

KANSAS STATE DEPARTMENT OF EDUCATION

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 3,930,804,138	\$ 4,173,621,580	\$ 4,567,752,170	\$ 4,361,540,454	\$ 4,209,268,134
Federal Funds	659,786,851	854,043,761	854,043,761	994,061,677	994,061,677
All Other Funds	1,076,280,039	1,095,515,679	1,105,834,322	1,122,382,958	1,147,334,708
<i>Subtotal</i>	<u>\$ 5,666,871,028</u>	<u>\$ 6,123,181,020</u>	<u>\$ 6,527,630,253</u>	<u>\$ 6,477,985,089</u>	<u>\$ 6,350,664,519</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 5,666,871,028</u>	<u>\$ 6,123,181,020</u>	<u>\$ 6,527,630,253</u>	<u>\$ 6,477,985,089</u>	<u>\$ 6,350,664,519</u>
Percentage Change:					
State General Fund	(1.2) %	6.2 %	16.2 %	4.5 %	(7.8) %
All Funds	2.5 %	8.1 %	15.2 %	5.8 %	(2.7) %
FTE Positions	261.9	269.3	269.3	269.3	270.3

For purposes of this analysis, full-time equivalent (FTE) positions 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.

The Kansas State 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 Kansas 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 KSDE and serves at the pleasure of the State Board. KSDE consists of three main offices:

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

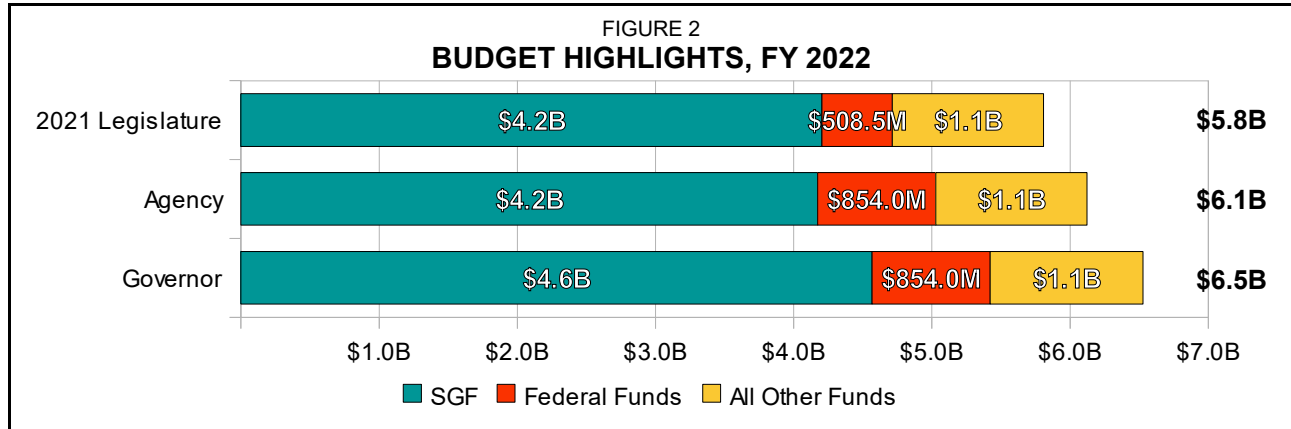
The **Division of Fiscal and Administrative Services** supervises the financial aspects of the agency including preparation of the budget for KSDE and the distribution and audit of state aid payments to schools.

The **Division of Learning Services** 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.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$5.8 billion, including \$4.2 billion from the State General Fund (SGF), for the Kansas State Department of Education for FY 2022. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The adjustment for this agency includes the following:

- SGF REAPPROPRIATIONS.** The agency had \$12.7 million SGF in unspent funds that reappropriated from FY 2021 into FY 2022. This includes \$7.8 million for Kansas Public Employees Retirement System (KPERs) contributions, \$1.3 million for the School District Juvenile Detention Facilities, \$150,117 for Special Education Services Aid, and \$3.4 million for State Foundation Aid.



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

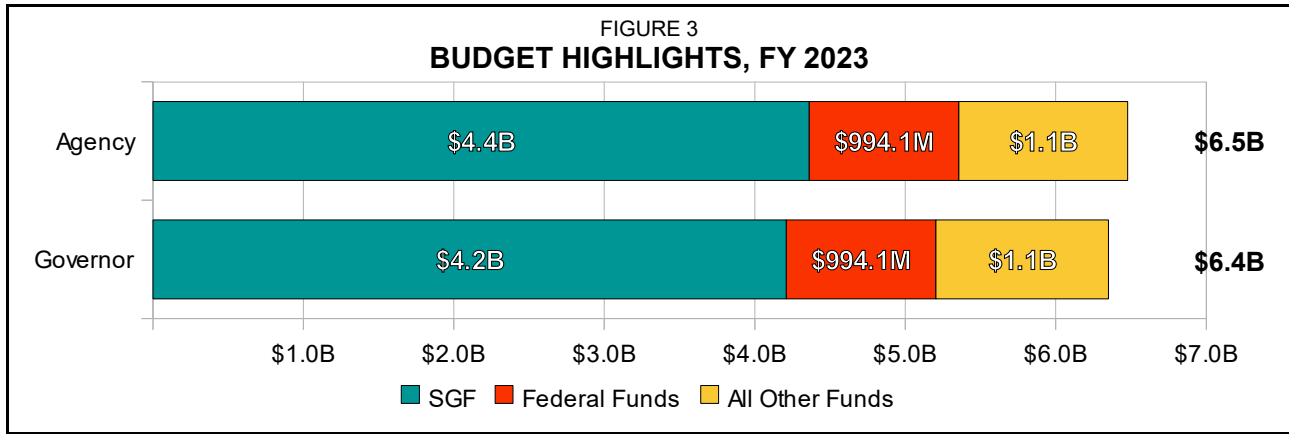
- FEDERAL COVID-19 FUNDING.** The agency's revised estimate in FY 2022 includes \$345.0 million from federal COVID-19-relief funding. The majority of this funding will be awarded to unified school districts (USDs) for COVID-19-related expenditures. More information on this funding can be found online in the KLRD memorandum "COVID-19 Federal Funds for K-12 Education." This includes:
 - Lapsing \$9.0 million, all from the federal Elementary and Secondary School Emergency Relief (ESSER) Fund, which was appropriated by the 2021 Legislature for School Safety and Security Grants, the Mental Health Intervention Team (MHIT) Pilot Program, and Communities in Schools;
 - Adding \$329.0 million to reflect a portion of the federal ESSER Fund moneys appropriated by Congress in federal legislation, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan Act (ARPA);
 - Adding \$16.3 million to reflect federal Emergency Assistance to Nonpublic Schools (EANS) funding for private schools; and
 - Adding \$8.7 million for emergency child nutrition funding under CRRSAA.

- **KPERS EMPLOYER CONTRIBUTION RATE DECREASE.** The agency's revised estimate includes the deletion of \$31.3 million from the approved amount to reflect decreased KPERS employer contribution rates for KPERS-USDs and KPERS Non-USDs. This is partially offset by the reappropriations noted above.
- **SPECIAL REVENUE FUND REAPPROPRIATIONS.** The agency requests \$452,055, all from the Children's Initiative Fund and KEY Fund, be reappropriated from FY 2021 to FY 2022.

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

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

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



The **agency** requests \$6.5 billion, including \$4.4 billion SGF, for FY 2023. This is an all funds increase of \$354.8 million, or 5.8 percent, including an SGF increase of \$187.9 million, or 4.5 percent, above the FY 2022 revised estimate. The increase is primarily due to anticipated school finance increases, additional federal COVID-19 pandemic relief funding, and 12 enhancement requests totaling \$84.7 million, including \$83.7 million SGF. The FY 2023 agency request includes 269.3 FTE positions, which is the same number as the FY 2022 revised estimate. Significant items in the agency request include the following:

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

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

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

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

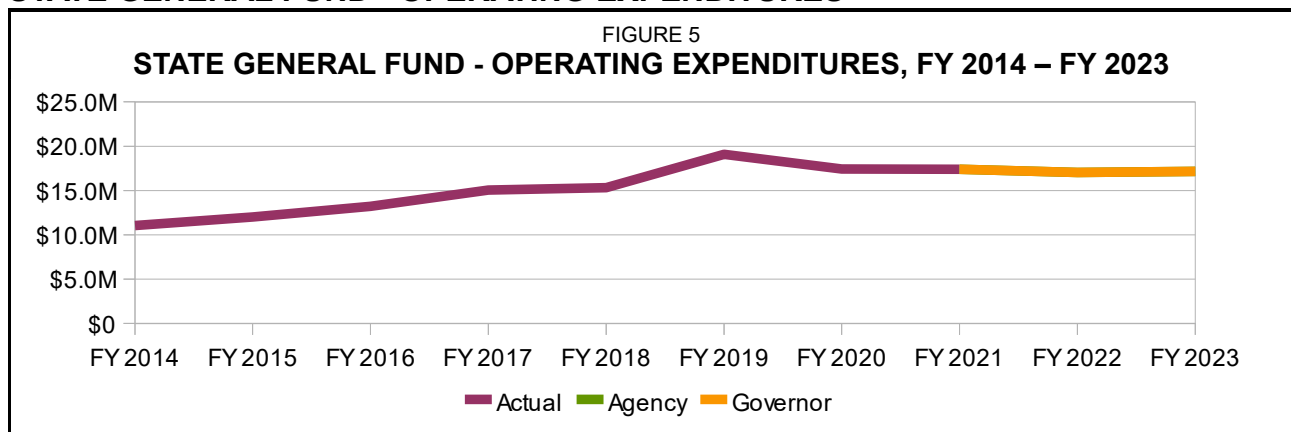
The **Governor's** recommendation also includes 270.3 FTE positions, which is 1.0 FTE position above the agency's FY 2023 request. This additional FTE position is attributable to the Governor's recommendation for a Dyslexia Coordinator. The Governor also recommends a transfer from the KEY Fund to the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

