BUDGET INSTRUCTIONS

A Guide for State Agencies

State of Kansas
Division of the Budget

Budget Instructions to State Agencies

Division of the Budget
July 2014

Electronic Access to Budget Instructions

Information contained in this document can be downloaded at http://budget.ks.gov/agencyinfo.htm.

DOB Staff Assistance

Contact your agency's assigned budget analyst for assistance. Staff assignments and e-mail addresses for DOB budget analysts are available at http://budget.ks.gov/staff.htm.

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Budget Cycle

The budget cycle can be divided into four categories: executive preparation, legislative consideration, execution, and audit/evaluation. These categories reflect the different effects that each branch of government has on the budget cycle. All categories require a significant amount of time, effort, and coordination between agency budget staff and the Division of the Budget staff. Items in bold denote dates when important budget items are transmitted from agencies or from the Division of the Budget.

Executive Preparation describes the processes the Governor, the Governor's staff, and agency leadership follow in developing the Governor's budget recommendations.

Month	Activity
Year-Round	**Agencies submit Information Technology Management Plans and Information Technology Project Plans.**
June	Agencies develop capital improvement budget requests.
July 1	**Agencies submit five-year capital improvement plans.**
July	Budget Director transmits funding allocations and general directions for agencies to follow in developing budget requests.
July—September	Agencies amend strategic plans, update performance measures, and develop budget requests according to instructions developed and distributed by the Division of the Budget.
September 15	**Agency strategic plans and budget requests are submitted to the Division of the Budget.**
September—Nov.	Division of the Budget analyzes budget submissions in relation to strategic plans and available revenues, and makes initial recommendations.
November 10	**Division of the Budget provides its budget recommendations to agencies.**
November	The Consensus Revenue Estimating Group meets to estimate State General Fund revenues.
November—Dec.	Agencies appeal the Division of the Budget recommendations. Governor makes final decisions and *The Governor's Budget Report* is prepared.
January	Governor presents recommendations regarding agency budgets to the Legislature. Appropriation bills are introduced that reflect the Governor's recommendations.

Legislative Consideration is the process the Legislature follows in receiving the Governor's budget recommendations, making adjustments to those recommendations, and appropriating funds to agencies.

Month	Activity
January	Legislature receives the Governor's budget recommendations. House and Senate appropriation committees divide the budget among subcommittees for review with legislative staff.
February—March	Appropriation bills are reviewed in both the House and Senate. Agencies explain their missions and strategic plans, and present their budget requests to the Legislature.
February—April	The Governor may choose to issue Governor's budget amendments to revise recommendations that were made in January.
March—May	Bills with differing positions go to Conference Committees and final budget decisions are made.

Execution represents agencies' carrying out approved budgets by implementing strategies and objectives while conducting state business. It is during this time that appropriations are spent and services are delivered. There are many factors that can influence the execution process; however, all spending must proceed in a manner consistent with appropriation laws.

Month	Activity
Year-Round	As the fiscal year progresses, strategic plans are revised as needed. Agencies track performance measures to ensure that the agency is accomplishing its approved mission.
May—August	Division of the Budget staff meets with agency staff to assist and provide support in refining the agency's strategic plan.

Audit/Evaluation procedures can include performance or program audits as well as audits of records, facilities, systems, and other evidence to discover or verify information. These activities are performed by staff in the Legislative Division of Post Audit, private accounting firms, and other state agencies. Additionally, the Division of the Budget examines agency operations, the implementation of new programs, and expenditure trends of agencies.

Month	Activity
Year-Round	All agencies and staff members review strategic plans to ensure that the agency's goals are being reached and the agency's mission is being accomplished in the most efficient, effective, and lawful manner.

Strategic Planning

A practical, action-oriented guide, based upon an examination of internal and external factors which directs goal-setting and resource allocation to achieve meaningful results over time.

An agency's strategic plan is an important source of information for the Governor, the Division of the Budget, the Legislature, as well as the public. It provides a useful context in which to place the dollars an agency requests in its budget. This section of the *Budget Instructions* discusses both strategic planning and strategic plans. Strategic planning is more than filling out budget forms or compiling a document. Most of the value of strategic planning is realized during the process of planning itself. Agencies should submit their strategic plan on paper or in an electronic file to their analyst as part of the budget submission in September.

Elements of the Strategic Planning Process

Put simply, strategic planning asks and answers five questions:

Question:	**Strategic Plan Element:**
What do we do?	Mission
Where are we now?	External/Internal Assessment
Where do we want to be?	Philosophy, Goals, Objectives
How do we get there?	Strategies, Action Plans
How do we measure our programs?	Outcome and Output Measures

A successful strategic planning process has the following characteristics:

- It is flexible; it fits the organization; and it is user friendly.
- It is participatory. The process involves executives, managers, supervisors, and staff at all levels. Further, it is not left to planners; everyone plans.
- It clearly defines responsibilities and timetables. It is carried out by those who have the responsibility within the organization for achieving objectives, but is coordinated by a central figure, someone who has the "big picture."
- It energizes an organization; it produces understanding and common purpose throughout an organization.
- It remains aware of the environment in which it functions. It obtains perspectives from many levels and sources, both within and outside the organization.
- It is realistic about goals, objectives, resources, and outcomes. While not attempting to avoid all risk, it recognizes such constraints as public accountability, visibility, short-term horizons, personnel issues, overall fiscal conditions, and budgetary trends.
- It is convincing. It develops and conveys compelling evidence for its recommendations. (This characteristic is especially important in linking the strategic plan to an agency budget request.)

Budget Scenarios. An important dimension of the strategic planning process is linking the planning process to the development of budget requests and explaining how different budget scenarios relate to an agency's performance. Different levels of funding, such as "reduced resources" and "allocated resources," are expressions of budgetary input. There needs to be a clear linkage between the level of budgetary inputs for each of the scenarios and the anticipated outputs and outcomes for a given budget issue or program. Only in this way can rational decisions be made within limited budgetary resources at the different levels, with a clear understanding of the effect of those inputs on outputs and outcomes.

When an agency is constructing its strategic plan for an upcoming year, it may generate many internal documents that contain a great deal of detail, such as specific employees' responsibilities and timetables. While all of this detail will not be included in an agency's budget, there are elements to be included, such as:

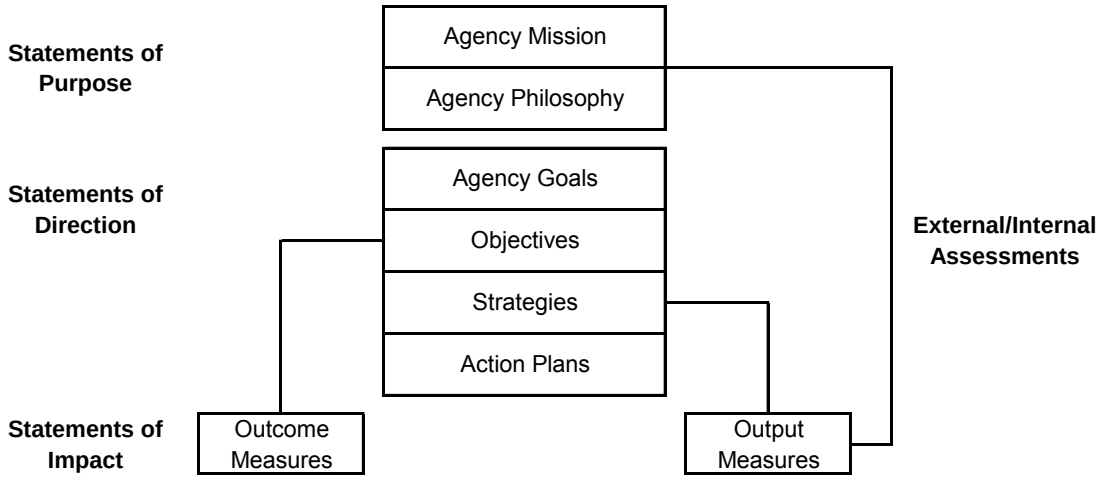
Elements of a Strategic Plan

1. **Agency Mission**—What the agency does.
2. **Agency Philosophy**—The expression of core values and principles used by the agency to carry out its mission.
3. **External/Internal Assessment***—An evaluation of key factors affecting the success of an agency in achieving its mission and meeting its goals.
4. **Goals**—The general ends to which an agency directs its efforts.
5. **Objectives**—Clearly-defined targets, in priority order, that quantify the achievement of an agency's goals and the effectiveness in qualitative and quantitative terms of meeting those targets.
6. **Strategies**—Actions and methods to achieve objectives.
7. **Outcome Measures**—Reliable assessments derived from objectives that indicate the effectiveness of agency actions.
8. **Output Measures**—Used to evaluate the effectiveness of agency strategies, they measure efficiency of agency actions.
9. **Action Plans***—Detailed methods that implement an agency's strategy.

** Inclusion in the agency budget request is optional.*

These nine elements can be grouped into three types of categories which move from the general to the specific. The **Statements of Purpose** are broadly defined and help delineate the overall agency mission and philosophies. The second grouping, **Statements of Direction**, break down the agency mission and philosophy into goals and objectives which are the basic building blocks of the strategic plan. The **Statements of Impact** detail the measurable outcomes for the objectives and outputs for the strategies defined in the Statements of Direction.

The relationship between the various elements described above is depicted graphically below:



1. Agency Mission

Description. The agency mission identifies the reason for an agency's existence. A mission succinctly identifies what the agency does (or should do), and why and for whom it operates. A mission reminds everyone—the public, the Governor, legislators, and agency personnel—of the unique purposes promoted and served by the agency. The mission should link with statutory requirements and the functional goals issued by the Governor and the Legislature.

Guidelines. The mission statement is all encompassing, rarely changed, and is the ultimate rationale for the existence of the agency. Representing the "what" and the "why," an agency's mission is the common thread binding its organizational structure and activities. A mission statement, generally one paragraph in length, should be clearly written to answer:

- Who are we?
- What do we do?
- For whom do we do it?
- Why do we do it?
- Why are public resources devoted to this effort?

Example. "The mission of the Department of Wildlife and Parks is to conserve and enhance Kansas' natural heritage, its wildlife, and its habitats to assure future generations the benefits of the state's diverse, living resources. The Department also strives to provide the public with opportunities for use and appreciation of the natural resources of Kansas, consistent with the conservation of those resources. Finally, to inform the public of the status of the natural resources of Kansas to promote understanding and gain assistance in achieving this mission."

2. Agency Philosophy

Description. The agency philosophy expresses the critical values and operating principles for the conduct of the agency in carrying out its mission. Agency philosophy articulates management policies and principles. While the responsibility for creation of the agency's vision rests with the agency head, effective visions are conceived through partnership between top management and all levels of the organization—in other words, those who will be implementing the vision.

Guidelines. The following consideration should be given to development of the agency philosophy:

- The philosophy represents how employees will conduct themselves as they carry out the agency mission.
- It embodies the organization's values.
- It should describe agency aspirations for the future.

Example. "The State Corporation Commission will act according to the highest standards of ethics, accountability and openness. We will regulate aggressively but fairly, in a competent, effective, and efficient manner. In serving the public, the Commission will balance the interests of consumers, regulated entities, and others—treating all with respect and dignity."

3. External/Internal Assessment

Description. The assessment is an ongoing evaluation tool critical to the development of each agency's strategic plan but is not necessarily a part of the plan itself. The determination as to

whether it should be included as a part of the budget document is to be made on an agency-by-agency case. If all or a portion of the assessment has particular relevance to the budget request, then consideration should be given to including it.

Assessments refer to economic, political, technological, demographic, and social factors affecting the organization from a historical perspective to determine how well the agency has met the challenges presented by its internal and external environments. It is an evaluation of key factors influencing the success of an agency in achieving its mission and goals. The purpose of the external/internal assessment is to set the stage for the agency's goal-setting process and to facilitate the agency's recognition of current and future issues.

External Assessment. The external assessment is an analysis of key external elements or forces that influence the conditions under which an organization functions. Trends should be reviewed with examination given to forces that have the potential to affect or alter key elements of the environment. Major issues or problems should also be anticipated. Projections should be made with regard to future forces, environmental changes, and new opportunities that may be available. One of the biggest environmental factors for state agencies is the state's fiscal status. No discussion of an organization's operating environment would be complete without an understanding of the revenue and expenditure estimates of the state as a whole, as well as of individual agencies.

Internal Assessment. An internal assessment examines an organization's performance, problems and potential; in other words, its strengths and weaknesses. It evaluates the agency's capacity to respond to issues, problems and opportunities. It identifies customers and their expectations.

Guidelines. The ongoing process of external/internal assessment should consider the following elements:

- Who are the agency's customers and stakeholders?
  The **customers** of government include anyone who receives or uses what a government agency produces or whose best interests are served by the actions of the agency. Customers can also be clients. Customers may be internal or external. Internal customers are units or persons (employees) in an organization whose work depends upon another unit or person within the same organization. External customers are end users of the organization's products or services. On the other hand, **stakeholders** are individuals who have a vested interest or expect certain levels of performance or compliance from the organization. However, stakeholders do not necessarily use the products or receive the services of an agency.

- Where has the agency been?
  How well have the needs of the customers (both internal and external) been met? Have quality products or services been provided? Have improvements been made or has the agency been stagnant or in decline? Why?

- Where is the agency now?
  Identify current programs or activities. Does the existing structure of programs and subprograms make sense? What are the statutory mandates for those programs or activities? Why are the programs or activities needed? Do existing programs or activities support one another? Do existing programs or activities support those in other state agencies? Are any programs in conflict?

- Where are the opportunities? What are the strengths and weaknesses?
  What opportunities for positive change exist? How are the needs and expectations of customers changing? Does the plan accommodate that change? What are the constraints in meeting the customers' needs and expectation? What is the organization's capacity to act?

With respect to the third item of the above list, agencies need to review their program structures at least annually. Program structures should be revised when evidence indicates that a revision will improve agency operations, budgeting, fiscal reporting, or management. In development or revision of a program structure, agencies should consider the following:

- Programs should serve a single purpose and set of objectives.
- A program may span more than one organizational subdivision within an agency; however, activities included in a specific program should be integrated.
- Programs should be split into subprograms only if the division improves agency operations, budgeting, fiscal reporting, or management of resources.

Either the agency or the Division of the Budget may initiate a change in program structure; however, all changes in program structure must be approved by the Division of Budget before they are incorporated into the central accounting system. Although agencies may include subprograms in the accounting system for management purposes, not every subprogram necessarily would be reported separately in the budget. Agencies should discuss the program structure with the assigned budget analyst to determine the best reporting structure. An agency proposal to change the program structure should be submitted in writing and should include the following:

- Copies of current and proposed program structure charts.
- An explanation of problems encountered in using the current structure or the improvement to be gained.
- An explanation of all alternatives considered to resolve the problems.

4. Goals

Description. Goals are the general purposes toward which effort is directed and are broad, issue-oriented statements reflecting an agency's priorities. They logically follow from, and are therefore consistent with, an agency's mission and philosophy. Within the context of an agency's external/internal assessment, they indicate what the agency intends to accomplish in the future. For strategic planning purposes, goals reflect the primary activities and strategic direction for the agency, programs or subprograms; they are not a comprehensive listing of every activity.

Guidelines. For agencies with more than one program, goals are generally reported in the strategic plan at the program level; however, more than one program could have the same goal. Also, the agency may report some goals at the agency level, rather than at a program level. Goals in the strategic plan should be reported in the programs where the responsibility for implementation is located. The following considerations will guide the development of goals:

- Achievement of goals should contribute to the fulfillment of the agency mission and philosophy.
- Goals should be realistically formulated in the context of external and internal constraints.

- Goals should be focused on agency customers and should be readily understood by agency customers.
- Goals should be presented in priority order based on level of importance or estimate of greatest effect.
- Goals should be limited to the number necessary to determine the agency's direction and provide a unifying theme for activities.

Example. The following examples compare well written to poorly written goals.

To rapidly and accurately respond to customer requests for information about _____.
vs.
To continue serving our customers.
(Not challenging.)

To ensure that the general public and industry representatives across the state are kept informed of important changes in _____.
vs.
To conduct one seminar in every county each year.
(Unclear purpose; may be more appropriate as part of an objective or action plan.)

To expedite processing of applications for _____.
(*Automation could contribute to making this goal more efficient.*)
vs.
To enter 3,000 agency records into the computer system by FY 2016.
(Too specific and short-term; would be more appropriate as an objective or action plan item.)

To improve employee morale and productivity.*
vs.
To train our employees.
(Unclear purpose; more appropriate as part of an objective or action plan.)

** Note: Because this goal addresses internal management concerns, it might not be one of the key goals reported in the budget.*

5. Objectives

Description. Objectives complete the "Where do we want to be?" part of the strategic planning process. Objectives are specific targets designed to achieve a particular goal. In contrast to goals (which are broad, general statements of long-range end purposes), objectives are specific, quantifiable, time-specific statements of accomplishment or result. Similar to goals, they are presented in priority order. Objectives set the direction for action or strategies.

Guidelines. The following considerations help guide the development of objectives:

- **Specific:** Objectives should reflect specific accomplishments that are desired, not ways to accomplish them.
- **Measurable:** An objective must be measurable to determine when it has been achieved. Measurement helps track progress and will be useful in evaluating the accomplishments of a program. Accountability should be built into the planning process.

- **Aggressive but Attainable:** If objectives are to be standards for achievement, they should challenge, but should not demand the impossible. Objectives should be realistic and attainable. For example, it would be reasonable to reduce highway accidents, but not to eliminate them. Objectives should also be consistent with resources available.
- **Result-oriented:** Objectives should specify a result or outcome, not just an activity. An example of a result would be, "Respond to 75 percent of all correspondence within 30 days with an annual average response of 21 days or fewer." An example of an activity would be, "To increase service to the public through improved correspondence content and turnaround."
- **Time-bound:** Specify a time-frame for meeting objectives. Each objective should be attainable within a relatively short time period. Objectives which would take longer to achieve are generally more manageable and better integrated with the budget process if they are divided into smaller pieces.

Example. The following examples compare well written to poorly written objectives.

To reduce by 5.0 percent the average cost of processing new hires by 6/30/2017.
vs.
To reduce processing time.
(Not specific, measurable or time-bound.)

To reduce the highway death rate by 10.0 percent in FY 2016.
vs.
To eliminate highway deaths.
(Too broad, not realistic.)

To complete 3,000 record searches during FY 2017.
vs.
To complete 3,000 record searches and 750 field investigations.
(Actually two objectives, not time-bound.)

6. Strategies

Description. Strategies are the methods or means an agency employs for transforming inputs into outputs. Thus, objectives indicate *what* the agency wants to achieve and the strategies indicate *how* objectives will be achieved.

