

DEPARTMENT OF EDUCATION

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Operating Expenditures:					
State General Fund	\$ 3,977,442,487	\$ 3,977,216,267	\$ 3,947,082,187	\$ 4,237,161,001	\$ 4,191,731,257
Other Funds	1,551,279,918	1,675,616,371	1,709,323,922	1,606,733,518	1,594,522,111
<i>Subtotal</i>	<u>\$ 5,528,722,405</u>	<u>\$ 5,652,832,638</u>	<u>\$ 5,656,406,109</u>	<u>\$ 5,843,894,519</u>	<u>\$ 5,786,253,368</u>
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 5,528,722,405</u>	<u>\$ 5,652,832,638</u>	<u>\$ 5,656,406,109</u>	<u>\$ 5,843,894,519</u>	<u>\$ 5,786,253,368</u>
Percentage Change:					
Operating Expenditures					
State General Fund	0.0 %	(0.0) %	(0.8) %	6.5 %	6.2 %
All Funds	0.0	2.2	2.3	3.4	2.3
FTE Positions	264.2	262.0	262.0	263.0	262.0

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.

AGENCY OVERVIEW

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

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

- 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; and

- 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.

MAJOR ISSUES FROM PRIOR YEARS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The **2019 Legislature** passed House Sub. for SB 16 in response to the Kansas Supreme Court's ruling in *Gannon VI*. The bill amends the BASE for school years 2019-2020, 2020-2021, 2021-2022, and 2022-2023. The BASE for school year 2019-2020 is now \$4,436, with scheduled increases to \$4,846 by school year 2022-2023. Beginning in school year 2023-2024, inflationary increases will take effect. The bill also amends other components of the KSEEA, including at-risk education and various accountability reports.

In addition to amendments to the KSEEA, the bill also changes the definition of "public school" for the purposes of the Low-income Student Scholarship Program from the 100 lowest performing schools to the 100 lowest performing elementary schools.

On **June 14, 2019**, the Kansas Supreme Court issued its *Gannon VII* ruling. The court held the Legislature had substantially complied with the Court's *Gannon VI* mandate to address inflation-related issues. Therefore, the State's school finance system was constitutionally adequate. The Supreme Court retained jurisdiction of the case to ensure continued implementation of the scheduled funding.

The **2020 Legislature** added \$67,700, all SGF, to pay dues to the Education Commission of the States in FY 2020 and for FY 2021, and deleted \$33.5 million, including

\$32.9 million SGF, in FY 2020 and \$47.5 million, including \$38.6 million SGF, for FY 2021 to adopt the Fall 2019 Education Consensus Estimates. The Legislature also added language requiring the State Board of Education require school districts to submit continuous learning plans to receive a waiver from school attendance requirements in FY 2020.

The **2020 Legislature** added \$5.0 million, all SGF, for the Mental Health Intervention Team (MHIT) Pilot Program, and deleted \$20,000, all SGF, to be transferred to the Kansas Board of Regents for the Governor's Scholar Program in FY 2021. The Legislature also added language extending the high-density at-risk student populations weighting through FY 2022.

BUDGET SUMMARY AND KEY POINTS

FY 2021 – Current Year. The **agency** requests a revised estimate of \$5.7 billion, including \$4.0 billion from the State General Fund (SGF), in FY 2021. This is a special revenue fund increase of \$105.7 million, or 1.9 percent, above the amount approved by the 2020 Legislature. The revised estimate includes 261.9 FTE positions, which is a decrease of 2.3 FTE positions below the number approved by the 2020 Legislature. The increase is primarily attributable to the receipt of federal funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to respond to the COVID-19 pandemic, including funding for the free and reduced lunch programs, and the awarding of a new federal Preschool Development Birth Through 5 Renewal Grant to the Kansas Children's Cabinet.

The **Governor** recommends revised expenditures of \$5.7 billion, including \$3.9 billion SGF, in FY 2021. This is an all funds increase of \$3.6 million, or 0.1 percent, and an SGF decrease of \$30.1 million, or 0.8 percent, from the agency's revised estimate. The Governor's recommendation includes 261.9 FTE positions, which is the same number as the agency's request. The increase is primarily attributable to the allocation of \$41.6 million from the federal Coronavirus Relief Fund (CRF) by the SPARK Taskforce to the Children's Cabinet, partially offset by the Governor's recommendation to adopt the Fall 2020 Education Consensus Estimates and the deletion of reappropriated funds.

FY 2022 – Budget Year. The **agency** requests expenditures of \$5.8 billion, including \$4.2 billion SGF, for FY 2022. This is an all funds increase of \$191.1 million, or 3.4 percent, and an SGF increase of \$259.9 million, or 6.5 percent, above the FY 2021 revised estimate. The request includes 262.9 FTE positions, which is an increase of 1.0 FTE position above the FY 2021 revised estimate. The SGF increase is primarily attributable to the increase of State Foundation Aid, Kansas Public Employees Retirement System (KPERS) contributions, and special education funding. These increases are due to school funding requirements included in 2018 Sub. for SB 423, 2018 House Sub. for SB 61, and 2019 House Sub. for SB 16. This increase is partially offset by a reduction in federal funding due to the end of COVID-19-related funding in FY 2021.

The **Governor** recommends expenditures of \$5.8 billion, including \$4.2 billion SGF, for FY 2022. This is an all funds decrease of \$57.6 million, or 1.0 percent, including an SGF decrease of \$45.4 million, or 1.1 percent, below the agency's request. The Governor's recommendation includes 261.9 FTE positions, which is a decrease of 1.0 FTE below the agency's request. The all funds decrease is primarily attributable to the Governor's recommendation to adopt the Fall 2020 Education Consensus Estimates and the Governor not recommending the agency's enhancement requests. The FTE position decrease is attributable to the Governor not recommending the agency's enhancement request to create a Dyslexia Coordinator position.

PERFORMANCE MEASURES

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

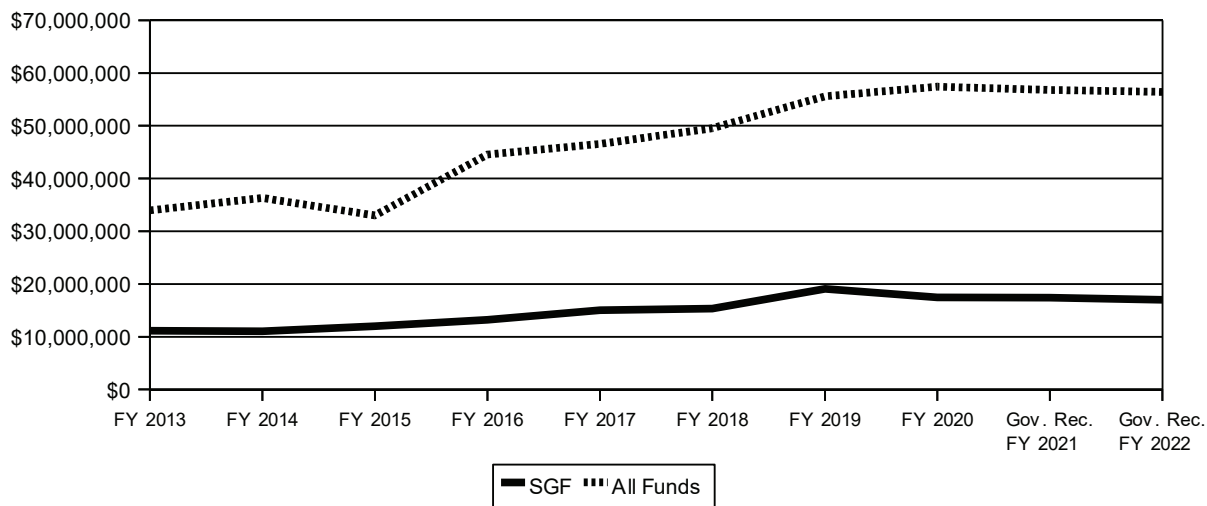
PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Meals and Snacks Served through Child Nutrition and Wellness Program (In Millions)	102.2	102.1	103.2	86.9	103.2	104.2
Average Statewide ACT Composite Score	21.6	21.2	19.5	N/A	19.5	20.0
Statewide High School Graduation Rate*	87.5 %	87.5 %	88.6 %	N/A	90.0 %	80.0 %
Number of Families Served Through Parents as Teachers	8,596	8,792	9,000	8,613	9,000	9,000
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 4,943.6	\$ 5,056.4	\$ 5,536.4	\$ 5,528.7	\$ 5,656.4	\$ 5,786.3
FTE Positions	257.5	267.3	264.2	264.2	261.9	261.9
*The Governor does not utilize this performance measure.						

The amount of state aid savings found by the fiscal audit team was previously identified as a key performance measure. Since it is no longer identified as a key agency-wide performance measure, it is no longer included in this table. However, the measure is included in the performance measure table under the Agency Operating Budget section.

The average statewide ACT composite score decreased in FY 2019 and is projected to stay at a lower score in FY 2021 due to significantly more students taking the ACT now that the Legislature has appropriated funding to pay for each high school student to take the ACT one time for free. As a result, more lower-performing students are now taking the ACT than prior to FY 2019.