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

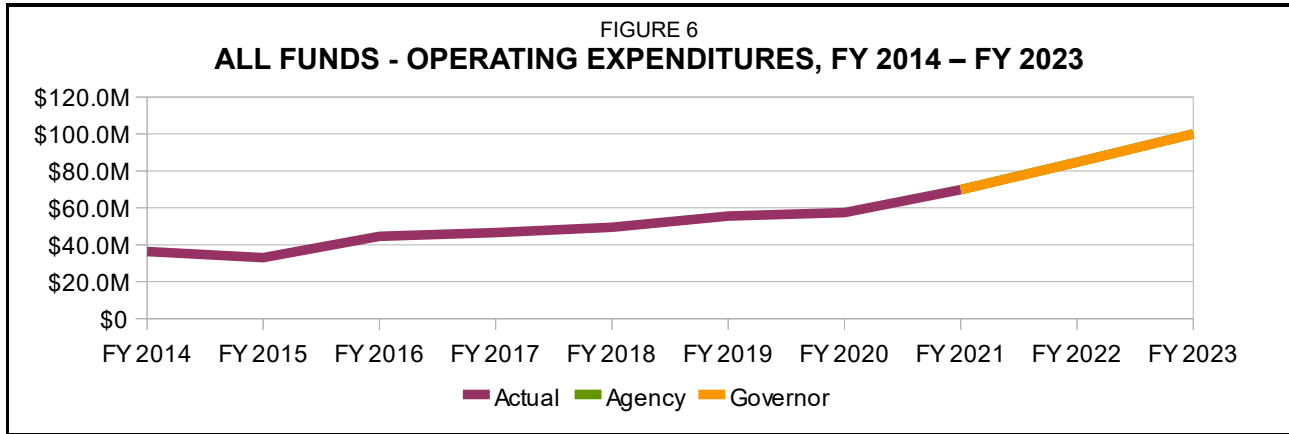
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 20,412,616	\$ 21,989,683	\$ 21,989,683	\$ 22,115,253	\$ 22,115,253
Contractual Services	48,302,786	62,028,833	62,028,833	77,246,562	77,246,562
Commodities	508,845	497,587	497,587	417,485	417,485
Capital Outlay	617,011	210,715	210,715	188,400	188,400
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 69,841,258</u>	<u>\$ 84,726,818</u>	<u>\$ 84,726,818</u>	<u>\$ 99,967,700</u>	<u>\$ 99,967,700</u>
Aid to Local Units	5,516,118,960	5,973,155,965	6,377,605,198	6,309,449,272	6,181,733,702
Other Assistance	80,910,810	65,298,237	65,298,237	68,568,117	68,963,117
<i>Subtotal—Operating</i>	<u>\$ 5,666,871,028</u>	<u>\$ 6,123,181,020</u>	<u>\$ 6,527,630,253</u>	<u>\$ 6,477,985,089</u>	<u>\$ 6,350,664,519</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	<u>\$ 5,666,871,028</u>	<u>\$ 6,123,181,020</u>	<u>\$ 6,527,630,253</u>	<u>\$ 6,477,985,089</u>	<u>\$ 6,350,664,519</u>
Financing:					
State General Fund	\$ 3,930,804,138	\$ 4,173,621,580	\$ 4,567,752,170	\$ 4,361,540,454	\$ 4,209,268,134
Children's Initiative Fund	32,725,495	33,048,169	33,048,169	35,143,256	35,643,256
Expanded Lottery Act Revenues Fund	41,640,023	41,143,515	41,143,515	43,431,547	41,389,547
Special Revenue Funds	198,332,035	211,086,864	208,086,864	216,829,492	213,829,492
Federal Funds	659,786,851	854,043,761	854,043,761	994,061,677	994,061,677
All Other Funds	803,582,486	810,237,131	823,555,774	826,978,663	856,472,413
TOTAL	<u>\$ 5,666,871,028</u>	<u>\$ 6,123,181,020</u>	<u>\$ 6,527,630,253</u>	<u>\$ 6,477,985,089</u>	<u>\$ 6,350,664,519</u>
FTE Positions	261.9	269.3	269.3	269.3	270.3

STATE GENERAL FUND - OPERATING EXPENDITURES



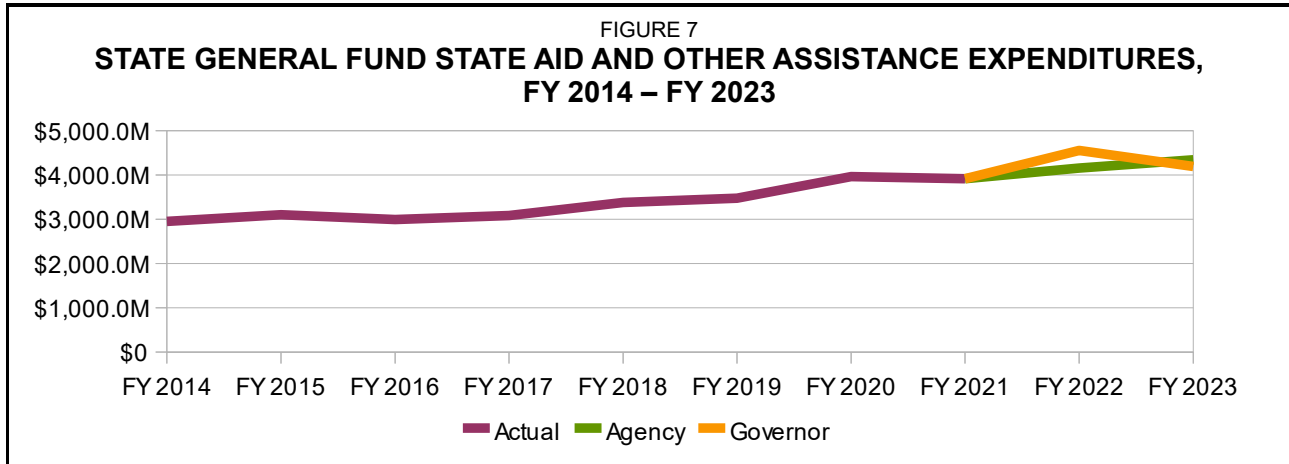
For the Kansas State Department of Education, the Governor recommends SGF operating expenditures of \$17.0 million in FY 2022 and \$17.2 million for FY 2023. In FY 2022, this is a decrease of \$12.7 million, or 42.7 percent, below the FY 2022 approved amount. For FY 2023, this is an increase of \$117,028, or 0.8 percent, above the FY 2022 revised estimate.

ALL FUNDS - OPERATING EXPENDITURES



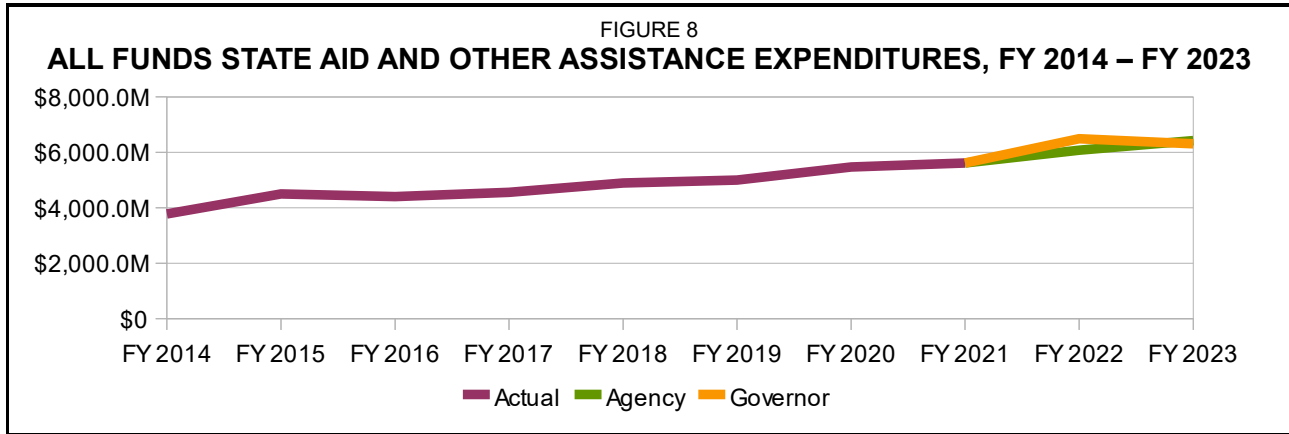
The Governor recommends operating expenditures from all funds totaling \$84.7 million in FY 2022 and \$100.0 million for FY 2023. This is an FY 2022 increase of \$15.6 million, or 22.5 percent, above the FY 2022 approved amount and an increase for FY 2023 of \$15.2 million, or 18.0 percent, above the FY 2022 recommendation.

STATE GENERAL FUND - STATE AID AND OTHER ASSISTANCE



For the Kansas State Department of Education, the Governor recommends SGF expenditures for state aid and other assistance of \$4.6 billion in FY 2022 and \$4.2 billion for FY 2023. In FY 2022, this is an increase of \$375.3 million above the FY 2022 approved amount. For FY 2023, this is a decrease of \$358.4 million below the FY 2022 Governor's recommendation.

ALL FUNDS - STATE AID AND OTHER ASSISTANCE



The Governor recommends state aid and other assistance expenditures from all funds of \$6.0 billion in FY 2022 and \$6.3 billion for FY 2023. In FY 2022, this is an increase of \$742.0 million, or 5.2 percent, above the FY 2022 approved amount. For FY 2023, this is a decrease of \$183.6 million below the FY 2022 Governor's recommendation.

FY 2022 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 4,192,259,257	\$ 1,603,971,271	\$ 5,796,230,528	261.9
1. SGF Reappropriations	12,662,838	-	12,662,838	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 4,204,922,095</i>	<i>\$ 1,603,971,271</i>	<i>\$ 5,808,893,366</i>	<i>261.9</i>
Agency Revised Estimate:				
2. ESSER Fund - School Safety and Security Grants	\$ -	\$ (5,000,000)	\$ (5,000,000)	--
3. ESSER Fund - MHIT Pilot Program	-	(3,924,160)	(3,924,160)	--
4. ESSER Fund - Communities in Schools	-	(100,000)	(100,000)	--
5. ESSER Fund Expenditures	-	329,019,395	329,019,395	--
6. EANS Private School Funding	-	16,291,727	16,291,727	--
7. Dolly Parton Imagination Library Lapse	-	(75,000)	(75,000)	--
8. KPERS Decrease	(31,327,160)	-	(31,327,160)	--
9. CRRSAA Child Nutrition Funding	-	8,710,230	8,710,230	--
10. Special Revenue Fund Reappropriations	-	452,055	452,055	--
11. All Other Adjustments	26,645	213,922	240,567	7.4
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 4,173,621,580</i>	<i>\$ 1,949,559,440</i>	<i>\$ 6,123,181,020</i>	<i>269.3</i>
Governor's Recommendation:				
12. Education Consensus Adjustment	\$ (59,469,261)	\$ 10,318,643	\$ (49,150,618)	--
13. Education Superhighway	178,986	-	178,986	--
14. Eliminate Delayed School Payment	199,554,843	-	199,554,843	--
15. KPERS Layering Payment Payoff	253,866,022	-	253,866,022	--
TOTAL	\$ 4,567,752,170	\$ 1,959,878,083	\$ 6,527,630,253	269.3

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the \$5.8 billion appropriated to the Kansas State Department of Education for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

- 1. SGF REAPPROPRIATIONS.** The agency approved amount includes \$12.7 million, all SGF, to reflect funding reappropriated from FY 2021 to FY 2022. This includes \$7.7 million for KPERS, \$1.3 million for the School District Juvenile Detention Facilities, \$150,117 for Special Education Services Aid, and \$3.4 million for State Foundation Aid.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$6.1 billion, including \$4.2 billion SGF, in FY 2022. This is an increase of \$314.3 million, or 5.4 percent, and an SGF decrease of \$31.3 million, or 0.8 percent, from the amount approved by the 2021 Legislature. The agency estimate includes the following adjustments:

- 2. ESSER FUND - SCHOOL SAFETY AND SECURITY GRANTS.** The revised estimate includes the deletion of \$5.0 million, all from the federal ESSER Fund moneys received under federal COVID-19 pandemic relief legislation. The 2021 Legislature appropriated

\$5.0 million for this program provided that KSDE certified it was an allowable use of the funding according to federal guidelines. In a letter dated July 14, 2021 (certification letter), KSDE certified that this funding would not be expended for this program as it did not fit any of the allowable purposes.