Guidelines. The following considerations will guide the development of strategies:

- Strategies should be action-oriented, not procedural, in nature.
- More than one strategy may be needed to accomplish a particular objective.
- Strategies should be undertaken with a view to any constraints identified in the external/internal assessment.
- Strategies should be chosen on the basis of their potential benefit, as compared with other possible strategies, in accomplishing objectives.
- Strategies also should be chosen on the basis of their cost or other consequences, as compared with other alternative strategies, in accomplishing objectives.

- Strategies are supported and financed by inputs, the budgetary resources the agency requests in its budget submission, and there should be a clear and direct linkage between the inputs requested and the outputs that are estimated to be produced.

Example.

Objective: Increase the retention rate of undergraduate students by 5.0 percent in FY 2014. Strategies to attain this objective:

- Improve advising services for freshmen and sophomores. A campus-wide committee, including faculty and students, will develop a new model for freshman and sophomore advising, by the end of the fall semester of 2009.
- Ensure students have convenient and adequate access to computers. Campus buildings will be canvassed to determine areas of inadequate access. A plan will be developed to address access needs by the appropriate faculty and support staff.
- Examine course scheduling to ensure students may complete course of study in a reasonable amount of time.

7. Outcome Measures

Description. Outcome measures are derived directly from the objectives and indicate the effectiveness of agency actions. They are expressed in a quantifiable form and indicate the degree to which an agency is achieving its objectives. Outcomes, as distinguished from outputs, measure the ultimate result or effect of a service on customers.

Guidelines. The following considerations will guide the development of outcome measures:

- Outcome measures should be directly related to an agency's objectives and matched to an organizational unit responsible for achieving the measure.
- They should be reliable indicators (that is, consistent over time) of the objective to be measured.
- They should be quantifiable, and the information needed to support them must be available or obtainable without undue expenditure of agency resources.
- Outcome measures must be clearly formulated and readily understood.
- They should lead to a valid conclusion about an agency's past or current actions and facilitate budget decisions for future actions.

Example.

Percentage reduction in auto emissions.
Percentage improvement in air quality.
Reduction in incidence of measles.
Percentage of discharged patients living independently (versus homeless or on public assistance).
Percent of decrease in repeat complaints to a regulatory board.
Percent of increase in new businesses attracted to the state.
Percent of increase in tourists.
Percent of reduction in recidivism for juvenile offenders.
Number of students increasing their earning capacity upon graduation from adult literacy program.

8. Output Measures

Description. Output measures indicate quantitatively the amount of goods and services produced by an agency. They are used to evaluate the effectiveness of agency strategies, and they measure efficiency by calculating the ratio of goods and services produced (output) divided by input. Outputs are what the agency produces as an intermediate step to outcomes, which ultimately benefit the agency's customers.

Guidelines. The following considerations will guide the development of output measures:

- Output measures should be directly related to an agency's strategies.
- Output measures should be reliable indicators (that is, consistent over time) of the strategy to be measured.
- Output measures should be quantifiable (in unit cost terms, if possible), and the information needed to support them must be available or obtainable without undue expenditure of agency resources.
- Output measures should lead to a valid conclusion about an agency's past or current strategies and facilitate budget decisions for future strategies.

Output Measures versus Outcome Measures. It may be useful at this point to emphasize, by way of example, the distinction between outcomes and outputs, because both are a result of agency actions and could easily be confused. Most performance measures included in agency budget submissions to date have been output measures, rather than outcome measures. The following illustrates the difference between outputs and outcomes.

Output:	number of patients treated
	is not the same as
Outcome:	number of discharged patients living independently
Output:	number of vaccines given
	is not the same as
Outcome:	reduction of incidence of disease
Output:	number of permits issued
	is not the same as
Outcome:	number of entities in compliance with requirements
Output:	percentage of high school students who graduate
	is not the same as
Outcome:	percentage of students attaining a specified level of knowledge or mastery of skills in certain subjects upon graduation

Service Delivery. The following diagram is intended to depict the proper relationship between various elements of an agency's service delivery system, particularly with respect to outcomes. Note the relationship between inputs—representing budgetary resources in support of people, time, space, and information—and outputs. It also shows the relationship between outputs, as an immediate product of the agency's effort, and outcomes, the effect the service has on the agency's clientele.

Service Delivery System and Outcomes

Agency Delivery System (Processes within the Agency					Outcomes (Results outside the Agency)	
Inputs	Input Indicators	Agency Activities	Output	Output Measure	Outcome	Outcome Measure
Personnel	$ for salaries	Transportation: Road Repair	Lane-miles of road repair	No. of lane-miles repaired per $ expended	Quality or condition of roads	Percentage of lane-miles in good condition
Supplies	$ for asphalt/ aggregate					
Facilities	$ for capital projects					
Efficiency "Doing things right"					**Effectiveness "Doing the right things"**	

Another type of output indicator measures efficiency. An efficiency measure is generally stated as a ratio of output to input or as an average. Ratios are used to express the relationships between performance measures to convey information about the productivity and cost effectiveness of a program or subprogram. In the example above, the cost per lane-mile of road repaired is an efficiency measure.

Checklist for Good Performance Measurement

Well-developed performance measures should include the following characteristics:

- **Meaningful:** measures are significant and directly related to the mission and goal.
- **Relevance:** data essential for understanding the accomplishment of goals and objectives are included.
- **Comparability:** there is a clear frame of reference for assessing performance.
- **Timeliness:** information is available to users in time to make decisions and assess accountability.
- **Consistency:** data are reported consistently from period to period. It should be reviewed regularly and modified or replaced as needed to reflect changing circumstances.
- **Reliability:** measures are derived from systems that produce controlled and verifiable data.
- **Comprehensibility:** measures are comprehensive enough to be a fair representation of the agency's overall effort.

Developing Performance Measures

- **Establish appropriate mission and goals as outlined above.**
- **Select initial performance measures.** Ideally, performance measures are established by program managers with feedback from customers and policy-makers. The most effective measures are those which represent a consensus of what is intended and expected. Inputs are generally easiest to collect; outcomes tend to be the most difficult.

Try to balance the measures to include both. Based upon a review of the agency's mission, program goals and any existing measures:

Generate an initial list of inputs.
Generate an initial list of outputs.
Generate an initial list of outcomes. (It may be easier to identify these first.)
Generate an initial list of output measures.
Generate an initial list of outcome measures.

- **Select the key performance measures.** For each program, review the list of initial measures and select those that are **most important** based upon the mission and goals. In other words, identify which are the vital few measures from a policy-maker's perspective.
- **Define performance measures.** Good performance measures need to be specifically defined. Clear explanations of what is being measured, the source of the information, and how the value is being calculated should be documented:

  Have the terms been clearly explained? e.g., "poverty"
  How is the number calculated?
  What formulas are used?

- **Determine data requirements.** Information used to measure performance can take different forms. It can be financial (cost per application processed) or non-financial (infant mortality rate). To determine the data the agency needs to collect, ask:

  What information do we currently gather? Will it meet our needs?
  What new information will be collected?
  Can data collection efforts be layered onto existing collecting efforts?
  What existing data collection should be discontinued? Why?
  What computer hardware and software exist to assist data collection and analysis?
  What new or modified forms will be needed to collect data?
  What resources will be needed to manage performance data?
  What are the constraints to changing data collections? (Money, technology, tradition, politics, privacy, etc.)
  How frequently will the data be collected? Monthly? Quarterly? Annually?

  Performance data should be collected at the source of service because:

  Those closest to program service know the program best.
  Those who deliver the service can identify collection problems very quickly.
  They also often have the best solutions to solving collection problems.
  It may be too costly to train someone else to collect the data.

- **Determine baseline performance.** The next step is to assess baseline performance (Where are we now?). A baseline is established with data collected at the beginning of an improvement process so that it can be compared with future data to measure progress and improvement. If historical data are available, they can be used to determine the baseline. The baseline is usually derived from the most recent one-year period, or a shorter time-frame, if data are unavailable.

- **Use benchmarks to establish performance targets.** Benchmarks may be professional standards, national standards, accreditation standards or quality practices. After comparing baseline status and benchmarks for a particular program, managers and staff know how far the organization must go to equal the best performers. The difference or "gap" between the target and the actual performance represents room for

improvement and should form the basis of expected improvements to agency performance.

- **Measure actual performance and report results.** An important way to measure progress toward the goals in the strategic plan is to measure actual performance. While agencies can never measure all the variables or identify true cause-and-effect relationships, unexpected results should be explained, if possible.

- **Review and Update Performance Measures.** Developing good performance measures is a process that evolves with time. Measures will need to be reviewed on an ongoing basis, and changed as necessary, based on experience.

9. Action Plans

Description. Action plans make up the "How do we get there?" part of the strategic planning process. The action plan contains the details of how objectives, and consequently the goals, programs and the mission of the agency will be implemented. In other words, who does what and when?

Guidelines. Action plans should contain as much detail as each level of management feels is important. The section, unit or individual who is responsible for implementing and reporting each objective will need the most detail. As with the external/internal assessment, they are not generally included in the budget request, but provide background information to the published strategic plan. To manage an action plan, it is necessary to:

- Assign responsibility for successful completion of the action plan.
- Set a time-frame for completion of the action plan.
- Detail the action plan in steps.
- Determine the fiscal effect of the action plan and the resources to carry it out.

Example.

Goal: To ensure that all nursery and garden businesses meet the initial requirements for licensure.

Objective: Review materials submitted by individuals who seek licensure to ensure that they meet the requirements for licensure.

Strategy: Provide assistance to potential licensees who may not understand or meet all licensing requirements.

Action Plan: By March 1, 2017, Daisy Crabtree, Examiner II, will develop a brochure regarding licensure requirements for operating a nursery and garden facility.

By April 1, 2017, brochures will be printed and distributed to all post-secondary education institutions that have programs in horticulture or landscape architecture. For printing and mailing costs, $200 is included.

By May 1, 2017, Ms. Crabtree will have an outline for an oral presentation to be given at the post-secondary institutions, high schools or other pertinent groups, regarding the regulated profession.

By June 1, 2017, she will begin scheduling presentations around the state. $500 is included in the next year's operating budget for travel costs.

Budget Preparation

This section of the *Budget Instructions* is intended as an overview for agency budget request preparation. For those forms that will continue to be submitted in separate electronic files (such as the budget narrative), specific instructions are provided in this and other sections. Two requirements for submitting agency budgets deserve special notice. First, the data columns for all of the affected years must be completely filled out in detail. Second, each agency must submit its budget to the Division of the Budget and the Legislative Research Department **no later than September 15,** or the first subsequent business day if that day falls on a weekend. Earlier submission is encouraged and is accomplished by following the instructions in the system User Manual for submitting the agency request to the Budget and Legislative Research analysts. To assist budget system users, a job aid has also been prepared to step agencies through the sequence of getting a budget submitted within the budget system. This job aid can be found on the DOB website.

Following the Governor's directive that state government institute a biennial budget process including all state agencies, all agencies are to submit complete budget estimates every other year. A new biennium starts with an even-numbered fiscal year. For example, in September 2014, agencies will submit requests for both FY 2016 and FY 2017. For the complete budget submission, agencies provide proposed estimates for the current fiscal year and the two upcoming budget years, as well as actual data on the most recently completed fiscal year. The budget request for the two upcoming fiscal years must take into account the guidelines and allocations issued by the Division of the Budget. Agency allocations are provided to agencies under separate cover.

Organization of Budget Data

An agency budget comprises many data elements, which are organized in various ways in the budget system. The budget database provides a structure from which specific data may be extracted to develop reports or examine trends. In order to obtain accurate reports, users of the system must understand this organization and follow the guidelines for entering the budget data. With the direct download of raw transaction data, the budget system is constrained to report expenditures and revenue information exactly as they were processed through the accounting system. In order to obtain the best information possible, the Division of the Budget continues to work with agencies and the accounting staff within the Department of Administration to change fund structures or other processes to enhance the usability of the system.

Federal Funds

In order to distinguish expenditures from federal sources, the Division of the Budget, with the assistance of the Department of Administration, now requires that new federal monies be identified in their own separate funds. They can no longer be blended with state sources within a single fund. New federal funds will continue to be added, as necessary, to preserve the integrity of reporting expenditures from federal sources. A separate federal fund must be established for each federal grant, identified by a separate CFDA value. Agencies must identify new funds to be added in their budget narrative, so that the Division of the Budget analyst can place them in the appropriation bill.

Non-Expense Items

With regard to non-expense items, these expenditures are excluded from total reportable expenditures. Because data are loaded automatically from SMART, users should understand how these expenditures are addressed. Within the budget detail, non-expense items are included on both the expenditure by account code (formerly object code) and by funding source. On standard budget system reports, no distinction is made between reportable and non-reportable expenditures. To distinguish these data, the custom DA 406/410 report excludes these expenditures from the agency and program reportable expenditures. The Division of the Budget excludes certain funds from the budget system in their entirety so that the state budget is not improperly overstated. For further information, refer to the Glossary in these *Budget Instructions*, and for agency-specific questions on this issue, please contact your budget analyst.

Record Class (Series)

In the budget database, expenditures and financing of those expenditures must be balanced not just by reporting level, but by series of expenditure, otherwise known as record class. The list below denotes the series used for data entry of expenditure and financing data. The budget system will verify that expenditure and financing data are in balance for each series upon budget submission. For ease of use, the system budget validation report indicates the series and reporting level(s) that are out of balance for the user to correct.

Series Name	Record Class Identifier
Salaries and Wages	1
Shrinkage	10
Contractual Services	2
Commodities	3
Capital Outlay	4
Capital Improvements	5
Debt Service—Interest	6
Debt Service—Principal	7
Aid to Locals	8
Other Assistance	9
Operating Adjustments	91
Non-Expense Items	92

Overview of Fiscal Year Data

State law requires that expenditure and funding proposals for the upcoming fiscal year be accompanied by parallel information on spending and funding levels for the current and prior fiscal years. An agency's budget request must contain actual year data, the current year revised estimate and the budget year request. The budget system is configured with the columns listed below for the upcoming cycle.

Column 1	FY 2014 Actuals
Column 2	FY 2015 Approved (open for agency adjustments)
Column 3	FY 2015 Base Budget Request
Column 4	FY 2015 Agency Change Packages
Column 5	FY 2015 Adjusted Budget Request

Column 6	FY 2016 Posted Payroll
Column 7	FY 2016 Base Budget Entry
Column 8	FY 2016 Base Budget Request
Column 9	FY 2016 Agency Change Packages
Column 10	FY 2016 Adjusted Budget Request
Column 11	FY 2017 Posted Payroll
Column 12	FY 2017 Base Budget Entry
Column 13	FY 2017 Base Budget Request
Column 14	FY 2017 Agency Change Packages
Column 15	FY 2017 Adjusted Budget Request

Actual Year Expenditures

The actual year data in column 1 represent expenditures which occurred in the prior fiscal year and provide a point of comparison. Data in this column come directly from the state's accounting system for reporting purposes in downloads. The download occurs in mid-August to incorporate updated actual expenditures.

Changes to actual year expenditures after the books have been closed must be negotiated with central accounting staff within the Department of Administration, which notifies the Division of the Budget for entry into the system. Agencies will not have an opportunity to change actual expenditures in the budget system, so that data in the two systems remain identical.

Current Year Estimates

Within appropriation constraints, agencies should adjust projected current year expenditures to reflect the most current and realistic estimate of expected expenditures. The current fiscal year estimate is a revision or modification of the approved budget which is being executed in the current fiscal year. In an attempt to save agencies data entry time in the new biennial budget format, the FY 2015 approved budget as it appears in the 2015Z01 versions will be loaded into the FY 2015 Base Budget Entry column. The $250 employee bonus payment, as approved by the State Finance Council, will be added to the approved amount. Because of the difference in reporting level structures between executive versions and agency versions, the approved budget can be loaded into only one Department ID per Program. While it is not required, agencies can divide the expenditures and funding into the appropriate Department IDs by making adjustments in the Base Budget Entry column or by entering a change package to deduct from the Department ID where the budget is loaded and add to other Department IDs. If a change package is used to reallocate the approved budget, use a Group A—Agency; Type I—Reallocate Approved Budget (AI#) change package.

Agencies will have the opportunity to enter revisions to their approved FY 2015 budget without using change packages in the system. Reallocations among expenditure types and programs may be done within the budget detail; however, if compelling circumstances require that an agency receive an increase in expenditure authority in the current fiscal year, a supplemental request should be included as an identifiable change package. These revisions can be done by change package or by altering the data in Column 2, according to the agency's preference.

Reappropriations should be entered as part of the revised request. This information can be found in the fund detail of the Special Fund Balance module in the budget system. If

additional expenditures will be made using these reappropriated funds, agencies may enter these in the Base Budget Entry column 3 or as a change package using an AI change package in column 4. Column 4 reflects current year policy changes to the budget, such as requests for supplemental appropriations, which must be presented in the form of change packages. Column 5 is the sum of data in columns 3 and 4; it allows no direct entry.

Instructions on how to develop a change package are found in the Budget System User Manual. These requests must be numbered on a priority basis and use the system categories "Group: Agency (A)" and "Type: Supplemental (C)." An overview of the supplemental request and offsetting savings should be provided as part of the change package description. This description should include an analysis of the reason(s) for the revised request, and a breakdown of revised needs by funding source.

Budget Year and Out Year Information

The budget years include data on the agency's request, including reduced resource packages and enhancement packages for which the agency is seeking funding and support. FY 2016 and FY 2017 are the budget years to be requested in September 2014.

Agencies enter budget year request data in Columns 7 and 12, accounting for approved funds, plus all other agency funding sources available in those years. Columns 7 and 12 represent the total agency budget request, with the exception of enhancement packages. The FY 2016 and FY 2017 budget requests represent the best estimate of the agency's performance, within allocated resources. The Division of the Budget outlines certain criteria to be met for these requests, such as adjustments for estimated population or caseload changes. The agency budget requests are represented as an agency total on the various forms. Internal management initiatives or reorganizations that do not require additional funding or a change to the mission and goals of the agency can be represented in these budget scenarios. A significant change in policy direction should be discussed as an enhancement package, which is described below.

Columns 9 and 14 will be used for change packages in the budget year, including approved reduced resource packages and enhancement packages. Agencies entering change packages should ensure that they are in balance (expenditure by account codes equals funding for every series). The budget system will require this balancing. Further detail is provided below on these two types of budget packages (column 6) and what is to be included in the budget year request (column 5). Columns 10 and 15 are the sum of columns 8 and 9 and columns 13 and 14 and require no entry on the agency's part.

