ 92,659,017	\$ 92,659,017	0.0	\$ 92,659,017	\$ 92,659,017	0.0
Special Education State Aid	28,499,182	28,499,182	0.0	0	0	0.0
Supplemental (LOB) State Aid	7,700,000	7,700,000	0.0	12,083,000	12,083,000	0.0
Professional Development	8,000,000	8,000,000	0.0	0	0	0.0
Capital Outlay State Aid	3,500,000	3,500,000	0.0	4,750,000	4,750,000	0.0
Mentor Teacher Program	1,700,000	1,700,000	0.0	0	0	0.0
Career & Tech. Ed. Transportation	1,066,667	1,066,667	0.0	0	0	0.0
Parents as Teachers	0	710,000	0.0	0	0	0.0
Tech. Ed. Incentive	800,000	800,000	0.0	0	0	0.0
School Food Assistance	900,000	900,000	0.0	0	0	0.0
KS Foundation for Ag. in the Classroom	40,000	40,000	0.0	0	0	0.0
Discretionary Grants—Environmental Ed.	40,000	40,000	0.0	0	0	0.0
Communities in Schools	40,000	40,000	0.0	0	0	0.0
KPERS—USDs	73,465,171	73,465,171	0.0	83,726,775	83,726,775	0.0
KPERS—Non-USDs	7,901,698	7,901,698	0.0	9,498,845	9,498,845	0.0
Operating Budget—KPERS & Health Insurance	124,222	124,222	0.0	0	0	0.0
TOTAL	\$ 226,435,957	\$ 227,145,957	0.0	\$ 202,717,637	\$ 202,717,637	0.0

The **agency** requests enhancement funding of \$227.1 million, including \$226.4 million from the State General Fund, for FY 2020. The enhancement requests are detailed below.

State Foundation Aid. The agency requests \$92.7 million, all from the State General Fund, to increase the BASE from \$4,302 to \$4,436 for FY 2020. This request is in response to the Kansas Supreme Court's ruling in *Gannon VI* that the State's school finance system remained inadequately funded and required additional inflationary increases to reach the threshold of post-*Montoy* funding as adjusted for inflation. To calculate this amount, the State Board of Education (State Board) utilized an annual inflationary rate of 1.44 percent, which was the average annual increase in the Consumer Price Index (CPI) for urban consumers in the Midwest region from FY 2011 through FY 2017.

Special Education State Aid. The agency requests \$28.5 million, all from the State General Fund, for increased Special Education State Aid payments for FY 2020. This request is part of the State Board's recommendation to increase Special Education State Aid to 92.0 percent of excess costs by FY 2023 (school year 2022-2023). This would fund Special Education State Aid at 86.0 percent of excess costs for FY 2020. Without additional funding, the agency estimates special education will be funded at 81.4 percent excess costs for FY 2020.

Supplemental (LOB) State Aid. The agency requests \$7.7 million, all from the State General Fund, for increased Supplemental State Aid payments for FY 2020. This request is to fully fund Supplemental State Aid based on the agency's request to increase the BASE from \$4,302 to \$4,436 for FY 2020.

Professional Development. The agency requests \$8.0 million, all from the State General Fund, to fully fund professional development for FY 2020. Under current law, any school district maintaining an approved professional development program is eligible to receive state aid for up to 50.0 percent of actual costs for the program. Current funding for the program is \$1.7 million, all from the State General Fund. Without additional funding, the agency estimates professional development state aid will be prorated at approximately 17.5 percent for FY 2020.

Capital Outlay State Aid. The agency requests \$3.5 million, all from the State General Fund, for increased Capital Outlay State Aid payments for FY 2019. This request is to fully fund current law. Capital Outlay State Aid is a demand transfer from the State General Fund.

Mentor Teacher Program. The agency requests \$1.7 million, all from the State General Fund, to fully fund the Mentor Teacher program for FY 2020. Under current law, any school district maintaining an approved mentor teacher program is eligible to receive up to \$1,000 per mentor teacher participating in the program. Each participating teacher qualifies for state aid for up to three consecutive years. As a result, school districts may receive up to a total of \$3,000 per participating teacher over a three-year period. Current funding for the program is \$1.3 million, all from the State General Fund. This funding provides for a one-year total of \$725 per mentor teacher with no additional aid for the second and third years.

Career and Technical Education (CTE) Transportation. The agency requests \$1.1 million, all from the State General Fund, to fully fund CTE transportation reimbursements to school districts. State law provides for a formula to reimburse school districts a portion of the costs associated with transporting 11th and 12th grade students to postsecondary CTE programs. Current funding for the program is \$650,000, all from the State General Fund. Without additional funding, the agency estimates the formula will be prorated at 38 percent for FY 2020.

Parents as Teachers. The agency requests \$710,000, all from the Children's Initiatives Fund, to provide additional funding for Parents as Teachers for FY 2020. The additional funding would be used to provide services to an additional 1,000 children.

