

OVERVIEW OF FY 2020 AND FY 2021 AGENCY BUDGET REQUESTS

The 2019 Legislature approved a FY 2020 budget of \$18.4 billion, including \$7.7 billion from the State General Fund. The FY 2020 approved budget has been increased by \$110.2 million, all from the State General Fund, for reappropriations from FY 2019 into FY 2020. The majority of those reappropriations are in the Department of Corrections (\$35.0 million) from the Evidence-Based Initiatives State General Fund account and other planned salary adjustments, as well as the Kansas Department for Aging and Disability Services (\$14.1 million) and Kansas Department of Health and Environment (KDHE) (\$27.0 million) for human services spending.

After adjusting for reappropriations, the FY 2020 revised estimate is an all funds increase of \$229.7 million, or 1.2 percent, and a State General Fund increase of \$16.4 million, or 0.2 percent, above the FY 2020 approved budget.

State General Fund Summary of Expenditures by Function of Government (Dollars in Millions)

	Actual	Approved	Agency	FY 2020 Change		Agency	FY 2020 – FY 2021	
	FY 2019	FY 2020	Estimate	from Approved		Request	Change	
			FY 2020	Dollar	Percent	FY 2021	Dollar	Percent
Public Safety	\$ 411.2	\$ 505.4	\$ 515.4	\$ 9.9	2.0 %	\$ 540.7	\$ 25.3	4.9 %
Education	4,311.6	4,886.3	4,884.1	(2.2)	(0.0)	5,097.9	213.7	4.4
Agriculture	15.9	16.8	16.8	0.0	0.0	19.0	2.2	13.1
Human Services	1,952.6	2,089.2	2,091.9	2.7	0.1	2,109.5	17.7	0.8
General Gvt.	341.5	362.0	367.9	5.9	23.1	386.9	19.1	5.2
TOTAL	\$ 7,032.8	\$ 7,859.7	\$ 7,876.1	\$ 16.4	0.2 %	\$ 8,154.0	\$ 277.9	3.5 %

Note: Totals may not add due to rounding.

GENERAL GOVERNMENT FUNCTION OF GOVERNMENT

FY 2020 State General Fund Changes from the Approved Budget

In FY 2020, agencies in the General Government function of government are requesting \$367.9 million from the State General Fund. This is a State General Fund increase of \$5.9 million, or 1.6 percent, above the FY 2020 approved budget. Major adjustments include:

- The State Finance Council was originally appropriated \$49.5 million from the State General Fund to fund statewide salary adjustments and other enhancements at the Department of Corrections. The majority of those funds have subsequently been distributed to various state agencies to implement those adjustments. There is \$230,948 from the State General Fund remaining in the State Finance Council from salary adjustments not distributed. In addition, there is \$9.6 million remaining in the State Finance Council approved amount, which was not distributed to the Department of Corrections. The revised budget does

not include additional expenditures from the State Finance Council, which results in a \$9.8 million decrease below the approved budget;

- The Office of Information Technology Services (OITS) is requesting \$14.9 million more than the FY 2020 approved budget. The increase is due to two supplemental requests:
 - \$10.4 million for network infrastructure upgrades and additional data center migration costs to account for performance-impacting issues attributable to the age and complexity of the State's computer network; and
 - \$4.5 million for replacing and updating critical statewide information technology equipment based on a planned life cycle replacement schedule; and
- The Department of Administration is requesting \$1.1 million from the State General Fund above the FY 2020 approved budgets. The increase is for three supplementals for rehabilitation and repair projects in the capitol complex.

FY 2020 to FY 2021 State General Fund Changes

For FY 2021, the agencies in the General Government function of government are requesting \$386.9 million from the State General Fund. This is a State General Fund increase of \$19.0 million, or 5.2 percent, above the FY 2020 revised estimate. Major adjustments include:

- The Judicial Branch is requesting \$18.7 million more from the State General Fund for FY 2021. The increase is due to enhancement requests for salary adjustments (\$17.1 million) and new positions (\$1.2 million);
- OITS is requesting \$2.0 million above the FY 2020 revised estimate. The FY 2021 request includes the enhancement request of \$14.9 million to continue the supplemental request for data center migration, networking infrastructure, and computer hardware from FY 2020, and an additional \$2.0 million in enhancement funding for further networking infrastructure upgrades and migration costs;
- The Department of Administration is requesting an additional \$1.2 million for debt service payments on the school of pharmacy. This expenditure is shifted from the University of Kansas budget. The budget request also includes enhancements of \$1.5 million for rehabilitation and repair projects in the capitol complex and new positions for the Office of the Long-Term Care Ombudsman; and
- Legislative agencies are requesting a decrease of \$2.4 million below the FY 2020 revised estimate. The decrease is attributable to the lack of reappropriated funds in the Legislature budget resulting in a \$3.0 million decrease. The decrease is partially offset by an increase of \$625,591 from the State General Fund above the FY 2020 revised estimate for salary adjustments.