Enhancement Package Instructions

Any enhancement to the agency budget request is to be requested in a change package. As with reduced resources, enhancement packages are incremental adjustments to the budget year request. Enhancements can include an expansion of an existing program, the establishment of a new program, or a significant shift in program direction. The package reflects the incremental expenditures and personnel requirements, as well as the method of financing for the requested enhancement for the budget year and three ensuing fiscal years.

The packages should be designed under the assumption that the allocated agency budget request is available. Enhancement packages are an opportunity for an agency to demonstrate the effect of individual program expansions or new programs for the budget year. They also provide decision-makers with the necessary information to approve or deny an

enhancement package based on performance and funding. The decision package is the key concept for the Governor to review the request.

Each package must contain complete information for that enhancement. The budget system provides that change package budget data are entered in the appropriate reporting level(s). Enhancement packages must be numbered on a priority basis and use the system categories "Group: Agency (A)" and "Type: Enhancement (E)." If an agency requests more than one enhancement, an agency-wide priority should be assigned to each enhancement, i.e., 1/3 (first of three). Each enhancement package should contain the following elements in the narrative:

1. A general description and justification of the requested enhancement. It should also include discussion of any change in the law that would need to occur to carry out the enhancement as well as a discussion of increases or changes in fees, federal or private grants or other method of financing.
2. Justification by major account code (salaries, commodities).
3. A discussion and demonstration of the related goals, objectives, strategies, and performance measures for the budget year and three ensuing fiscal years. Particular attention should be given to the enhancement's relationship to the agency mission and providing valid and reliable performance measures. **Requests without such information will not be considered.**
4. A discussion of the enhancement's effect on other agency programs or another state agency's programs.
5. Tables reflecting expenditures, financing, and personnel requested for the budget year **and three ensuing fiscal years.**

Salaries and Wages

Guidelines for using the personal services module follow the prior pattern for constructing the traditional DA 412. It should be noted that for entering shrinkage adjustments, agencies should enter the amount directly in a unique salary account code, 519990, in each applicable reporting level within this account code, as a negative amount. On the funding side, the same amount is taken out of appropriate fund(s) for salaries in each reporting level. No FTE position changes should be made for a shrinkage adjustment.

For this upcoming cycle, the budget system will automatically enter FTE and non-FTE unclassified permanent position data for each reporting level, for the two upcoming budget fiscal years, when the position module is clicked to complete. Because agencies do not have access to column 1, the Division of the Budget will manually enter position data for the actual year, from data provided by the agency in the overview narrative.

In FY 2017 there will be a 27th paycheck. The budget system will automatically calculate the additional salary expenditures by increasing the duration for FY 2017. It should be noted that the rate of pay will remain the same, but the annual salary will be higher.

Agencies sometimes request certain salary adjustments applied to positions in the classified service. Classification actions can take two forms: one for individual positions and one for groups of employees in the same or similar classifications. Requests for these actions are handled two ways. Agencies should include **individual** position classification actions as

enhancement change packages in the format provided in these instructions; the number of positions affected should be identified. For **classification study actions** (including pay grade changes), agencies must receive approval from the Division of Personnel Services prior to including the enhancement package in the budget request. Agencies may include personnel actions for unclassified positions (individual positions and studies) in the budget requests, also as enhancement packages.

Unbudgeted individual position actions are allowed in recognition of the fact that agencies cannot always anticipate when such actions will be appropriate or required. However, unbudgeted personnel actions should be implemented only if the action can be financed from existing agency salary and wage resources. These changes can be accomplished within the personal services module on the position information tab for a position in the appropriate fiscal year.

It must be emphasized that agency fiscal personnel are responsible for assuring that salary and wage costs do not exceed salary and wage resources available for the current fiscal year. Some personnel classification actions may be imprudent; however, responsibility for that judgment rests with the agency. Division of the Budget approval of unbudgeted actions is not required. However, requests for supplemental funding as a result of unbudgeted actions will be recommended only in exceptional circumstances.

Capital Outlay

Similar to expenditures for personnel, expenditures for capital outlay items are given extended treatment in the budget process. Accounting Policy Manual, Filing 7,002 indicates the kind of expenditures that are included in this category (generally account codes in the 54XXX series).

Unless capital outlay items are to be purchased as part of a larger capital improvements project, they are included in the proposed operating budget of the program or subprogram where they will be used. Agencies enter dollar amounts in the budget detail by account code. The budget request narrative for capital outlay should include discussion of current year purchases in the event that they differ significantly from purchases approved by the Legislature.

For FY 2015, agencies are required to submit a revised budget that remains within the dollar amount and the number of vehicles that the 2014 Legislature approved, following Section 107 of 2014 Senate Sub. for Sub. for House Bill No. 2231. Any vehicle expenditures that would exceed the agency's approved spending must be submitted as supplemental requests.

For FY 2016 and FY 2017, requests for all vehicles should be included as part of the agency's operating budget. Any vehicle to be replaced must meet the standard mileage threshold of 130,000 miles for passenger cars and 150,000 miles for trucks, as outlined in Section 107. Assuming the purchase is not part of a program expansion, agencies should work financing of replacement vehicles within their base budget request. The following expenditure account codes are to be used in the budget system for these purchases:

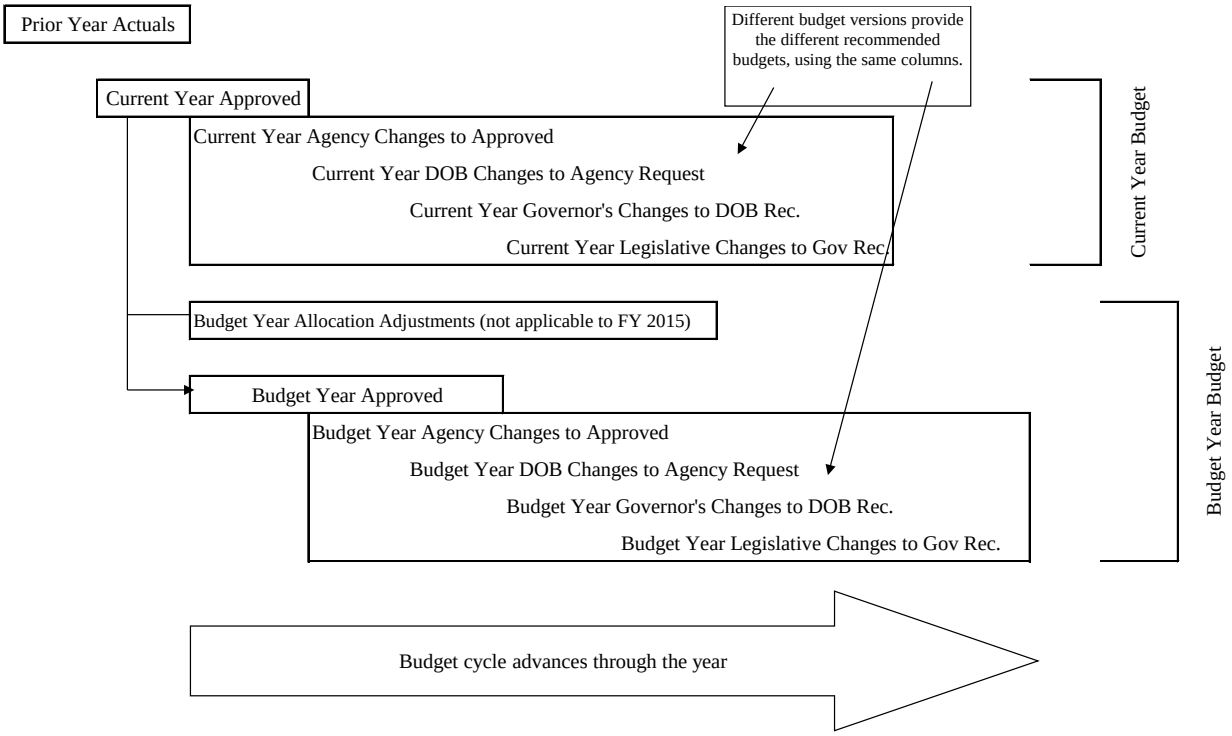
Account Code	Description
540500	Passenger Cars
540600	Pickup Trucks and Passenger Vans

Overview of Versions

The budget system identifies different stages of budget data through the use of versions. The system accommodates several version types, such as “Download,” “Agency,” “Executive,” and “Final Approved.” Within limits, more than one budget can be created within the same type of version (Agency 1, Agency 2, etc.). Budget versions are “owned” by different users throughout the budget process for viewing and development. The graphic on the following page depicts how the budget system uses the same column structure throughout the budget cycle, with different versions to distinguish the agency budget from the Division of the Budget recommendation, the Governor’s recommendation, or the Legislature’s approved budget.

The budget system is configured to include numerous version types:

Download	Initial “starting point” that includes prior year actual and cash balance data from SMART.
Agency	Agencies’ working copies of budget request, prior to submittal.
Agency Submitted	Agency final request, which is “submitted” and opened to the Division of the Budget and Legislative Research Department.
Division of Budget	DOB analysts’ working copies of agency budgets.
DOB Submitted	Final DOB recommendations provided on November 10.
Governor	Division of the Budget working versions to formulate the Governor’s recommendations.
Governor Submitted	Finalized Governor’s budget recommendations opened to agencies and Legislative Research Department in January.
Legislative	Working versions used by Legislative Research Department during the legislative session.
Final Budget	Finalized budget data adopted by the Legislature.



The ownership of the budget version dictates who has control over opening, closing or limiting access to the budget data. The type of budget version identifies the ownership of the budget data. For example, an agency controls the agency version, while the DOB analyst controls the executive version. The access field on the budget request checklist in the budget system is where versions are opened or closed to others by the party that controls the data.

Overview of DA Forms

The DA 400 series printed forms are no longer used for reporting of most budget data, but instructions specific to budget narrative and examples of the forms that have been retained follow this section of the instructions.

Agency/Program Narrative—DA 400

Narrative provides information regarding the agency and each of its programs, as well as strategic planning and budget proposals. Narrative is provided to describe the mission, goals, and statutory directives of the agency as a whole. It is to illustrate the basis for budget requests which represent the translation of program goals, objectives, and strategies into funding requests. Program narrative provides a major source of background information to the Division of the Budget, the Governor, and the Legislature when budget requests are evaluated.

As required by KSA 75-3717, the narrative description for each new or expanded program must include an estimate of anticipated expenditures for the budget year and three ensuing fiscal years that would be required to support the new or expanded program (see Enhancement Packages below).

When preparing narrative information for the agency and each of its programs, agencies should ask the following questions:

1. Have agency and individual program objectives, strategies for achieving those objectives, operations, governing statutes, and trends changed in the past year?
2. If changes in the agency program structure are necessary, how should they be incorporated into the program narrative?
3. Are there any new constraints, developments or trends affecting agency or program performance that a decision-maker should know about in order to make effective budget recommendations?

Budget narratives should be provided in electronic format submitted by diskette or e-mail to the budget analyst. The Division of the Budget will retain the electronic files for archiving of budget data and information, so it is important that agencies provide the files in either Microsoft Word or Excel format, or in a format that is compatible with those programs. For assistance in this area, please contact your budget analyst.

Note: Actual data for performance measures, revenue information (similar to the DA 405), and other background information should continue to be provided for two actual years.

The agency narrative should also include summary discussions of the budget year request, the reduced resource changes, and any enhancement package and its effect on agency operations and service delivery capabilities. Other specific narrative instructions are as follows:

Actual Position Numbers. As mentioned previously, the first column of budget data includes the prior year's actual expenditures and revenues. Numbers for actual filled positions in the prior year, however, are not filled in from either SMART or SHARP. The Division of the Budget analyst must manually enter these data for FTE positions as well as non-FTE unclassified permanent positions. Agencies are requested to provide this information within their agency overview narrative, on a reporting level or program basis, not only on an agency-wide basis.

New Funds. Agencies are requested to indicate as part of their budget request any new funds or accounts that they wish to have created. Agencies should include a suggested fund or account title consisting of three to five words that accurately characterize its intended purpose. Federal funds must have the word "federal" somewhere in the title. Also indicate the fiscal year or years for which the fund is needed. The Division of the Budget will use this information in drafting the appropriations bill. Particular attention should be paid to federal funds, given the new standard that every federal grant with a unique CFDA number have its own designated fund.

Narrative for Expenditure Requests by Major Account Code (e.g., Salaries, Contractual Services, Commodities, Capital Outlay)

Narrative should include an explanation of proposed expenditures by major account code category. The following information should be provided for the current and the budget years:

1. Use of historical references, where relevant, to justify the level of expenditure.
2. Detailed description and supportive information of estimated expenditures that represent a significant portion of the overall account code request.

3. Meaningful discussion of what expenditures will or will not accomplish.
4. A description of the agency or program staffing pattern.
5. A description of any lease purchase or installment purchase contracts.
6. A description of significant adjustments to current year expenditures.

Aid to Local Governments and Other Assistance, Grants and Benefits

The major account code categories of Aid to Local Governments and Other Assistance, Grants and Benefits require that additional narrative information be provided. Aid to Local Governments is defined generally as funds disbursed to counties, cities, public schools, community health centers, and other subdivisions of local government that have their own taxing authority. In addition, this category can include shared revenue and funds disbursed to qualified non-state, not-for-profit organizations.

The Other Assistance, Grants and Benefits category is defined as payments from state or federal funds for the benefit of eligible recipients. Payments for other assistance include personal claims, student financial aid, welfare assistance, and lottery prizes.

The narrative description on the DA 400 should provide a full explanation of the purpose of the aid or assistance request. If applicable, the narrative should also account for the effect of the expenditures on local governments. The narrative should include:

1. Description of the funding sources and matching requirements.
2. How and to whom the monies are distributed.
3. The population served.
4. Other revenue sources utilized by, or available to, the recipients.
5. Any other information necessary to describe the request.

Resource Estimate by Fund—DA 404

The DA 404 report explains the factors that determine the amount of money available to, or required by, an agency from available funding sources. Because these forms are now incorporated within the budget system, agencies no longer must submit a set of paper or electronic DA 404 forms. Examples of 404 reports from the budget system are part of the example budget at the end of this section. For instruction on entering revenue data in the system, refer to the Budget System User Manual. The functionality of the 404 has been improved to provide for automatic calculation of the balance forward from one year to the next. Users no longer have to make column selections prior to running the DA 404 report.

Explanation of Receipt Estimates—DA 405

Accompanying the DA 404 forms, a narrative explanation should be provided using the DA 405 which explains the methodology used to estimate resources. **A DA 405 must be completed for every budgeted fund, except for the appropriated state funds** (State General Fund, Kansas Endowment for Youth Fund, Children's Initiatives Fund, Economic Development Initiatives Fund, State Water Plan Fund, Expanded Lottery Act Revenues Fund, and the three building funds). This form continues to be submitted with the narrative. Examples follow at the end of this section. Information on the form must include:

1. State law or rules and regulations that establish the fund and determine receipts that are credited to it.
2. A description of any fee structure used in the computation of estimated revenues.
3. The identification of any authorized or proposed fee according to the revenue account classification administered by the Department of Administration.
4. The appropriate level of balances that should be maintained in any particular fund and an explanation of the effect upon balances of the alternative expenditure levels.
5. Agencies responsible for accounts receivable estimated to be $1,000 or more in the budget year must include the following information on the DA 405: accounts receivable balances, collection rates, and estimated revenue based on the probability of collection.
6. Agencies receiving federal funds should include federal law or rules and regulations that govern the distribution and utilization of those funds.

Note: Indicate two years of actual information on the DA 405 for each fund source.

This budget example is intended to serve as an illustration of the different parts of an agency's budget; it is neither a complete nor an actual replication of any single agency's budget.

Narrative Information—DA-400	
Division of the Budget	Agency: Kansas Department of Commerce
State of Kansas	Program: Trade Development Division

September 8, 2014

Mr. Shawn Sullivan, Director
Division of the Budget
900 SW Jackson, Suite 504-N
Landon State Office Building
Topeka, Kansas 66612

Dear Mr. Sullivan:

As Secretary of the Department of Commerce, I hereby submit for your consideration the Fiscal Year 2016 and 2017 budget document for the Department. It has been prepared in accordance with the instructions transmitted with your letter of July 8, 2014. To the best of my knowledge and belief, the information and explanation included in this budget request are correct and complete.

As always, my staff and I are prepared to provide any additional information which you or our budget analyst may require.

Sincerely,

Pat George
Secretary

Narrative Information—DA-400	
Division of the Budget	Agency: Kansas Department of Commerce
State of Kansas	Program: Trade Development Division

AGENCY MISSION

To deliver the highest level of Business Development, Workforce and Marketing services that build a healthy and expanding Kansas economy.

As the state's lead economic development agency, the Kansas Department of Commerce strives to empower individuals, businesses and communities to achieve prosperity in Kansas. To this end, the Department comprises a variety of programs and services that create jobs, attract new investment, provide workforce training, encourage community development and promote the state as a wonderful place to live, work and play.

PROGRAMS ESTABLISHED TO ASSIST WITH AGENCY MISSION

Business Development Division
Rural Development Division
Trade Development Division
Entrepreneur Technology Program
Workforce Services Division
Kansas Athletic Commission
Kansas Film Commission

STATUTORY HISTORY

The Kansas Industrial Development Commission was created by an act of the 1939 Legislature to promote Industrial Development and improve the economic welfare of the state. Upon recommendation of the Governor's Economic Development Committee, the 1963 Legislature reorganized the Commission into a Department of Economic Development with increased responsibilities for community development. Executive Reorganization Order No. 7, K.S.A. 74-5002(a) created the Department of Economic Development as an executive cabinet-level agency in 1975.

K.S.A. 74-5008(a) through K.S.A. 74-5032 had major revisions in 1985 reorganizing the Department into four divisions: Small Business Development (K.S.A. 13-13a28); Community Development (K.S.A. 74-5009); Travel and Tourism and Film Services (K.S.A. 74-5032); and Industrial Development (K.S.A. 74-5008a) and two offices under the Secretary: Minority Business (K.S.A. 74-5012) and Advanced Technology (K.S.A. 13-13a27). Two divisions were abolished at that time: Housing and Minority Business.

In 1986, the name was changed to the Department of Commerce. In 1992, K.S.A. 74-5002(a) brought the Department under the provisions of the Kansas Governmental Operations Accountability law while abolishing the sunset provisions in K.S.A. 74-5049.

The 2003 Legislature adopted Executive Reorganization Order No. 30 which transferred the Division of Housing to the Kansas Development Finance Authority and changed the agency name to the Kansas Department of Commerce. This change was effective July 1, 2003.

The 2004 Legislature adopted Executive Reorganization Order No. 31 which transferred the Employment and Training Division of the former Department of Human Resources to the Kansas Department of Commerce, effective July 1, 2004.

The America's Job Link Alliance of the Department of Labor was transferred to the Kansas Department of Commerce effective July 3, 2005.