BUDGET TRENDS

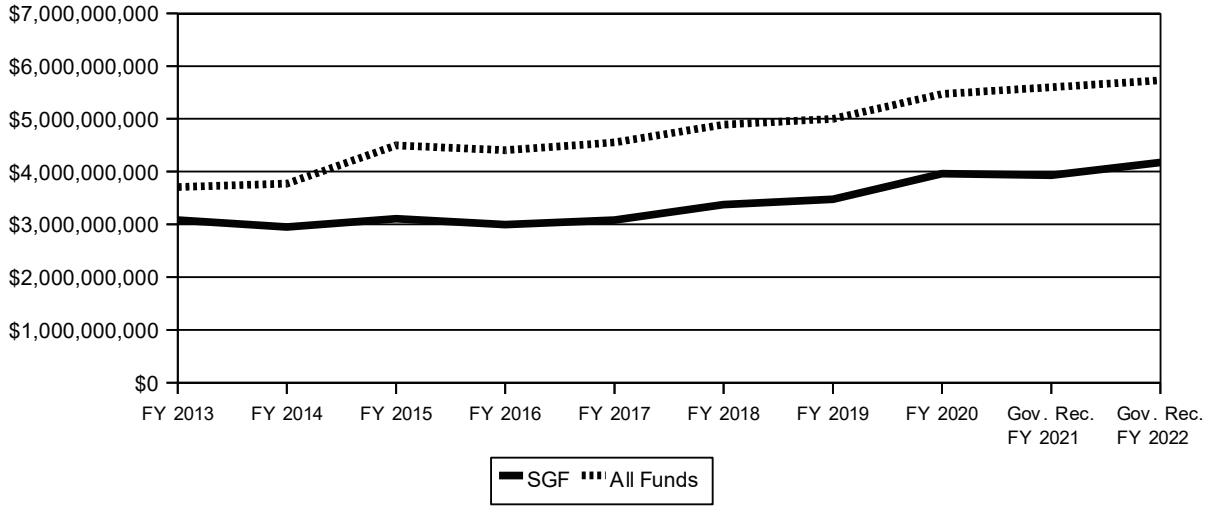
OPERATING EXPENDITURES (INCLUDING CHILDREN'S CABINET) FY 2013 – FY 2022



OPERATING EXPENDITURES (INCLUDING CHILDREN'S CABINET) FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 11,132,026	7.4 %	\$ 33,956,966	(3.2)%	264.5
2014	11,050,938	(0.7)	36,308,792	6.9	273.0
2015	12,011,002	8.7	32,997,169	(9.1)	255.0
2016	13,220,867	10.1	44,536,694	35.0	246.4
2017	15,039,455	13.8	46,552,420	4.5	244.4
2018	15,332,057	1.9	49,536,806	6.4	257.5
2019	19,086,525	24.5	55,595,806	12.2	267.3
2020	17,432,158	(8.7)	57,404,153	3.3	264.2
2021 Gov. Rec.	17,407,060	(0.1)	56,794,056	(1.1)	262.0
2022 Gov. Rec.	16,987,193	(2.4)	56,414,488	(0.7)	262.0
Ten-Year Change Dollars/Percent	\$ 5,855,167	52.6 %	\$ 22,457,522	66.1 %	(2.5)

**AID AND OTHER ASSISTANCE EXPENDITURES
FY 2013 – FY 2022**



**AID AND OTHER ASSISTANCE EXPENDITURES
FY 2013 – FY 2022**

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 3,080,705,948	0.5 %	\$ 3,707,586,052	0.8 %	264.5
2014	2,952,153,298	(4.2)	3,772,323,727	1.7	273.0
2015	3,105,426,306	5.2	4,496,737,571	19.2	255.0
2016	2,996,140,141	(3.5)	4,404,997,971	(2.0)	246.4
2017	3,082,195,457	2.9	4,553,183,367	3.4	244.4
2018	3,375,525,207	9.5	4,891,792,777	7.4	257.5
2019	3,475,911,168	3.0	5,000,783,329	2.2	267.3
2020	3,960,010,329	13.9	5,471,318,252	9.4	264.2
2021 Gov. Rec.	3,929,675,127	(0.8)	5,599,612,053	2.3	262.0
2022 Gov. Rec.	4,174,744,064	6.2	5,729,838,880	2.3	262.0
Ten-Year Change Dollars/Percent	\$ 1,094,038,116	35.5 %	\$ 2,022,252,828	54.5 %	(2.5)

Staff Note: Previously, 2017 and 2018 included some operating expenditures, which have now been removed.

Summary of Operating Budget FY 2020 - FY 2022

	Agency Estimate			Governor's Recommendation					
	Actual FY 2020	Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Rec. FY 2021	Rec. FY 2022	Dollar Change from FY 21	Percent Change from FY 21
By Program:									
Administration	\$ 67,546,175	\$ 117,299,467	\$ 18,633,570	\$ (98,665,897)	(84.1)%	\$ 158,942,467	\$ 18,633,570	\$ (140,308,897)	(88.3)%
Governance of Education	333,852	407,143	397,126	(10,017)	(2.5)	407,143	397,126	(10,017)	(2.5)
Child Nutrition & Wellness	3,764,343	3,639,797	3,625,656	(14,141)	(0.4)	3,639,797	3,625,656	(14,141)	(0.4)
Standards & Assessments	9,935,468	9,380,314	9,930,162	549,848	5.9	9,380,314	9,832,909	452,595	4.8
Special Ed. Services	17,280,981	12,657,443	12,637,338	(20,105)	(0.2)	12,657,443	12,637,338	(20,105)	(0.2)
Title Programs & Services	9,014,393	5,198,676	4,212,456	(986,220)	(19.0)	5,198,676	4,212,456	(986,220)	(19.0)
Career & Tech Ed.	1,762,040	2,009,405	2,006,995	(2,410)	(0.1)	2,009,405	1,506,995	(502,410)	(25.0)
Financial Aid	5,398,163,149	5,475,585,405	5,765,622,399	290,036,994	5.3	5,437,515,876	5,708,578,501	271,062,625	5.0
Children's Cabinet	20,922,004	26,654,988	26,828,817	173,829	0.7	26,654,988	26,828,817	173,829	0.7
TOTAL	\$ 5,528,722,405	\$ 5,652,832,638	\$ 5,843,894,519	\$ 191,061,881	3.4 %	\$ 5,656,406,109	\$ 5,786,253,368	\$ 129,847,259	2.3 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 20,263,822	\$ 21,394,212	\$ 21,673,788	\$ 279,576	1.3 %	\$ 21,394,212	\$ 21,592,728	\$ 198,516	0.9 %
Contractual Services	36,484,092	34,604,916	35,234,280	629,364	1.8	34,644,916	34,113,833	(531,083)	(1.5)
Commodities	377,659	497,002	497,712	710	0.1	497,002	497,212	210	0.0
Capital Outlay	278,580	154,926	215,918	60,992	39.4	257,926	210,715	(47,211)	(18.3)
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 57,404,153	\$ 56,651,056	\$ 57,621,698	\$ 970,642	1.7 %	\$ 56,794,056	\$ 56,414,488	\$ (379,568)	(0.7)%
Aid to Local Units	5,409,582,693	5,529,606,379	5,721,404,614	191,798,235	3.5	5,491,536,850	5,665,157,442	173,620,592	3.2
Other Assistance	61,735,559	66,575,203	64,868,207	(1,706,996)	(2.6)	108,075,203	64,681,438	(43,393,765)	(40.2)
TOTAL	\$ 5,528,722,405	\$ 5,652,832,638	\$ 5,843,894,519	\$ 191,061,881	3.4 %	\$ 5,656,406,109	\$ 5,786,253,368	\$ 129,847,259	2.3 %
Financing:									
State General Fund	\$ 3,977,442,487	\$ 3,977,216,267	\$ 4,237,161,001	\$ 259,944,734	6.5 %	\$ 3,947,082,187	\$ 4,191,731,257	\$ 244,649,070	6.2 %
Children's Initiatives Fund	32,471,779	33,081,181	32,692,483	(388,698)	(1.2)	33,081,181	32,692,483	(388,698)	(1.2)
20 Mill Property Tax	709,436,419	732,980,564	754,822,964	21,842,400	3.0	732,666,769	752,398,146	19,731,377	2.7
Federal Funds	488,030,108	588,717,301	499,509,806	(89,207,495)	(15.2)	588,717,301	499,509,806	(89,207,495)	(15.2)
All Other Funds	321,341,612	320,837,325	319,708,265	(1,129,060)	(0.4)	354,858,671	309,921,676	(44,936,995)	(12.7)
TOTAL	\$ 5,528,722,405	\$ 5,652,832,638	\$ 5,843,894,519	\$ 191,061,881	3.4 %	\$ 5,656,406,109	\$ 5,786,253,368	\$ 129,847,259	2.3 %

BUDGET OVERVIEW

A. FY 2021 – Current Year

Adjustments to Approved State General Fund Budget

The 2020 Legislature approved a State General Fund (SGF) budget of \$4,102.7 million for the Kansas Department of Education in FY 2021. Several adjustments have been made subsequently to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made:

- An increase of \$4,457,091, based on the reappropriation of FY 2020 funding that was not spent in FY 2020 and has shifted to FY 2021; and
- A decrease of \$129,940,651 as the result of the Governor's July 1, 2020, SGF allotment.