EDUCATION FUNCTION OF GOVERNMENT

FY 2020 State General Fund Changes from the Approved Budget

In FY 2020, the agencies in the Education function of government are requesting \$4.9 billion from the State General Fund. This is a State General Fund decrease of \$2.2 million, or less than 0.1 percent, below the FY 2020 approved budget. The decrease is primarily attributable to the Department of Education lapsing unused funds for the Mental Health Intervention Team (MHIT) pilot program.

FY 2020 to FY 2021 State General Fund Changes

For FY 2021, agencies in the Education function of government are requesting \$5.1 billion from the State General Fund. This is a State General Fund increase of \$213.8 million, or 4.4 percent, above the FY 2020 revised estimate. Major adjustments include:

- The Department of Education is requesting \$120.9 million from the State General Fund above the FY 2020 revised estimate. The State General Fund increases are primarily attributable to the increases in school funding included in 2018 Sub. for SB 423, 2018 House Sub. for SB 61, and 2019 House Sub. for SB 16. This includes the following:
 - Increased expenditures of \$103.6 million, including \$77.6 million from the State General Fund, for increased State Foundation Aid payments, which is primarily due to the Base Aid for Student Excellence (BASE) increasing to \$4,569 for FY 2021;
 - Increased expenditures of \$16.0 million, all from the State General Fund, for increased Supplemental State Aid payments;
 - Increased expenditures of \$7.5 million, all from the State General Fund, for increased Special Education State Aid payments;
 - Increased expenditures of \$17.6 million, all from the State General Fund, for increased employer contributions to KPERS–USDs; and
 - Increased expenditures of \$2.3 million, including \$2.3 million from the State General Fund, for increased employer contributions to KPERS–Non-USDs; and
- The Board of Regents and Universities are requesting \$91.7 million from the State General Fund above the FY 2020 revised estimate. The State General Fund increases are attributable to:
 - \$50.0 million to universities for affordability and as an inflationary adjustment;
 - \$1.0 million to Washburn University for affordability and as an inflationary adjustment;
 - \$13.5 million for the Career Technical program to fully fund the program;
 - \$5.0 million for Technical State Aid to Community and Technical Colleges;

- \$10.0 million for additional Need-based Aid (with a private match);
- \$5.6 million for Composition I Pilot Program—free tuition to high school students for a general education course;
- \$1.0 million to fully fund the National Guard scholarship; and
- \$451,670 in other adjustments.

HUMAN SERVICES FUNCTION OF GOVERNMENT

FY 2020 State General Fund Changes from the Approved Budget

In FY 2020, agencies in the Human Services function of government are requesting \$2.1 billion from the State General Fund. This is a State General Fund increase of \$2.7 million, or 0.1 percent, above the FY 2020 approved budget. Major adjustments include:

- The Department for Children and Families is requesting \$1.6 million above the FY 2020 approved budget. The increase is attributable to two enhancements for adoption assistance subsidy expansion (\$1.3 million from the State General Fund) and information technology enhancements (\$350,649 from the State General Fund);
- KDHE-Health is requesting \$524,263 above the FY 2020 approved budget. The increase is attributable to three supplementals for website redesign (\$150,000), mosquito surveillance (\$134,263), and health facility surveys (\$240,000); and
- The Kansas Department for Aging and Disability Services (KDADS) is requesting \$538,750 from the State General Fund above the FY 2020 approved budget for OITS fees.