Technical Education Incentive. The agency requests \$800,000, all from the State General Fund, to fully fund the Technical Education Incentive for FY 2020. Current law authorizes the Department of Education to award school districts up to \$1,000 per student who graduates from high school with an industry-recognized credential in a high-need occupation. Current funding for the program is \$800,000, all from the State General Fund, which includes \$750,000 added by the 2018 Legislature. Without additional funding, the agency estimates the incentive will be prorated at 50 percent for FY 2020.

School Food Assistance. The agency requests \$900,000, all from the State General Fund, to fully fund school food assistance payments for FY 2020. State law authorizes state aid in the amount of six cents (\$0.06) per type-A meal served under an approved school lunch program. Current funding for the program is \$2.5 million, all from the State General Fund. Without additional funding, the agency estimates state aid will be prorated to between 4.3 cents (\$0.043) and 4.4 cents (\$0.044) per meal during FY 2020. Federal law requires a state match to draw down federal nutrition funding. The agency indicates current funding is above the federal minimum.

Kansas Foundation for Agriculture in the Classroom (KFAC). The agency requests \$40,000, all from the State General Fund, to reinstate funding for this program for FY 2020. KFAC was formed in 1983 and received an annual appropriation ranging from \$25,000 to \$35,000 for more than 20 years. Funding was eliminated beginning in FY 2012. If approved, the State Board recommends a dollar-for-dollar local match.

Discretionary Grants–Environmental Education. The agency requests \$40,000, all from the State General Fund, to reinstate funding for the Kansas Association for Conservation and Environmental Education (KACEE) for FY 2020. Annual funding for KACEE was eliminated beginning in FY 2010. KACEE provides pre-service and in-service training to help educators integrate the environment into the classroom and more effectively teach mathematics, science, social studies, and reading and writing. If approved, the State Board recommends a dollar-for-dollar local match.

Communities in Schools. The agency requests \$40,000, all from the State General Fund, for increased funding for Communities in Schools for FY 2020. The program is currently funded by a \$50,000 transfer from the Family and Children Investment Fund to a special revenue fund. This request would bring total funding to \$90,000, including \$40,000 from the State General Fund. If approved, the State Board recommends a dollar-for-dollar local match.

KPERS–USDs. The agency requests \$73.5 million, all from the State General Fund, for increased KPERS employer contributions for public schools. This request assumes an increase of 4.0 percent for FY 2020, as outlined in the FY 2020 *Budget Cost Indices*, and is to fully fund the State's KPERS obligation based on current law. It does not reflect the agency's enhancement requests for increased K-12 funding.

KPERS–Non-USDS. The agency requests \$7.9 million, all from the State General Fund, for increased KPERS employer contributions for interlocals, community colleges, and technical colleges. This request assumes an increase of 4.0 percent for FY 2020, as outlined in the FY 2020 *Budget Cost Indices*, and is to fully fund the State's KPERS obligation based on current law. It does not reflect the agency's enhancement requests for increased K-12 funding.

Operating Budget–KPERS and Health Insurance. The agency requests \$124,222, all from the State General Fund, for increases in KPERS and health insurance contribution rates. Without additional funding, the agency indicates it will hold open two to three additional positions for the entirety of the fiscal year.

Without the enhancement requests, the agency requests expenditures of \$5.4 billion, including \$3.8 billion from the State General Fund, for FY 2020.

The **Governor** recommends enhancement funding of \$202.7 million, all from the State General Fund, for FY 2020. Recommended enhancements are described below.

State Foundation Aid. As part of the Governor's proposed *Gannon VI* remedy, the Governor concurs with the agency's enhancement request to add \$92.7 million, all from the State General Fund, to increase the BASE from \$4,302 to \$4,436.

Supplemental State Aid. The Governor recommends expenditures of \$12.1 million, all from the State General Fund, to adopt the Fall 2018 Education Consensus Estimates.

Capital Outlay State Aid. The Governor recommends expenditures of \$4.8 million, all from the State General Fund, to adopt the Fall 2018 Education Consensus Estimates.

KPERS–USDs. The Governor recommends expenditures of \$83.7 million, all from the State General Fund. This includes \$73.5 million to adopt the Fall 2018 Education Consensus Estimates and \$10.3 million to reflect the BASE increase included in the Governor's proposed *Gannon VI* remedy.

KPERS–Non-USDs. The Governor recommends expenditures of \$9.5 million, all from the State General Fund. This includes \$7.9 million to adopt the Fall 2018 Education Consensus Estimates and \$1.6 million to reflect the BASE increase included in the Governor's proposed *Gannon VI* remedy.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. For FY 2019, the Legislature added \$27.7 million, including \$14.9 million from the State General Fund, to provide salary adjustments equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives, one step for employees who received approximately one step on the statewide pay matrix in FY 2018, two steps for uniformed corrections officers, two steps for non-judge employees within the Kansas Judicial Branch, and a 2.0 percent salary adjustment for judges and justices. **For this agency, FY 2019 salary adjustments total \$283,647, including \$133,150 from the State General Fund.** This adjustment excludes Kansas state legislators, the Board of Regents and Regents institutions, Kansas Highway Patrol officers, employees of the Kansas Bureau of Investigation included in the Recruitment and Retention Plan, and teachers and licensed personnel and employees at the Kansas State School for the Deaf and the Kansas State School for the Blind.