These adjustments change the FY 2021 approved SGF amount to \$3,977.2 million. That amount is reflected in the table below as the currently approved FY 2021 SGF amount.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 3,977,216,267	\$ 3,977,216,267	\$ 0	\$ 3,947,082,187	\$ (30,134,080)
All Other Funds	1,569,940,554	1,675,616,371	105,675,817	1,709,323,922	139,383,368
TOTAL	\$ 5,547,156,821	\$ 5,652,832,638	\$ 105,675,817	\$ 5,656,406,109	\$ 109,249,288
FTE Positions	264.2	262.0	(2.2)	262.0	(2.2)

The **agency** requests a revised estimate of \$5.7 billion, including \$4.0 billion SGF, in FY 2021. This is a special revenue fund increase of \$105.7 million, or 1.9 percent. The increase is primarily attributable to increased federal funding received under the CARES Act in response to the COVID-19 pandemic and the awarding of a new federal Preschool Development Birth Through 5 Grant to the Children's Cabinet.

Federal CARES Act funding includes the following:

- **U.S. Department of Agriculture (USDA) Child Nutrition Programs:** The agency received an additional \$68.2 million for Child Nutrition Programs, and the agency's revised estimate includes expenditures of \$23.5 million in FY 2021;
- **Elementary and Secondary School Emergency Relief (ESSER) Fund:** The agency received \$76.1 million to be distributed to the Kansas unified school

districts (USDs) according to the Title I formula. The agency's revised estimate includes \$68.7 million to be disbursed to the school districts in FY 2021;

- **ESSER Fund—Special Education:** The agency received \$8.0 million to be disbursed to the school districts for special education. The agency's revised estimate includes the entirety to be disbursed in FY 2021; and
- **ESSER Fund—Administration:** The agency received \$422,645 to be used for administrative costs, and the agency's revised estimate includes expenditures of \$404,158 in FY 2021.

The **Governor** recommends revised expenditures of \$5.7 billion, including \$3.9 billion SGF, in FY 2021. This is an all funds increase of \$3.6 million, or 0.1 percent, and an SGF decrease of \$30.1 million, or 0.8 percent, from the agency's revised estimate. The Governor's recommendation includes 261.9 FTE positions, which is the same number as the agency's request. The increase is primarily attributable to the allocation of \$41.6 million from the federal CRF by the SPARK Taskforce to the Children's Cabinet, partially offset by the Governor's recommendation to adopt the Fall 2020 Education Consensus Estimates and the deletion of reappropriated funds.

Fall 2020 Education Consensus Estimates

The Governor recommends adoption of the Fall 2020 Education Consensus Estimates in FY 2021. For school finance, the Governor recommends decreased expenditures of \$26.6 million, including \$18.9 million SGF, below the approved amount and below the agency's revised estimate. For KPERS, the Governor recommends decreased expenditures of \$8.9 million, all SGF, below the approved amount and below the agency's revised estimate.

The individual components of the Fall 2020 Education Consensus Estimates are described below. Unless otherwise noted, all changes from the approved number are also the change from the agency's FY 2021 revised estimate.

School Finance—State Foundation Aid. The Governor recommends expenditures of \$3.1 billion, including \$2.3 billion SGF, for State Foundation Aid in FY 2021. This is a decrease of \$18.8 million, including \$18.9 million SGF, below the FY 2021 approved number. The all funds decrease includes decreased expenditures of \$313,795 from the statewide 20-mill property tax and increased expenditures of \$378,346 from the Mineral Production Education Fund. The School District Finance Fund (optional local property taxes) number is the same as the approved number. The all funds decrease is primarily attributable to a decrease in weighted FTE student enrollment from the Fall 2019 Estimates due to a decrease in weighted FTE students by 8,400, attributable to the COVID-19 pandemic. In particular, the at-risk weighted FTE student population decreased by 2,500 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 \$513.4 million, all SGF, for Supplemental State Aid in FY 2021. This is the same as the approved budget. Supplemental State Aid provides equalization aid for school districts' Local Option Budgets.

School Finance—Special Education State Aid. The Governor recommends expenditures of \$505.6 million, all SGF, for Special Education State Aid in FY 2021. This is the same as the approved amount. The Fall 2020 Education Consensus Estimates project Special

Education State Aid will cover 73.2 percent of excess costs in FY 2021. This is a decrease from the Fall 2020 Estimates, which projected state aid to cover 75.3 percent of excess costs. (*Note:* The education consensus estimating group did not issue revised estimates in April 2020.)

School Finance–Capital Outlay State Aid. The Governor recommends expenditures of \$75.8 million, all SGF, for Capital Outlay State Aid in FY 2021. This is the same as the FY 2021 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. As such, they are considered normal SGF expenditures, but 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 in FY 2021. This is a decrease of \$8.0 million below the FY 2021 approved amount. The all funds decrease is primarily attributable to a decrease in weighted FTE student enrollment from the Fall 2019 Estimates due to COVID-19 pandemic. In particular, the at-risk weighted FTE student population decreased by 2,500 because all students were eligible for the federal free lunch program without submitting an application. Capital Improvement State Aid provides equalization aid for school districts' bonded indebtedness incurred for capital construction projects. Also known as Bond and Interest State Aid, expenditures are made from a special revenue fund, but are funded through a revenue transfer from the SGF. Therefore, Capital Improvement State Aid is not classified as an SGF expenditure, but is still an SGF obligation.

KPERS–USDs. The Governor recommends expenditures of \$491.3 million, all SGF, for KPERS–USDs in FY 2021. This is a decrease of \$6.9 million below the FY 2021 approved amount. The Fall 2020 Estimates projected growth in covered payroll of 3.5 percent during FY 2021.

KPERS–Non-USDs. The Governor recommends expenditures of \$75.8 million, including \$34.2 million SGF, for KPERS–Non-USDs in FY 2021. This is a decrease of \$6.6 million, all SGF, below the FY 2021 approved amount. The Fall 2020 Estimates projected growth in covered payroll of 3.5 percent during FY 2021.

Other Recommendations

The Governor recommends funding of \$67,700, all SGF, in FY 2021 to pay dues to the Education Commission of the States (ECS). Kansas joined ECS in 1972 when the State joined the Compact on Education through the enactment of KSA 72-8261. Kansas last paid dues to ECS in FY 2009.

The Governor recommends deleting reappropriations totaling \$1.1 million, all SGF, and \$1.2 million, all SGF, for the Mental Health Intervention Team Pilot Program. The deletion of this funding would not affect planned services.

Governor's Allotments

On June 29, 2020, the Governor announced SGF allotments or reductions for FY 2021 of \$374.5 million. Included in the Governor's allotted budget were \$146.7 million in human services caseload adjustments, \$79.3 million to delay the FY 2021 State Foundation Aid payment for K-12 Education, \$46.7 million in reductions due to a suspension of KPERS Death and Disability contributions, and \$101.8 million in other adjustments.

Allotments included in this document reduce the FY 2021 approved budget without any required Legislative approval and are included in the approved amounts in the table above. As it relates to this agency, the allotment adjustments totaled \$129,940,651. The allotments applied to this agency are detailed below:

GOVERNOR'S ALLOTMENTS			
<u>Allotment</u>	<u>SGF</u>	<u>All Funds</u>	<u>FTE</u>
July Allotment			
Operating Expenditures	\$ 68,245	\$ 68,245	0.0
KPERS-Employer Contributions	5,409,547	5,409,547	0.0
KPERS-USDs School Employer Contributions	34,850,268	34,850,268	0.0
Mental Health Intervention Team Pilot Program	3,924,160	3,924,160	0.0
Career & Technical Education Transportation	1,042,882	1,042,882	0.0
Juvenile Transitional Crisis Center Pilot	300,000	300,000	0.0
School Safety and Security Grants	5,000,000	5,000,000	0.0
State Foundation Aid	79,345,549	79,345,549	0.0
TOTAL	\$ 129,940,651	\$ 129,940,651	0.0

B. FY 2022 – Budget Year

FY 2022 OPERATING BUDGET SUMMARY			
	<u>Agency Request</u>	<u>Governor's Recommendation</u>	<u>Difference</u>
Total Request/Recommendation	\$ 5,843,894,519	\$ 5,786,253,368	\$ (57,641,151)
FTE Positions	263.0	262.0	(1.0)
Change from FY 2021:			
<i>Dollar Change:</i>			
State General Fund	\$ 259,944,734	\$ 244,649,070	
All Other Funds	(68,882,853)	(114,801,811)	
TOTAL	\$ 191,061,881	\$ 129,847,259	
<i>Percent Change:</i>			
State General Fund	6.5 %	6.2 %	
All Other Funds	(4.1)	(6.7)	
TOTAL	3.4 %	2.3 %	
Change in FTE Positions	1.0	0.0	

The **agency** requests a revised estimate of \$5.8 billion, including \$4.2 billion SGF, for FY 2022. This is an all funds increase of \$191.1 million, or 3.4 percent, above the FY 2021 revised

estimate. This includes an SGF increase of \$259.9 million, or 6.5 percent, and a special revenue fund decrease of \$68.9 million, or 4.1 percent, from the FY 2021 revised estimate. The request includes 262.9 FTE positions, which is an increase of 1.0 FTE position above the FY 2021 revised estimate.