The Travel & Tourism Division was moved to the Department of Wildlife & Parks by ERO 36, effective July 1, 2011.

The Commission on Disability Concerns was moved to the Governor's Office by ERO 35, effective July 1, 2011.

AGENCY-WIDE OVERVIEW

Current Year:
There were a number of changes to the agency budget beginning in FY 2014. While a number of programs were moved to other agencies or eliminated, many new responsibilities were added: Animal Health Research Grant, Aviation Research Grant, Cancer Center Research Grant, Engineering Expansion Grants, Rural Opportunities Zones Program, Entrepreneur Technology Program (formerly KTEC), the Job Creation Fund, the oversight of the Governor's Economic Council and the new Creative Industries Commission.

In addition to all of these changes, the EDIF block grant allocation was reduced by 5% or $0.78 million. To maintain focus on delivering the agency's mission, all necessary reductions were evaluated and prioritized to minimize impact to any one program or service. Programs impacted include: business recruitment and retention efforts, Women & Minority Business program, KSBDC Passthrough, Network KS Passthrough, Main Street programs, Main Street Incentive Without Walls Grants, KS Industrial Training/Retraining (KIT/KIR) programs, Kansas Athletic Commission, and Kansas Film Commission.

In addition, professional services, contractual services, administrative costs and marketing will be impacted, but with attention will be paid to ensure the programs Commerce has to ensure maximum impact to our state's economy.

In accordance with the Division of the Budget instructions, Department of Commerce has submitted a budget within the amounts approved for FY 2015 by the 2014 Legislature. Where administrative savings have been found, those are detailed in the program-specific narrative.

Narrative Information—DA-400	
Division of the Budget	Agency: Kansas Department of Commerce
State of Kansas	Program: Trade Development Division

Budget Years—Allocated Resource Budget:

The national economy continues a sluggish recovery; however, there are indications that Kansas may be nearing an upturn in its outlook but with a conservative approach. As such, the FY 2016 and FY 2017 allocations reflect a $786,671 or 5% in reduced resources from the EDIF.

While Commerce continues to strategically evaluate all programs and services for continued focus on its mission, the continued cuts could have an impact on the agency's ability to continue to serve Kansas and its businesses.

Programs impacted include: Women & Minority Business program, Agriculture Value-Added Loan program, Simply Kansas programs, KSBDC Passthrough, Network KS Passthrough, Main Street programs, SCIP grants, Community Capacity Building Grants, Main Street Incentive Without Walls Grants, Office of Rural Opportunity, KS Industrial Training/Retraining (KIT/KIR) programs, Kansas Athletic Commission, and Kansas Film Commission.

Additionally, professional services, contractual services, administrative costs and marketing will be adversely impacted resulting in reduced services to Kansas and overseas businesses and clients.

EDIF Operating Grant
Outcome Measures

	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate
Jobs Created	9,398	6,500	6,500	6,500	6,500
Jobs Retained	8,486	8,500	7,100	7,000	7,100
Payroll Generated	$125,744,391	$205,000,000	$1,500,000	$1,500,000	$1,500,000
Capital investment in Kansas	$256,148,633	$313,000,000	$515,000,000	$315,000,000	$319,000,000
Funds leveraged through match	$18,117,349	$16,500,000	$16,500,000	$16,500,000	$16,500,000
Individuals trained	9,428	9,000	10,400	10,400	10,400
Sales generated	$75,949,689	$69,500,000	$110,000,000	$110,000,000	$110,000,000
Increased visitation	348,758	318,000	334,000	334,000	334,000
Tourism revenue generated	$33,102,594	$32,000,000	$33,600,000	$33,600,000	$33,600,000
Kansans served	4,462	4,400	4,450	4,450	4,450
Number of communities served	316	300	315	315	315

Actual Position Data:

The Department of Commerce has an FTE limitation of 164.25 for FY 2015, with 105.04 non-FTE unclassified permanent positions authorized. The Department's actual FTE data for FY 2014 is as follows:

Program		FTE Positions		Non-FTE Unclassified Permanent Positions
General Administration		44.25		5.00
Business Development		12.00		3.00
Rural Development		8.00		1.00
Trade Development		6.50		2.00
Workforce Development		89.25		89.00
Commissions		1.50		2.00
Agency Total		161.50		102.00

New funds requested for appropriation bill:

The Department of Commerce needs two new no-limit funds for FY 2016 and FY 2017: "Business Revitalization Fund" and "Re-employment Services Assistance–Federal Fund."

Enhancement Package – FY 2016 and FY 2017:

The Department is requesting two enhancement packages for consideration by the Governor and the Legislature. They are listed below with brief descriptions.

1. **Pilot Program to Recruit Small Technology Companies** – The $200,000 requested increase for both FY 2016 and FY 2017 will support a pilot program in coordination with other agencies and localities to target and attract small technology-based companies to Kansas. This pilot program, operated in conjunction with, and supported by Kansas Technology Enterprise Corporation, Kansas State University, the University of Kansas, the Manhattan and Lawrence Chambers and those local communities will focus on attraction of a segment of technology-based companies that are not being effectively addressed by existing efforts. This effort will focus on small but promising companies whose technology is in an area of university expertise and in line with the state's strategic opportunities for economic growth. Commerce's overall business recruitment effort has been very effective but focused primarily on companies larger than those that would be the target of this pilot initiative. The universities can provide the research capability, technical expertise and the access to talent that is critical to the growth and success of these types of company but are not geared for recruitment of such companies. This new program managed and supported jointly by the collaborating partners will attempt to fill the gaps identified as critical in the successful recruitment of such companies. The $200,000 requested would provide the basis for a fund that would be matched by the local communities and used to provide assistance necessary to successfully attract the target companies.

2. **Kansas Economic Opportunity Initiative Fund (KEOIF)** – The $800,000 requested in FY 2017 increase will support the only cash incentive tool for small and rural companies. KEOIF is a performance-based forgivable loan incentive program which assists Kansas' competitiveness in recruitment of new companies as well as encouraging existing companies' expansions. It is an important retention tool to reduce company closings and departures. This increase would provide additional incentive opportunities to further stimulate the Kansas economy.

The **Business Development Division** strives to grow the Kansas economy through the creation and retention of jobs and capital investment. This is done by recruiting new companies to Kansas and helping existing Kansas companies grow here. Our staff helps businesses:

- identify programs and incentives for which the company might be eligible
- assess the strengths and weaknesses of a particular site in Kansas
- conduct labor market research
- work with other state agencies
- meet licensing requirements

Financial incentives and programs we administer for businesses include:

- High Performance Incentive Program
- Kansas Economic Opportunity Initiatives Fund
- Kansas Enterprise Zone
- Promoting Employment Across Kansas (PEAK) Program
- Private Activity Bonds
- Wind and Solar Bond Financing
- Sales Tax Revenue (STAR) Bonds

Despite all the gloomy headlines about the national economy, Fiscal Year 2013 was one of our strongest years for recruitment of new companies and retention/expansion of existing companies. In fact, the Business Development Division combined to facilitate 110 successful relocations or expansions, which created or retained 19,454 jobs — 6,806 more than last year — and $1.3 billion in capital investment. These results earned Kansas unprecedented media coverage from outlets like Area Development, Business Facilities and Site Selection magazines, which in turn has generated several new business leads for Fiscal Year 2015 projects.

Recruitment

Fiscal Year 2014 was Kansas' best recruitment year in decades. Our recruitment team facilitated 68 corporate relocations and expansions, which created 13,870 new jobs — 4,770 more than last year — and $838 million in capital investment. Slightly more than half of these relocations involved professional service and white-collar-type office jobs,

while 27 percent involved manufacturing jobs. Some of our largest recruitment projects included:

- Allen Foods, Topeka (50 jobs, $30 million capital investment)
- Cerner Corporation, Kansas City (4,500 jobs, $170 million capital investment)
- General Motors, Kansas City (1,000 jobs, $88 million capital investment)
- J.P. Morgan, Overland Park (650 jobs, $30 million capital investment)
- Jupiter Group, Junction City (169 jobs, $3.2 million capital investment)
- Redbarn Pet Products, Great Bend (200 jobs, $2 million capital investment)
- Regent Asset Management, Overland Park (1,250 jobs, $2 million capital investment)
- Tindall, Newton (400 jobs, $66 million capital investment)
- U.S. Bank, Overland Park (1,100 jobs, $21 million capital investment)

Retention and Expansion

In Fiscal Year 2014, our retention and expansion team facilitated 42 projects, which created 5,584 jobs — 2,036 more than last year — and $471.3 million in capital investment. Eighteen of the 42 successful projects are manufacturing, while two are classified as aerospace and two are classified as energy. The remaining projects are either retail, professional services or agricultural. Some of our largest retention/expansion projects include:

- PTMW, Inc., Topeka (135 jobs, $9 million capital investment)
- RTS International, Lenexa (165 new jobs, $5.2 million capital investment)
- Sugar Creek Packing Co., Frontenac (295 new jobs, $7.9 million capital investment)
- LDF Companies, Inc., Wichita (251 new jobs, 146 retained jobs, $11.9 million capital investment)
- Watco Companies, Pittsburg (304 retained jobs, $1.9 million capital investment)

Media Accolades and Rankings

Kansas' recruitment and retention/expansion success earned the state unprecedented media coverage and exposure among site location consultants nationwide. In fact, Kansas was recognized by six major media outlets, surveys or publications for business excellence in 2013. Our key media accolades and rankings are as follows:

- Kansas was named Top 10 in eight of 20 categories in Business Facilities magazine's 2013 Rankings Report, our best-ever finish.
- Kansas was ranked No.3 in Southern Business & Development magazine's "Top Deals and Hot Markets" report, the state's best-ever finish and our second straight Top 5 ranking.

- Kansas was ranked the No. 7 most pro-business state in the Pollina "Top 10 Pro-Business States" report for the second straight year. It was our third straight Top 10 finish.
- Kansas was ranked No. 11 in CNBC's annual "America's Top States for Business" report for the second time in three years.
- Area Development magazine named Kansas the winner of the Silver Shovel Award for excellence in job creation and capital investment. This was our fourth Silver Shovel in five years.
- Site Selection magazine named Kansas one of the nation's Top 10 most competitive states for capital investment and facility development. This was our second straight Top 10 finish.

EXPENDITURE JUSTIFICATION BY OBJECT CODES

Object Code 100: Salaries and Wages
The 13.00 FTE positions in Business Development work to retain, expand and attract business opportunities through assistance (oftentimes financial) provided directly to companies seeking to locate or expand in Kansas. We also provide a significant amount of technical and marketing assistance to small companies seeking to become established or grow their operations. Our FTE count includes a number of individuals who are dispersed throughout the state to provide a higher level of customer service and more immediate response to companies seeking to grow their operations in our state. Depending on need and situation, our staff can and does respond to a variety of informational and assistance needs.
FY 2015: $1,332,877
FY 2016: $1,351,531
FY 2017: $1,346,125

Object Code 200: Contractual Services
Expenditures for contractual services are used to ensure that our broad base of clients receive the assistance necessary to encourage growth and development of the business in Kansas. Expenditures in this category are a reflection of the variety of services and assistance provided by the Division and range from printing costs for program guides, promotional materials and advertising to contracts for professional services with individuals providing representation for Kansas in various markets. Rents are also a significant component of this expenditure category.
FY 2015: $944,506
FY 2016: $876,500
FY 2017: $829,000

Object Codes 300: Commodities

Expenditures in this category are primarily for consumables like stationery, fuel and publications. This budget will see some reduction year-to-year, as we have reduced expenditures in several categories significantly in an effort to offset increased fuel costs and gain some budget savings.
FY 2015: $19,646
FY 2016: $16,275
FY 2017: $17,100

Object Code 400: Capital Outlay
Expenditures in this category are almost exclusively for technology upgrades, primarily computer replacement.
FY 2015: $2,500
FY 2016: $1,500
FY 2017: $1,500

Object Code 500: Aid to Local Governments and Other Assistance
The amount budgeted for these expenditures are reflective of program funding levels and anticipated demand. Adjustments in funding level seen here are good-faith attempts to define the demand for resources available through these programs.
FY 2015: $4,722,514
FY 2016: $ 218,075
FY 2017: $ 300,000

The **Trade Development Division** works with Kansas companies to help them sell their products and services in international markets. The Division also works to recruit international businesses to establish facilities and create jobs in Kansas. These two goals comprise our overall mission – to help Kansas capitalize on opportunities in the global economy.

Our staff directly helps Kansas businesses by:

- providing information on foreign markets and trends.
- gathering export data and foreign market research.
- coordinating with local, state, federal and foreign agencies.
- conducting export seminars.
- recruiting and assisting company participation in international trade shows.
- hosting foreign delegations to Kansas.
- distributing foreign trade leads.
- locating export financing packages.
- maintaining international consultants in key global markets, including Mexico and China.

Some of our most popular programs and services include:

- Kansas International Trade Show Assistance Program
- Governor's Exporter of the Year Award
- Foreign Trade Offices

Kansas Exports
Despite the global economic recession, Kansas businesses totaled $8.9 billion in exports in 2013, the state's third-highest export total in history. Prior to the global recession, Kansas had achieved record-high exports for four consecutive years — a trend that's likely to continue once the economy rebounds. As a result, the Trade Development Division continues to see a high volume of activity and requests for assistance from Kansas businesses and foreign companies looking to buy Kansas goods. The activity and requests cover various industries, including aviation, agriculture and alternative energy.

International Investment Projects
The Division continues its efforts toward maintaining a stream of foreign direct investment into the state by promoting Kansas worldwide and recruiting foreign firms to establish new facilities in the state. In Fiscal Year 2014, our team recruited three foreign companies to Kansas, resulting in 214 new jobs and $25.9 million in capital investment. These projects were:

- CEVA Biomune, Lenexa (81 jobs, $13 million)
- Megastarter, Manhattan (13 jobs, $5.5 million)
- Jupiter Group, Junction City (120 jobs, $2.4 million)

Kansas International Trade Show Assistance Program
The Kansas International Trade Show Assistance Program (KITSAP) helps introduce Kansas companies to foreign markets by funding their participation in trade shows. Eligible companies are those whose product or service originates in Kansas or whose products receive substantial value-added processing in Kansas.

In Fiscal Year 2014, the Trade Development Division awarded a total of $23,247 to six Kansas companies to attend a total of seven international trade shows. Those six companies reported sales of $1.25 million, which translates to a return on investment of $53.77 for every $1 in trade show assistance. Three of the six companies found a new agent or distributor as a result of their participation in a trade show.

Governor's Exporter of the Year
Each year, the Trade Development Division presents the Governor's Exporter of the Year Award to a single Kansas company for exceptional international marketing success. This award encourages the growth of the state's international commerce by showcasing successful exporters as role models to the Kansas business community.

The recipients are prime examples of how exporting is a significant catalyst for company growth and diversification. In Fiscal Year 2014, Governor Sam Brownback and the Trade Development Division announced Bio-Microbics Inc. as the 2013 Governor's Exporter of the Year. Bio-Microbics Inc. produces innovative equipment to help organizations address a variety of environmental problems. Current product lines include decentralized wastewater transfer and treatment systems, storm water treatment equipment, wastewater screening devices, commercial grease interceptors and fill media for the global water, wastewater and storm water treatment industries.

Focus Groups and Seminars

In Fiscal Year 2014, our Trade Development specialists conducted seven focus groups throughout rural Kansas to obtain a fresh perspective on the needs and experiences of the state's small business exporters. The two-hour sessions were held in Manhattan, Pittsburg, Independence, Leavenworth, Salina, Dodge City and Hays. Each group was asked to discuss their international marketing experiences, business risk, familiarity with the Kansas Department of Commerce, impact of exports on their business operations, and the use of social media to market and recruit.

Feedback from the Salina group included comments on the need for affordable, specialized training on European market regulations for manufacturers. As a result, the Trade Division partnered with the Salina Chamber to co-sponsor a two-day program on CE (European conformity) marking, a topic of huge importance to businesses wanting to export to Europe. Priced to appeal to small business, the program sold out quickly and was a great success. Approximately 30 business executive attended.

EXPENDITURE JUSTIFICATION BY OBJECT CODES

Object Code 100: Salaries and Wages
FTE: 6.50
Summary: The Division administers two sections, International Marketing (export) and International Investment (foreign company investment). Current approved personnel for these two sections are 6.50 FTE positions within the Trade Development Division (5.50 classified regular FTE positions and 1 unclassified regular position).
FY 2015: $535,972
FY 2016: $547,577
FY 2017: $549,194

Object Codes 200: Contractual Services
Summary: The contractual services budget is the primary funding allocation for the Trade Development Division. A major expense is the foreign office contracts, which provide the foundation of the export services available to Kansas companies. The State

of Kansas foreign offices are strategically located in markets/regions that purchase (and have the potential for growth) Kansas products; China, Mexico, and Japan. In addition, we have in-country specialists in Argentina, Brazil, Chile, and Korea. Services provided in tandem with the in-house staff include market research for competitive analysis, price structures, agent/distributor searches, business travel itineraries, regulatory requirements, investment leads, and trade show/mission support. Other funding includes in-state travel for on-site company consultations, out-of-state travel for trade shows and trade missions, rent for the Wichita and Overland Park Trade field offices, and communication (phone, fax, mailings) fees.
FY 2015: $465,524 The contractual services funds support the Professional Services (including the foreign offices and in-country specialists), in-state and out-of-state travel fees, rents for space rental at major international trade shows, the Wichita and Overland Park field offices, and communication fees.
FY 2016: $442,303. The requested funding would maintain the foreign office contracts and fees outlined above. However, this funding level will hamper our ability to secure in-country specialists that provide valuable market intelligence and research for Kansas companies in regions of the world where we do not currently have offices.
FY 2017: $450,000. The requested funding would maintain the foreign office contracts and fees outlined above. However, this funding level will hamper our ability to secure in-country specialists that provide valuable market intelligence and research for Kansas companies in regions of the world where we do not currently have offices.

Object Codes 300: Commodities
Summary: These fees represent basic operational expenditures for the division to include office and professional supplies. The main expenses are for office supplies and trade resource directories, databases and journals.
FY 2015: $5,900 funding will maintain level of office and professional supplies necessary to maintain basic office activity.
FY 2016: $6,200 funding will maintain level of office and professional supplies necessary to maintain basic office activity.
FY 2017: $6,320 funding will maintain level of office and professional supplies necessary to maintain basic office activity.