FY 2020 to FY 2021 State General Fund Changes

For FY 2021, agencies in the Human Services function of government are requesting \$2.1 billion from the State General Fund. This is a State General Fund increase of \$17.6 million, or 0.8 percent, above the FY 2020 revised estimate. Major adjustments include:

- KDADS is requesting \$22.1 million above the FY 2020 revised estimate. The increase is primarily attributable to the agency's 17 enhancement requests totaling \$74.6 million, including \$42.0 million from the State General Fund, for the following:
 - Increasing the reimbursement rates for providers of Medicaid Home and Community Based Services (HCBS) Technology Assisted and Brain Injury waivers (\$24.5 million, including \$9.8 from the State General Fund);
 - Funding for a disability and behavioral health employment pilot program (\$12.0 million, including \$4.8 million from the State General Fund);

- Funding to reduce the wait list for the Medicaid HCBS waiver for individuals with an intellectual or developmental disability (\$12.0 million, including \$4.8 million from the State General Fund);
 - Funding for regional mental health inpatient psychiatric beds (\$5.0 million, all from the State General Fund);
 - Funding for an electronic medical records system for the four state hospitals (\$4.8 million, all from the State General Fund); and
 - Funding for specialized mental health services to be provided in nursing facilities and nursing facilities for mental health (\$4.0 million, including \$2.8 million from the State General Fund);
- Combined, the state hospitals are requesting \$14.1 million above the FY 2020 revised estimate. The increase is attributable to nine enhancement requests totaling \$14.7 million, all from the State General Fund, including:
 - \$4.6 million to open a new 26-bed patient unit at Osawatomie State Hospital;
 - \$1.9 million for additional staffing in the Sexual Predator Treatment Unit at Larned State Hospital (LSH);
 - \$1.5 million for salary adjustments at LSH to address wage disparity between LSH and Larned Correctional Mental Health Facility;
 - \$2.3 million for direct care staff salary increases at Parsons State Hospital and Training Center; and
 - \$4.4 million in other enhancement requests for forensic evaluations and security upgrades, increased staffing, nursing staff salary increases, and outreach program expansion;
- The Department for Children and Families is requesting \$9.1 million above the FY 2020 revised estimate. The request includes \$13.0 million from the State General Fund for nine enhancements. The enhancements are for expanding the adoption assistance subsidy, increasing Protection and Prevention Services staff, developing a new Comprehensive Child Welfare Information System, moving the department into two OITS modernization initiatives, increasing Family First Prevention Grants and Case Management staff, expanding Adult Protective Services financial abuse investigation, enhancing services for youth 15 years and older, increasing rehabilitation field staff, and increasing grants for Rehabilitation Services independent living; and
- KDHE-Health is requesting \$28.4 million less than the FY 2020 revised estimate. The decrease is attributable to \$27.0 million in reappropriations for human service expenditures which occurred in FY 2020 that are not budgeted for FY 2021.

AGRICULTURE FUNCTION OF GOVERNMENT

FY 2020 State General Fund Changes from the Approved Budget

In FY 2020, agencies in the Agriculture function of government are requesting \$16.8 million from the State General Fund. This is the same State General Fund amount as approved by the 2019 Legislature.

FY 2020 to FY 2021 State General Fund Changes

For FY 2021, agencies in the Agriculture function of government are requesting \$19.0 million from the State General Fund. This is a State General Fund increase of \$2.2 million, or 13.0 percent, above the FY 2020 revised estimate. Major adjustments include:

- KDHE-Environment is requesting five enhancement requests totaling \$1.7 million from the State General Fund for dry cleaning site remediation, asbestos program, drinking water protection, salary adjustments, and new lab equipment; and
- The Department of Agriculture is requesting from the State General Fund \$401,655 more than the FY 2020 revised estimate. The increase is attributable to five enhancement requests funded from the State General Fund for new employees and a new vehicle.

PUBLIC SAFETY FUNCTION OF GOVERNMENT

FY 2020 State General Fund Changes from the Approved Budget

In FY 2020, agencies in the Public Safety function of government are requesting \$515.4 million from the State General Fund. This is a State General Fund increase of \$9.9 million, or 2.0 percent, above the FY 2020 approved budget. Major adjustments include:

- The Department of Corrections and correctional facilities are requesting \$13.0 million more than the FY 2020 approved amount from the State General Fund. In FY 2020, the Department of Corrections has three supplemental requests for \$14.5 million from the State General Fund for salary and wage shrinkage (\$12.5 million), safety equipment (\$927,105) and OITS fees (\$1.1 million); and
- The Adjutant General is requesting \$2.8 million below the FY 2020 approved budget from the State General Fund for unspent disaster relief funds.