The SGF and special revenue 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:

- **State Foundation Aid:** The agency requests increased expenditures of \$177.7 million, or 5.8 percent, including an SGF increase of \$157.5 million, or 6.9 percent, for increased State Foundation Aid. This is primarily due to the Base Aid for Student Excellence (BASE) increasing from \$4,569 to 4,706 for FY 2022;
- **Supplemental State Aid:** The agency requests increased expenditures of \$7.8 million, or 1.5 percent, all SGF, for increased Supplemental State Aid payments;
- **Special Education State Aid:** The agency requests increased expenditures of \$28.1 million, or 5.6 percent, all SGF, for increased Special Education State Aid payments;
- **KPERS-USDs:** The agency requests increased expenditures of \$46.1 million, or 9.2 percent, all SGF, for increased employer contributions to KPERS-USDs; and
- **KPERS-Non-USDs:** The agency requests increased expenditures of \$7.1 million, including \$12.6 million SGF, or 34.8 percent, for increased employer contributions to KPERS–Non-USDs.

The SGF increase and the FTE increase are also attributable to the agency's enhancement requests, which are described below. The special revenue fund decrease is primarily due to the federal CARES Act expenditures in FY 2021, with no CARES Act expenditures budgeted for FY 2022.

Finally, the agency makes the following recommendation and requests:

- The agency recommends the sunset provision for the high-density at-risk student populations weighting in KSA 72-5151 be repealed. The high-density at-risk student populations weighting was scheduled to expire at the end of FY 2020 and was extended to the end of FY 2022 by the 2020 Legislature in SB 66, the appropriations bill;
- The agency requests the Legislature reauthorize the 20 mill property tax levy for FY 2022 and FY 2023. KSA 72-5142 establishes a statewide 20 mill property tax for K-12 education. The proceeds from the uniform property tax levy are remitted to the State Treasurer and then distributed to school districts as part of their State Foundation Aid. The 20 mill property tax levy can only be authorized for two years at a time and was last reauthorized by 2019 House Sub. for SB 16 for FY 2020 and FY 2021;

- The agency requests continued authority to allow the Director of the Budget to transfer funds between the agency's SGF accounts for FY 2022. The 2020 Legislature provided this authority for FY 2021;
- 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, 2021, for FY 2022; and
- The agency requests the deletion of \$79,345,549, all SGF, for FY 2022, to continue the FY 2021 State Foundation Aid allotment into FY 2023. The BASE of \$4,706 would still be fully funded.

The **Governor** recommends expenditures of \$5.8 billion, and \$4.2 billion SGF, for FY 2022. This is an all funds decrease of \$57.6 million, or 1.0 percent, including an SGF decrease of \$45.4 million, or 1.1 percent, below the agency's request. The Governor's recommendation includes 261.9 FTE positions, which is a decrease of 1.0 FTE below the agency's request. The all funds decrease is primarily attributable to the Governor's recommendation to adopt the Fall 2020 Education Consensus Estimates and the Governor not recommending the agency's enhancement requests. The FTE position decrease is attributable to the Governor not recommending the agency's enhancement request to create a Dyslexia Coordinator position.

Fall 2020 Education Consensus Estimates

The Governor recommends adoption of the Fall 2020 Education Consensus Estimates for FY 2022. For school finance, the Governor recommends decreased expenditures of \$18.1 million, including an SGF decrease of \$944,193, below the approved amount. For KPERS, the Governor recommends decreased expenditures of \$8.3 million, including an SGF decrease of \$13.2 million, below the approved amount.

Compared to the agency's FY 2022 request, the Governor recommends decreased expenditures of \$38.9 million, including an SGF decrease of \$21.7 million, for school finance. Additionally, the Governor recommends decreased expenditures of \$8.3 million, including an SGF decrease of \$13.2 million, below the agency's request for KPERS.

The individual components of the Fall 2020 Education Consensus Estimates are described below. Unless otherwise noted, all changes from the approved number are also the change from the agency's FY 2022 request.

School Finance–State Foundation Aid. The Governor recommends expenditures of \$3.2 billion, including \$2.4 billion SGF, for State Foundation Aid for FY 2022. This is a decrease of \$7.5 million, including an SGF decrease of \$3.3 million, below the FY 2022 approved amount. The all funds decrease includes decreased expenditures of \$2.4 million from the statewide 20-mill property tax and decreased expenditures of \$1.8 million from the Mineral Production Education Fund. The all funds decrease is primarily attributable to a decrease in weighted FTE student enrollment from the Fall 2019 Estimates to due the COVID-19 pandemic.

School Finance–Supplemental State Aid. The Governor recommends expenditures of \$523.6 million, all SGF, for Supplemental State Aid for FY 2022. This is an increase of \$2.4 million above the 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 \$512.9 million, all SGF, for Special Education State Aid for FY 2022. This is a decrease of \$20.8 million below the agency's request, attributable to the Governor's recommendation to adopt the Fall 2020 Estimates and to the Governor not recommending the agency's enhancement request for additional Special Education State Aid. The Fall 2020 Education Consensus Estimates project Special Education State Aid will cover 68.7 percent of excess costs in FY 2022. This is a decrease from the Fall 2019 Estimates, which projected state aid to cover 72.0 percent of excess costs. (*Note:* The education consensus estimating group did not issue revised estimates in April 2019.)

School Finance—Capital Outlay State Aid. The Governor recommends expenditures of \$78.5 million, all SGF, for Capital Outlay State Aid for FY 2022. This is the same as the agency's FY 2022 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, but 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 2022. This is a decrease of \$13.0 million below the agency's FY 2022 request. Capital Improvement State Aid provides equalization aid for school districts' bonded indebtedness incurred for capital construction projects. Also known as Bond and Interest State Aid, expenditures are made from a special revenue fund, but are funded through a revenue transfer from the SGF. Therefore, Capital Improvement State Aid is not classified as an SGF expenditure, but is still an SGF obligation.

KPERS—USDs. The Governor recommends expenditures of \$538.0 million, all SGF, for KPERS—USDs for FY 2022. This is a decrease of \$6.3 million below the agency's request. The Fall 2020 Estimates projected growth in covered payroll of 3.25 percent during FY 2022.

KPERS—Non-USDs. The Governor recommends expenditures of \$83.0 million, including \$41.9 million SGF, for KPERS—Non-USDs for FY 2022. This is an all funds decrease of \$1.9 million, including an SGF decrease of \$6.9 million, below the agency's request. The Fall 2020 Estimates projected growth in covered payroll of 3.25 percent during FY 2022.

Other Recommendations

In addition to recommending the adoption of the Fall 2020 Education Consensus Estimates, the Governor recommends funding of \$67,700, all SGF, to pay dues to the Education Commission of the States (ECS) for FY 2022. Kansas joined ECS in 1972 when the State joined the Compact on Education through the enactment of KSA 72-8261. Kansas last paid dues to ECS in FY 2009.

Enhancement Detail

FY 2022 ENHANCEMENTS						
Enhancements	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Spec. Edu. State Aid	\$ 20,767,166	\$ 20,767,166	0.0	\$ 0	\$ 0	0.0
Mental Health Pilot Program	3,924,160	3,924,160	0.0	0	0	0.0
Mentor Teacher Program	1,000,000	1,000,000	0.0	0	0	0.0
CTE Transportation	650,000	650,000	0.0	0	0	0.0
ACT/WorkKeys	600,000	600,000	0.0	0	0	0.0
Dyslexia Coordinator	97,253	97,253	1.0	0	0	0.0
TOTAL	\$ 27,038,579	\$ 27,038,579	1.0	\$ 0	\$ 0	0.0

The **agency** requests enhancement funding of \$27.0 million, all SGF, for FY 2022. The enhancement requests are detailed below.

State Aid and Other Assistance Enhancement Requests:

- Special Education Services State Aid.** The agency requests \$20,767,166, all SGF, for additional funding for Special Education Services State Aid. KSA 72-3422 provides for Special Education Services State Aid to equal 92 percent of excess costs for special education in Kansas. Special Education Services State Aid for FY 2022 is expected to equal 69.2 percent of excess costs. The percentage of excess costs covered by state aid has decreased over the last several years, because costs for special education services increased faster than the appropriation. 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;
- Mental Health Intervention Team (MHIT) Pilot Program.** The agency requests \$3,924,160, all SGF, to expand the MHIT Pilot Program. This additional funding would bring total funding to \$12,673,886 for FY 2022. The pilot program expanded from 32 to 56 school districts in FY 2021;
- Mentor Teacher Program.** The agency requests \$1.0 million, all SGF, for additional funding for the Mentor Teacher Program, which is governed by KSA 72-2561 through 72-2564. Under this program, 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; and
- Career and Technical Education (CTE) Transportation.** The agency requests \$650,000, all SGF, to reinstate funding for CTE transportation for FY 2022. This funding would not fully fund this program, but it is the amount annually appropriated prior to FY 2021. The 2020 Legislature appropriated \$1,042,882 in FY 2021, which was eliminated under the Governor's July 1, 2020, allotment

plan. This program reimburses school districts for a portion of the costs to transport 11th and 12th grade students to postsecondary CTE programs.