For FY 2020, the Governor recommends increasing state employee base pay by 2.5 percent. It is estimated the pay increase will require additional expenditures of \$63.5 million from all funding sources, including \$22.3 million from the State General Fund. The plan will increase salaries for permanent classified and unclassified employees in the Executive Branch and the Legislative Branch. Legislators and the Judicial Branch are not included in the proposed pay plan. The pay plan would be appropriated to and, if approved, certified for distribution by the State Finance Council.

Longevity Bonus Payments. In FY 2019 and for FY 2020, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2019 payment is \$3.6 million, including \$1.9 million from the State General Fund. For FY 2020, the estimated cost is \$3.7 million, including \$2.1 million from the State General Fund. **For this agency, FY 2019 longevity payments total \$6,280, including \$2,884 from the State General Fund, and FY 2020 longevity payments total \$6,360, including \$2,876 from the State General Fund.**

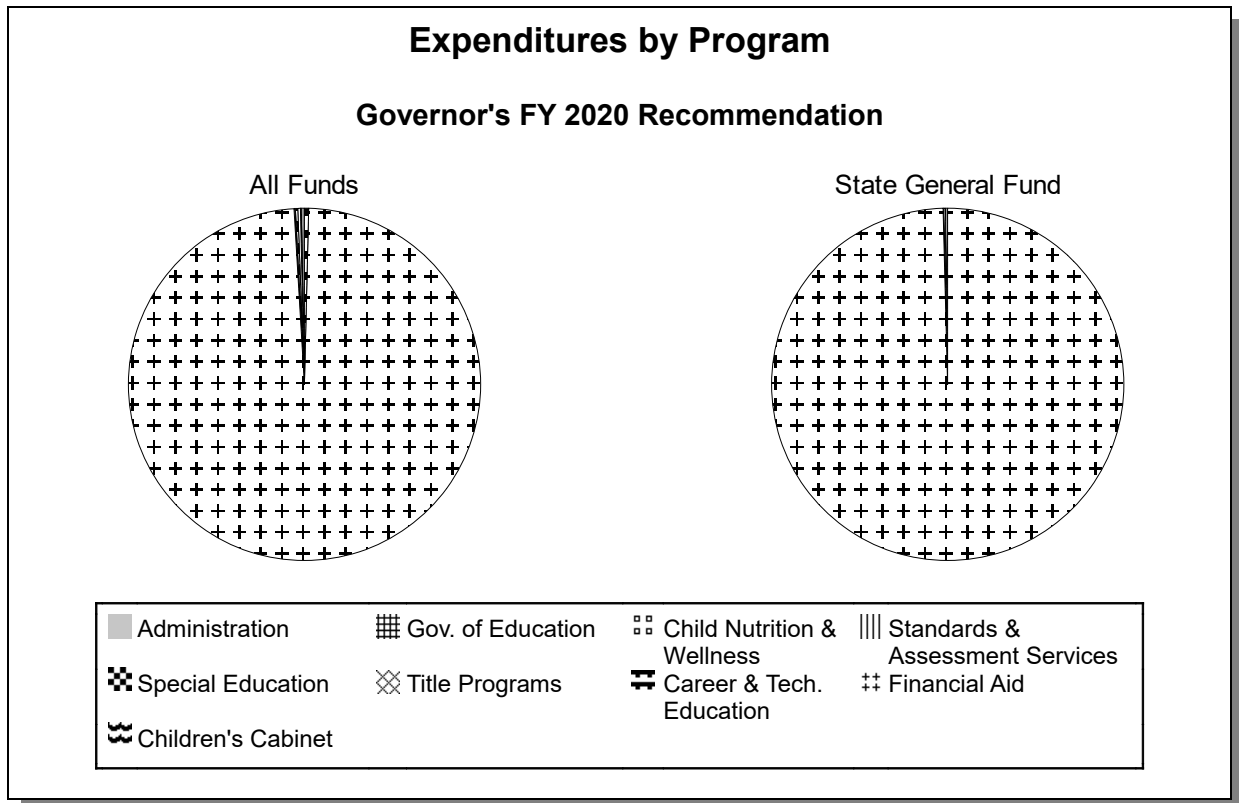
Kansas Public Employees Retirement System (KPERs) Adjustments. The employer retirement contribution rate for KPERs State and School is scheduled to be 13.21 percent in FY 2019 and 14.41 percent for FY 2020. The Governor is recommending the KPERs State/School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 30 years starting in FY 2020. Reamortization would reduce employer contributions for the KPERs State/School Group in the short term. It is estimated that resetting the amortization period to 30 years could produce budget savings of \$145.3 million from the State General Fund and \$160.1 million from all funds for FY 2020. No savings from this policy are currently included in this agency's budget.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2020	Gov. Rec. Percent of Total FY 2020
State General Fund	69.4 %	69.0 %
State Highway Fund	0.9	0.9
20-Mill Property Tax	13.1	13.3
Federal Funds	9.8	9.8
All Other Funds	6.8	6.9
TOTAL	100.0 %	100.0 %

Note: Totals may not add due to rounding.

PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2020	Percent of Total	Gov. Rec. SGF FY 2020	Percent of Total
Administration	\$ 16,702,004	0.3 %	\$ 9,184,086	0.2 %
Governance of Education	415,335	0.0	415,335	0.0
Child Nutrition and Wellness	3,976,960	0.1	319,665	0.0
Standards and Assessments Services	12,460,920	0.2	5,663,410	0.1
Special Education Services	12,362,708	0.2	581,952	0.0
Title Programs and Services	5,231,350	0.1	45,713	0.0
Career and Technical Education	2,081,451	0.0	1,152,796	0.0
Financial Aid	5,522,419,337	98.7	4,020,049,720	99.6
Children's Cabinet	21,162,648	0.4	0	0.0
TOTAL	\$ 5,596,812,713	100.0 %	\$ 4,037,412,677	100.0 %

FTE POSITIONS BY PROGRAM FY 2018 – FY 2020					
Program	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020
Administration	142.6	145.5	145.5	144.5	144.5
Governance of Education	1.0	1.0	1.0	1.0	1.0
Child Nutrition & Wellness	33.5	35.5	35.5	35.5	35.5
Standards & Assessments	23.8	27.0	27.0	27.0	27.0
Special Education Services	23.8	25.5	25.5	25.5	25.5
Title Programs & Services	15.2	15.0	15.0	15.0	15.0
Career & Technical Ed.	14.7	14.9	14.9	14.9	14.9
Financial Aid	0.0	0.0	0.0	0.0	0.0
Children's Cabinet	3.0	3.0	3.0	3.0	3.0
TOTAL	257.5	267.3	267.3	266.3	266.3

Note: For purposes of this analysis, full-time equivalent (FTE) positions now include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

A. Agency Operating Budget (Excluding Children's Cabinet)

This includes all expenditures for state operations within the Department of Education, with the exception of expenditures for the Kansas Children's Cabinet. Expenditures for the Children's Cabinet are detailed in a subsequent table.

PERFORMANCE MEASURES						
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020
Conduct an administrative review of at least 35.0 percent of school nutrition programs	32.0 %	46.9 %	50.0 %	49.7 %	35.0 %	35.0 %
Number of students enrolled in tuition-free college career and technical education courses	N/A	10,666	N/A	11,711	11,800	11,900
Number of USD field audits completed	286	286	286	286	286	286
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 44.5	\$ 45.0	\$ 46.6	\$ 48.1	\$ 49.8	\$ 51.5
FTE Positions	246.4	244.4	254.5	254.5	264.3	263.3

**AGENCY OPERATING BUDGET (EXCLUDING CHILDREN'S CABINET)
SUMMARY OF EXPENDITURES FY 2018 – FY 2020**

Item	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020
Expenditures:					
Salaries and Wages	\$ 17,524,654	\$ 20,361,031	\$ 20,361,031	\$ 20,468,300	\$ 20,344,078
Contractual Services	29,322,665	28,746,157	28,746,157	32,563,754	30,483,754
Commodities	471,559	526,305	526,305	491,380	491,380
Capital Outlay	766,547	161,219	161,219	173,405	173,405
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 48,085,425</i>	<i>\$ 49,794,712</i>	<i>\$ 49,794,712</i>	<i>\$ 53,696,839</i>	<i>\$ 51,492,617</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 48,085,425</u>	<u>\$ 49,794,712</u>	<u>\$ 49,794,712</u>	<u>\$ 53,696,839</u>	<u>\$ 51,492,617</u>
Financing:					
State General Fund	\$ 15,332,057	\$ 19,431,044	\$ 19,431,044	\$ 19,522,136	\$ 17,317,914
All Other Funds	32,753,368	30,363,668	30,363,668	34,174,703	34,174,703
TOTAL	<u>\$ 48,085,425</u>	<u>\$ 49,794,712</u>	<u>\$ 49,794,712</u>	<u>\$ 53,696,839</u>	<u>\$ 51,492,617</u>
FTE Positions	254.5	264.3	264.3	263.3	263.3

The **agency** requests a revised estimate of \$49.8 million, including \$19.4 million from the State General Fund, for operating expenditures in FY 2019. The revised estimate is an all funds increase of \$3.8 million, or 8.2 percent, above the FY 2019 budget approved by the 2018 Legislature. This includes a State General Fund increase of \$3.3 million, or 20.5 percent, and a special revenue fund increase of \$485,812, or 1.6 percent, above the approved budget. The revised estimate includes 264.3 FTE positions, which is an increase of 7.8 FTE positions above the FY 2019 approved number.

The State General Fund increase is primarily attributable to the agency shifting expenditures of \$2.8 million to provide the ACT and WorkKeys assessments to Kansas high school students from the Financial Aid program to the agency operating budget. The agency determined the most effective way to provide the assessments to Kansas students was to enter into a contract with the provider of the ACT and WorkKeys assessments, instead of providing state aid to each school district. The increase is also attributable to the agency's proposal to spend the \$2.5 million appropriation for database for the Mental Health Intervention Team (MHIT) pilot program over multiple fiscal years. As a result, the agency shifted expenditures from the Financial Aid program to the agency operating budget.