Object Code 400: Capital Outlay
Summary: No capital outlay is anticipated.
FY 2015: None
FY 2016: None
FY 2017: None

Object Code 550: State Special Grants
Kansas International Trade Show Assistance Program (KITSAP)

Funding:

FY 00 – FY02	$150,000
FY 03	$132,000
FY 04	$ 81,000
FY 05	$ 40,000
FY 06	$0
FY 07	$ 50,000
FY 08	$ 45,000
FY 09	$0
FY 10	$ 80,000
FY 11	$ 81,600
FY 12	$78,900
FY 13	$78,300
FY 14	$74,100
FY 15	$79,200
FY 16:	$72,575
FY 17:	$73,800

Award Process: Eligible recipients include Kansas companies who are currently exporting or ready to export. The grant program will reimburse up to one-half of expenses attributable to participation in an approved trade show. Awards are $3,500 per foreign trade show, with an annual limit of $7,000 total reimbursements per company per fiscal year. The grant program funds trade shows new to the Kansas Company only. Repeat shows are not eligible. A grant application must be received at least 60 days prior to the trade show requested for reimbursement. A KITSAP overview committee (3 international trade specialists) reviews the application to ensure compliance with KITSAP guidelines. When approved by the overview committee, the application is forwarded to the Deputy Secretary for final review. Upon approval, a contract between Commerce and the Kansas company is signed and kept on file. The company agrees to provide post show results within 30 days upon return of the show.

Impact: The KITSAP program facilitates participation by small and medium size a company in international trade shows that otherwise may be cost prohibitive to attend. Companies use trade shows as a primary source of marketing to new buyers across the globe. Attendance at the major industry trade shows will provide new potential buyers and contacts and increase sales revenues for the Kansas company. Export sales create new jobs in Kansas from existing industry. KITSAP was not funded in FY 2009.

404 Report

Agency: 00300 Department of Commerce

Date: 9/07/2014

Version: 2015-A-02-00300

Fund Number: 1000 0503
Name: Operating Expenditures

		FY 2014 Actuals	FY 2015 Adj Agency Budget Req	FY 2016 Adj Agency Budget Req	FY 2017 Adj Agency Budget Req		
R0001	APPROPRIATION	686,189	660,582	654,573	648,327	0	0
R0002	REAPPROPRIATION	45,611	15,785	2,346	0	0	0
R0003	RESERVES AND REVISIONS	13,552	0	0	0	0	0
R0005	LAPSES	(13,552)	0	(2,346)	0	0	0
R0011	SUPPLEMENTAL APPROPRIATION	0	6,552	0	0	0	0
	Total Available	731,800	682,919	654,573	648,327	0	0
	Total Reportable Expenditures	716,015	680,573	654,573	648,327	0	0
	Total Expenditures	716,015	680,573	654,573	648,327	0	0
	Balance Forward	15,785	2,346	0	0	0	0

404 Report

Agency: 00300 Department of Commerce

Date: 9/07/2014

Version: 2015-A-02-00300

Fund Number: 1800 6877
Name: Clean Water Grants

		FY 2014 Actuals	FY 2015 Adj Agency Budget Req	FY 2015 Adj Agency Budget Req	FY 2016 Adj Agency Budget Req		
R0001	APPROPRIATION	425,000	500,000	500,000	475,000	0	0
R0002	REAPPROPRIATION	0	0	15,000	0	0	0
	Total Available	425,000	500,000	515,000	475,000	0	0
	Total Reportable Expenditures	425,000	485,000	515,000	475,000	0	0
	Total Expenditures	425,000	485,000	515,000	475,000	0	0
	Balance Forward	0	15,000	0	0	0	0

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Agency: 00300 Department of Commerce

Date: 9/07/2014

Version: 2015-A-02-00300

Fund Number: 1900 0209
Name: Grants to Local Communities

		FY 2014 Actuals	FY 2015 Adj Agency Budget Req	FY 2016 Adj Agency Budget Req	FY 2017 Adj Agency Budget Req		
R0001	APPROPRIATION	15,864,867	12,684,972	12,502,835	12,497,234	0	0
R0005	LAPSES	(158,659)	0	0	0	0	0
	Total Available	15,706,208	12,684,972	12,502,835	12,497,234	0	0
	Total Reportable Expenditures	15,706,208	12,684,972	12,502,835	12,497,234	0	0
	Total Expenditures	15,706,208	12,684,972	12,502,835	12,497,234	0	0
	Balance Forward	0	0	0	0	0	0

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Agency: 00300 Department of Commerce

Date: 9/07/2014

Version: 2015-A-02-00300

Fund Number: 2000 0983
Name: Child Care Facility Grants

		FY 2014 Actuals	FY 2015 Adj Agency Budget Req	FY 2016 Adj Agency Budget Req	FY 2017 Adj Agency Budget Req		
R0001	APPROPRIATION	721,000	678,000	685,000	689,000	0	0
R0002	REAPPROPRIATION	7,692	0	0	0	0	0
	Total Available	728,692	678,000	685,000	689,000	0	0
	Total Reportable Expenditures	728,692	678,000	685,000	689,000	0	0
	Total Expenditures	728,692	678,000	685,000	689,000	0	0
	Balance Forward	0	0	0	0	0	0

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Agency: 00300 Department of Commerce

Date: 9/07/2014

Version: 2015-A-02-00300

Fund Number: 2200 5400
Name: Alcoholism Treatment Fund

		FY 2014 Actuals	FY 2015 Adj Agency Budget Req	FY 2016 Adj Agency Budget Req	FY 2017 Adj Agency Budget Req		
R0007	CASH FORWARD	35,618	22,593	19,500	106,412	0	0
R1261	LIQUOR GALLONAGE TAX	694,726	745,094	767,447	786,633	0	0
R1262	LIQUOR--CLUB CATER DRINK EST	1,132,843	1,215,201	1,251,657	1,282,948	0	0
R2121	MOTOR VEHICLE OPERATOR & CHAUF	274,869	294,797	303,641	303,641	0	0
R2111	LICENSE FEE - ENGAGE IN BUSINE	900,861	966,000	994,980	1,024,829	0	0
R5409	OTHER FINES PENALTIES AND FORF	825,033	884,847	911,392	938,734	0	0
R2099	OTHER SERVICE CHARGES	15,330	16,441	23,578	23,578	0	0
R6601	OPERATING TRANSFERS IN	0	500,000	0	0	0	0
	Total Available	3,879,280	4,644,973	4,272,195	4,466,775	0	0
	Total Reportable Expenditures	3,856,687	4,625,473	4,165,783	4,226,753	0	0
	Total Expenditures	3,856,687	4,625,473	4,165,783	4,226,753	0	0
	Balance Forward	22,593	19,500	106,412	240,022	0	0

404 Report

Agency: 00300 Department of Commerce

Date: 9/07/2014

Version: 2015-A-02-00300

Fund Number: 2234 1943
Name: Land Survey Fee Fund

		FY 2014 Actuals	FY 2015 Adj Agency Budget Req	FY 2016 Adj Agency Budget Req	FY 2017 Adj Agency Budget Req		
R0007	CASH FORWARD	9,409	15,307	12,634	15,384	0	0
R2040	CHARGES-CLERICAL SERV.ISSUE C	12,472	13,400	14,000	14,560	0	0
R2099	OTHER SERVICE CHARGES	3,299	3,800	4,000	4,160	0	0
	Total Available	25,180	32,507	30,634	34,104	0	0
	Total Reportable Expenditures	9,873	19,873	15,250	16,000	0	0
	Total Expenditures	9,873	19,873	15,250	16,000	0	0
	Balance Forward	15,307	12,634	15,384	18,104	0	0

404 Report

Agency: 00300 Department of Commerce

Date: 9/07/2014

Version: 2015-A-02-00300

Fund Number: 3314 5202
Name: Medical Assistance Federal Fund

		FY 2014 Actuals	FY 2015 Adj Agency Budget Req	FY 2016 Adj Agency Budget Req	FY 2017 Adj Agency Budget Req		
R0007	CASH FORWARD	12,067,811	5,679,713	3,877,698	4,536,235	0	0
R4036	SRS-FFG-AID FOR MEDICAL ASSIST	853,376,517	973,630,790	968,641,113	966,387,711	0	0
R5909	OTHER MISCELLANEOUS REVENUE	889,302	212,680	216,934	222,357	0	0
R6210	ESTATE RECOVERY PROGRAM (AGY 6	2,479,752	2,863,008	2,948,898	3,043,263	0	0
R6215	GENERAL MEDICAL RECOVERIES(62	791,999	2,337,648	2,407,777	2,484,826	0	0
R6216	DRUG REBATE	17,790,799	20,127,181	21,133,540	21,767,546	0	0
R6602	OPERATING TRANSFERS OUT	0	(500,000)	0	0	0	0
	Total Available	887,396,180	1,004,351,020	999,225,960	998,441,938	0	0
	Total Reportable Expenditures	881,716,467	1,000,473,322	994,689,725	993,456,216	0	0
	Total Expenditures	881,716,467	1,000,473,322	994,689,725	993,456,216	0	0
	Balance Forward	5,679,713	3,877,698	4,536,235	4,985,722	0	0

404 Report

Agency: 00300 Department of Commerce

Date: 9/07/2014

Version: 2017-A-02-00300

Fund Number: 3539 3590
Name: Title II Vocational Education

		FY 2014 Actuals	FY 2015 Adj Agency Budget Req	FY 2016 Adj Agency Budget Req	FY 2017 Adj Agency Budget Req		
R0007	CASH FORWARD	9,873	6,529	0	0	0	0
R4050	FEDERAL GRANTS - EDUCATION AND	9,142,558	10,143,471	10,399,086	10,725,618		
	Total Available	9,152,431	10,150,000	10,399,086	10,725,618	0	0
	Total Reportable Expenditures	9,145,902	10,150,000	10,399,086	10,725,618	0	0
	Total Expenditures	9,145,902	10,150,000	10,399,086	10,725,618	0	0
	Balance Forward	6,529	0	0	0	0	0

Explanation of Receipt Estimates--DA 405

Division of the Budget

State of Kansas

Agency Department of Commerce

2220 Alcoholism Treatment Fund

Statutory History: KSA 79-41a2 establishes a 10% tax on the gross receipts derived from the sale of alcoholic liquor by any club, caterer or drinking establishment. KSA 79-41a23 requires that 5% of this tax be deposited to the community alcoholism and treatment fund. KSA 41-2622 prescribes an occupation or license tax on clubs and drinking establishments. Of that amount collected, 50% is credited to the Other State Fees Fund of the agency and 50% is credited to the State General Fund. KSA 41-501 requires the State Treasurer to credit 10% of the funds collected from taxes imposed upon alcoholic beverages to this fund.

Estimated Receipts

Revenue Source:	FY 2013 Actual	FY 2014 Actual	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected
Liquor-Club, Caterer or Drinking Establishment (1262)	1,091,627	1,132,843	1,215,201	1,251,657	1,282,948
Motor Vehicle Licenses (2121)	243,164	274,869	294,797	303,641	311,232
License Fee--Engage in Business (2111)	876,235	900,861	966,000	994,980	1,024,829
Liquor-Gallonage Tax (1261)	670,080	694,726	745,094	767,447	786,633
Other Fines, Penalties and Forfeitures (5409)	795,397	825,033	884,847	911,392	938,734
Miscellaneous Revenue	9,423	15,330	16,441	23,578	23,578
TOTAL	$ 3,685,926	$ 3,843,662	$ 4,122,380	$ 4,252,695	$ 4,367,954

Explanation of Receipt Estimates--DA 405

Division of the Budget

State of Kansas

Agency Department of Commerce

2234 - Land Survey Fee Fund

Statutory History: 1988 HB 3024 was enacted, abolishing the Land Survey Advisory Committee and transferring the duties for the Land Surveys to the Department of Commerce & Housing. The statutes affected by this bill are KSA 58-2007 through 58-2011. The agency is authorized to charge a fee for the clerical costs of filing land survey documents with 80% of such fee deposited in the fee fund and 20% in the State General Fund. The revenue estimates shown for this fund are based on FY 2013 receipts which included a price increase effective in October of 2012. The agency uses the fund to pay a portion ($9,000) of the clerical staff's salary who maintains the documents. In FY 2015, we intend to use $10,000 to begin a long-term preservation project related to the filed notes. We will digitize them to provide access and preserve the originals, eliminating continued copying on standard copy machines. Given the size of this fund relative to the agency's entire budget, it is suggested the cash balance be left at $10,000 or more.

Land Survey Fee Fund

	FY 2013 Actual	FY 2014 Actual	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected
Land Survey Fees	7,665	12,472	13,400	14,000	14,560
Land Survey Copies	2,239	3,299	3,800	4,000	4,160
TOTAL	$ 9,904	$ 15,771	$ 17,200	$ 18,000	$ 18,720

3539 - Federal Title II Vocational Education

Legal authorization comes from P.L. 100-297 and KSA 72-5112, et seq. As required by the new Carl Perkins Vocational and Technical Education Act of 1998, states develop and submit a four-year operation plan to the US Department of Education for approval. Approval of Kansas' plan was received on July 10, 2014, which allows the state to receive its grant award for the upcoming fiscal year. Of the $10.0 million basic grant, 85% must be distributed to the local education agencies and the remainder may be reserved by the state. Of the 15% reserved by the state, no more than 5% may be used for administration and the remaining 10% must be used to fund state leadership activities. Essentially no cash balance is maintained in this fund.

Explanation of Receipt Estimates--DA 405

Division of the Budget

State of Kansas

Agency Department of Commerce

3314 Medical Assistance Federal Fund

Title XIX of the Social Security Act, also known as Medicaid, provides medical assistance for eligible individuals and families with low incomes and resources. In general, federal match for medical assistance is determined by the state's Federal Medical Assistance Percentage (FMAP).

Federal match is available on an open-ended basis for allowable medical services rendered to eligible individuals, as provided in federal law and regulations and as specified by the state in its State Medicaid Plan.

The FMAP for Kansas is as follows:

Federal Fiscal Year (Oct thru Sept)				State Fiscal Year (July thru June)			
2013	60.03%	39.97%		2013	60.04%	39.96%	
2014	59.85%	40.15%		2014	59.90%	40.10%	
2015	61.55%	38.45%	(projected)	2015	61.70%	38.30%	(projected)
2016	60.42%	39.58%	(projected)	2015	60.49%	39.51%	(projected)
2017	60.14%	39.86%	(projected)	2016	60.18%	39.82%	(projected)
				2017	60.04%	39.96%	(projected)

Federal match for administrative costs of the program is generally 50.0 percent. Enhanced federal match is available for skilled medical professionals providing medical administration (75%), operation of the Medicaid Management Information System (75%), and 90% for design and implementation of changes to the MMIS. Sufficient cash is carried over from one fiscal year to the next so that the first month's bills may be paid in a timely manner.

	Estimated Receipts				
Revenue Source:	FY 2013 Actual	FY 2014 Actual	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected
Federal Title XIX Medical Assistance Fund	717,510,682	853,376,517	973,630,790	968,641,113	966,387,711
Estate Recoveries	2,271,999	2,479,752	2,863,008	2,948,898	3,043,263
General Medical Recoveries	3,908,383	791,999	2,337,648	2,407,777	2,484,826
Drug Rebate	14,788,554	17,790,799	20,127,181	21,133,540	21,767,546
Miscellaneous Revenue	571,518	889,302	212,680	216,934	222,357
TOTAL	$ 739,051,136	$ 875,328,369	$ 999,171,307	$ 995,348,263	$ 993,905,703

Budget Mechanics

Although quite different in function and scope, the budgeting and accounting worlds must necessarily interface. This section is intended to explain how the two interface and how appropriation language translates to the accounting system.

Budgeting and Accounting Interface

Nomenclature

Budgeting and accounting are two different functions, although the terminology used often refers to the same concept. The following table outlines some of these differences.

Accounting	Budgeting
Appropriation	Appropriation
Reappropriation	Reappropriation
Limited Reappropriation	Limited Reappropriation
Lapse	Lapse
Expenditure	Expenditure
Encumbrance*	Expenditure
Account	Object Code
Fund	Fund, Line ID
Budget Unit	Account
Program	Reporting Level
DeptID (first 3 digits)	Agency
DeptID (last 7 digits)	Detail UnderProgram
Service Efforts & Accomplishments	Performance Measures

**Budget Actuals (expenditures) are the sum of SMART expenditures and encumbrance balances for the budget period (budget year).*

Chart of Accounts

The Office of System Management provides a chart of accounts for all agencies that delineates all available accounts an agency may use. The COA provides the Business Unit (Agency ID), Fund, Fund Description, Budget Unit, Budget Unit Description, Budget Period, Appropriation Type and the Appropriation/Limitation Amount.

The Chart of Accounts Query can be found in SMART using the following navigation:

Reporting Tools > Query > Query Viewer. Enter the Query Name "KS_CHART_OF_ACOUNTS_QRY."

Business Unit—five digits
Fund—four digits (1000=SGF, 2000=Children's Initiatives Fund, etc.)
Fund Descr—Fund name
Budget Period (formerly Fiscal Year)—four digits (Fiscal Year is a General Ledger term)
Bud unit—four digits
Bud Unit Descr—Budget Unit name
Approp Type—Appropriated, Limited or Unlimited
Appropriation/Limitation—Amount of appropriation or limitations (Note: unlimited funds have a limitation of $999,999,999 (or greater) on the COA

Queries to obtain active ChartField values are available using the following navigation and Query Name:

Reporting Tools > Query > Query Viewer. Enter the Query Name:

Chartfield	Query Name
Program	FIN0052_VALID_PROGRAMS
Account	FIN0010_GL_ACCOUNTS
DeptID	FIN0011_DEPARTMENT_CODES

Agencies may have responsibility for anywhere from one to many funds. For example, biennial fee agencies generally have one fee fund into which receipts are deposited and spent for agency operations. Some agencies are financed with only one State General Fund appropriation and do not have a special revenue fund (Legislative Coordinating Council, Guardianship Program). Other agencies are financed with State General Fund appropriations, fee funds, and a variety of other sources, such as federal or private monies. Agencies' charts of accounts reveal these funding combinations.

Similarly, agency program structure varies from a single program code (also referred to as PCA) to several hundred program codes. Because the state's budgeting system is directly tied to the state's accounting system, the program structure in the accounting system is closely reviewed with an eye to how agencies' budgets are developed.

The Budget Evolves over Time into an "Approved Budget"

An approved budget is the total estimate of expenditures for a state agency for the current year or the budget year, as appropriated by the Legislature and signed by the Governor. The amount has a legal basis in appropriation bills, but it cannot always be determined by the appropriation bills alone.

How many budgets are there for FY 2016?