State Operations Enhancement Requests:

- **ACT/WorkKeys.** The agency requests \$600,000, all SGF, for a new contract with ACT, Inc. to provide the ACT exam, ACT WorkKeys assessments, and PreACT practice tests to Kansas high school students. KSA 72-5179 requires the State Board of Education (State Board) to provide one ACT exam and the three ACT WorkKeys assessments (requirements to earn a national career readiness certificate) to each student in 11th and 12th grade and one PreACT practice test to each student in 9th grade free of charge. The current contract will expire at the end of FY 2021 and costs \$2.8 million per year. Additional fees for the provision of these exams is estimated at \$3.2 million in FY 2021, but a provision in the current contract limits those fees to the amount appropriated. When the contract is rebid, it is estimated that the costs of the new contract will increase to \$3.4 million for FY 2022; and
- **Dyslexia Coordinator.** The agency requests \$97,253, all SGF, and 1.0 FTE position, to fund the salary and operating expenses for one new Education Program Consultant 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 contains a variety of recommendations for the State Board aimed at helping educators assist struggling readers, including creation of a position within KSDE to direct and implement statewide dyslexia and early literacy initiatives. The position was not approved by the 2020 Legislature. The Legislative Task Force on Dyslexia resubmitted this recommendation to the State Board, Governor, and Legislature for the 2021 Session.

The agency's FY 2022 request without the enhancement requests is \$5.8 billion, including \$4.2 billion SGF, and includes 261.9 FTE positions.

The **Governor** does not recommend the agency's enhancement requests for FY 2022.

FY 2022 Reduced Resources

The Governor has requested that specified agencies with SGF moneys provide a reduced resources budget submission of 10.0 percent for FY 2022. The information below provides details of the agency's reduced resources budget submission for the SGF.

FY 2022 REDUCED RESOURCES						
Item	Agency Recommendation			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Prof. Development	\$ 1,700,000	\$ 1,700,000	0.0	\$ 1,700,000	\$ 1,700,000	0.0
Mental Health Pilot Program	1,215,004	1,215,004	0.0	1,215,004	1,215,004	0.0
After School Grants	187,500	187,500	0.0	187,500	187,500	0.0
MS After School Grants	125,000	125,000	0.0	125,000	125,000	0.0
ECS Dues	67,700	67,700	0.0	0	0	0.0
National Board Cert.	360,693	360,693	0.0	360,693	360,693	0.0
Edu. SuperHighway	120,000	120,000	0.0	120,000	120,000	0.0
TOTAL	\$ 3,775,897	\$ 3,775,897	0.0	\$ 3,708,197	\$ 3,708,197	0.0

The **agency** submits a reduced resources budget of \$3.8 million, all SGF, for FY 2022. The reduced resources budget is detailed below.

Professional Development: The agency's reduced resources budget includes \$1.7 million, all SGF, for Professional Development, which would eliminate funding for this state aid program for FY 2022. KSA 72-2544 *et seq.* provides for state aid for professional development to school districts with a written professional development plan approved by the State Board of Education. State aid is limited to 0.5 percent of a school district's general fund budget or one-half of actual professional development expenditures, whichever is less.

MHIT Pilot Program: The agency's reduced resources budget includes \$1.2 million, all SGF, for the MHIT Pilot Program. The agency's request includes \$8.7 million, all SGF, for the MHIT Pilot Program for FY 2022. The reduced resources budget would continue funding for the MHIT Pilot Program at the FY 2021 level.

Discretionary Grants—After School: The agency's reduced resources budget includes \$187,500, all SGF, for after school discretionary grants, which would eliminate the funding of this program for FY 2022. This program is governed by proviso language included in the annual appropriations bill and has been funded at \$187,500 since FY 2012. Discretionary grants are awarded to after school programs that operate for a minimum of two hours per day every day school is in session and a minimum of six hours per day for at least five weeks during the summer. Additionally, an individual after school program can receive a maximum of \$25,000 and must provide a dollar-for-dollar local match. KSDE approves funding only for those projects that provide expanded learning opportunities designed to help students meet or exceed state and local standards in core academic subjects, as well as in fine arts, fitness and health, and other needed areas. Funded organizations must primarily serve students from schools with a free and reduced lunch population of at least 40 percent.

Discretionary Grants—Middle School After School: The agency's reduced resources budget includes \$125,000, all SGF, for middle school after school discretionary grants, which would eliminate the funding of this program for FY 2022. This program is governed by the same proviso language as the above after school program and has been funded at \$125,000 since FY 2012. Local programs must serve students in sixth, seven, and eighth grades, and students in fifth and ninth grade if they are in junior high. Additionally, programs must provide age-appropriate physical activity, career and higher learning opportunities, and academic achievement activities.

Education Commission of the States (ECS) Dues: The agency's reduced resources budget includes \$67,700, all SGF, to pay dues to the Education Commission of the States, which would eliminate funding for the dues for FY 2022. Kansas joined ECS in 1972 when the State joined the Compact on Education through the enactment of KSA 72-8261. Prior to FY 2020, Kansas last paid dues to ECS in FY 2009.

National Board Certification/Governor's Teaching Excellence Scholarships and Awards: The agency's reduced resources budget includes \$360,693, all SGF, for the Governor's Teaching Excellence Scholarships and Awards, which would eliminate funding for this program for FY 2022. 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, as long as the teacher retains a valid master teacher's certificate. The bonus is paid by the school district employing the teacher, but the school district is entitled to receive state aid equal to the amount of any bonuses paid.

Education SuperHighway: The agency's reduced resources budget includes \$120,000, all SGF, for the Education SuperHighway Program. The Education SuperHighway program provides 10.0 percent in state matching funds to access additional Universal Service Schools and Libraries Program funding, commonly known as "E-rate," for new broadband infrastructure. E-rate provides discounts of up to 90 percent to help eligible schools and libraries obtain affordable telecommunications and Internet access. The agency estimates that all school buildings in Kansas will meet federal standards for high-speed internet during FY 2021, and the funding is therefore not needed for FY 2022.

The **Governor** recommends a reduced resources budget of \$3.7 million, all SGF, for FY 2022. This includes \$1.7 million for Professional Development State Aid, \$1.2 million for the Mental Health Intervention Team Pilot Program, \$312,500 for after school programs, \$360,693 for the Governor's Teaching Excellence Scholarships, and \$120,000 for the Education SuperHighway.

Governor's Recommended Salary and Wage Adjustments

For FY 2022, the Governor recommends adding \$31.5 million, including \$11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding \$10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

Longevity Bonus Payments. In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is \$3.0 million, including \$1.1 million SGF. For FY 2022, the estimated cost is \$3.1 million, including \$1.1 million SGF. **For this agency, FY 2021 longevity payments total \$3,440, including \$1,566 SGF, and FY 2022 longevity payments total \$3,520, including \$1,603 SGF.**

Kansas Public Employees Retirement System (KPERs). The employer retirement contribution rate, including Death and Disability contributions, for the KPERs State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The FY 2021 rate excludes the 1.0 percent KPERs Death and Disability contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERs State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of \$177.3 million, including \$158.7 million SGF, for FY 2022. The Governor's recommendation would also incorporate \$25.8 million in KPERs layering payments into the amortization schedules. **No savings from this policy are currently included in this agency's budget.**

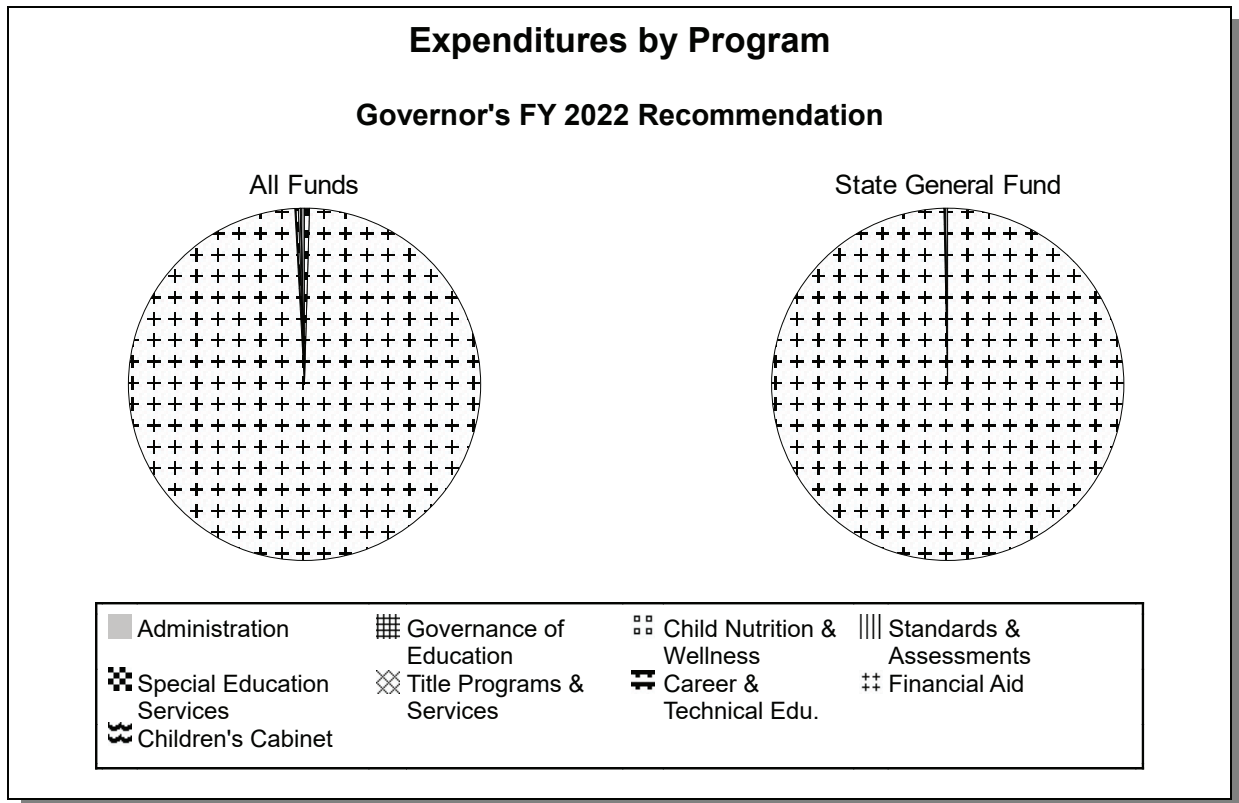
KPERs Death and Disability Group Insurance Fund. During FY 2021, a moratorium on employer contributions to the KPERs Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented *via* the Governor's allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at \$46.7 million in contributions from the SGF. Included in this amount were savings of approximately \$40.3 million from KPERs School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of \$46.7 million to annualize the payments for the full fiscal year.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2022	Gov. Rec. Percent of Total FY 2022
State General Fund	72.5 %	72.4 %
Children's Initiatives Fund	0.6	0.6
20 Mill Property Tax	12.9	13.0
Federal Funds	8.5	8.6
All Other Funds	5.5	5.4
TOTAL	100.0 %	100.0 %