3. **ESSER FUND - MHIT PILOT PROGRAM.** The revised estimate includes the deletion of \$3.9 million, all from the federal ESSER Fund moneys received under federal COVID-19 pandemic relief legislation. The 2021 Legislature appropriated \$3.9 million for this program provided that KSDE certified it was an allowable use of the funding according to federal guidelines. Per the certification letter, while mental health services is an allowable purpose, this funding was not expended because the State Board had already allocated the entirety of the state portion of ESSER Fund moneys.
4. **ESSER FUND - COMMUNITIES IN SCHOOLS.** The revised estimate includes the deletion of \$100,000, all from the federal ESSER Fund moneys received under federal COVID-19 pandemic relief legislation. The 2021 Legislature appropriated \$100,000 for this program provided that KSDE certified it was an allowable use of the funding according to federal guidelines. Per the certification letter, the funding could not be used because the program was not COVID-19 related, and funding for summer and after-school programming was already allocated by the State Board.
5. **ESSER FUND EXPENDITURES.** The revised estimate includes \$329.0 million to reflect additional ESSER Fund expenditures from moneys received under the CARES Act, CRRSAA, and ARPA. This is an estimate based on the total amount of the awarded funding, how long the funding is available, and when KSDE assumes school district will begin spending the funding.
6. **EANS PRIVATE SCHOOL FUNDING.** The revised estimate includes \$16.3 million to reflect additional federal funding received under CRRSAA and ARPA to be awarded to private schools for COVID-related expenditures.
7. **DOLLY PARTON IMAGINATION LIBRARY LAPSE.** The revised estimate includes the deletion of \$75,000 from federal funds for the Dolly Parton Imagination Library to reflect the decreased funding for the program. The 2021 Legislature approved the use of up to \$425,000 for this program.
8. **KPERS DECREASE.** The revised estimate includes the lapse of \$31.3 million SGF to reflect KPERS contribution rate adjustments approved by the 2021 Legislature.
9. **CRRSAA CHILD NUTRITION FUNDING.** The revised estimate includes additional federal Child Nutrition Programs Emergency Costs funding received after July 1, 2021.
10. **SPECIAL REVENUE FUND REAPPROPRIATIONS.** The agency approved amount includes \$452,055 to reflect the reappropriation of Children's Initiative Fund and KEY Fund moneys from FY 2021 into FY 2022.
11. **ALL OTHER ADJUSTMENTS.** The revised estimate includes other adjustments totaling \$240,567 all funds, including \$26,645 SGF.

The **agency** estimate also includes 269.3 FTE positions, which is an increase of 7.4 FTE positions above the FY 2022 approved number. The increased FTE positions reflect newly created positions, including 4.0 FTE positions to administer COVID-19 pandemic relief funds, 1.0 FTE

position for a federal Student Longitudinal Data System grant, 1.0 FTE position for an applications designer to redesign the Child Nutrition and Wellness website, and 1.0 FTE position for a new auditor position. The agency's shrinkage rate is 8.3 percent for salaries and wages paid from the SGF. However, shrinkage is not applied to the State Board of Education or certain Career and Technical Education salaries, so the shrinkage rate is slightly higher in certain programs.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends an FY 2022 revised estimate of \$6.5 billion, including \$4.6 billion SGF. This is an increase of \$404.4 million, or 6.6 percent, including an SGF increase of \$394.1 million, or 9.4 percent, above the agency's FY 2022 revised estimate. This increase is primarily attributable to the Governor recommending the elimination of delayed school payments and paying off KPERS layering payments in FY 2022. The **Governor's** recommendation includes the following adjustments:

12. **EDUCATION CONSENSUS ADJUSTMENT.** The Governor recommends adoption of the fall 2021 education consensus estimates in FY 2022. For school finance, the Governor recommends decreased expenditures of \$49.2 million, including \$59.5 million SGF, below the approved amount and below the agency's revised estimate. For KPERS, the Governor recommends decreased expenditures of \$35.1 million, all SGF, below the approved amount and below the agency's revised estimate. The individual components of the fall 2021 education consensus estimate are described in the Special Topics section of this budget analysis.
13. **EDUCATION SUPERHIGHWAY.** The Governor recommends additional expenditures of \$178,986 SGF for the state match for the Education SuperHighway program in FY 2022. The Education SuperHighway program supports school building access to high-speed internet. The program requires a 10.0 percent state match to gain 90.0 percent federal funding from the Universal Service Schools and Libraries Program, commonly known as "E-rate" funding. KSDE did not request this funding from the 2021 Legislature in its initial FY 2022 budget because it believed that all school buildings in Kansas requiring the state match for the E-rate funding would be approved before the end of FY 2021. However, USD 361 Chaparral notified KSDE that its E-rate funding application was approved in FY 2022, which would require this additional state funding.
14. **ELIMINATE DELAYED SCHOOL PAYMENT.** The Governor recommends additional expenditures of \$199.6 million SGF to eliminate delayed state aid payments to school districts in FY 2022. The 2003 Legislature, as a result of the economic downturn, delayed state aid payments to school districts. In June 2003, the state delayed \$183.8 million associated with General State Aid (State Foundation Aid) and \$29.2 million in Supplemental General State Aid payments. This allowed the state to decrease SGF expenditures in FY 2003 by \$213.0 million.

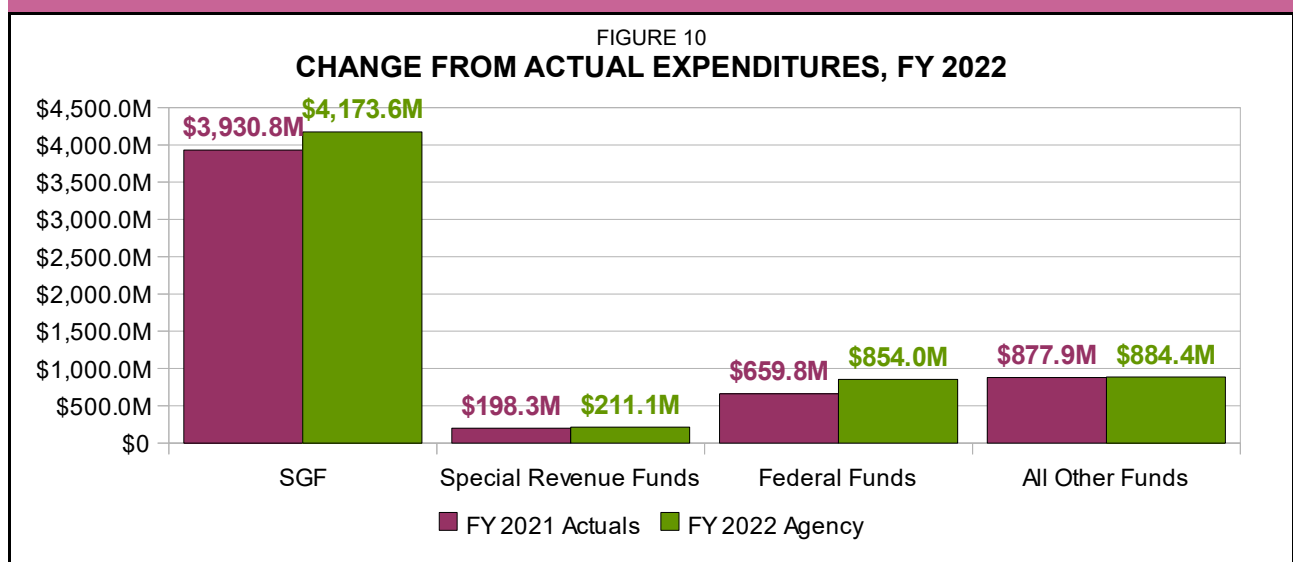
This practice of delayed payments by the State has occurred each year since FY 2003. This requires the KSDE to utilize new appropriations at the beginning of the fiscal year to pay a prior-year obligation. The Governor recommends ending this accounting practice in FY 2022 by appropriating one-time funds of \$199.6 million SGF total, which amounts to \$161.3 million for State Foundation Aid and \$38.2 million for Supplemental State General Funds in FY 2022. This one-time expenditure will allow the state to make timely payments for obligations incurred in the same fiscal year and will end this accounting practice.

15. **KPERS LAYERING PAYMENT PAYOFF.** The Governor recommends additional expenditures of \$253.9 million SGF to pay off the debt of KPERS-School payments to the State's retirement system in FY 2022. During times of fiscal hardship, the State has not fully funded its current-year obligations for KPERS-School payments to the State's retirement system as a means to reduce expenditures. During FY 2017, the State withheld \$64.0 million, and in FY 2019, the state withheld \$194.0 million in employer contributions for KPERS-School payments to the State's retirement system.

To keep the retirement system whole, the state agreed to annual "layering payments" for 20 years for each of the missed payments, which is financed at the KPERS assumed rate of return of 7.75 percent. The Governor recommends paying off the debt for both missed payments in FY 2022 by appropriating the remaining balance for both missed payments, totaling \$253.9 million SGF. This recommendation by the Governor is estimated to save the State an aggregate of \$189.9 million in interest payments over each loan's final maturity.

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

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 revised estimate is an all funds increase of \$456.3 million, or 8.1 percent, including an SGF increase of \$242.8 million, or 6.2 percent, above the FY 2021 actual expenditures. This increase is primarily due to additional federal COVID-19 pandemic relief funds and SGF increases to reflect statutorily required school finance increases.

FY 2023 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 4,173,621,580	\$ 1,949,559,440	\$ 6,123,181,020	269.3
Agency Request:				
1. Enhancement– CTE Transportation	\$ 1,482,338	\$ -	\$ 1,482,338	--
2. Enhancement– Dyslexia Coordinator	100,000	-	100,000	--
3. Enhancement– Children's Cabinet	-	2,450,773	2,450,773	--
4. Enhancement– Professional Development for Teachers	5,030,693	-	5,030,693	--
5. Enhancement– MHIT Pilot Program	3,000,000	-	3,000,000	--
6. Enhancement– Special Education Services State Aid	74,143,547	-	74,143,547	--
7. Enhancement– Communities in Schools	35,000	-	35,000	--
8. KPERS Rate Adjustment	2,055,636	-	2,055,636	--
9. School Finance System Increases	107,721,037	20,406,893	128,127,930	--
10. Federal COVID Funding	-	120,042,461	120,042,461	--
11. All Other Adjustments	(5,649,377)	23,985,068	18,335,691	--
Subtotal–Agency Request	\$ 4,361,540,454	\$ 2,116,444,635	\$ 6,477,985,089	269.3
Governor's Recommendation:				
12. Education Consensus Adjustment	\$ (49,393,773)	\$ 24,451,750	\$ (24,942,023)	--
13. KPERS Layering Payment Payoff	(25,800,000)	-	(25,800,000)	--
14. Enhancement– CTE Transportation	-	-	-	--
15. Enhancement– Dyslexia Coordinator	-	-	-	1.0
16. Enhancement– Children's Cabinet	-	-	-	--
17. Enhancement– Professional Development for Teachers	(2,900,000)	-	(2,900,000)	--
18. Enhancement– MHIT Pilot Program	-	-	-	--
19. Enhancement– Special Education Services State Aid	(74,143,547)	-	(74,143,547)	--
20. Enhancement– Communities in Schools	(35,000)	-	(35,000)	--
21. Imagination Library	-	500,000	500,000	--
TOTAL	\$ 4,209,268,134	\$ 2,141,396,385	\$ 6,350,664,519	270.3

AGENCY REQUEST

The agency requests \$6.5 billion, including \$4.4 billion SGF, for FY 2023. This is an all funds increase of \$354.8 million, or 5.8 percent, including an SGF increase of \$187.9 million, or 4.5 percent, above the FY 2022 revised estimate. The increase is primarily due to anticipated school finance increases, additional federal COVID-19 pandemic relief funding, and 12 enhancement requests totaling \$84.7 million all funds, including \$83.7 million SGF. The FY 2023 agency request includes 269.3 FTE positions, which is the same number as the FY 2022 revised estimate. The agency request includes the following adjustments:

- 1. ENHANCEMENT–CAREER and TECHNICAL EDUCATION (CTE) TRANSPORTATION.** The agency request includes an enhancement request of \$1.5 million, all SGF, to reinstate funding for CTE transportation at the FY 2020 level for FY 2023. This funding was eliminated as part of the Governor's allotment plan in July 2020.