Calendar Year 2014

1. Agency's original budget request in September
2. DOB's recommended budget in November

Calendar Year 2015

3. Governor's recommended budget in January
4. Governor's amendments in April to the recommended budget
5. Legislative approved budget in May
6. Approved budget in August after unspent monies reappropriate
7. Agency's revised estimate of expenditures in September
8. DOB revised recommended budget in November

Calendar Year 2016

9. Governor's revised recommended budget in January
10. Governor's amendments to the revised recommended budget in April
11. Legislative approved revised budget in May

What are the components of the approved budget?

The approved budget may include any combination of the following, depending on the agency's funding structure:

	SGF, EDIF, CIF, ELARF, SWPF*		Special Revenue Fund (with an expenditure limit)		Special Revenue Fund (no expenditure limit)
New money (appropriation)	Appropriations bill: • Supp. for current FY • Reg. for budget FY • Capital for budget FY • Omnibus bill: for either current or budget year • Pay plan distributions	+	• All money appropriates but expenditures are constrained by a limit	+	• All money appropriates and any amount in the fund can be spent
Old money (reappropriation)	• With a limit • Without a limit		• (No distinction between new & old money)		• (No distinction between new & old money)

* *There is another possible piece of the approved budget that has been rare. This occurs when the Finance Council allows all or part of a limited reappropriation to be spent.*

Documentation

The table that follows lays out how each of these types of funds and accounts is expressed in various documents. For example, the cell in the extreme upper left indicates that State General Fund (SGF) accounts are expressed as a specific line item in an appropriations bill. Notice under "How funds are cancelled" on the next page that SGF expenditure amounts and a few special revenue funds (EDIF, KEY, Children's Initiatives, ELARF and Water Plan) will lapse unless there is specific reappropriation language for funds to carry forward into the next fiscal year.

With most special revenue funds, the monies are controlled by the expenditure limitation, so there is no need to make a distribution about new and old money. Sometimes there is reappropriation language on capital accounts. If there is no expenditure authority in the budget year, old money can carry forward automatically from blanket authority in the appropriations bill (see savings clause below). There must be lapse language to cancel expenditure authority for special revenue funds with limitations.

The following table displays how the different types of appropriation are addressed in the appropriation bill, the Chart of Accounts, and the DA 404 forms.

	SGF, EDIF, KEY, CIF, ELARF, Water Plan	Special Revenue Fund (with a limit)	Special Revenue Fund (no limit)
Appropriation in appropriations bill	Specific line item dollar amount	Specific line item dollar amount	Name of fund, Just says "no limit"
Reappropriation in appropriations bill	Specific reappropriation language is needed for the old money to carry over into the new fiscal year	Expenditure limit governs. Monies do not reappropriate unless language in the bill specifically does so or the "savings" clause kicks in when there is no line item in the new fiscal year (see below)	No limit allows all funds to be spent; reappropriations would be irrelevant
DA 404	Dollar amount ties exactly to bill	Dollar amount ties exactly to bill	Dollar amount on DA 404 only
Chart of Accounts	Dollar amount ties exactly to bill	Dollar amount ties exactly to bill	Name of fund, just says 0.00
How funds are cancelled in appropriations bill	Do not put in reappropriation language or lapse all or part of an appropriation by specifying the amount	Lapse part of an appropriation by specifying the amount	Lapsing would not apply because there is no control on the fund

Savings Clause (at the back of the appropriation bill) for "limited" special revenue funds:

> *Savings.* (a) Any unencumbered balance as of June 30, 2014, in any special revenue fund, or account thereof, of any state agency named in this act which is not otherwise specifically appropriated or limited by this or other appropriation act of the 2014 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 2015, for the same use and purpose as the same was heretofore appropriated.
> (b) This section shall not apply to the expanded lottery act revenues fund, the state economic development initiatives fund, the children's initiatives fund, the state water plan fund, the Kansas endowment for youth fund, the Kansas educational building fund, the state institutions building fund, or the correctional institutions building fund, or to any account of any such funds.

27th Payroll Financing

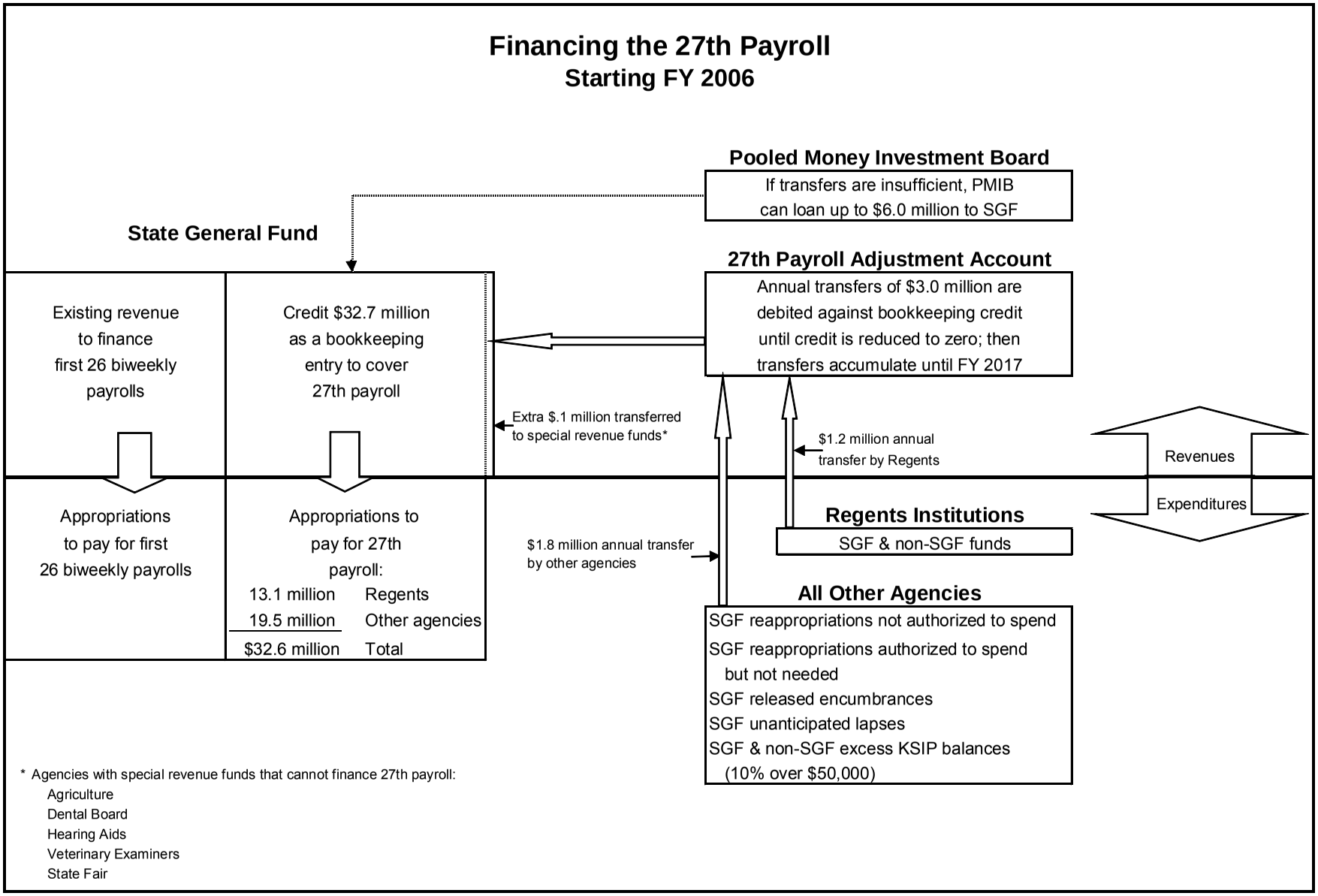
Under the current system of biweekly pay for state employees, a 27th paycheck will occur approximately every 11 years because of the way the dates fall. For the first time since implementation of the SHARP system, a 27th paycheck was paid to employees in FY 2006. The 2005 Legislature authorized additional expenditure authority to cover this obligation, including the establishment of a financing mechanism that will pay for the State General Fund share over several years. The expenses were repaid in full in August 2010 and the state is now accruing cash to pay for the 27th check to occur in FY 2017.

As illustrated in the diagram on the last page of this section, the Legislature approved a bookkeeping entry that credited the State General Fund with the amount necessary to cover both the State General Fund's obligation as well as agencies with special revenue funds that could not cover the cost of the 27th payroll in FY 2006. In order to offset the amount of the credit, several sources of savings were identified.

First, for non-Regents agencies, is the portion of the State General Fund reappropriation that agencies cannot spend without Finance Council approval. These are called limited reappropriations in budgeting and reserves in accounting. Second are monies from unlimited reappropriations of the State General Fund that are determined by the Director of the Budget not to be needed for the purpose for which they were originally budgeted. These savings could include projects or programs that (1) have been completed in which all available funds were not used, (2) were cancelled, (3) were reduced in scope, or (4) had cost savings. Third are released encumbrances from the State General Fund. Fourth are unanticipated lapses from the State General Fund—that is, lapses that occurred because the reappropriation authority to allow the funds to be spent in the next fiscal year was inadvertently omitted. The Board of Regents is directed to certify a minimum amount each year from any combination of State General Fund accounts or any special revenue funds for its share.

It should be noted that the non-Regents savings will be determined from accounting and budgeting records at the end of a fiscal year. The amounts will be certified and executed through a joint effort by the Division of Accounts and Reports and the Division of the Budget. Agencies do **not** need to "budget" for any of these changes. From an agency's point of view, the savings will occur automatically. However, an explanation of the 27th payroll financing method will facilitate an understanding of the changes that occur to agency funds. For example, monies constituting limited reappropriations, although not spendable without State Finance Council approval, have stayed in the account. Under this mechanism, these amounts are transferred to the 27th Payroll Adjustment Account.

All of these savings are transferred to a newly-created 27th Payroll Adjustment Account within the State General Fund. From there, the funds are used as an offsetting debit each year against the original credit until the credit is reduced to zero. If these sources prove to be insufficient to cover the annual obligation in reducing the credit, provision is made to borrow up to $6.0 million from the PMIB to complete the financing.


Financing the 27th Payroll
Starting FY 2006
Pooled Money Investment Board
If transfers are insufficient, PMIB can loan up to $6.0 million to SGF
State General Fund
27th Payroll Adjustment Account
Annual transfers of $3.0 million are debited against bookkeeping credit until credit is reduced to zero; then transfers accumulate until FY 2017
Existing revenue to finance first 26 biweekly payrolls
Credit $32.7 million as a bookkeeping entry to cover 27th payroll
Extra $.1 million transferred to special revenue funds*
$1.2 million annual transfer by Regents
Revenues
Expenditures
Appropriations to pay for first 26 biweekly payrolls
Appropriations to pay for 27th payroll:
13.1 million Regents
19.5 million Other agencies
$32.6 million Total
$1.8 million annual transfer by other agencies
Regents Institutions
SGF & non-SGF funds
All Other Agencies
SGF reappropriations not authorized to spend
SGF reappropriations authorized to spend but not needed
SGF released encumbrances
SGF unanticipated lapses
SGF & non-SGF excess KSIP balances (10% over $50,000)
* Agencies with special revenue funds that cannot finance 27th payroll:
Agriculture
Dental Board
Hearing Aids
Veterinary Examiners
State Fair

Information Technology Project Plans

State law requires agencies to produce planning and programming documents for information technology projects costing greater than $250,000. These documents allow for resources scheduling, funds management and program coordination.

The Kansas Information Technology Office (KITO) supports the statutory responsibilities of the executive, judicial, and legislative branch Chief Information Technology Officers (CITOs) and the Chief Information Technology Architect (CITA). The 17-member Information Technology Executive Council (ITEC) is responsible for approval and maintenance of all information technology policies, IT project management procedures, the statewide technical architecture, and the strategic information management plan. The Information Technology Advisory Board, or ITAB, as it is more commonly known, functions as a technical resource to the Chief Information Technology Officer, or CITO for the Executive Branch of state government. ITAB includes senior managers of state information technology organizations along with representatives of private industry and local governments.

Information Technology Project Defined

KSA 75-7201 defines an information technology project as a major computer, telecommunications, or other information technology improvement with an estimated cumulative cost of $250,000 or more and any new or used equipment or software for (1) improvements to existing equipment and any computer systems, programs, or software upgrades for it or (2) data, consulting, or other professional services for such a project. Cumulative cost means the total expenditures, from all funding sources, for any information technology project by one or more state agencies to meet project objectives from project start through project completion or termination.

Refer to the website at http://oits.ks.gov/kito/ for further information on obtaining approval of information technology projects. Detailed instructions are maintained on the KITO website and ITEC websites.

A high-level IT project plan must receive CITO approval prior to contract award and/or project execution. This project plan is to include a cover letter signed by the agency head, DA 518, DA 519, Work Breakdown Structure (WBS) with milestones and Architectural Compliance along with a completed Agency Checklist for High-Level IT Project Plans. Agencies will submit a risk assessment analysis (RAM) along with their High-Level IT Project Plan (http://oits.ks.gov/kito/epmo/planned-information-technology-projects). Agencies must also submit a statement identifying all records in the proposed system with a retention schedule of ten or more years as approved by the State Records Board, Supreme Court Rule 108, or the Legislature.

One **digital** copy of the project plan is to be submitted at least two to four weeks prior to the contract award and/or project execution to the CITO for the agency's respective branch of government, listed below. When the project plan has received CITO approval, a copy of the approved project plan will be sent to the Division of the Budget, the Joint Committee on Information Technology in care of the Legislative Chief Information Technology Officer, and to the Legislative Research Department.

Chief Information Technology Officer
Executive Branch
900 SW Jackson, Suite 751
Landon State Office Building

Chief Information Technology Officer
Judicial Branch
Office of the Judicial Administrator
Judicial Center

Chief Information Technology Officer
Legislative Branch
063-West, Statehouse

Information Technology Project Request Explanation—DA 518

The DA 518 form must be prepared for every proposed project. In making proposals, agencies should be realistic in assessing the need for a particular project, specifically in relation to financing methods and availability. Following are some of the basic instructions for completing the DA 518.

In **Item 1**, enter a brief title of the project and the agency name. Care should be exercised in the choice of terminology to assure the title clearly reflects the nature and scope of the proposed project, not a stand-alone acronym.

In **Item 2**, enter the priority designation assigned to the project. Agencies should assign priority designations irrespective of the fiscal years for which the projects have been proposed. The highest priority would receive a "1," the next highest a "2," etc.

In **Item 3**, provide the proposed starting and ending date of the project. According to KSA 75-7201(j), "Project Start" is the date and time when a state agency begins a formal study of a business process or technology concept to assess the needs of the state agency, determines project feasibility or prepares an information technology project budget estimate under KSA 2011 Supp. 75-7209 and amendments thereto. The estimated close-out end date is when the agency has completed project close-out activities, including but not limited to completion of the Post Implementation Evaluation Report (PIER).

In **Item 4**, provide a description of, and justification for, the project. This should include an analysis of project activities and needs. Explanations should cover the intended uses and improvements to existing information technologies. Please note if the project is in the current three-year information technology plan. The detailed project description and justification must contain the following information:

1. An analysis of the programs, activities, needs, and intended uses for the additional or improved information technology.
2. A statement of project scope, including identification of the organizations and individuals to be affected by the project, and a definition of the functionality to be achieved by the project.
3. An analysis of the alternative means by which such information technology needs and uses could be satisfied.
4. Project goals and objectives. The relationship between project goals and agency goals should be discussed as well as the goals of the State Information Management (SIM) plan. The justification should cover mandated changes, cost savings, as well as service enhancements. The project justification is a key part of the information technology project plan. The plan will be evaluated based on a number of considerations, such as data sharing, hardware and software sharing, design sharing, and deliverables. A separate sheet may be attached if more space is required.

In **Item 5**, space is available to report the estimated costs associated with the project. Include these costs by major object code or category of expenditure, then show a total. The cost is for all years through close-out.

Indicate the name, start date, end date, and internal and external costs for each subproject in **Item 6**. Internal costs include the direct cost of state government staff. When project costs are reported they should clearly show the costs associated with planning, with actual execution and close-out. Again, provide totals.

Item 7 calls for the amount of financing by funding source. Enter in the appropriate column the amounts necessary to show the total cost of the project by fiscal year. If the project will be financed from sources other than the State General Fund, the amounts should be placed in Columns 2 through 5, with the columns labeled with the proper funding source.

Project costs and dates should be consistent across all plan documents.

Information Technology Cost-Benefit Statement—DA 519

An Information Technology Cost-Benefit Statement (DA 519) must be prepared for every proposed project.

In **Item 1**, enter a brief title of the project and the agency name. Care should be exercised in the choice of terminology to assure the title clearly reflects the nature and scope of the proposed project, not a stand-alone acronym.

In **Item 2**, provide the proposed start and end date of the project. An entry for "Project Months" is automatically populated, based on the starting and ending dates entered (mm/dd/yyyy).

In **Item 3**, enter the agency name.

In **Item 4**, enter the name of the project director or manager.

In **Item 5**, provide an explanation of the qualitative and quantitative savings derived from the project, as outlined in Item 6. These savings are a method to justify the expenditure. This section should clearly document the savings and benefits from the proposal, and clearly and concisely communicate the project's value. A separate sheet may be attached if more space is required.

In **Item 6**, detail the qualitative and quantitative savings estimates with descriptions and amount by fiscal year. When figuring soft and hard dollar savings, think about the four categories listed below and the example of savings.

Cost Avoidance (Soft Dollars)

1. Labor Savings: the savings due to expected position reductions from implementing the planned project.

2. Productivity Benefits: the gains in user productivity from implementing a solution, including reductions in system downtime or efficiency gains in performing specific user tasks. Often, productivity benefits are discounted to account for the fact that not all of the gains will yield an increase in productive work time.

Cash Savings (Hard Dollars)

1. Capital Expense Reductions: expenses saved in areas such as office supplies, printing costs, power or facilities expenses from implementing the planned project.

2. Business Benefit: the gains in profit resulting from revenue.

Examples of Savings:

1. Testing Labor Avoidance (creating a more stable foundation that eases the testing burden and helps ensure quality).

2. Maintenance Labor Avoidance (reducing the maintenance burden, so critical development resources can focus on strategic business issues).

3. Deployment Acceleration (enterprise installation done easily through a log-in script, batch file or third party software installer).

4. Downtime Loss Avoidance (lost productivity).

5. Support (saving time and money of help desk resources, eliminating costly technical support calls).

6. Evolve (components are reusable, portable across platforms and updated to integrate new technologies, saving time, money and resources during application evolution).

In **Item 7**, enter the project costs. This figure should match the total found in Items 5, 6 and 7 of the DA 518 form. Net Cost Benefit, Cost Benefit per Month and Calendar Months to Break Even are automatically populated based on information entered into the form. The formula used to calculate these figures is found in the bottom left-hand corner of the DA 519 itself.