The special revenue fund increase is attributable to the agency adding 7.8 FTE positions.

The increase in FTE positions is primarily attributable to the agency adding positions to absorb increasing workloads in school finance (1.0 FTE), Teacher Education and Licensure (1.0 FTE), Child Nutrition and Wellness (1.0 FTE), Special Education Services (1.5 FTE), and Standards and Assessments (2.0 FTE). According to the agency, all these positions are paid from state fee funds, federal funds, or federal indirect cost reimbursement funds. In addition, the agency created 1.0 FTE position for the proposal to create the MHIT database internally.

The **Governor** concurs with the agency's FY 2019 revised estimate.

The **agency** requests expenditures of \$53.7 million, including \$19.5 million from the State General Fund, for operating expenditures for FY 2020. The request is an all funds increase of \$3.9 million, or 7.8 percent, above the FY 2019 revised estimate. This includes a State General Fund increase of \$91,092, or 0.5 percent, and a special revenue fund increase of \$3.8 million, or 12.6 percent. The request includes 263.3 FTE positions, which is a decrease of 1.0 FTE position below the FY 2019 revised estimate.

The State General Fund increase is attributable to the agency's enhancement request for \$124,222, all from the State General Fund, to cover increased employer contribution rates for KPERS and group health insurance. Without additional funding, the agency indicates it will hold open two to three additional positions for the entire fiscal year to cover the costs associated with the increased contribution rates. The State General Fund increase is partially offset by the agency increasing its shrinkage rate to 9.8 percent for FY 2020.

The special revenue fund increase is primarily attributable to increased expenditures from federal funds for contractual services, particularly to provide additional technical assistance and support to schools that receive federal Title I funding (\$3.0 million) and to administer the federal grant that provides funding for pre-school children with disabilities (\$819,994).

The decrease in FTE positions is attributable to the elimination of the 1.0 FTE position created in FY 2019 to create the MHIT database. The agency anticipates construction of the database will be completed by the end of FY 2019.

The **Governor** recommends expenditures of \$51.5 million, including \$17.3 million from the State General Fund, for operating expenditures for FY 2020. The recommendation is an all funds decrease of \$2.2 million, or 4.1 percent, below the agency's FY 2020 request. This includes a State General Fund decrease of \$2.2 million, or 11.3 percent. The special revenue fund amount is the same as the agency's request. The recommendation includes 263.3 FTE positions, which is the same as the agency's request.

The State General Fund decrease is primarily attributable to the Governor's recommendation to eliminate funding for Kansas Reading Success, which is administered by a third party through a contract with the Department of Education. The decrease is also attributable to the Governor not recommending the agency's enhancement request for funding to cover costs associated with employer contributions for KPERS and group health insurance. These decreases are partially offset by the Governor's recommendation to create the Governor's Scholars Program in the Department of Education.

B. State Aid and Other Assistance

The agency's Financial Aid program includes all state aid to school districts, as well as most grants provided to local agencies and individuals. In addition, the agency's operating budget includes some expenditures, largely contractual services, which act as a form of state aid since the contracts provide services directly to school districts. To capture these contracts, select operating expenditures are included with state aid and other assistance expenditures from the Financial Aid program.

PERFORMANCE MEASURES						
<u>Measure</u>	<u>Actual FY 2016</u>	<u>Actual FY 2017</u>	<u>Gov. Rec. FY 2018</u>	<u>Actual FY 2018</u>	<u>Gov. Rec. FY 2019</u>	<u>Gov. Rec. FY 2020</u>
Percent of students with disabilities who graduated from high school	N/A	76.1 %	N/A	77.3 %	83.0 %	84.0 %
Percent of English language learners scoring at "proficient" on Kansas math assessment	16.0 %	15.0 %	18.0 %	17.0 %	18.0 %	29.0 %
Percent of English language learners scoring at "proficient" on Kansas English assessment	19.0 %	14.0 %	22.0 %	16.0 %	17.0 %	28.0 %
Number of FTE students enrolled in K-12 (in thousands)	459.9	457.9	474.2	469.9	473.9	475.1
Weighted FTE students in school finance formula	N/A	680.8	N/A	693.5	692.0	694.3
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 4,405.0	\$ 4,555.5	\$ 4,924.9	\$ 4,894.1	\$ 5,051.4	\$ 5,547.0
FTE Positions	246.4	244.4	257.5	257.5	267.3	266.3