2. **ENHANCEMENT–DYSLEXIA COORDINATOR.** The agency request includes an enhancement request of \$100,000 SGF for funding the dyslexia coordinator position for FY 2023. The Legislative Task Force on Dyslexia has recommended this position in its reports to the Governor and Legislature in 2019, 2020, and 2021. In FY 2022, this position is being funded by the agency with federal ESSER Fund moneys.
3. **ENHANCEMENTS–CHILDREN'S CABINET.** The agency request includes Children's Cabinet enhancement requests totaling \$2.5 million, all from the Children's Initiative Fund. These requests are to increase funding for the Early Childhood Block Grant and new funding for the All In For Kansas Kids strategic plan.
4. **ENHANCEMENTS–PROFESSIONAL DEVELOPMENT.** The agency request includes a total of \$5.0 million SGF for various professional development enhancement requests. This includes requests for \$3.6 million to reinstate funding for the professional development programs; \$1.0 million to expand the mentor teacher program; \$360,693 for the Governor's Teaching Excellence Scholarships/National Board Certification; \$35,000 for the Kansas Foundation for Agriculture in the Classroom; and \$35,000 for the Kansas Association for Conservation and Environmental Education.
5. **ENHANCEMENT–MHIT PILOT PROGRAM.** The agency request includes an enhancement request of \$3.0 million SGF to expand the MHIT Pilot Program. This would bring the total funding for the program to \$10.5 million, all SGF. The additional \$3.0 million would expand the program to another 15 to 25 USDs. There are currently 55 school districts participating in the pilot program in FY 2022.
6. **ENHANCEMENT–SPECIAL EDUCATION SERVICES STATE AID.** The agency request includes an enhancement request of \$74.1 million SGF to increase the Special Education State Aid. This request is part of a five-year plan to reach the 92.0 percent of excess costs provided for in KSA 72-3422. This additional funding would bring the total Special Education State Aid to \$594.5 million, all SGF, for FY 2023, which would account for 74.6 percent of excess costs.
7. **ENHANCEMENT–COMMUNITIES IN SCHOOLS.** The agency request includes an enhancement request for \$35,000 SGF to increase the funding for the Communities in Schools program. Currently the program receives \$50,000 from the Family and Children Investment Fund, but it has received SGF in the past for the program.
8. **KPERS RATE ADJUSTMENT.** The agency request includes \$2.1 million SGF to reflect increased employer contributions due to KPERS rate adjustments approved by the 2021 Legislature, partially offset by the end of one-time funding reappropriated from FY 2021 into FY 2022.
9. **SCHOOL FINANCE INCREASES.** The agency requests \$128.1 million, including \$107.7 million SGF, to reflect school finance increases.
10. **FEDERAL COVID FUNDING.** The agency request includes \$120.0 million, all from federal funds, to reflect the allocation of federal COVID-19 pandemic relief moneys. This primarily reflects increased expenditures for ESSER III Fund moneys.
11. **ALL OTHER ADJUSTMENTS.** The agency request includes other adjustments totaling \$18.3 million to reflect special revenue funds increases, partially offset by SGF decreases due to the end of reappropriations from FY 2021 into FY 2022.

The **agency** also makes the following requests and recommendations for FY 2023:

- The agency requests continued authority to allow the Director of the Budget to transfer funds between the agency's SGF accounts for FY 2023. Beginning in 2019, the Legislature has authorized this language annually.
- The agency requests proviso language allowing the agency to distribute state aid from the State Safety Fund whenever funds are available, instead of by November 1, for FY 2023. The Legislature approved a \$1.6 million transfer from the State Safety Fund to the SGF beginning in FY 2017, which was an increase of \$500,000 over prior year transfers. After KSDE expressed concern with the cash balance carried over year to year, the Legislature approved language allowing KSDE to make this distribution when funds are available in FY 2018, FY 2019, FY 2020, FY 2021, and FY 2022.
- The agency requests proviso language authorizing the distribution of \$14,227 to all Kansas school districts. Under KSA 79-3221n, taxpayers may donate all or a portion of their income tax refund or donate funds in addition to their tax liability to a named USD. This funding is from donations where the USD number was incorrect or left blank.
- The agency notes that KSA 72-5462 provides that Capital Improvement State Aid will be funded by a demand transfer from the SGF, except during FY 2020, FY 2021, and FY 2022, in which it will be a revenue transfer. To continue Capital Improvement State Aid as a revenue transfer, the statute would be required to be amended.

The Kansas Children's Cabinet also recommends that, pursuant to KSA 38-2102, the transfer from the Kansas Endowment for Youth (KEY) Fund to the Children's Initiative Fund equal 102.5 percent of the FY 2022 transfer (approximately \$51.7 million).

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$6.4 billion, including \$4.2 billion SGF, for FY 2023. This is an all funds decrease of \$127.3 million, including an SGF decrease of \$152.3 million, below the agency's FY 2023 request. The **Governor's** recommendation includes the following adjustments:

12. **EDUCATION CONSENSUS ADJUSTMENT.** The Governor recommends adoption of the fall 2021 education consensus estimates for FY 2023. For school finance, the Governor recommends decreased expenditures of \$24.9 million, including \$49.4 million SGF, below the approved amount and below the agency's request. For KPERS, the Governor recommends decreased expenditures of \$26.2 million, all SGF, below the approved amount and below the agency's request. The individual components of the fall 2021 education consensus estimate are described in the Special Topics section of this budget analysis.
13. **KPERS LAYERING PAYMENT PAYOFF.** The Governor recommends a decrease of \$25.8 million SGF for FY 2023 due to the Governor's recommendation to pay off KPERS layering payments in FY 2022. The agency's request originally included continuing the KPERS layering payments on the same payment schedule.
14. **ENHANCEMENT—CTE TRANSPORTATION.** The Governor recommends adopting the agency's enhancement request of \$1.5 million SGF for the CTE transportation enhancement for FY 2023. Adoption of this enhancement request will reinstate funding

for CTE transportation at the FY 2020 level for FY 2023. This funding was eliminated as part of the Governor's allotment plan in July 2020.

15. **ENHANCEMENT–DYSLEXIA COORDINATOR.** The Governor recommends adopting the agency's enhancement request for \$100,000 SGF for a statewide Dyslexia Coordinator for FY 2023. The Governor also recommends the addition of 1.0 FTE position for this purpose. The Legislative Task Force on Dyslexia has recommended this position in its reports to the Governor and Legislature in 2019, 2020, and 2021. In FY 2022, this position is being funded by the agency with federal ESSER Fund moneys.
16. **ENHANCEMENT–CHILDREN'S CABINET.** The Governor recommends adoption of the agency's enhancement request of \$1.1 million, all from the Children's Initiatives Fund for FY 2023. These additional expenditures would fund Grants for Communities Aligned in Early Development and Education (\$1.0 million) and autism diagnosis programs (\$50,000).
17. **ENHANCEMENT–PROFESSIONAL DEVELOPMENT FOR TEACHERS.** The Governor recommends decreased expenditures of \$2.9 million SGF to partially adopt the agency's professional development enhancement request for FY 2023. This includes the Governor's recommendation of \$1.8 million SGF for Professional Development State Aid for FY 2023. Professional Development State Aid is to promote the continuous professional development of all certified personnel serving in K-12 schools in Kansas. The Governor also recommends adopting the agency's enhancement request for \$363,963 SGF for FY 2023 to restore funding for the Governor's Teaching Excellence and National Board Certification program.

The Governor does not recommend adoption of the agency's request for \$35,000 SGF for the Kansas Foundation for Agriculture in the Classroom, \$35,000 SGF for the Kansas Association for Conservation and Environmental Education enhancement requests, or \$1.0 million SGF for the Mentor Teacher Program for FY 2023.
18. **ENHANCEMENT–MHIT PILOT PROGRAM.** The Governor recommends adoption of the agency's enhancement request of \$3.0 million SGF to expand the MHIT Pilot Program for FY 2023. This would bring the total funding for the program to \$10.5 million, all SGF. The additional \$3.0 million would expand the program to another 15 to 25 USDs.
19. **ENHANCEMENT–SPECIAL EDUCATION SERVICES STATE AID.** The Governor's recommendation includes a decrease of \$74.1 million SGF to not recommend adoption of the agency's enhancement request for Special Education State Aid for FY 2023.
20. **ENHANCEMENT–COMMUNITIES IN SCHOOLS.** The Governor's recommendation includes a decrease of \$35,000 SGF to not recommend adoption of the agency's enhancement request to increase the funding for the Communities in Schools program.
21. **IMAGINATION LIBRARY.** The Governor recommends expenditures of \$31.1 million, all from special revenue funds, for the Children's Cabinet for FY 2023. This is an increase of \$500,000, all from the Children's Initiatives Fund, above the agency's FY 2023 request. This increase is attributable to the Governor recommending expenditures of \$500,000 for Dolly Parton's Imagination Library.

The **Governor's** recommendation also includes 270.3 FTE positions, which is 1.0 FTE position above the agency's FY 2023 request. This additional FTE position is attributable to the Governor's recommendation for the Dyslexia Coordinator position.

The **Governor** recommends a transfer from the KEY Fund to the CIF in the amount of \$52.3 million for FY 2023.

ENHANCEMENT REQUESTS

STATE AID AND OTHER ASSISTANCE ENHANCEMENT REQUESTS

REQUEST 1

SPECIAL EDUCATION STATE AID

KSA 72-3422 provides for Special Education Services State Aid to equal 92.0 percent of excess costs for special education in Kansas. Percent excess costs for FY 2023 were expected to equal 65.3 percent during the fall 2020 education consensus estimates. While federal COVID-19 pandemic relief funding will increase percent excess costs, it will still not equal 92.0 percent. The percentage of excess costs covered by State Aid has decreased over the last several years, due to costs for special education services increasing at a faster rate than the State Aid. Since federal and state law requires the provision of special education services, school districts must finance any excess costs not funded by the State from their general funds or supplemental general funds, reducing the amount available for general education services.