(Note: Totals may not add due to rounding.)

PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Administration	\$ 18,633,570	0.3 %	\$ 9,233,749	0.2 %
Governance of Education	397,126	0.0	397,126	0.0
Child Nutrition & Wellness	3,625,656	0.1	316,377	0.0
Standards & Assessments	9,832,909	0.2	2,965,720	0.1
Special Education Services	12,637,338	0.2	589,187	0.0
Title Programs & Services	4,212,456	0.1	53,154	0.0
Career and Technical Education	1,506,995	0.0	686,880	0.0
Financial Aid	5,708,578,501	98.7	4,177,489,064	99.7
Children's Cabinet	26,828,817	0.5	0	0.0
TOTAL	\$ 5,786,253,368	100.0 %	\$ 4,191,731,257	100.0 %

FTE POSITIONS BY PROGRAM FY 2020 – FY 2022					
Program	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Administration	145.4	141.3	141.3	141.3	141.3
Governance of Education	1.0	1.0	1.0	1.0	1.0
Child Nutrition & Wellness	35.4	32.8	32.8	32.8	32.8
Standards & Assessments	25.1	26.2	26.2	27.2	26.2
Special Education Services	25.3	26.3	26.3	26.3	26.3
Title Programs & Services	15.0	14.5	14.5	14.5	14.5
Career & Technical Education	14.0	12.9	12.9	12.9	12.9
Financial Aid	0.0	0.0	0.0	0.0	0.0
Children's Cabinet	3.0	7.0	7.0	7.0	7.0
TOTAL	264.2	262.0	262.0	263.0	262.0

(Note: 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.)

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

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

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of School Finance Printouts Accurately Prepared for Lawmakers within Requested Time Frames	108	64	55	57	75	65
Amount of State Aid Savings Found by Fiscal Audit Team (In Thousands)	\$ 14,440	\$ 17,761	\$ 17,500	\$ 18,600	\$ 16,800	\$ 16,800
Number of USD Field Audits Completed	286	286	286	286	286	286
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 48.1	\$ 54.0	\$ 51.9	\$ 55.9	\$ 51.7	\$ 51.4
FTE Positions	254.5	264.3	261.2	264.2	261.9	261.9

**AGENCY OPERATING
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 19,980,267	\$ 20,803,241	\$ 20,803,241	\$ 21,077,463	\$ 20,996,403
Contractual Services	35,264,954	30,105,729	30,145,729	30,870,948	29,750,501
Commodities	366,629	491,915	491,915	491,184	490,684
Capital Outlay	277,267	144,826	247,826	215,918	210,715
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 55,889,117</u>	<u>\$ 51,545,711</u>	<u>\$ 51,688,711</u>	<u>\$ 52,655,513</u>	<u>\$ 51,448,303</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 55,889,117</u>	<u>\$ 51,545,711</u>	<u>\$ 51,688,711</u>	<u>\$ 52,655,513</u>	<u>\$ 51,448,303</u>
Financing:					
State General Fund	\$ 17,432,158	\$ 17,407,060	\$ 17,407,060	\$ 18,194,403	\$ 16,987,193
All Other Funds	38,456,959	34,138,651	34,281,651	34,461,110	34,461,110
TOTAL	<u>\$ 55,889,117</u>	<u>\$ 51,545,711</u>	<u>\$ 51,688,711</u>	<u>\$ 52,655,513</u>	<u>\$ 51,448,303</u>
FTE Positions	264.2	261.9	261.9	262.9	261.9

The **agency** requests a revised estimate of \$51.5 million, including \$17.4 million SGF, for agency operations in FY 2021. This is an all funds increase of \$278,170, or 0.5 percent, above the FY 2021 approved amount. The revised estimate includes 261.9 FTE positions, which is a decrease of 2.3 FTE positions below the FY 2021 number approved.

The all funds increase is primarily attributable to the receipt of federal CARES Act funding for administration, which the agency budgeted as contractual services, offset in part by decreased salaries and wages due to the elimination of vacant positions, including an IT position. The decrease in FTE positions is due to the elimination of vacant positions.

The agency's operating budget includes the following:

- **Salaries and wages.** The agency requests revised expenditures of \$20.8 million, which is a decrease of \$270,270, or 1.3 percent, below the FY 2021 approved amount. This decrease is primarily attributable to the elimination of vacant positions, including an IT position. According to the agency, this includes a shrinkage rate of 6.6 percent in FY 2021;
- **Contractual services.** The agency requests revised expenditures of \$30.1 million, which is an increase of \$549,488, or 1.9 percent, above the FY 2021 approved amount. This increase is primarily attributable to the receipt of CARES Act funding for administration, which the agency budgeted as contractual services. This includes \$6.0 million to fund a contract with the University of Kansas to administer the state assessments and \$2.8 million for a contract to provide the PreACT (for 9th graders) and the ACT and WorkKeys assessments (for 11th graders) to students free of charge. Contractual services expenditures also include contracts to support Title I schools identified for comprehensive or targeted support and to provide training to teachers, administrators, and food service employees;

- **Commodities.** The agency requests revised expenditures of \$491,915, which is a decrease of \$1,008, or 0.2 percent, below the FY 2021 approved amount. This includes training materials, office supplies, and other consumables required to operate the agency; and
- **Capital outlay.** The agency requests revised expenditures of \$144,826, which is the amount approved by the 2020 Legislature. This includes \$44,800, all from special revenue funds, to replace two aging state-owned vehicles expected to have an average of 100,000 miles by June 30, 2021. Additionally, this includes \$70,026, all from special revenue funds, to replace outdated laptops and desktop computers, and \$30,000, all from federal child nutrition administration funds, for tablets to use in the field.

The **Governor** recommends \$51.7 million, including \$17.4 million SGF, for agency operations in FY 2021. This is a special revenue funds increase of \$143,000, or 0.3 percent, above the agency's revised estimate. This increase is attributable to the allocation of \$41.6 million, including \$143,000 for agency operations, from the federal Coronavirus Relief Fund (CRF) by the SPARK Taskforce to the Children's Cabinet.

The **agency** requests \$52.7 million, including \$18.2 million SGF, for agency operations for FY 2022. This is an all funds increase of \$1.1 million, or 2.2 percent, and an SGF increase of \$787,343, or 4.5 percent, above the FY 2021 revised estimate. The request includes 262.9 FTE positions, which is 1.0 FTE position above the FY 2021 revised estimate.

The SGF increase is primarily due to the anticipated increased cost for the new ACT/WorkKeys contract that is set to be rebid for FY 2022 and the ending of the FY 2021 moratorium on KPERS death and disability contributions. The additional funding for the ACT/WorkKeys contract is discussed in the enhancement requests section above. The special revenue funds increase is due to increased capital outlay expenditures.

The additional FTE position is due to the enhancement request for a Dyslexia Coordinator position, which is also noted in the enhancement requests section above.

The agency's operating budget includes the following:

- **Salaries and wages.** The agency requests expenditures of \$21.1 million, which is an increase of \$274,222, or 1.3 percent, above the FY 2021 revised estimate. This increase is primarily attributable to increased health insurance costs, increased retirement contributions due to the end of the FY 2021 moratorium on death and disability contributions, and the agency's enhancement request to add 1.0 FTE position for a Dyslexia Coordinator. According to the agency, this includes a shrinkage rate of 6.6 percent for FY 2022;
- **Contractual services.** The agency requests expenditures of \$30.9 million, which is an increase of \$765,219, or 2.5 percent, above the FY 2021 revised estimate. This increase is primarily attributable to the rebidding of the ACT/WorkKeys contract, which is expected to cost \$600,000 more than the amount appropriated in FY 2021. Contractual services expenditures also include contracts to support Title I schools identified for comprehensive or targeted support and to provide training to teachers, administrators, and food service employees;

- **Commodities.** The agency requests expenditures of \$491,184, which is a decrease of \$731, or 0.1 percent, below the FY 2021 revised estimate. This includes training materials, office supplies, and other consumables required to operate the agency; and
- **Capital outlay.** The agency requests revised expenditures of \$215,918, which is an increase of \$71,092, or 49.1 percent, above the FY 2021 revised estimate. This includes \$70,015, all from special revenue funds, for the replacement of three aging state-owned vehicles, and \$110,700, all from special revenue funds, for the replacement of desktop, laptop, and tablet computers per the agency's five year IT plan.