In **Item 8**, enter estimated ongoing costs. These are operational/maintenance costs from any source of funds for three ensuing fiscal years after project execution. If the proposed system contains records with retention periods of ten or more years as approved by the State Records Board, Supreme Court Rule 108, or the Legislature, costs to provide integration of these records into the Kansas Enterprise Electronic Preservation System must be shown here. *Note: all funds identified for this purpose will be transferred at the start of each fiscal year to the Kansas State Historical Society's Records Management Fund.*

Project costs and dates should be consistent across all plan documents.

For information on completing the other forms required for each proposed project, please refer to the KITO website, noted above.

Capital Improvements

State agencies maintain buildings of various agencies all over the state. Given the financial commitment the state's facilities demand, expenditure requests for capital projects are made in a distinct process within the budget cycle. The state gives priority to maintaining its existing facilities before considering new construction. Other criteria for assessing the priority of capital projects include safety for state employees and visitors, compliance with prevailing building codes, modifications to enhance accessibility for the disabled, physical modifications caused by program changes, and cost effectiveness. Most projects are funded through direct appropriations from dedicated capital funds, as well as the State General Fund and other special revenue or federal funds. The use of revenue bonds for financing capital projects is also an option.

Overview of Capital Improvement Process

Agencies requesting expenditure authority for capital projects submit a five-year facilities plan each July 1, consisting of the forthcoming fiscal year and the following four years. Capital projects are reviewed by the Division of the Budget for development of the Governor's recommendations. They are also reviewed by the Kansas Legislative Research Department as well as the Office of Facilities and Procurement Management within the Department of Administration which provides technical support to the State Building Advisory Commission, an Executive Branch body responsible for reviewing the cost estimates and technical aspects of projects.

State agencies requesting funding for capital improvement projects must submit a copy of the summary five-year capital budget plan (DA 418A) and project request explanation (DA 418B) to the Division of the Budget, one copy to the Office of Facilities and Procurement Management for the State Building Advisory Commission, and one to the Kansas Legislative Research Department for the Joint Committee on State Building Construction. State statute specifies a deadline of July 1.

Contact the Division of the Budget (296-2436) with any questions about these instructions or completion of the forms. Questions about project cost estimates and project phasing should be addressed to the Office of Facilities and Procurement Management (Design, Construction and Compliance) within the Department of Administration (296-8899).

Agencies should use the following categories when requesting capital projects:

1. **New Construction and Additions:** all new construction and building additions;

2. **Remodeling:** all major projects that substantially change the existing structure and its uses;

3. **Acquisition:** the purchase of an existing facility;

4. **Razing:** the demolition of existing structures; and

5. **Rehabilitation and Repair:** routine, major, or emergency maintenance; restoration; replacement of fixed equipment; energy conservation; requests related to compliance with the Americans with Disabilities Act (ADA); and code compliance projects as well as projects needed to meet program requirements.

The first four categories require a separate line item appropriation for each project. The final category is a single line item appropriation with discretion given to the agency as to the most immediate need for the funds.

Debt Service

Capital improvements can be financed through a direct appropriation of funds or debt financing. Budgeting through debt financing can be complicated because, in the accounting system, one set of funds and account codes is used for budgeting purposes and another set for the bond-related transactions of the Kansas Development Finance Authority (KDFA). KDFA, which is responsible for overall administration of the debt, uses mostly enterprise funds (5XXX) and capital project funds (8XXX) in the accounting system. The overall debt obligation is paid off using several sources of revenue, such as investment earnings on the bond proceeds that KDFA manages. The main source, however, is the amount for debt service that agencies include in their budgets. These instructions apply only to the funds that are used to pay the portion of the debt service that comes from agency budgets. Debt service for capital budgeting purposes does not include bond proceeds or payments to contractors.

Accordingly, agencies should use the following expenditure account codes for debt service payments on capital projects (1) to enter their debt service estimates into the budget system and (2) for coding vouchers that make debt service payments from the State General Fund or any special revenue fund.

772100	Other Payments and Charges for Debt Service—Principal
772110	Other Payments and Charges for Debt Service—Interest
772120	Other Payments and Charges for Debt Service—Arbitrage

The principal portion of the debt service payment is a capital expenditure, because only that portion constitutes a capital asset when the debt is retired. Interest and arbitrage payments are operating expenses, and for budgeting purposes these expenditures are reportable. Agencies should use the amount identified by KDFA as principal (772100) to be paid from budgeted debt service funds and code the remainder of those budget funds as interest (772110). To avoid duplicating expenditures, 51XX and 56XX funds are treated as reportable and all other 5XXX funds are non-reportable. The three building funds, the Educational Building Fund (8001), the State Institutions Building Fund (8100), and the Correctional Institutions Building Fund (8600), are reportable, but all other 8XXX funds are non-reportable for budgeting purposes.

For bonds to be issued in FY 2015, agencies should budget estimated debt service payments for FY 2016 and/or FY 2017 and explain that these amounts are estimated.

For budgeting purposes, the Facilities Conservation Improvement projects through the KCC's program constitute debt service payments on capital improvements. Agencies should use the following account codes for debt service payments on these projects:

542100	Facilities Conservation Improvement Program—Principal—Buildings and Improvements—Capital/Inventory
542110	Facilities Conservation Improvement Program—Interest—Buildings and Improvements—Capital/Inventory

Instructions for Preparing DA 418B Forms

A Project Request Explanation (DA 418B) must be prepared for every project proposed in all years of the plan period. Projects proposed for the out years need not be described to the same extent as projects proposed for the budget year. However, the incorporation of out-year projects in an agency's five-year capital improvement plan implies that the agency has given serious consideration to the eventual need for each project. An out-year project should be explained sufficiently so that it can be considered for approval during the plan period. Following are instructions for completing the DA 418B.

In Item 1, enter the project title using terminology suitable for an appropriation title. Care should be exercised in the choice of terminology to assure the title clearly reflects the nature and scope of the proposed project. Also in Item 1, enter the agency name.

In Item 2, enter the priority designation(s) assigned to the project. Projects proposed by umbrella agencies, such as institutions under the jurisdiction of the Board of Regents, are to be assigned both an agency priority and a system priority. The system priority is to reflect the assigned status of the project in relationship to all projects requested for the entire system. For example, if all institutions under the jurisdiction of the Department for Aging & Disability Services collectively have proposed 50 projects over the period, then the system priority designations would range from 1 to 50. Accordingly, a state hospital might assign a priority of 3 to a particular project while the Department might assign a priority of 10 to the same project. In this instance, the appropriate designation to be placed in Item 2 would be "A3-S10," with the A designating agency and the S designating the system.

In Item 3, provide a description of and a justification for the project. All projects should be explained as thoroughly as possible. For example, in the case of the proposed construction of a classroom building, the description should indicate the number of teaching and student stations in classrooms and laboratories, the type of utility systems, and the estimated gross and net usable square feet of the structure. Also, provide an analysis of the alternative means by which the space needs could be satisfied. In the case of a project to re-roof a building, the description would include information about the type of roof to be provided and the number of squares of roof to be replaced. The forecasted effect of projects on an agency's operating budget must be clearly noted and explained. Examples may include additional utilities and maintenance costs attributable to new space. If the project constitutes only one phase of a larger project, this information should be included in the project description. If the project request is for rehabilitation and repair of existing facilities, any part of the request that is for ADA purposes is to be explained and its cost identified separately.

Agencies should not feel constrained in their justification for a project by the space on the DA 418B. If additional space is needed, continue the narrative on a separate sheet of paper. A complete written program statement must be provided for any project proposed for the budget year that will require the services of a project architect or engineer.

In Item 4, enter the cost of each of the following major components of the proposed project:

1. **Construction.** This includes the cost of construction, site work, and the cost of fixed equipment built into the project.

2. **Architect or Engineer Fee.** This includes the costs for preliminary planning (schematic design and design development), final planning (construction documents), bidding services, and construction administration services. When estimating project architect or engineer fees, the fees should be calculated on the basis of the fee schedule included in

KSA 75-1263. The fees are subject to the guidelines set forth in the "A/E" Fee guidelines in Chapter 5 of the current edition of the Department of Administration's, Office of Facilities and Procurement Management, Building Design and Construction Manual. The guidelines take into account cost, complexity, type of work and services required of the architect or engineer.

3. **Moveable Equipment.** This is a cost estimate for capital outlay equipment, which must be purchased to place the facility in operation. Included in this category is all equipment not built into the actual structure.

4. **Project Contingency.** This is the amount included in the project cost to finance unforeseen occurrences during the construction phase.

5. **Miscellaneous Costs.** These are costs other than those included in Items 1-4 associated with the project. These costs include land acquisition, site survey, subsoil investigation, printing and mailing of plans and specifications, consultant and design services, and construction management services permitted by KSA 75-1265. In addition, this item includes the fees charged for architectural, engineering, or management services provided by the Department of Administration for capital improvement projects, currently a fee ranging from .5 percent to 2.0 percent depending on the complexity and services provided. An additional negotiated fee is charged on projects for which the Office of Facilities and Procurement Management provides architectural and engineering design services.

In Item 5, the estimated total project cost reflected in Item 4 should be broken down into three major phases: preliminary planning, final planning, and construction. Not all projects will include costs for each project phase.

1. **Preliminary Plans.** This phase includes the costs of preparing preliminary plans (schematic design and design development) for the project based on 35.0 percent of total architect or engineer fees attributable to the entire project. This amount includes miscellaneous costs that will be incurred during this phase of a project. Examples would be costs for a site survey, subsoil investigation, etc.

2. **Final Plans.** This phase includes costs attributable to the services of a project architect to develop detailed plans (construction documents). This amount is 45.0 percent of the architect or engineer fee for the entire project. Of the total amount, 5.0 percent is the portion of the architect or engineer fee for bidding services and all miscellaneous costs that will be incurred during this phase.

3. **Construction.** This phase includes costs attributable to construction of the project (or remodeling, renovation, or rehabilitation and repair). In addition, this amount should include miscellaneous and other costs that will be incurred during this phase of a project. For example, this would include costs for the remaining 20.0 percent portion of the architect or engineer fee for construction administration and costs for acquisition of moveable equipment, etc.

With respect to Items 4 and 5, agencies should submit a separate sheet, labeled appropriately, which provides additional information concerning the estimated project cost and the manner in which this cost has been broken down into the three project phases. Examples of the type of information that should be provided include the cost per gross square foot and any inflation assumptions used in generating the project estimate. If the project is a roof project, the cost per square of roofing is provided. Also, a breakdown of the architect's fee and

miscellaneous costs and how these costs have been reflected in the project phases should be provided.

Item 6, enter in the appropriate column the amounts necessary to show the total cost of the project by funding source. If the project will be financed from sources other than the State General Fund, the amounts should be placed in Columns 2 through 5, with the columns labeled with the proper funding source. The fiscal year in which the cost of the proposed project would be incurred should be entered on a fiscal year line. If the total cost is to be incurred in a single year, then only the appropriate fiscal year should be entered. For those projects that require multi-year financing, one DA 418B form should be prepared. The form must indicate the fiscal year in which the initial funding of the project is proposed. If multi-year financing is requested, the appropriate fiscal years should be entered. If a major project is proposed to extend beyond the five-year plan period, financing for subsequent fiscal years should also be shown. An entry on the prior year's line should be made only if an appropriation has been made for any fiscal year prior to the current year. Current year, budget year, and subsequent fiscal year expenditures are noted separately.

Instructions for Preparing DA 418A Forms

The DA 418A provides a summary of all projects proposed for the five-year planning period and should have every project listed for which a DA 418B was prepared. The Five-Year Capital Budget Plan should include projects for which financing has already been provided but additional expenditure authority is needed. Instructions for the DA 418A are detailed below.

1. **Project Title.** Enter in this column the title of each project proposed for the plan period as it appears on the DA 418B. The projects must be listed in numerical order in accordance with the agency priority that has been assigned to each project.

2. **Estimated Project Cost.** Enter in this column the estimated cost for each project. For those projects to be financed over more than one year, the estimated project cost should represent the total cost of the project.

3. **Prior Fiscal Years.** An entry in this column should be made for any project that has funds already approved prior to the current fiscal year. In this way, proposals for additional expenditure authority can be evaluated in the context of the total project.

4. **Current Fiscal Year.** This column will contain all estimated current year expenditures for each project request. Any supplemental appropriation requests for capital projects must also be noted here.

5. **Five-Year Plan.** Enter in the appropriate column the fiscal years(s) for which funding of each project for the plan period is proposed. In the case of projects recommended for multi-year financing, an entry will be made for each applicable fiscal year.

6. **Subsequent Years.** Depending on the proposed timing of a major project for which multi-year financing is recommended, funding for a project could extend into fiscal years beyond the limit of the plan period. While these fiscal years will be identified on the project's DA 418B, for purposes of the DA 418A all funding for fiscal years beyond the limit of the plan period should be totaled and the sum entered in this column.

After making appropriate entries in columns on the DA 418A, all amounts should be added down to reflect fiscal year totals.

Five-Year Capital Budget Plan--DA 418A

Division of the Budget
State of Kansas

Agency Name Department of Wildlife, Parks & Tourism

Project Title	Estimated Project Cost	Prior Years	Current Year FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Subsequent Years
1. Lake Scott Water Main Replacement	176,000	37,924	102,076	36,000	--	--	--	--	--
2. Glen Elder Office Addition	80,000	--	50,000	30,000	--	--	--	--	--
3. Prairie Dog Water Well Replacement	10,000	--	--	--	10,000	--	--	--	--
4. Rehabilitation and Repair	500,000	--	--	100,000	100,000	100,000	100,000	100,000	--
Total	$ 766,000	$ 37,924	$ 152,076	$ 166,000	$ 110,000	$ 100,000	$ 100,000	$ 100,000	$ --

Project Request Explanation--DA 418B

1. Project Title:	2. Project Priority:
Agency: Department of Wildlife, Parks & Tourism	1

3. Project Description and Justification:

The agency is requesting funds to continue replacement of a galvanized water main which was installed by the Corps of Engineers in the early 1970s. It has become a high maintenance item, as the metal pipe has rusted through, requiring excessive staff resources, time, and equipment expense to locate and repair leaks. It will be only a few years until the total line is rusted to the point where maintenance or repair will be impossible. Therefore, before this happens, it is essential that the old line be removed and a new line installed.

Preliminary and final planning for the project was conducted in FY 2013, Phase I was completed in FY 2014 at a cost of $37,924. This phase replaced the section of the water main from the treatment facility to campground A.

Phase II will be completed in FY 2015 at a cost of $102,076. This phase will replace the water main leading to campgrounds B, C, E, and G.

Phase III will be completed in FY 2016 and will replace the remaining sections of the water main, which lead to campgrounds D and F. The cost for this phase will be $36,000. There will be no requests for additional funds for operating expenditures as a result of the project.

4. Estimated Project Cost:		5. Project Phasing:	
1. Construction (including fixed equipment and sitework)	149,000	1. Preliminary plans (including misc. costs)	2,993
2. Architect or engineer fee	11,970	2. Final plans (including misc. and other costs)	6,583
3. Moveable equipment	3,210	3. Construction (including misc. and other costs)	166,424
4. Project contingency	8,550		
5. Miscellaneous costs	3,270		
Total	$ 176,000	**Total**	$ 176,000

6. Amount by Source of Financing:

Fiscal Years	1. SGF	Land/Water 2. Cons. Fund				Total
Prior Years	32,924	5,000				37,924
FY 2015	67,076	35,000				102,076
FY 2016	18,000	18,000				36,000
FY 2017						--
FY 2018						--
FY 2019						--
FY 2020						--
Subsequent Years						--
Total	118,000	58,000	$ --	$ --	$ --	176,000

Project Request Explanation--DA 418B

1. Project Title:	2. Project Priority:
Agency: Department of Wildlife, Parks & Tourism	2

3. Project Description and Justification:

The agency is requesting funds to continue to build an addition to the existing headquarters building in the River Pond area at Glen Elder State Park. The existing space does not meet state criteria for working space for the number of employees working out of the office. Employees using the office include the manager, rangers, clerical support staff, and workers involved in the Green Thumb program. Moreover, additional space is required for record storage associated with permit sales and informational materials. The requested addition would provide 5,800 square feet of office space, including a conference room for meetings with highway engineers and contractors involved in park construction projects and programs for camping groups related to park information and promotion. Existing office space would be converted to enlarge the current maintenance area work space.

For FY 2015, $50,000 had been approved for the project. These funds will be used for planning and construction of the additional office space. The $30,000 requested for FY 2016 will be used to construct the conference room and storage space.

The project qualifies for matching funds under the Federal Land and Water Conservation program.

4. Estimated Project Cost:		5. Project Phasing:	
1. Construction (including fixed equipment and sitework)	72,433	1. Preliminary plans (including misc. costs)	1,000
2. Architect or engineer fee	4,000	2. Final plans (including misc. and other costs)	2,200
3. Moveable equipment		3. Construction (including misc. and other costs)	76,800
4. Project contingency	2,000		
5. Miscellaneous costs	1,567		
Total	$ 80,000	**Total**	$ 80,000

6. Amount by Source of Financing:

Fiscal Years	1. SGF	Land/Water 2. Cons. Fund				Total
Prior Years						--
FY 2015	25,000	25,000				50,000
FY 2016	15,000	15,000				30,000
FY 2017						--
FY 2018						--
FY 2019						--
FY 2020						--
Subsequent Years						--
Total	40,000	40,000	$ --	$ --	$ --	80,000

Project Request Explanation--DA 418B

1. Project Title:	2. Project Priority:
Agency: Department of Wildlife, Parks & Tourism	3

3. Project Description and Justification:

The agency is requesting funds to drill a new well to be used for public water supply at Prairie Dog State Park in FY 2017. There are two existing wells which provide drinking water and water for the shower facilities used by the public. One of the existing wells does not provide a consistent water supply during late summer when the water table is low. The new well would be drilled approximately 1/4 mile east of the existing well and would be drilled deeper to reach a more reliable water bearing stratum. The project includes a new force main and water lines connecting the new well with the existing water supply system.

Preliminary and final planning will be done by agency staff avoiding any architect fee costs for the project. The project will qualify for a match from the Federal Land and Water Conservation Program.