SPECIAL EDUCATION STATE AID ENHANCEMENT REQUEST				
Item	FY 2023	FY 2024	F 2025	FY 2026
State Aid	\$ 594,524,365	\$ 668,667,913	\$ 742,811,460	\$ 816,955,008
Additional Cost	74,143,547	74,143,547	74,143,547	74,143,547
TOTAL	\$ 668,667,912	\$ 742,811,460	\$ 816,955,007	\$ 891,098,555

The agency requests \$74.1 million, all SGF, for FY 2023. This would increase the percent excess costs to 74.6 percent for FY 2023. The agency has developed a five-year plan to reach 92.0 percent excess costs, the first four years of which are noted above. If the Legislature appropriated the requested funding in each fiscal year, the percent excess cost would equal 79.9 percent in FY 2024, 84.6 percent in FY 2025, 88.6 percent in FY 2026, and 92.0 percent in FY 2027. The plan also assumes special education excess costs growth of 5.0 percent per year.

The Governor does not recommend adoption of this request.

REQUEST 2

CTE TRANSPORTATION ENHANCEMENT REQUEST

Item	CTE TRANSPORTATION ENHANCEMENT REQUEST			
	Agency Request		Governor's Recommendation	
	SGF	All Funds	SGF	All Funds
CTE Transportation	\$ 1,482,338	\$ 1,482,338	\$ 1,482,338	\$ 1,482,338

The agency requests \$1.5 million to reinstate Career and Technical Education (CTE) transportation funding at the FY 2020 level. This program reimburses school districts for a portion of the costs to transport 11th- and 12th-grade students to postsecondary CTE programs. The 2020 Legislature appropriated \$650,000 for this program for FY 2021. However, this funding was allotted by the Governor in the June 29, 2020, allotment plan. No funding was approved for FY 2022.

The Governor does recommend adoption of this request.

REQUEST 3

PROFESSIONAL DEVELOPMENT ENHANCEMENT REQUESTS

Item	Agency Request		Governor's Recommendation	
	SGF	All Funds	SGF	All Funds
1. Professional Development	\$ 3,600,000	\$ 3,600,000	\$ 1,770,000	\$ 1,770,000
2. Governor's Teaching Excellence Scholarships/ National Board Certification	360,693	360,693	360,693	360,693
3. Kansas Foundation for Agriculture in the Classroom	35,000	35,000	-	-
4. Kansas Association for Conservation and Environmental Education	35,000	35,000	-	-
5. Mentor Teacher Program	1,000,000	1,000,000	-	-
TOTAL	\$ 5,030,693	\$ 5,030,693	\$ -	\$ -

1. **PROFESSIONAL DEVELOPMENT.** The agency requests \$3.6 million for the Professional Development program provided for in KSA 72-2544 through 72-2553 for FY 2023. Per KSA 72-2551, Professional Development State Aid should be the lesser of 0.5 percent of a school district's general fund or 50.0 percent of actual expenditures for an approved professional development program. Professional Development State Aid is to promote the continuous professional development of all certified personnel serving in K-12 schools in Kansas for FY 2023. To encourage such activities, state law allows for the distribution of professional development state aid to school districts. Since FY 2018, state aid appropriated for this purpose has not been sufficient to cover the state aid entitlement allowed by statute. From FY 2018 through FY 2021, annual SGF appropriations of \$1.7 million were made, with funds in FY 2022 being eliminated.

The Governor recommends \$1.8 million SGF for the Professional Development program for FY 2023.

2. **GOVERNOR'S TEACHING EXCELLENCE SCHOLARSHIPS AND AWARDS/ NATIONAL BOARD CERTIFICATION.** The agency requests \$360,693 SGF for National Board Certification for FY 2023. KSA 72-2166 authorizes the State Board to provide scholarships of \$1,100 to teachers who are accepted to participate in the National Board for Professional Teaching Standards Certification Incentive Program and \$500 to teachers accepted to participate in the program to renew their certification. Additionally, teachers who have attained National Board Certification are to be paid an incentive bonus of \$1,000 by the employing school district, as long as the teacher retains a valid master teacher's certificate. The school district is entitled to receive state aid equal to the amount of any bonuses paid.

The Governor recommends adoption of this enhancement request.

3. **KANSAS FOUNDATION FOR AGRICULTURE IN THE CLASSROOM.** The agency requests \$35,000 SGF to support the professional development activities of the Foundation, including training on incorporating agricultural topics into classrooms, for FY 2023. The Legislature annually appropriated funding of \$35,000 for the Foundation and trainings prior to FY 2011.

4. **KANSAS ASSOCIATION FOR CONSERVATION AND ENVIRONMENTAL EDUCATION.** The agency requests \$35,000 SGF for FY 2023 to support the Association's professional development activities to incorporate environmental education in the classroom. Prior to FY 2010, the Legislature appropriated \$35,000 annually to support the Association's professional development.
5. **MENTOR TEACHER PROGRAM.** The agency requests \$1.0 million SGF to provide additional funding for the Mentor Teacher Program for FY 2023. This program is governed by KSA 72-2561 through 72-2564, and specifies that probationary teachers are provided support and assistance from an on-site mentor teacher for the first three years of the probationary teacher's career. The additional funding would provide stipends for mentors assisting first year teachers (\$1,000) and mentors assisting second year teachers (\$367) for the program's full three years. State law provides for aid to school districts for up to \$1,000 per mentor teacher.

The Governor does not recommend adoption of enhancement requests 3, 4, or 5.

REQUEST 4

MHIT PILOT PROGRAM ENHANCEMENT REQUEST

The agency requests \$3.0 million SGF for additional Mental Health Intervention Team (MHIT) Pilot Program funding. This would bring the total funding for the Program to \$10.5 million, all SGF. The agency estimates that the additional funding would expand the program to another 15 to 25 USDs, depending on the size of the USDs and their programs.

The Governor recommends adoption of this request.

REQUEST 5

COMMUNITIES IN SCHOOLS ENHANCEMENT REQUEST

The agency requests \$35,000, all SGF, to provide additional funding for Communities in Schools. Communities in Schools receives \$50,000 annually through the Family and Children Investment Fund. The Legislature appropriated \$250,000, all SGF, for Communities in Schools in FY 2014 and FY 2015.

The Governor does not recommend adoption of this request.

REQUEST 6

OPERATING BUDGET ENHANCEMENT REQUEST – DYSLEXIA COORDINATOR

The agency requests \$100,000, all SGF, to fund the salary and operating expenses for a new Program Manager to serve as a state dyslexia coordinator. As required by 2018 Sub. for HB 2602, the Legislative Task Force on Dyslexia issued its report in January 2019 to the Governor, Legislature, and State Board. The report recommended the creation of a position within KSDE to direct and implement statewide dyslexia and early literacy initiatives. The position was not approved by the 2020 or 2021 Legislature. The agency anticipates expending federal ESSER administration funds for this position in FY 2022.

The Governor recommends adoption of this request, and recommends the addition of 1.0 FTE position for this purpose for FY 2023.

CHILDREN'S CABINET ENHANCEMENT REQUESTS

The Children's Cabinet requests the State replace the \$3.8 million, all from the Children's Initiative Fund (CIF), for the Children's Mental Health Waiver expenditures in the Kansas Department for Aging and Disability Services' budget with SGF moneys. Currently, the CIF funds are utilized as a state match to draw down additional federal Medicaid moneys. The agency requests the CIF savings generated be moved to the Early Childhood Block Grant (ECBG) in the Children's Cabinet, Maternal Child Health Home Visiting in the Kansas Department for Health and Environment (KDHE) (\$1.4 million), and Early Childhood Infrastructure. This would result in no expenditures changes to the total statewide CIF budget if the enhancement requests below are funded.

REQUEST 7

ECGB ENHANCEMENT REQUEST

The Children's Cabinet requests \$1.6 million, all CIF, for FY 2023 to increase funding for the ECBG. Along with the shifting of CIF moneys from the Children's Mental Health Waiver, the Children's Cabinet requests shifting \$1.0 million appropriated for Communities Aligned in Early Development into the ECBG appropriation. The agency believes this would better streamline the grant-making process.

The Governor recommends adoption of this request.

REQUEST 8

EARLY CHILDHOOD INFRASTRUCTURE ENHANCEMENT REQUEST

The Children's Cabinet requests \$850,773, all from the CIF, to add a new line item for Early Childhood Infrastructure. The agency believes dedicated funding for infrastructure will support the long-term vision of the All In For Kansas Kids strategic plan and help the agency fulfill its statutory responsibilities. The total appropriation would be \$1.4 million. This would include \$800,000 from the Children's Mental Health Waiver switch described above, existing funding in the KDHE fund for the Infant Toddler Hearing Aid Bank (\$50,773), and existing resources in the Children's Cabinet for the Child Care Quality Initiative (\$500,000) and Autism Diagnosis program (\$50,000).

The Governor recommends adoption of this request.

SPECIAL TOPICS

FY 2022 EDUCATION CONSENSUS ADJUSTMENT

The Governor recommends adoption of the fall 2021 education consensus estimates in FY 2022. For school finance, the Governor recommends decreased expenditures of \$49.2 million, including \$59.5 million SGF, below the approved amount and below the agency's revised estimate. For KPERS, the Governor recommends decreased expenditures of \$35.1 million SGF below the approved amount and below the agency's revised estimate. The individual components of the fall 2021 education consensus estimate for FY 2022 are described below:

SCHOOL FINANCE–STATE FOUNDATION AID. The Governor recommends expenditures of \$3.2 billion, including \$2.4 billion SGF, for State Foundation Aid in FY 2022. This is an all funds decrease of \$45.3 million, including an SGF decrease of \$58.6 million, below the FY 2022 approved number. This decrease includes an expenditure reduction of \$283,000 from the Mineral Production Education Fund, partially offset by an increase of \$7.6 million from the statewide 20-mill property tax. The School District Finance Fund (optional local property taxes) number is an increase of \$6.0 million above the approved number. The all funds decrease is primarily attributable to a decrease in weighted FTE student enrollment from the fall 2020 estimates due to a decrease in weighted FTE students by 10,800 attributable to the COVID-19 pandemic. In particular, the at-risk weighted FTE student population decreased because all students were eligible for the federal free lunch program without submitting an application.

SCHOOL FINANCE–SUPPLEMENTAL STATE AID. The Governor recommends expenditures of \$534.0 million SGF for Supplemental State Aid in FY 2022. This is an increase of \$10.3 million above the FY 2022 approved amount. Supplemental State Aid provides equalization aid for school districts' Local Option Budgets.

SCHOOL FINANCE–SPECIAL EDUCATION STATE AID. The Governor recommends expenditures of \$513.4 million SGF for Special Education State Aid in FY 2022. This is the same as the approved amount. The fall 2021 education consensus estimates project that Special Education State Aid will cover 76.4 percent of excess costs in FY 2022.

SCHOOL FINANCE–CAPITAL OUTLAY STATE AID. The Governor recommends expenditures of \$79.0 million SGF for Capital Outlay State Aid in FY 2022. This is an increase of \$500,000 above the FY 2022 approved amount. 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 SGF. They are considered normal SGF expenditures, however there is no line-item appropriation in the appropriations bill.