The **Governor** recommends \$51.4 million, including \$17.0 million SGF, for agency operations for FY 2022. This is an SGF decrease of \$1.2 million, or 6.6 percent, below the agency's request. This is primarily attributable to the Governor recommending the reduction of after school program grants (\$9,957 for operations) and the deletion of the Microsoft Information Technology (IT) Education Opportunities certification program (\$500,000). It is also attributable to the Governor not recommending the agency's enhancement requests for the creation of a Dyslexia Coordinator position (\$97,253) and additional funding for the new ACT/WorkKeys contract (\$600,000).

B. State Aid and Other Assistance

The agency's Financial Aid program includes all state aid to school districts, as well as most grants provided to local agencies and individuals.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Five-year Postsecondary Success Rate*	54.0 %	55.0 %	58.0 %	56.0 %	60.0 %	63.0 %
Five-year Postsecondary Effectiveness Rate*	0.5 %	48.0 %	50.0 %	48.0 %	52.0 %	55.0 %
Number of Teaching Assignments Filled by Unlicensed or Licensed Unqualified Educators (One position May Have Multiple Assignments)*	4,358	5,873	5,000	5,469	6,000	4,000
Percent of Students with Disabilities Who Graduated from High School	77.3 %	77.5 %	84.0 %	78.4 %	85.8 %	85.8 %
Percent of Students with Disabilities Enrolled in Higher Education or Some Other Postsecondary Education Program, or Employed within One Year of Graduation*	67.8 %	73.0 %	81.1 %	75.0 %	83.3 %	83.3 %
Number of Technical Assistance Resources Available for Teachers to Improve Academic Performance	1,718	1,829	1,900	2,146	2,150	2,200
Percent of English Language Learners Scoring at Proficient on the Kansas Math Assessment	10.8 %	9.4 %	11.0 %	N/A	9.5 %	11.0 %
Percent of English Language Learners Scoring at Proficient on the Kansas ELA Assessment	8.5 %	7.5 %	9.0 %	N/A	7.5 %	9.0 %
Number of Students in Career and Technical Education Organizations in Kansas	24,329	23,555	23,560	23,441	23,560	23,565
Number of High School Students Enrolled in Tuition-free College, Career, and Technical Education Courses	10,600	13,675	11,700	13,000	11,700	11,710
Percent of Students Served by Mental Health Pilot Program with Improved Academic Performance*	N/A	61.3 %	65.0 %	64.3 %	65.0 %	65.0 %
Number of FTE Students Enrolled in K-12 (In Thousands)	469.9	473.7	473.7	473.3	472.7	473.3
Weighted FTE Students in School Finance Formula (In Thousands)	693.5	688.7	685.9	683.2	678.1	683.8
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 4,891.8	\$ 5,000.8	\$ 5,482.9	\$5,471.3	\$ 6,290.9	\$ 5,600.8
FTE Positions	257.5	267.3	264.2	264.2	261.9	261.9

**Staff Note:* These performance measures are not utilized by the Governor.

**STATE AID AND OTHER ASSISTANCE
SUMMARY OF EXPENDITURES, FY 2020 – FY 2022**

Program	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Est. FY 2022 [^]	Gov. Rec. FY 2022
State General Fund					
State Foundation Aid	\$ 2,282,148,870	\$ 2,283,490,228	\$ 2,264,593,190	\$ 2,440,966,522	\$ 2,437,622,329
Supplemental State Aid	503,300,000	513,400,000	513,400,000	521,200,000	523,600,000
Special Education State Aid	497,709,133	505,566,465	505,566,465	533,647,984	512,880,818
Capital Outlay State Aid	72,282,802	75,800,000	75,800,000	78,500,000	78,500,000
KPERS–USDs	514,093,650	498,212,819	491,343,113	544,296,719	537,971,506
KPERS–Non-USDs	37,680,483	36,179,361	34,163,430	48,757,280	41,853,675
KPERS Layering Payment (FY 2017)	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000
KPERS Layering Payment (FY 2019)	19,400,000	19,400,000	19,400,000	19,400,000	19,400,000
Mental Health Pilot Program	8,058,516	8,749,726	7,534,722	12,673,886	7,534,722
Juvenile Detention Grants	4,278,464	5,842,592	5,060,528	5,060,528	5,060,528
School Safety & Security Grants*	4,970,678	0	0	0	0
School Food Assistance	2,510,486	2,510,486	2,510,486	2,510,486	2,510,486
Evidence-Based Reading Programs	1,200,000	0	0	0	0
Professional Development	1,700,000	1,700,000	1,700,000	1,700,000	0
Mentor Teacher Program	1,300,000	1,300,000	1,300,000	2,300,000	1,300,000
Technical Ed. Transportation	1,482,338	0	0	650,000	0
Teach for America	154,000	0	0	0	0
Teacher Excellence Grant/Scholarships	219,674	501,448	360,693	360,693	0
Technical Ed. Incentive	80,000	0	0	0	0
Education SuperHighway	299,300	333,582	120,000	120,000	0
Juvenile Transitional Crisis Center Pilot	300,000	0	0	0	0
Deaf-Blind Program Aid	110,000	110,000	110,000	110,000	110,000
Governor's Scholar Program	20,000	0	0	0	0
Discretionary Grants	311,935	312,500	312,500	312,500	0
Subtotal–State General Fund	\$ 3,960,010,329	\$ 3,959,809,207	\$ 3,929,675,127	\$ 4,218,966,598	\$ 4,174,744,064
Other State Funds					
20 Mill Local Property Tax	\$ 709,436,419	\$ 732,980,564	\$ 732,666,769	\$ 754,822,964	\$ 752,398,146
School District Finance Fund	59,150,764	52,000,000	52,000,000	52,000,000	52,000,000
KPERS–ELARF	41,632,883	41,640,023	41,640,023	36,169,315	41,143,515
Capital Improvement State Aid	203,377,013	213,000,000	205,000,000	218,000,000	205,000,000
Mineral Production Fund	11,687,150	8,203,000	8,581,346	6,601,000	4,840,211
Communities in Schools	50,000	50,000	50,000	50,000	50,000
Driver Education Aid	1,450,222	832,000	832,000	1,415,000	1,415,000
USD Checkoff Fund	37,944	50,000	50,000	50,000	50,000
Private Gifts and Grants	191,889	0	0	0	0
Children's Cabinet–Family & Children Investment Fund	0	25,000	25,000	563,965	563,965
Subtotal-Other State Funds	\$ 1,027,014,284	\$ 1,048,780,587	\$ 1,040,845,138	\$ 1,069,672,244	\$ 1,057,460,837

*The 2018 Legislature transferred \$5.0 million from the SGF to a special revenue fund for the School Safety and Security Grants. To provide grants to all school districts that applied in FY 2019, KSDE supplemented this special revenue fund with some SGF moneys from the agency's operations account. Beginning in FY 2020, funding for the program was appropriated directly from the SGF.

[^]SB 66, the 2020 appropriations bill, included State Foundation Aid SGF and Supplemental State Aid appropriations, which are included in the agency request for FY 2022. This table does not reflect the agency's request that the Governor or Legislature delete \$79,345,549, all SGF, for FY 2022, to continue the FY 2021 State Foundation Aid allotment into FY 2023. The BASE of \$4,706 would still be fully funded.

(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 2022					
Program	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Est. FY 2022	Gov. Rec. FY 2022
Children's Initiatives Fund					
Parent Education (Parents as Teachers)	\$ 8,376,566	\$ 8,573,747	\$ 8,573,747	\$ 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	17,070,925	17,488,277	17,488,277	17,239,412	17,239,412
Children's Cabinet–Child Care Quality Initiative	500,000	500,000	500,000	500,000	500,000
Children's Cabinet–Autism Diagnosis Program	50,000	50,000	50,000	50,000	50,000
Children's Cabinet–Communities Aligned in Early Dev. & Ed.	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<i>Subtotal-Children's Initiatives Fund</i>	<u>\$ 31,197,491</u>	<u>\$ 31,812,024</u>	<u>\$ 31,812,024</u>	<u>\$ 31,427,047</u>	<u>\$ 31,427,047</u>
Selected Federal Funds					
Special Education	\$ 101,730,084	\$ 101,757,250	\$ 101,757,250	\$ 105,420,830	\$ 105,420,830
School Food Assistance	187,401,545	226,797,925	226,797,925	205,072,239	205,072,239
Elementary and Secondary Education Act (ESEA) Prog.	116,211,512	179,716,763	179,716,763	108,191,867	108,191,867
TANF Children's Programs	3,714,141	4,132,317	4,132,317	4,132,317	4,132,317
Children's Cabinet–Community-Based Child Abuse Prevention	786,043	720,000	720,000	742,889	742,889
All Other Federal Funding	43,252,823	42,655,509	84,155,509	42,646,790	42,646,790
<i>Subtotal-Federal Funds</i>	<u>\$ 453,096,148</u>	<u>\$ 555,779,764</u>	<u>\$ 597,279,764</u>	<u>\$ 466,206,932</u>	<u>\$ 466,206,932</u>
Total-All Other Funds	<u>\$ 484,293,639</u>	<u>\$ 587,591,788</u>	<u>\$ 629,091,788</u>	<u>\$ 497,633,979</u>	<u>\$ 497,633,979</u>
GRAND TOTAL	<u>\$ 5,471,318,252</u>	<u>\$ 5,596,181,582</u>	<u>\$ 5,599,612,053</u>	<u>\$ 5,786,272,821</u>	<u>\$ 5,729,838,880</u>