**STATE AID AND OTHER ASSISTANCE
SUMMARY OF EXPENDITURES, FY 2018 – FY 2020**

Program	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Est. FY 2020	Gov. Rec. FY 2020
State General Fund					
State Foundation Aid	\$ 2,001,553,533	\$ 2,148,977,487	\$ 2,109,651,452	\$ 2,309,355,304	\$ 2,317,774,923
Supplemental State Aid	454,500,000	483,917,000	494,300,000	498,917,000	503,300,000
Special Education State Aid	435,981,646	490,380,818	490,380,818	526,380,000	497,880,818
Capital Outlay State Aid	60,530,721	63,000,000	65,443,653	66,500,000	67,750,000
KPERS–USDs	384,874,904	279,103,206	279,103,206	533,603,431	543,865,035
KPERS–Non-USDs	21,846,043	33,554,725	33,554,725	41,418,747	43,015,894
KPERS Layering Payment (FY 2017)	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000
KPERS Layering Payment (FY 2019)	0	0	0	19,400,000	19,400,000
Mental Health Pilot Program	0	7,453,886	7,453,886	7,453,886	7,453,886
Juvenile Detention Grants	4,083,589	5,060,528	5,060,528	5,060,528	5,060,528
School Safety & Security Grants*	0	0	0	5,000,000	0
School Food Assistance	2,510,486	2,510,486	2,510,486	3,410,486	2,510,486
ACT/WorkKeys**	0	2,800,000	2,800,000	2,800,000	2,800,000
Kansas Reading Success**	1,814,600	2,100,000	2,100,000	2,100,000	0
Professional Development	1,700,000	1,700,000	1,700,000	9,700,000	1,700,000
Mentor Teacher Program	798,435	1,300,000	1,300,000	3,000,000	1,300,000
Technical Ed. Transportation	0	650,000	650,000	1,716,667	650,000
Teach for America	0	520,000	270,000	520,000	0
IT Education Opportunities**	500,000	500,000	500,000	500,000	500,000
Teacher Excellence Grant/Scholarships	218,350	360,693	360,693	360,693	360,693
Technical Ed. Incentive	105,000	800,000	800,000	1,600,000	0
Education SuperHighway	0	300,000	300,000	0	950,000
Juvenile Transitional Crisis Center Pilot	0	300,000	300,000	300,000	300,000
Deaf-Blind Program Aid	110,000	110,000	110,000	110,000	110,000
Communities in Schools	0	0	0	40,000	0
KS Foundation for Ag. in the Classroom	0	0	0	40,000	0
JAG-K Pilot Program***	0	15,000	15,000	0	0
Discretionary Grants	312,500	312,500	312,500	352,500	312,500
Subtotal–State General Fund	\$ 3,377,839,807	\$ 3,532,126,329	\$ 3,505,376,947	\$ 4,046,039,242	\$ 4,023,394,763
Other State Funds					
20-Mill Local Property Tax	\$ 641,067,606	\$ 669,656,040	\$ 678,356,878	\$ 695,948,713	\$ 711,953,488
School District Finance Fund	55,447,350	52,800,000	56,000,000	52,800,000	56,000,000
KPERS-ELARF	39,883,000	40,084,000	40,084,000	41,632,883	41,632,883
Capital Improvement State Aid	189,764,242	200,000,000	203,151,055	215,000,000	215,000,000
Mineral Production Fund	7,197,185	9,069,000	9,233,000	9,069,000	11,100,000
State Highway Fund	107,250,000	45,000,000	45,000,000	45,000,000	0
School Safety & Security Grants*	0	5,000,000	5,000,000	0	0
Communities in Schools	50,000	50,000	50,000	50,000	50,000
Driver Education Aid	1,478,652	1,682,000	1,682,000	1,607,000	1,607,000
Extraordinary Declining Enrollment	2,487,558	0	0	0	0
USD Checkoff Fund	0	1,000	1,000	0	0
Children’s Cabinet–Family & Children Investment Fund	78,048	25,000	25,000	25,000	25,000
Subtotal–Other State Funds	\$ 1,044,703,641	\$ 1,023,367,040	\$ 1,038,582,933	\$ 1,061,132,596	\$ 1,037,368,371

*The 2018 Legislature transferred \$5.0 million from the State General Fund to a special revenue fund for the School Safety and Security Grants. The agency requests future expenditures come directly from the State General Fund.

**Contractual services expenditures but included as state aid because the primary beneficiaries are students and local education agencies.

***Operations expenditures but included as state aid because the primary beneficiaries are students and local education agencies.