FY 2020 to FY 2021 State General Fund Changes

For FY 2021, agencies in the Public Safety function of government are requesting \$540.7 million from the State General Fund. This is a State General Fund increase of \$25.4 million, or 4.9 percent, above the FY 2020 revised estimate.

Major adjustments include:

- The Department of Corrections and correctional facilities are requesting \$12.4 million more from than the FY 2020 revised estimate from the State General Fund. For FY 2021, the Department of Corrections has 22 enhancement requests totaling \$55.4 million from the State General Fund. The request is for salary adjustments, hepatitis C treatment, equipment, OITS fees, and new employees. The increase is partially offset by the lack of reappropriations in FY 2021 (\$35.0 million) and a reduction of \$7.9 million in the Lansing Correctional Facility due to the opening of the new facilities. This request includes \$14.5 million to continue the FY 2020 supplemental requests for increased salaries and OITS fees;
- The Adjutant General is requesting \$2.2 million more than the FY 2020 revised estimate from the State General Fund. The increase is attributable to nine enhancement requests totaling \$5.7 million from the State General Fund, the majority of which are for capital improvements. The agency had one-time costs of \$1.7 million in FY 2020, which partially offset the enhancements for FY 2021; and
- The Kansas Bureau of Investigation is requesting \$11.1 million more than the FY 2020 revised estimate from the State General Fund. The increase is attributable to five enhancement requests, including:
 - \$8.0 million for replacement of the Kansas Automated Fingerprint Identification System;
 - \$2.2 million for a major violent crimes and crimes against children division with an additional 16.0 FTE positions;
 - \$570,336 to enhance criminal intelligence and information shearing with an additional 7.0 FTE positions;
 - \$339,600 for a secure and reliable criminal justice system with an additional 4.0 FTE positions; and
 - \$228,313 for a forensic scientist recruitment and retention initiative.

TRANSPORTATION FUNCTION OF GOVERNMENT

FY 2020 State General Fund Changes from the Approved Budget

In FY 2020, the Department of Transportation budget estimate does not include any State General Fund expenditures. The agency is requesting \$1.5 billion from the State Highway Fund and other special revenue funds. This is an all funds increase of \$46.3 million, or 3.2 percent, above the FY 2020 approved budget. This is the tenth year of the Transportation Works for Kansas (T-WORKS) program and reflects the agency's best estimate as to project expenditure schedules.

FY 2020 to FY 2021 State General Fund Changes

For FY 2021, the Department of Transportation budget request does not include any State General Fund expenditures. The agency is requesting \$1.6 billion from the State Highway Fund and other special revenue funds. This is an all funds increase of \$79.7 million, or 5.3 percent, above the FY 2020 revised estimate. This is the eleventh year of the T-WORKS program and reflects the agency's best estimate as to project expenditure schedules. The increase is mainly attributable to increased construction expenditures, which result from FY 2020 construction expenditures being reduced by the amount of bond proceeds used in order to prevent double counting of expenditures when principal debt payments are made. The agency's budget includes plans to let approximately \$400.0 million in preservation projects and \$223.0 million in expansion and modernization projects.

All Funds Summary of Expenditures by Function of Government (Dollars in Millions)

	Actual	Approved	Agency	FY 2020 Change		Agency	FY 2020 – FY 2021	
	FY 2019	FY 2020	Estimate	Dollar	Percent	Request	Dollar	Percent
			FY 2020			FY 2021		
Public Safety	\$ 654.6	\$ 763.1	\$ 735.6	\$ (27.6)	(3.6)%	\$ 771.1	\$ 35.5	4.8 %
Education	8,068.7	8,642.1	8,754.8	112.7	1.3	8,954.8	199.9	2.3
Agriculture	219.3	226.5	235.4	8.9	3.9	237.1	1.7	0.7
Human Services	5,570.5	6,133.7	6,191.2	57.5	0.9	6,225.9	34.8	0.6
General Gvt.	1,272.0	1,297.9	1,330.4	32.5	2.5	1,339.3	9.0	0.7
Transportation	1,142.4	1,457.9	1,504.2	46.3	23.1	1,583.8	79.7	5.3
TOTAL	\$ 16,927.5	\$ 18,521.2	\$ 18,751.4	\$ 230.2	1.2 %	\$ 19,112.0	\$ 360.6	1.9 %

Note: Totals may not add due to rounding.