SCHOOL FINANCE–CAPITAL IMPROVEMENT STATE AID. The Governor recommends expenditures of \$202.0 million, all from special revenue funds, for Capital Improvement State Aid in FY 2022. This is a decrease of \$3.0 million below the FY 2022 approved amount. The all funds decrease is primarily attributable to the COVID-19 pandemic delaying bond elections and a provision in 2017 SB 19. Capital Improvement State Aid provides equalization aid for school districts' bonded indebtedness incurred for capital construction projects.

KPERS–USDs. The Governor recommends expenditures of \$508.6 million SGF for KPERS-USDs in FY 2022. This is a decrease of \$35.1 million below the FY 2022 approved amount.

KPERS–Non-USDs. The Governor recommends expenditures of \$77.2 million, including \$36.1 million SGF, for KPERS-Non-USDs in FY 2022. This is a decrease of \$7.8 million SGF below the FY 2022 approved amount.

SPECIAL TOPICS

FY 2023 EDUCATION CONSENSUS ADJUSTMENT

The Governor recommends adoption of the fall 2021 education consensus estimates for FY 2023. For school finance, the Governor recommends decreased expenditures of \$24.9 million, including \$49.4 million SGF, below the approved amount and below the agency's request. For KPERS, the Governor recommends decreased expenditures of \$26.2 million, all SGF, below the prior estimate and the agency's request. The individual components of the fall 2021 education consensus estimate for FY 2023 are described below:

SCHOOL FINANCE–STATE FOUNDATION AID. The Governor recommends expenditures of \$3.3 billion, including \$2.5 billion SGF, for State Foundation Aid for FY 2023. This is an all funds decrease of \$36.9 million, and an SGF decrease of \$66.4 million, below the FY 2023 approved amount. The decrease in SGF is partially offset by an increase of \$18.9 million from the 20-mill Local Property Tax and an increase of \$4.6 million from the Mineral Production Fund. The School District Finance Fund (optional local property taxes) number is also an increase of \$6.0 million above the approved number. This decrease is primarily attributable to a decrease in weighted FTE student enrollment for FY 2023.

SCHOOL FINANCE–SUPPLEMENTAL STATE AID. The Governor recommends expenditures of \$550.0 million SGF for Supplemental State Aid for FY 2023. This is an increase of \$15.8 million SGF above the FY 2023 prior estimate. Supplemental State Aid provides equalization aid for school districts' Local Option Budgets.

SCHOOL FINANCE–SPECIAL EDUCATION STATE AID. The Governor recommends expenditures of \$520.4 million SGF for Special Education State Aid for FY 2023. This is the same as the FY 2023 agency request. The fall 2021 education consensus estimates project that Special Education State Aid will cover 70.8 percent of excess costs for FY 2023.

SCHOOL FINANCE–CAPITAL OUTLAY STATE AID. The Governor recommends expenditures of \$82.0 million SGF for Capital Outlay State Aid for FY 2023. This is an increase of \$1.1 million above the FY 2023 agency 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 SGF. As such, they are considered normal SGF expenditures, however there is no line-item appropriation in the appropriations bill.

SCHOOL FINANCE–CAPITAL IMPROVEMENT STATE AID. The Governor recommends expenditures of \$205.0 million, all from special revenue funds, for Capital Improvement State Aid for FY 2023. This is a decrease of \$3.0 million below the FY 2023 agency request.

KPERS–USDs. The Governor recommends expenditures of \$520.8 million SGF for KPERS-USDs for FY 2023. This is a decrease of \$26.2 million below the FY 2023 agency request.

KPERS–Non-USDs. The Governor recommends expenditures of \$79.1 million, including \$37.7 million SGF, for KPERS-Non-USDs for FY 2023. This is a decrease of \$1.3 million SGF below the FY 2023 agency request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

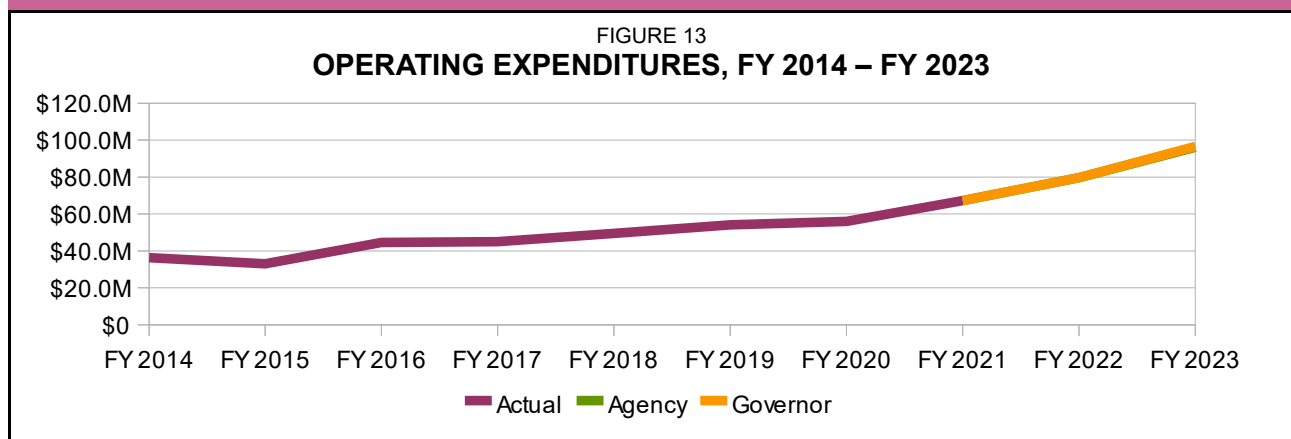
FIGURE 12
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023

Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 147,335,978	\$ 372,940,379	\$ 372,940,379	\$ 499,989,664	\$ 499,989,664
Career & Technical Education	1,712,413	1,532,090	1,532,090	1,561,796	1,561,796
Child Nutrition & Wellness	3,367,090	3,634,055	3,634,055	3,122,993	3,122,993
Children's Cabinet	33,380,281	27,516,572	27,516,572	30,621,078	31,121,078
Financial Aid	5,449,303,616	5,690,588,460	6,095,037,693	5,905,925,114	5,778,104,544
Governance of Education	351,585	405,838	405,838	426,749	426,749
Special Education Services	17,855,317	12,649,018	12,649,018	17,350,598	17,350,598
Standards & Assessments	9,365,088	9,703,813	9,703,813	9,598,563	9,598,563
Title Programs & Services	4,199,660	4,210,795	4,210,795	9,388,534	9,388,534
TOTAL	\$ 5,666,871,028	\$ 6,123,181,020	\$ 6,527,630,253	\$ 6,477,985,089	\$ 6,350,664,519
FTE Positions:					
Administration	141.3	147.7	147.7	147.7	147.7
Career & Technical Education	12.9	13.4	13.4	13.4	13.4
Child Nutrition & Wellness	32.8	32.7	32.7	32.6	32.6
Children's Cabinet	7.0	7.0	7.0	7.0	7.0
Financial Aid	-	-	-	-	-
Governance of Education	1.0	1.0	1.0	1.0	1.0
Special Education Services	26.3	26.6	26.6	26.6	26.6
Standards & Assessments	26.2	26.2	26.2	26.2	27.2
Title Programs & Services	14.5	14.8	14.8	14.8	14.8
TOTAL	261.9	269.3	269.3	269.3	270.3

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.

OPERATING EXPENDITURES (EXCLUDING CHILDREN'S CABINET)



STATUTORY BASIS: • KSA 72-5170, 72-1250 through 72-2167, 72-5131 through 72-5176, 72-1167, 72-2171, 72-242 through 72-263, 72-17,132 through 72-17,148, 72-3403, *et seq.*, 72-3810, *et seq.*

PROGRAM GOALS:

- Access and distribute state and federal revenues to local education agencies and other qualifying organizations.
- Verify the fiscal accountability of all USDs, special education interlocals, cooperatives, service centers, child care centers, and non-public entities.
- Ensure Kansas educators are qualified and prepared to improve the learning of Kansas students.
- Ensure that all educational systems in Kansas achieve Kansas Education Systems Accreditation (FY 2018 was the first year of KESA).
- Develop active communication and partnerships with families, communities, business stakeholders, constituents, and policy partners.

Operating Expenditures include all Kansas Children's Cabinet. Expenditures for the expenditures for state operations within KSDE, Children's Cabinet are detailed in a subsequent with the exception of expenditures for the table.

FIGURE 14
OPERATING EXPENDITURES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. SGF cost per assessment administered*	\$ N/A	\$ 1.39	\$ --	\$ 1.17	\$ 1.12
2. Total cost per assessment administered*	N/A	5.97	--	5.08	4.78
3. Total amount of state aid savings generated by KSDE fiscal auditing (In Thousands)	\$ 18,646	\$ 22,562	\$ 19,656	\$ 17,000	\$ 17,000
Output Measure:					
4. Total number of state interim assessments administered (regular and predictive)*	544,540	518,155	542,692	575,000	650,000
5. Total number of licenses issued per year*	20,570	24,551	21,815	22,000	22,000

6. Number of accredited systems in Kansas under KESA (cumulative)*	51	79	53	173	360
Financing (In Thousands)	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 17,432	\$ 17,397		\$ 17,041	\$ 17,158
Federal Funds	34,930	46,926		57,968	71,710
All Other Funds	3,527	2,842		4,650	7,188
TOTAL	\$ 55,889	\$ 67,165		\$ 79,659	\$ 96,056
Percentage Change:					
SGF	(8.7) %	(0.2) %		(2.0) %	0.7 %
All Funds	3.5 %	20.2 %		18.6 %	20.6 %
FTE Positions	261.2	254.9		262.3	263.3
*The Governor's Office does not utilize this measure for evaluation purposes.					

PERFORMANCE AND BUDGET ANALYSIS

FY 2022 REVISED ESTIMATE

The agency requests a revised operating expenditures budget of \$79.7 million, including \$17.0 million SGF, in FY 2022. This is an all funds increase of \$28.1 million, or 54.6 percent, including an SGF decrease of \$25,749, or 0.2 percent, from the amount approved by the 2021 Legislature. The FY 2022 revised estimate includes:

SALARIES AND WAGES.

\$21.4 million for salaries and wages, which is an increase of \$394,849, or 1.9 percent, above the FY 2022 approved amount. This increase is primarily due to the creation of new FTE positions, including 4.0 FTE positions to administer COVID-19 pandemic relief funds, 1.0 FTE position for a federal Student Longitudinal Data System grant, 1.0 FTE position for an applications designer to redesign the Child Nutrition and Wellness website, and 1.0 FTE position for a new auditor position.

CONTRACTUAL SERVICES.

\$57.6 million for contractual services expenditures, which is an increase of \$27.7 million, or 93.0 percent, above the FY 2022 approved amount.

This increase is primarily due to contractual services associated with COVID-19 pandemic expenditures from federal ESSER Fund moneys and \$2.8 million for ACT/WorkKeys to allow all 9th- and 11th-grade students to take the assessments at no cost.

COMMODITIES.

\$491,059 for commodities expenditures, which is an increase of \$375, or less than 0.1 percent, above the FY 2022 approved amount.

CAPITAL OUTLAY.

\$210,715 for capital outlay, which is the same as the FY 2022 approved amount.