STATE AID AND OTHER ASSISTANCE SUMMARY OF EXPENDITURES, FY 2018 – FY 2020					
Program	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2018	Agency Est. FY 2020	Gov. Rec. FY 2020
Children's Initiatives Fund					
Parent Education (Parents as Teachers)	\$ 7,237,635	\$ 8,237,635	\$ 8,237,635	\$ 8,947,635	\$ 8,237,635
Kansas Preschool Program (Pre-K Pilot)	0	4,200,000	4,200,000	4,200,000	4,200,000
Children's Cabinet–Early Childhood Block Grant	15,044,039	17,247,809	17,247,809	17,241,249	17,241,249
Children's Cabinet–Child Care Quality Initiative	430,466	500,000	500,000	500,000	500,000
Children's Cabinet–Autism Diagnosis Program	43,047	50,000	50,000	50,000	50,000
Children's Cabinet–Communities Aligned in Early Dev. & Ed.	0	1,000,000	1,000,000	1,000,000	1,000,000
Subtotal-Children's Initiatives Fund	\$ 22,755,187	\$ 31,235,444	\$ 31,235,444	\$ 31,938,884	\$ 31,228,884
Selected Federal Funds					
Special Education	\$ 104,749,822	\$ 102,692,560	\$ 102,692,560	\$ 101,757,250	\$ 101,757,250
School Food Assistance	188,078,219	206,493,055	206,493,055	198,169,679	198,169,679
Elementary and Secondary Education Act (ESEA) Prog.	117,946,980	122,280,067	122,280,067	109,461,892	109,461,892
TANF Children's Programs	3,546,614	4,132,317	4,132,317	4,132,317	4,132,317
Children's Cabinet–Community-Based Child Abuse Prevention	929,324	745,285	745,285	720,000	720,000
All Other Federal Funding	33,557,783	39,875,967	39,875,967	40,760,541	40,760,541
Subtotal-Federal Funds	\$ 448,808,742	\$ 476,219,251	\$ 476,219,251	\$ 455,001,679	\$ 455,001,679
Total-All Other Funds	\$ 1,516,267,570	\$ 1,530,821,735	\$ 1,546,037,628	\$ 1,548,073,159	\$ 1,523,598,934
GRAND TOTAL	\$ 4,894,107,377	\$ 5,062,948,064	\$ 5,051,414,575	\$ 5,594,112,401	\$ 5,546,993,697
Excluding Operating Expenditures					
State General Fund	\$ 3,375,525,207	\$ 3,526,711,329	\$ 3,499,961,947	\$ 4,040,639,242	\$ 4,020,094,763
All Other Funds	1,516,267,570	1,530,821,735	1,546,037,628	1,548,073,159	1,523,598,934
GRAND TOTAL	\$ 4,891,792,777	\$ 5,057,533,064	\$ 5,045,999,575	\$ 5,588,712,401	\$ 5,543,693,697

STATE FOUNDATION AID SUMMARY OF EXPENDITURES, FY 2018 – FY 2020					
Funding Source	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Est. FY 2020	Gov. Rec. FY 2020
State General Fund	\$ 2,001,553,533	\$ 2,148,977,487	\$ 2,109,651,452	\$ 2,309,355,304	\$ 2,317,774,923
20-Mill Local Property Tax	641,067,606	669,656,040	678,356,878	695,948,713	711,953,488
School District Finance Fund	55,447,350	52,800,000	56,000,000	52,800,000	56,000,000
Mineral Production Fund	7,197,185	9,069,000	9,233,000	9,069,000	11,100,000
State Highway Fund	96,600,000	45,000,000	45,000,000	45,000,000	0
TOTAL	\$ 2,801,865,674	\$ 2,925,502,527	\$ 2,898,241,330	\$ 3,112,173,017	\$ 3,096,828,411

BASE AID FOR STUDENT EXCELLENCE (BASE) FY 2018 – FY 2023				
Fiscal Year	Current Law	Agency Request	Governor's Rec.	
2018	\$ 4,006	\$ 4,006	\$	4,006
2019	4,165	4,165		4,165
2020	4,302	4,436		4,436
2021	4,439	4,569		4,569
2022	4,576	4,706		4,706
2023	4,713	4,846		4,846

The **agency** requests \$5.1 billion, including \$3.5 billion from the State General Fund, for state aid and other assistance expenditures in FY 2019. This is an all funds increase of \$18.1 million, or 0.4 percent, and a State General Fund increase of \$18.2 million, or 0.5 percent, above the FY 2019 budget approved by the 2018 Legislature. The increase is attributable to the agency's supplemental requests for increased expenditures for KPERS employer contributions for public schools, interlocals, community colleges, and technical colleges. The State General Fund increase is partially offset by decreased revenue estimates from federal funds.

The **Governor** recommends \$5.1 billion, including \$3.5 billion from the State General Fund, for state aid and other assistance expenditures in FY 2019. This is an all funds decrease of \$11.5 million, or 0.2 percent, and a State General Fund decrease of \$26.7 million, or 0.8 percent, below the agency's FY 2019 revised estimate. The decrease is primarily attributable to the Governor's recommendation to adopt the Fall 2018 Education Consensus Estimates.

The **agency** requests \$5.6 billion, including 4.0 billion from the State General Fund, for state aid and other assistance expenditures for FY 2020. This is an all funds increase of \$531.2 million, or 10.5 percent, and a State General Fund increase of \$513.9 million, or 14.6 percent, above the agency's FY 2019 revised estimate. The increase is partly attributable to the school funding increases included in 2017 SB 19, 2018 Sub. for SB 423, and 2018 House Sub. for SB 61. The increase is also attributable to the agency's enhancement requests, which include the following major items:

- \$92.7 million, all from the State General Fund, to increase the base state aid for student excellence (BASE) from \$4,302 to \$4,436 for FY 2020;
- \$28.5 million, all from the State General Fund, to increase Special Education State Aid payments for FY 2020; and
- \$81.4 million, all from the State General Fund, for increased KPERS employer contributions for both KPERS–USDs and KPERS–Non-USDs for FY 2020.