STATE FOUNDATION AID SUMMARY OF EXPENDITURES, FY 2020 – FY 2022					
Funding Source	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Est. FY 2022	Gov. Rec. FY 2022
State General Fund	\$ 2,282,148,870	\$ 2,283,490,228	\$ 2,264,593,190	\$ 2,440,966,522	\$ 2,437,622,329
20 Mill Local Property Tax	709,436,419	732,980,564	732,666,769	754,822,964	752,398,146
School District Finance Fund	59,150,764	52,000,000	52,000,000	52,000,000	52,000,000
Mineral Production Fund	11,687,150	8,203,000	8,581,346	6,601,000	4,840,211
TOTAL	<u>\$ 3,062,423,203</u>	<u>\$ 3,076,673,792</u>	<u>\$ 3,057,841,305</u>	<u>\$ 3,254,390,486</u>	<u>\$ 3,246,860,686</u>

BASE AID FOR STUDENT EXCELLENCE (BASE) FY 2020 – FY 2023			
Fiscal Year	Current Law	Agency Request	Governor's Rec.
2020	4,436	4,436	4,436
2021	4,569	4,569	4,569
2022	4,706	4,706	4,706
2023	4,846	4,846	4,846

(Note: Beginning in FY 2024, the BASE will be adjusted by the average percentage increase in the Consumer Price Index for all urban consumers (CPI-U) in the Midwest region during the three immediately preceding school years.)

The **agency** requests a revised estimate of \$5.6 billion, including \$4.0 billion SGF, for state aid and other assistance expenditures in FY 2021. This is an all funds increase of \$102.0 million, or 1.9 percent, and an SGF increase of \$68,246, or less than 0.1 percent, above the amount approved by the 2020 Legislature. The all funds increase is primarily attributable to the receipt of federal funds under the CARES Act for the child nutrition programs and in response to the COVID-19 pandemic.

The **Governor** recommends \$5.6 billion, including \$3.9 billion SGF, for state aid and other assistance expenditures in FY 2021. This is an all funds increase of \$3.4 million, or 0.1 percent, and an SGF decrease of \$30.1 million, or 0.8 percent, from the agency's revised estimate. The all funds increase is primarily attributable to the allocation of \$41.6 million from the federal CRF by the SPARK Taskforce to the Children's Cabinet, partially offset by decreased SGF expenditures due to the Governor's recommendation to adopt the Fall 2020 Education Consensus Estimates.

The **agency** requests \$5.8 billion, including \$4.2 billion SGF, for state aid and other assistance expenditures for FY 2022. This is an all funds increase of \$190.1 million, or 3.4 percent, including an SGF increase of \$259.2 million, or 6.5 percent, above the FY 2021 revised estimate.

The SGF and special revenue 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:

- **State Foundation Aid:** An expenditure increase of \$177.7 million, or 5.8 percent, including an SGF increase of \$157.5 million, or 6.9 percent, above the FY 2021 revised estimate, for increased State Foundation Aid. This is primarily due to the Base Aid for Student Excellence (BASE) increasing from \$4,569 to 4,706 for FY 2022;
- **Supplemental State Aid:** An expenditure increase of \$7.8 million, or 1.5 percent, all SGF, above the FY 2021 revised estimate, for increased Supplemental State Aid payments;
- **Special Education State Aid:** An expenditure increase of \$28.1 million, or 5.6 percent, all SGF, above the FY 2021 revised estimate, for increased Special Education State Aid payments;
- **KPERS-USDs:** An expenditure increase of \$46.1 million, or 9.2 percent, all SGF, above the FY 2021 revised estimate, for increased employer contributions to KPERS-USDs; and

- **KPERS-Non-USDs:** An expenditure increase of \$7.1 million, including \$12.6 million SGF, or 34.8 percent, above the FY 2021 revised estimate, for increased employer contributions to KPERS–Non-USDs.

The SGF increase is also attributable to the agency's enhancement requests, including \$20.8 million additional Special Education Services State Aid funding to meet the 92 percent excess costs requirement, \$3.9 million to expand the MHIT Pilot Program, \$1.0 million to fund the Mentor Teacher Program for three years, and \$650,000 to partially fund the CTE transportation program.

The **Governor** recommends \$5.8 billion, including \$4.2 billion SGF, for state aid and other assistance expenditures for FY 2022. This is an all funds decrease of \$57.6 million, or 1.0 percent, including an SGF decrease of \$45.4 million, or 1.1 percent, below the agency's request. The decrease is primarily attributable to the agency receiving an allocation of \$41.6 million from the federal CRF by the SPARK Taskforce to the Children's Cabinet in FY 2021 and the Governor's recommendation to adopt the Fall 2020 Education Consensus Estimates.

C. Children's Cabinet

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

- Assisting the Governor in developing and implementing a coordinated, comprehensive delivery system to improve the health and well-being of families and children in Kansas;
- Evaluating 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.

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

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Children Served through Early Childhood Block Grant Programs*	7,102	7,457	N/A	7,163	N/A	N/A
Number of Professionals Receiving Training or Professional Development through the Child Care Quality Initiative*	452	267	N/A	278	N/A	N/A
Number of Children Receiving Direct Services through the Autism Diagnosis Program*	44	63	N/A	69	N/A	N/A
Percent of Programs that Report Annual Outcomes with Data Supported by Cabinet-approved Plans	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 18.0	\$ 21.1	\$ 21.3	\$ 20.9	\$ 26.7	\$ 26.8
FTE Positions	3.0	3.0	3.0	3.0	7.0	7.0

*The Governor's Office does not utilize this measure for evaluation purposes.

CHILDREN'S CABINET SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 283,555	\$ 590,971	\$ 590,971	\$ 596,325	\$ 596,325
Contractual Services	1,219,138	4,499,187	4,499,187	4,363,332	4,363,332
Commodities	11,030	5,087	5,087	6,528	6,528
Capital Outlay	1,313	10,100	10,100	0	0
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 1,515,036</i>	<i>\$ 5,105,345</i>	<i>\$ 5,105,345</i>	<i>\$ 4,966,185</i>	<i>\$ 4,966,185</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	19,406,968	21,549,643	21,549,643	21,862,632	21,862,632
TOTAL	\$ 20,922,004	\$ 26,654,988	\$ 26,654,988	\$ 26,828,817	\$ 26,828,817
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	20,922,004	26,654,988	26,654,988	26,828,817	26,828,817
TOTAL	\$ 20,922,004	\$ 26,654,988	\$ 26,654,988	\$ 26,828,817	\$ 26,828,817
FTE Positions	3.0	7.0	7.0	7.0	7.0

The **agency** requests a revised estimate of \$26.7 million, all from special revenue funds, in FY 2021. This is an increase of \$5.5 million, or 26.0 percent, above the amount approved by the 2020 Legislature. The revised estimate includes 7.0 FTE positions, which is an increase of 4.0 FTE positions above the number approved by the 2020 Legislature. The increase is primarily attributable to increased expenditures for salaries and wages and contractual services due to the receipt of a new federal grant.

On April 29, 2020, the federal Administration for Children and Families awarded the Children's Cabinet a three-year federal Preschool Development Birth Through 5 Renewal Grant

(PDG-R) totaling \$26.8 million. The PDG-R builds on top of a grant received by the Department of Education in 2018 and will be used to fund activities related to improving early childhood care and education through systems alignment, better data and outcomes infrastructure, and workforce development. The Children's Cabinet will lead the implementation, with support from the Kansas Department for Children and Families, the Kansas Department of Health and Environment, and the Kansas State Department of Education. Estimated expenditures associated with the PDG-R in the Children's Cabinet in FY 2021 are as follows:

- Salaries and wages expenditures of \$324,459 to fund 3.0 new FTE positions, including an Early Childhood Systems Coordinator, an Early Childhood Workforce Coordinator, and an Early Childhood Systems Specialist; and
- Contractual services expenditures of \$3.1 million to fund grant activities including the development of an early childhood workforce registry, an early childhood integrated data system, and to provide professional development, workforce support, and equity initiatives.

The increase of 4.0 FTE positions is due to the Preschool Development Grant. The agency anticipates 3.0 FTE for the temporary positions noted above and 1.0 FTE for two accountants who will work part time on the grant.

The **Governor** concurs with the agency's revised estimate in FY 2021.

The **agency** requests \$26.8 million, all from special revenue funds, for FY 2022. This is an increase of \$173,829, or 0.7 percent, above the FY 2021 revised estimate. The request includes 7.0 FTE positions, which is the same number as the FY 2021 revised estimate. This increase is primarily attributable to increased expenditures from the Family and Child Investment Trust Fund for aid to local units of governments and other assistance, offset in part by decreased expenditures for contractual services.

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