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

FY 2023 AGENCY REQUEST

The agency requests \$96.0 million, including \$17.2 million SGF, for operating expenditures for FY 2023. This is an all funds increase of \$16.4 million, or 20.6 percent, including an increase of \$117,028 SGF, or 0.7 percent, above the FY 2022 revised estimate. The FY 2023 request includes:

SALARIES AND WAGES.

\$21.5 million for salaries and wages, which is an increase of \$126,842, or 0.6 percent, above the FY 2022 revised estimate. This increase is primarily due increased health insurance costs.

CONTRACTUAL SERVICES.

\$73.9 million for contractual services expenditures, which is an increase of \$16.4 million, or 28.4 percent, above the FY 2022 revised estimate.

This increase is primarily due to contractual services associated with COVID-19 pandemic expenditures from federal ESSER Fund

moneys and increased expenditures for Teacher Assistance System Network contracts for special education.

COMMODITIES.

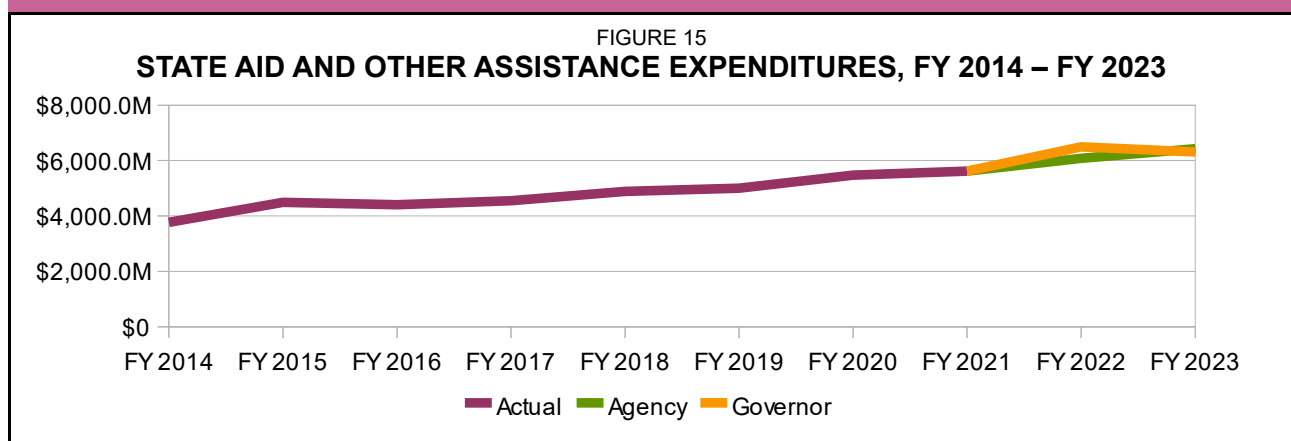
\$413,702 for commodities expenditures, which is a decrease of \$77,357, or 15.8 percent, below the FY 2022 revised estimate.

CAPITAL OUTLAY.

\$188,400 for capital outlay expenditures, which is a decrease of \$22,315, or 10.6 percent, below the FY 2022 revised estimate. This includes \$108,400 for the replacement of four vehicles and \$80,000 for laptops, desktops, and tablet computers.

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

STATE AID AND OTHER ASSISTANCE



STATUTORY BASIS: • KSA 72-5131–5176 (KSEEA); KSA 72-53,126 (Capital Outlay); KSA 72-5462 (Capital Improvement); KSA 72-3422, 72-3425, and 72-3440 (SPED); KSA 72-17,132–17,148 (Food Service); KSA 72-4161–4166 (Parents as Teachers); KSA 72-4005–4010 (Driver Education); KSA 72-1173 (Juvenile Detention Facilities)

PROGRAM GOALS: • Provide financial support that will assist local education agencies in meeting the educational needs of students.

State Aid and Other Assistance includes all grants provided to local agencies and state aid to school districts, as well as most individuals.

FIGURE 16
STATE AID AND OTHER ASSISTANCE, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Five-year Postsecondary Success Rate*	55.9 %	55.7 %	55.5 %	58.0 %	60.0 %
2. Five-year Postsecondary Effectiveness Rate*	48.3 %	48.3 %	48.2 %	50.0 %	52.0 %
3. Number of high school students enrolled in tuition-free college, career, and technical education courses	13,934	10,000	12,536	14,000	14,000
4. High school graduation rate*	88.3 %	88.1 %	88.0 %	90.0 %	91.0 %
5. Percent of students with disabilities graduating from high school	78.4 %	80.0 %	78.6 %	80.5 %	81.0 %
Output Measure:					
6. Number of contacts made by TASN** staff to local agencies and school districts with the purpose of assisting in improving student academic performance*	1,570	1,779	1,660	1,800	1,900
7. Number of USDs with approved preschool-aged at-risk programs*	226	244	228	255	260

8. Number of CTE students who have earned at least two credits in an approved CTE career cluster/pathway course* sequence	29,920	20,000	24,807	25,000	26,000
9. Statewide dropout rate*	1.3	N/A	--	1.4	1.0
Financing (In Thousands)	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 3,960,010	\$ 3,913,407		\$ 4,550,532	\$ 4,192,110
Federal Funds	453,096	634,715		841,395	979,079
All Other Funds	1,058,212	1,072,924		1,100,602	1,137,755
TOTAL	\$ 5,471,318	\$ 5,621,046		\$ 6,492,529	\$ 6,308,944
Percentage Change:					
SGF	(99.0) %	(1.2) %		16.3 %	(7.9) %
All Funds	(99.0) %	2.7 %		15.5 %	(2.8) %
FTE Positions	264.2	261.9		269.3	270.3
*The Governor's Office does not utilize this measure for evaluation purposes.					
**Technical Assistance System Network					

BUDGET ANALYSIS

FY 2022 REVISED ESTIMATE

The **agency** requests an FY 2022 revised estimate of \$6.0 billion, including \$4.2 billion SGF for state aid and other assistance. This is an all funds increase of \$298.7 million, or 5.2 percent, including an SGF decrease of \$18.6 million, or 0.4 percent, from the amount approved by the 2021 Legislature. The all funds increase is primarily due to additional federal COVID-19 pandemic relief funds and school finance funding, partially offset by decreased KPERS expenditures to reflect changes to KPERS employer contribution rates.

The **Governor** recommends expenditures of \$6.5 billion, including \$4.6 billion SGF, for state aid and other assistance in FY 2022. This is an all funds increase of \$410.8 million and an SGF increase of \$394.0 million, above the agency's FY 2022 revised estimate. The all funds and SGF increases are primarily attributable to the Governor's recommendation to pay off KPERS layering payments and eliminating the delayed school payment in FY 2022. Other increases are attributable to adjustments to the Education Consensus adjustment, including an increase in the 20-mill property tax and School District Finance Fund in FY 2022.

FY 2023 AGENCY REQUEST

The **agency** requests \$6.4 billion, including \$4.3 billion SGF, for FY 2023 for state aid and other assistance. This is an all funds increase of

\$339.5 million, or 5.6 percent, including an SGF increase of \$187.7 million, or 4.5 percent, above the FY 2022 revised estimate.

The **Governor** recommends expenditures of \$6.3 billion, including \$4.2 billion SGF, for state aid and other assistance for FY 2023. This is an all funds decrease of \$117.1 million, and an SGF decrease of \$152.2 million, below the agency's request. The all funds and SGF decreases are primarily attributable to the Education Consensus adjustment, including a decrease in State Foundation Aid and Special Education Aid. The remaining decrease is primarily attributable to a decrease in KPERS layering payments, due to the Governor's recommendation to pay off the KPERS layering payments in FY 2022.

**FIGURE 17
STATE AID AND OTHER ASSISTANCE
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

Program	Actual FY 2021	Agency Est. FY 2022	Gov. Rec. FY 2022	Agency Est. FY 2023	Gov. Rec. FY 2023
State General Fund					
State Foundation Aid	\$ 2,261,165,172	\$ 2,441,050,347	\$ 2,543,804,806	\$ 2,524,235,833	\$ 2,457,805,046
Supplemental State Aid	513,400,000	523,748,000	572,229,398	534,190,000	550,000,000
Special Education State Aid	505,416,348	513,030,935	513,030,935	594,524,365	520,380,818
Capital Outlay State Aid	72,776,380	78,500,000	79,000,000	80,900,000	82,000,000
KPERS–USDs	485,620,476	516,599,488	508,558,178	519,382,255	520,780,609
KPERS–Non-USDs	32,124,101	39,712,893	36,103,928	38,985,762	37,714,422
KPERS Layering Payment (FY 2017)	6,400,000	6,400,000	260,266,022	6,400,000	-
KPERS Layering Payment (FY 2019)	19,400,000	19,400,000	19,400,000	19,400,000	-
Mental Health Pilot Program	7,201,571	7,534,722	7,534,722	10,534,722	10,534,722
Juvenile Detention Grants	3,737,791	6,383,265	6,383,265	5,060,528	5,060,528
School Safety & Security Grants	-	-	-	-	-
School Food Assistance Evidence-Based Reading Programs	2,510,486	2,510,486	2,510,486	2,510,486	2,510,486
Professional Development Mentor Teacher Program	1,700,000	-	-	3,600,000	1,770,000
Technical Ed. Transportation Teach for America	1,300,000	1,300,000	1,300,000	2,300,000	1,300,000
Teacher Excellence Grant/Scholarships	-	-	-	1,482,338	1,482,338
Technical Ed. Incentive Education SuperHighway	224,775	-	-	360,693	360,693
Juvenile Transitional Crisis Center Pilot	-	-	-	-	-
Deaf-Blind Program Aid	46,750	-	-	-	-
Governor's Scholar Program	-	300,000	300,000	300,000	300,000
Other State Grants	110,000	110,000	110,000	110,000	110,000
Discretionary Grants	-	-	-	105,000	-
Subtotal–State General Fund	\$ 3,913,407,015	\$ 4,156,580,136	\$ 4,550,531,740	\$ 4,344,381,982	\$ 4,192,109,662
Other State Funds					
20 Mill Local Property Tax	\$ 736,317,577	\$ 752,398,146	\$ 760,000,000	\$ 770,579,633	\$ 789,500,000
School District Finance Fund	58,401,760	52,000,000	58,000,000	52,000,000	58,000,000
KPERS-ELARF	41,640,023	41,143,515	41,143,515	43,431,547	41,389,547
Capital Improvement State Aid	194,603,245	205,000,000	202,000,000	208,000,000	205,000,000
Mineral Production Fund	8,576,380	4,840,211	4,557,000	4,065,617	8,639,000
Communities in Schools	50,000	50,000	50,000	50,000	50,000
Driver Education Aid	942,153	1,415,000	1,536,900	1,735,636	1,735,636
USD Checkoff Fund	42,231	50,000	50,000	50,000	50,000
Private Gifts and Grants	-	-	27,905	22,878	22,878
Children's Cabinet–Family & Children Investment Fund	-	563,965	563,965	-	-
Subtotal-Other State Funds	\$ 1,040,573,369	\$ 1,057,460,837	\$ 1,067,929,285	\$ 1,079,935,311	\$ 1,104,387,061