These increases are partially offset by decreased revenue estimates from federal funds.

The **Governor** recommends \$5.5 billion, including \$4.0 billion from the State General Fund, for state aid and other assistance expenditures for FY 2020. This is an all funds decrease of \$47.1 million, or 0.8 percent, and a State General Fund decrease of \$22.6 million, or 0.6 percent, below the agency's FY 2020 request. The all funds decrease is attributable to the Governor's recommendation to adopt the Fall 2018 Education Consensus Estimates and to the Governor not recommending the agency's FY 2020 enhancement requests for Special Education State Aid, professional development, the Mentor Teacher program, Career and

Technical Education (CTE) transportation, Parents as Teachers, the CTE Incentive, school food assistance, Kansas Foundation for Agriculture in the Classroom, environmental education, and Communities in Schools. The decrease is partially offset by the Governor's recommendation to increase KPERs expenditures to reflect the BASE increase included in the proposed *Gannon VI* remedy. The State General Fund decrease is partially offset by the Governor's recommendation to replace the State Highway Fund transfer for State Foundation Aid with State General Fund moneys.

C. Kansas Children's Cabinet

The Kansas Children's Cabinet is established pursuant to KSA 38-1901. Its responsibilities include:

- Assisting the Governor in developing and implementing a coordinated, comprehensive delivery system to improve the health and well-being of families and children in Kansas;
- Evaluating programs funding through the Children's Initiatives Fund; and
- Making recommendations to the Legislature and the Governor on how best to allocate funds to achieve the Cabinet's charge.

Effective July 1, 2016, the Department of Education became the fiscal and administrative agency for the Kansas Children's Cabinet.

PERFORMANCE MEASURES						
Measure	Actual FY 2016	Actual FY 2017	Gov. Rec. FY 2018	Actual FY 2018	Gov. Rec. FY 2019	Gov. Rec. FY 2020
Percent of programs that report annual outcomes with data supported by Cabinet-approved plans	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 14.4	\$ 17.9	\$ 17.8	\$ 18.0	\$ 21.3	\$ 21.2
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0

**KANSAS CHILDREN'S CABINET
SUMMARY OF EXPENDITURES FY 2018 – FY 2020**

Item	Actual FY 2018	Agency Est. FY 2019	Gov. Rec. FY 2019	Agency Req. FY 2020	Gov. Rec. FY 2020
Expenditures:					
Salaries and Wages	\$ 280,938	\$ 294,425	\$ 294,425	\$ 297,936	\$ 297,936
Contractual Services	1,165,795	1,391,373	1,391,373	1,325,701	1,325,701
Commodities	3,152	3,327	3,327	2,762	2,762
Capital Outlay	1,436	0	0	0	0
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,451,321</u>	<u>\$ 1,689,125</u>	<u>\$ 1,689,125</u>	<u>\$ 1,626,399</u>	<u>\$ 1,626,399</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	16,524,924	19,568,094	19,568,094	19,536,249	19,536,249
TOTAL	<u>\$ 17,976,245</u>	<u>\$ 21,257,219</u>	<u>\$ 21,257,219</u>	<u>\$ 21,162,648</u>	<u>\$ 21,162,648</u>
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	17,976,245	21,257,219	21,257,219	21,162,648	21,162,648
TOTAL	<u>\$ 17,976,245</u>	<u>\$ 21,257,219</u>	<u>\$ 21,257,219</u>	<u>\$ 21,162,648</u>	<u>\$ 21,162,648</u>
FTE Positions	3.0	3.0	3.0	3.0	3.0

The **agency** requests a revised estimate of \$21.3 million, including \$20.1 million from the Children's Initiatives Fund, in FY 2019. The revised estimate is an all funds increase of \$1.0 million, or 5.1 percent, above the FY 2019 budget approved by the 2018 Legislature. This includes a Children's Initiatives Fund increase of \$1.0 million, or 5.3 percent. The Children's Initiatives Fund increase is primarily attributable to the agency shifting expenditures of \$1.0 million for Communities Aligned in Early Development and Education (CAEDE) from the Financial Aid program to the Children's Cabinet. The agency's revised estimate includes 3.0 FTE positions, which is the same as the FY 2019 approved number.

The **Governor** concurs with the agency's FY 2019 revised estimate.

The **agency** requests \$21.2 million, including \$20.1 million from the Children's Initiatives Fund, for FY 2020. The request is an all funds decrease of \$94,571, or 0.4 percent, below the agency's FY 2020 request. This includes a Children's Initiatives Fund decrease of \$17,691, or 0.1 percent. The all funds decrease is primarily attributable to decreased revenue estimates from the federal Community-Based Child Abuse Prevention Grant. This federal grant is used to provide other assistance payments through the form of grants and to fund a contract with the University of Kansas to assist the Children's Cabinet in administering the grant. The Children's Initiatives Fund decrease is primarily attributable to decreased expenditures for contractual services. The agency's request includes 3.0 FTE positions, which is the same as the FY 2019 revised estimate.

The **Governor** concurs with the agency's FY 2020 request.