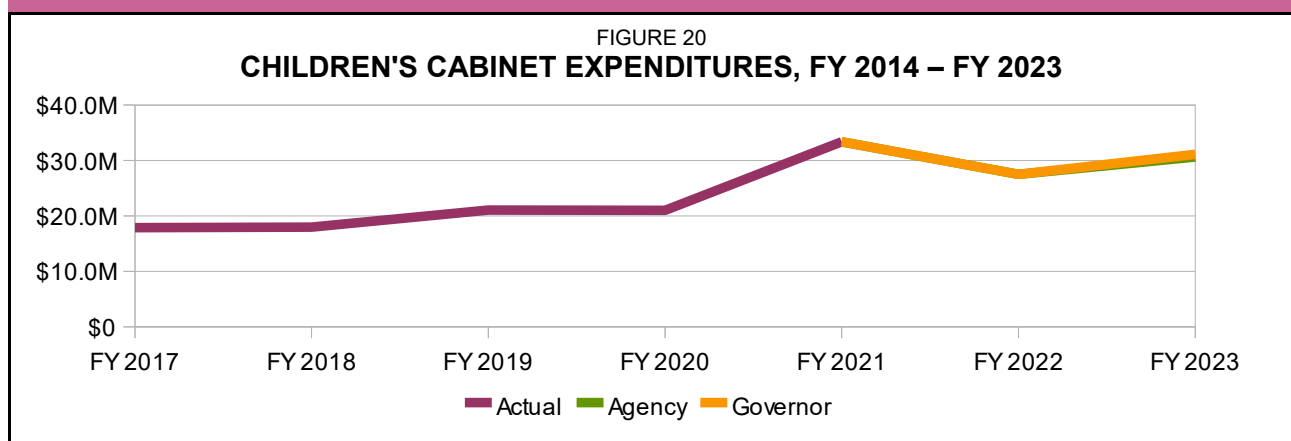
(Note: This table previously included some contractual services expenditures because the primary beneficiaries of the contracts were local education agencies. These items have now been removed from the table. The table only shows those expenditures categorized as state aid to local units of government or other assistance.)

STATE AID AND OTHER ASSISTANCE SUMMARY OF EXPENDITURES, FY 2020 – FY 2023					
Program	Actual FY 2021	Agency Est. FY 2022	Gov. Rec. FY 2022	Agency Est. FY 2023	Gov. Rec. FY 2023
Children's Initiatives Fund					
Parent Education (Parents as Teachers)	\$ 8,454,860	\$ 8,556,522	\$ 8,556,522	\$ 8,437,635	\$ 8,437,635
Kansas Preschool Program (Pre-K Pilot)	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000
Children's Cabinet–Early Childhood Block Grant	18,145,635	18,366,647	18,366,647	20,729,848	20,729,848
Children's Cabinet–Child Care Quality Initiative	500,000	500,000	500,000	-	-
Children's Cabinet–Autism Diagnosis Program	50,000	50,000	50,000	-	-
Children's Cabinet–Communities Aligned in Early Dev. & Ed.	1,000,000	1,000,000	1,000,000	-	-
<i>Subtotal-Children's Initiatives Fund</i>	<u>\$ 32,350,495</u>	<u>\$ 32,673,169</u>	<u>\$ 32,673,169</u>	<u>\$ 33,367,483</u>	<u>\$ 33,367,483</u>
Selected Federal Funds					
Special Education	\$ 109,498,784	\$ 105,420,830	\$ 105,420,830	\$ 106,652,259	\$ 106,652,259
School Food Assistance	260,634,521	216,572,195	217,152,504	209,490,558	210,032,617
Elementary and Secondary Education Act (ESEA) Prog.	193,001,218	455,326,037	455,326,037	593,469,632	593,469,632
TANF Children's Programs	4,024,127	4,132,317	4,132,317	4,132,317	4,132,317
Children's Cabinet–Community-Based Child Abuse Prevention	778,004	742,889	742,889	775,000	775,000
All Other Federal Funding	66,778,836	52,712,628	58,620,318	53,960,428	64,017,023
<i>Subtotal-Federal Funds</i>	<u>\$ 634,715,490</u>	<u>\$ 834,906,896</u>	<u>\$ 841,394,895</u>	<u>\$ 968,480,194</u>	<u>\$ 979,078,848</u>
Total-All Other Funds	<u>\$ 1,707,639,354</u>	<u>\$ 1,925,040,902</u>	<u>\$ 1,941,997,349</u>	<u>\$ 2,081,782,988</u>	<u>\$ 2,116,833,392</u>
GRAND TOTAL	<u>\$ 5,621,046,369</u>	<u>\$ 6,081,621,038</u>	<u>\$ 6,492,529,089</u>	<u>\$ 6,426,164,970</u>	<u>\$ 6,308,943,054</u>

FIGURE 18 STATE FOUNDATION AID SUMMARY OF EXPENDITURES, FY 2020 – FY 2022					
Funding Source	Actual FY 2021	Agency Est. FY 2022	Gov. Rec. FY 2022	Agency Est. FY 2023	Gov. Rec. FY 2023
State General Fund	\$ 2,261,165,172	\$ 2,441,050,347	\$ 2,543,804,806	\$ 2,524,235,833	\$ 2,457,805,046
20 Mill Local Property Tax	736,317,577	752,398,146	760,000,000	770,579,633	789,500,000
School District Finance Fund	58,401,760	52,000,000	58,000,000	52,000,000	58,000,000
Mineral Production Fund	8,576,380	4,840,211	4,557,000	4,065,617	8,639,000
TOTAL	<u>\$ 3,064,460,889</u>	<u>\$ 3,250,288,704</u>	<u>\$ 3,366,361,806</u>	<u>\$ 3,350,881,083</u>	<u>\$ 3,313,944,046</u>

FIGURE 19 BASE AID FOR STUDENT EXCELLENCE (BASE) FY 2021 – FY 2023			
Fiscal Year	Current Law	Agency Request	Governor's Rec.
2021	\$ 4,569	\$ 4,569	\$ 4,569
2022	4,706	4,706	4,706
2023	4,846	4,846	4,846

CHILDREN'S CABINET



STATUTORY BASIS: • KSA 38-1901; KSA 38-2103

PROGRAM GOALS: • The Children's Cabinet will develop and implement a coordinated, comprehensive delivery system to improve the health and well-being of families and children in Kansas and evaluate programs funded with Children's Initiatives Funds.

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

- Evaluating program 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.
- 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;

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

FIGURE 21
CHILDREN'S CABINET, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of toddler classrooms funded by the ECBG meeting high quality standards for classroom instruction*	59.0%	75.0%	69.3%	**No data, the COVID-19 Crisis has posed special challenges to programs serving children and families, which have often needed to reallocate resources to meet the challenging needs of the families they serve, adopt new health and safety protocols, and maintain adequate staffing in an increasing tight labor	
2. Percent of pre-K classrooms funded by the ECBG meeting high quality standards for classroom instruction*	62.0%	72.0%	69.3%		
3. Percent of toddler classrooms funded by the CAEDE meeting high quality standards for classroom instruction*	55.0%	44.0%	47.7 %		
4. Percent of pre-K classrooms funded by the CAEDE meeting high quality standards for classroom instruction*	35.0%	14.0%	23.0 %		

**FIGURE 21
CHILDREN'S CABINET, PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
5.Number of children served through ECBG programs*	7,163	6,074	6,898		market. These distributions are likely to continue and, in the absence of increased funding, will affect the number of children programs can serve, as well as the resources that can be devoted to professional development and quality improvement.
6.Number of children served through CAEDE programs*	653	511	502		
Financing (In Thousands)	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	20,131	13,310		6,304	7,855
All Other Funds	791	20,282		21,213	23,266
TOTAL	\$ 20,922	\$ 33,592		\$ 27,517	\$ 31,121
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(0.6) %	60.6 %		(18.1) %	13.1 %
FTE Positions	3.0	7.0		7.0	7.0
*The Governor's Office does not utilize this measure for evaluation purposes.					
**Submitted by the agency					

BUDGET ANALYSIS

FY 2022 REVISED ESTIMATE

The agency requests a revised estimate of \$27.5 million, all from special revenue funds, for the Children's Cabinet in FY 2022. This is an all funds increase of \$262,755, or 1.0 percent, above the amount approved by the 2021 Legislature. The FY 2022 revised estimate includes:

SALARIES AND WAGES.

The agency's FY 2022 revised estimate includes \$598,431 for salaries and wages, which is an increase of \$2,106 or 0.4 percent, above the FY 2022 approved amount. The increase is primarily due to increased salaries and unemployment compensation expenditures, partially offset by decreased employer retirement contributions and group health insurance costs.

CONTRACTUAL SERVICES.

The agency's revised estimate includes \$4.5 million for contractual services expenditures,

which is an increase of \$98,850 or 2.3 percent, above the FY 2022 approved amount. The majority of the contractual service expenditures (\$3.1 million) is for contracts associated with the Preschool Development Birth-5 Renewal grant (PDG-R).

STATE AID AND OTHER ASSISTANCE.

The agency's FY 2022 revised estimate includes \$22.4 million for aid and other assistance, which is a decrease of \$425,000 for aid to local units of government and an increase of \$586,799 for other assistance. This is a total increase of \$161,799, or 7.3 percent, above the FY 2022 approved amount. The increase is due to the reappropriation of \$236,799 from the ECBG and the shift of \$350,000 from the Dolly Parton Imagination Library to the PDG-R grant. This increase is partially offset by the deletion of the aid to local units of government. KSDE, in conjunction with the Children's Cabinet, has started updating accounting codes used for aid payments during FY 2023. As a result, the

Children's Cabinet will have aid to local units of government expenditures moving forward. However, this change was not fully implemented in FY 2021 and expenditures were budgeted as other assistance.

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

FY 2023 AGENCY REQUEST

The agency requests \$30.6 million, all from special revenue funds, for the Children's Cabinet for FY 2023. This is an all funds increase of \$3.1 million, or 11.3 percent, above the FY 2022 revised estimate. The FY 2023 agency request includes:

SALARIES AND WAGES.

The agency's FY 2023 request includes \$597,159 for salaries and wages, which is a decrease of \$1,272, or 0.2 percent, below the FY 2022 revised estimate. The decrease is primarily due to decreased unemployment compensation costs.

CONTRACTUAL SERVICES.

The agency's FY 2023 request includes \$3.3 million for contractual services expenditures, which is a decrease of \$1.2 million, or 25.8

percent, below the FY 2022 revised estimate. The decrease is primarily due to the ending of contracts for professional development.

COMMODITIES.

The agency's FY 2023 request includes \$3,783 for commodities, which is a decrease of \$2,745, or 42.0 percent, below the FY 2022 revised estimate. The decrease is primarily due to decreased office supply expenditures.

OTHER ASSISTANCE.

The agency's FY 2023 request includes \$26.7 million for other assistance, which is an increase of \$4.3 million, or 19.0 percent, above the FY 2022 revised estimate. The increase is due to the budgeting of a subgrant to the Center for Public Partnerships and Research and the University of Kansas as other assistance rather than a transfer.

The **Governor** recommends expenditures of \$31.1 million, all from special revenue funds, for the Children's Cabinet for FY 2023. This is an increase of \$500,000, all from the Children's Initiatives Fund, above the agency's FY 2023 request. This increase is attributable to the Governor recommending expenditures of \$500,000 for Dolly Parton's Imagination Library.