4. Estimated Project Cost:		5. Project Phasing:	
1. Construction (including fixed equipment and sitework)	7,235	1. Preliminary plans (including misc. costs)	
2. Architect or engineer fee	1,367	2. Final plans (including misc. and other costs)	
3. Moveable equipment	500	3. Construction (including misc. and other costs)	10,000
4. Project contingency			
5. Miscellaneous costs	898		
Total	$ 10,000	**Total**	$ 10,000

6. Amount by Source of Financing:

Fiscal Years	1. SGF	Land/Water 2. Cons. Fund				Total
Prior Years						--
FY 2015						--
FY 2016						--
FY 2017	5,000	5,000				10,000
FY 2018						--
FY 2019						--
FY 2020						--
Subsequent Years						--
Total	5,000	5,000	$ --	$ --	$ --	10,000

Project Request Explanation--DA 418B

1. Project Title:	2. Project Priority:
Agency: Department of Wildlife, Parks & Tourism	4

3. Project Description and Justification:

The agency has determined that it is necessary to begin a systematic program of rehabilitation and repair starting in FY 2016. Most of the facilities at the state parks were constructed in the late 1970s and early 1980s. As a result the age of the facilities makes routine repairs a necessity.

A list and short description of the projects will be included in next year's capital improvement request. Typical rehabilitation and repair items will include renovation of shower facilities, replacement of water treatment equipment, replacement of sewage pumps, and control of shoreline erosion.

4. Estimated Project Cost:		5. Project Phasing:	
1. Construction (including fixed equipment and sitework)	500,000	1. Preliminary plans (including misc. costs)	
2. Architect or engineer fee		2. Final plans (including misc. and other costs)	
3. Moveable equipment		3. Construction (including misc. and other costs)	500,000
4. Project contingency			
5. Miscellaneous costs			
Total	$ 500,000	**Total**	$ 500,000

6. Amount by Source of Financing:

Fiscal Years	1. SGF	Land/Water 2. Cons. Fund				Total
Prior Years						--
FY 2015						--
FY 2016	50,000	50,000				100,000
FY 2017	50,000	50,000				100,000
FY 2018	50,000	50,000				100,000
FY 2019	50,000	50,000				100,000
FY 2020	50,000	50,000				100,000
Subsequent Years						--
Total	250,000	250,000	$ --	$ --	$ --	500,000

Governor's Budget Amendments

Although there is no statutory requirement for budget amendments, it has been long standing practice that the Governor can revise the original recommendations issued in *The Governor's Budget Report,* based on information arising after the budget submission in January. The amendment is a formal document submitted to the Chairs of the Senate Ways and Means Committee and the House Appropriations Committee. Generally, a Governor's budget amendment (GBA) addresses changes in policy, but may also relate to events occurring after the budget has been completed.

Potential items include the following:

- Any technical changes required to correct errors in *The Governor's Budget Report*;
- Cost differences that require adjustments based on policy decisions contained in the Governor's recommended budget (such as increases or decreases in the estimated caseload for a grant program);
- Adjustments based on legislation that has passed with the Governor's support; and
- New issues which have arisen since the original budget recommendations were finalized.

To initiate a request for a budget amendment, agencies should follow these steps:

1. Inform their budget analyst as soon as possible if they intend to request a Governor's budget amendment.
2. Assemble requests in priority order under a cover letter signed by the head of the agency and addressed to the Director of the Budget. Each requested issue should be described, including how costs were determined and the proposed sources of funding. Mention must be made of any future year costs, including full year costs, for any issues partially funded in the first year.

Requests seeking restoration of funds requested earlier, but not recommended by the Governor should not be requested unless substantially new information is provided. Agencies should make every effort to find savings within the recommended budget to offset the cost of any new items before requesting a Governor's budget amendment.

Technical Corrections: The first set of budget amendments has in the past been intended solely to correct errors made in *The Governor's Budget Report*. It is released by the Division of the Budget during the early days of the session. Immediately after release of *The Governor's Budget Report*, agencies should carefully review the data provided by the Division of the Budget. Agency staff should compare these forms to the appropriation bills and notify the Division of the Budget if errors are found. If an error exists, it can be corrected in the memorandum making technical corrections without additional information being required of the agency.

State Finance Council

The State Finance Council was created to act on budget matters that arise when the Legislature is not in session and that need resolution before the next session. The State Finance Council may consider only items that meet certain legal requirements:

1. The item must be characterized by statute as a matter of legislative delegation.
2. The request must be the result of an unforeseeable occurrence or the unascertainable effect of a foreseeable occurrence.
3. It must be shown that a delay would prevent the agency from carrying out a specific objective or goal which affects its powers and functions.
4. The proposed action must be an item that was not rejected by the most recent Legislature.

The Council consists of nine members: the Governor, the President of the Senate, the Speaker of the House, the Chair of the Senate Committee on Ways and Means, the Chair of the House Committee on Appropriations and the Majority and Minority Leaders of both houses of the Legislature. The Council's governing statutes are KSA 75-3708, et seq. Its powers include:

1. Approval of State General Fund transfers to the State Emergency Fund (KSA 75-3713),
2. Approval of certificates of indebtedness (KSA 75-3725a),
3. Increase of position limitations (KSA 75-3711c),
4. Increase of expenditure limitations (KSA 75-3711c),
5. Approval of the distribution of funds for implementation of the state employee pay plan, and
6. Other actions delegated by the Legislature.

The Division of the Budget maintains a list of appropriations that require Finance Council authorization prior to their expenditure. However, agencies must monitor these items as well. Meetings of the Council are not scheduled on a regular basis. The number and urgency of agenda items, in addition to accommodating the schedules of members, are the major determinants of when a meeting date will be established. Therefore, it is in the agency's interest to notify its budget analyst immediately of potential State Finance Council items. A request should follow as soon as possible with a brief cover letter addressed to the Director of the Budget that includes the following information:

1. The type of action requested that the Council is authorized to take;
2. A complete description of requested action, including the fiscal effect; and
3. A complete description of how the requested action meets the legal criteria as outlined above, and verification that the item has not been rejected by the prior Legislature.

Executive Directives

The Governor has the authority to issue formal orders that are a matter of public record and that implement certain personnel actions and fiscal decisions. The following functions are considered executive in nature and can be implemented by directives issued by the Governor:

1. Transfer of monies between appropriation accounts of the same fund within a state agency,
2. Reclassification or other adjustments to the classified pay plan,
3. Creation or deletion of job classes in the classified service, and
4. Authorization to expend federal funds for which no appropriation was provided by the previous Legislature.

Requests are submitted by the agency head in a letter addressed to the Director of the Budget. Executive directive requests will be handled as received from the agencies, although requests prior to the end of the fiscal year should be presented in time to anticipate the fiscal year closing of accounts. Agency requests should include:

1. Specific details of the request (such as which accounts are involved in the transfer),
2. The reasons for the requested action,
3. The fiscal year for which the action is requested, and
4. The fiscal effect of the action.

Internal Transfers

In addition to executive directives, fund transfers may be executed under the authority of the Director of the Budget. These revenue transfers are authorized in the regular appropriations bill and generally allow for State General Fund or State Water Plan Fund money to be moved from one line-item of appropriation to another within an agency, such as the agencies financed from the State Water Plan Fund, or within a system of agencies, such as KDADS and its hospitals, Corrections and its facilities, and the Board of Regents and its universities. One example of this language is shown below.

> (c) During the fiscal year ending June 30, 2015, the secretary of corrections, with the approval of the director of the budget, may transfer any part of any item of appropriation for the fiscal year ending June 30, 2015, from the state general fund for the department of corrections or any correctional institution, correctional facility or juvenile facility under the general supervision and management of the secretary of corrections to another item of appropriation for fiscal year 2015 from the state general fund for the department of corrections or any correctional institution, correctional facility or juvenile facility under the general supervision and management of the secretary of corrections. The secretary of corrections shall certify each such transfer to the director of accounts and reports and shall transmit a copy of each such certification to the director of the legislative research.

The agency submits a request in writing to transfer funds. Except in emergency situations, transfers would not ordinarily be authorized when the Legislature is in session, not as a matter of law, but because the Legislature could make the transfer in an appropriations bill. When transfer requests are granted, a letter from the Director of the Budget to the Director of Accounts and Reports is sent to initiate the transfer.

Glossary

Account Code

A code used for accounting purposes in addition to a written description to describe the specific items or services purchased by state agencies within various expenditure categories. Expenditure codes are prescribed by the *Policy and Procedure Manual,* Filing 7,002 prepared by the Division of Accounts and Reports.

Allotment System

A procedure under which monies previously appropriated from a fund by the Legislature are legally reduced. The system, authorized by KSA 75-3722, is intended to assure that expenditures do not exceed available resources during a fiscal year.

Appropriation

A specified amount of money for a particular purpose that an agency is authorized to spend during a fiscal year. Generally, the entire amount is available at the start of the fiscal year.

Biennial Budget

A budget which plans revenues and expenditures for the two forthcoming fiscal years, rather than one year. KSA 2014 Supp. 75-3717(f) requires the following agencies to submit biennial budgets: Abstracters Board of Examiners, Board of Accountancy, Banking Department, Kansas Board of Barbering, Behavioral Sciences Regulatory Board, Board of Cosmetology, Department of Credit Unions, Kansas Dental Board, Kansas Governmental Ethics Commission, Board of Healing Arts, Hearing Instruments Board of Examiners, Board of Mortuary Arts, Board of Nursing, Board of Examiners in Optometry, Board of Pharmacy, Kansas Real Estate Appraisal Board, Kansas Real Estate Commission, Office of the Securities Commissioner, and Board of Technical Professions. All other state agencies will submit biennial budgets in the FY 2016-FY 2017 biennium, although not mandated by state law.

Budget

A plan of operation, including a strategic plan, an estimate of proposed expenditures and the means to finance expenditures, to meet the needs of the public.

Budget Amendment

An action by the Governor to revise budget recommendations during the legislative session. Amendments are submitted by letter from the Governor to the Chairs of the Senate Ways and Means and House Appropriations Committees advising them of the budget revisions by the Governor.

Budget Unit

The basic unit of classification in the budget process for agency monies; a sub-unit of a fund. Budget unit names and numbers can be found in the Division of Accounts and Reports' *Central Chart of Accounts*, which lists every active budget unit by agency. In the budget system, fund number is referred to as "line ID." Other definitions specific to the budget system are outlined in the Budget System Users Manual. Budget units are referred to as "funds."

Budget Version

A variation of a budget request. Different budget versions exist at various stages of the budget process. Examples include download versions that are the starting point of the budget process, agency work-in-progress versions, the budget request, DOB analyst work-in-progress versions, and the Governor's recommendations.

Capital Improvements

Projects involving new construction, remodeling, rehabilitation and repair, razing, and the principal portion of debt service for capital expenses. The interest portion of the debt is an operating expense.

Change Package

The incremental or decremental dollar amount associated with a particular budget issue. Similar to an enhancement package, a change package reflects some type of base budget adjustment. Examples include caseload changes, additional federal dollars, programs phased in or out, a supplemental appropriation request, budget amendments, executive directives, or Finance Council action.

Classified Positions

Classified positions are regulated by the Kansas Civil Service Act. Under the state's personnel and payroll system, all classified positions are either:

Regular—A position that counts toward the agency's FTE position limitation with duties and responsibilities of an ongoing nature. Employees on a regular classified position receive full benefits, based on the percentage time of the position.

Temporary—An appointment that does not exceed 999 hours of employment in a 12-month period. Temporary positions do not count toward the agency's FTE position limitation. Employees do not receive fringe benefits, unless the person is employed on successive appointments, and works more than 999 hours in a year.

Demand Transfer

Funds transferred annually from the State General Fund to specified expenditure accounts under the authority of laws other than appropriation acts. For FY 2015, there is one demand transfer authorized, Capital Outlay State Aid Fund for school districts.

Employee Benefit Contributions

State expenditures for retirement contributions, FICA, workers compensation, unemployment insurance, the state leave payment upon retirement assessment, and health insurance are employee fringe benefits. Each item is budgeted separately in the budget system salary module according to the rates in the cost indices at the end of these instructions.

Encumbrances

Obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or unencumbered. Some encumbrances may be carried forward. In the budget process, encumbrances are considered

expenditures in the year the encumbrance is made, not the year in which they are finally paid.

Enhancement Package

A budget request which reflects either an increase to the services currently performed by an agency or the creation of new services. The package includes only the incremental cost of the increased expenditures to accomplish an activity.

Executive Directive

A formal order issued by the Governor that is a matter of public record and implements certain personnel actions and fiscal decisions. Also see **Transfer (Gubernatorial)**.

Expenditure

The actual payment of money out of any state fund or the commitment to make such a payment in the form of an encumbrance.

Expenditures, Non-Reportable

Disbursements, such as refunds, that do not result in net reductions of statewide assets. Also considered non-reportable are certain "off-budget" expenditures, many of which occur in the Department of Administration. For example, dollars are spent by many state agencies for printing services at the Department's printing plant. Those same dollars are spent again for the salaries, supplies, equipment, and other operating costs of the plant. To avoid reporting expenditures twice, the agencies' costs are treated as reportable and the printing plant's costs are non-reportable, or "off-budget." The same treatment is applied to expenditure of bond proceeds. The state budget reflects the cost of the debt service to repay the bonds, while the expenditure of the bond proceeds themselves are non-reportable.

Expenditure Categories

Classifications for goods and services purchased by state agencies. Primary among these are the following:

1. Salaries and Wages—Payments to state officers and employees for their personal services, and the state's costs for employee benefits such as FICA, retirement contributions, workers compensation, unemployment insurance, the state leave payment assessment, and health insurance.

2. Contractual Services—Payments for various services including communications, travel, utilities, and consultant services.

3. Commodities—Payments for consumable materials, supplies, and parts used in the operation of the agency.

4. Capital Outlay—Expenditures for items having a normal life of more than one year, such as office equipment, machinery, furniture, and motor vehicles.

5. State Operations—An expenditure summary category incorporating agency costs for salaries and wages, contractual services, commodities, and capital outlay.

6. Federal and State Aid to Local Governments—Aid payments to counties, cities, school districts, and other local governments with taxing authority.

7. Other Assistance, Grants and Benefits—Payments made to or on behalf of persons as aid (and not as salaries and wages or contractual services), including public assistance benefits, retirement benefits, claims, unemployment benefits, property tax relief payments, and tuition grants.

8. Operating Expenditures—An expenditure summary category incorporating all agency expenditures, except capital improvements.

9. Debt Service—Payments of the interest and principal included in agency budgets on various forms of debt financing, including bonded indebtedness, PMIB loans, master lease, Facility Conservation Improvement Program, third-party and other miscellaneous debt.

10. Non-Expense Items—Disbursements such as refunds, advances, and investments which do not represent governmental costs. Expenditures for non-expense items, **which for budgeting purposes cannot be made from the State General Fund, KEY Fund, Economic Development Initiatives Fund, State Water Plan Fund, Children's Initiatives Fund, Expanded Lottery Act Revenues Fund, or the building funds**, are considered non-reportable.

11. Operating Grants—A category of expenditure for budget request purposes only so that agencies, such as Regents institutions, can request funds without distributing them to the standard expenditure categories. This category does not exist in the accounting system.

12. Capital Improvements—Cash or debt service principal payments for construction of highways, buildings or other facilities (including equipment necessary to place facilities in operation), remodeling and additions to existing structures, rehabilitation and repair projects, razing of structures, and the purchase or improvement of land.

Expenditure Limitation

A limitation placed on expenditures that may be made from a special revenue fund.

Finance Council

A state organization empowered to act on certain matters of legislative delegation, usually when the Legislature is not in session. The Council comprises the Governor (chair), President of the Senate, Speaker of the House of Representatives, Majority and Minority Leaders of each chamber, and the Chairpersons of the Senate Ways and Means and House Appropriations Committees.

Fiscal Year

The state fiscal year runs from July 1 to the following June 30 and is numbered for the calendar year in which it ends. The "actual fiscal year" is the year which concluded the previous June. The "current fiscal year" is the one which ends the coming June. The "budget year" refers to the next fiscal year, which begins the July following the Legislature's adjournment. "Out-years" refer to the years beyond the budget year.

Full-Time Equivalent (FTE) Position

A permanent state position that counts against an agency's position limitation authorized by the Legislature. FTE positions can be either full-time (1.00 FTE position), or part-time (a half-time position would be represented as a 0.50 FTE position). Limited term positions are included in an agency's position limitation contained in the appropriation

bill. Teaching positions that are on contract for nine months or more are considered 1.00 FTE position. Temporary positions are not counted as FTE positions for purposes of the appropriation limitation, including those employees appointed to temporary positions who receive retirement benefits.

Functions of Government

Classifications for groups of similar agencies that reflect the basic purposes of state government. In Kansas, these functions and the primary agencies in each include the following:

Function 1—General Government

Legislative agencies, constitutional offices, judicial agencies, Department of Administration, Department of Revenue, and various regulatory boards.

Function 2—Human Services

Kansas Commission on Veterans Affairs Office, Department for Aging and Disability Services, Department of Labor, Department for Children and Families and the health programs of the Department of Health & Environment.

Function 3—Education

Board of Regents institutions, Department of Education, State Library, and other education-related agencies. The state's payment of local school employer retirement costs is also included in this function.

Function 4—Public Safety

Correctional institutions for adults and youth, Adjutant General, Kansas Bureau of Investigation, Fire Marshal, Department of Corrections, Highway Patrol, Board of Emergency Medical Services, Sentencing Commission, and the Kansas Commission on Peace Officers Standards and Training.

Function 5—Agriculture and Natural Resources

Department of Agriculture, Water Office, State Fair, Department of Wildlife, Parks & Tourism, and the environmental programs of the Department of Health & Environment.

Function 6—Transportation

Department of Transportation and part of the Department of Administration.

Funds

Basic units of classification in both the budget process and the accounting system for agency monies. Monies in a fund may be used for a specific purpose as provided by law. Each fund is maintained in accordance with generally-accepted accounting principles with a self-balancing set of accounts recording all resources together with all related obligations, reserves, and equities. The major funds of the state include the following:

1. State General Fund—A fund for revenues not earmarked or dedicated for special purposes. It is used to finance governmental operations not provided for by other funds. The principal revenue sources for the State General Fund include individual and corporate income taxes, sales and compensating use taxes, severance and other excise taxes, and interest earnings.

2. State Water Plan Fund—A fund established under KSA 82a-951 to provide a dedicated source of funding to provide for the water resource needs of Kansas. For financing, the fund receives a transfer from both the State General Fund and

the Economic Development Initiatives Fund. Other receipts come from fees charged to water users, pesticide label fees, fertilizer use fees, and environmental fines. Water Plan monies are appropriated to agencies, rather than transferred.

3. Economic Development Initiatives Fund—A fund established under KSA 79-4804 for financing economic development activities. The fund receives revenues from lottery activities. With the exception of the Kansas Economic Opportunity Initiatives Fund (KEOIF) and Kansas Qualified Bio Diesel Fuel Producer Incentive Fund (KQBFPIF) programs and the Water Plan Fund, monies are appropriated rather than transferred from this fund to various agencies, according to appropriation acts passed by the Legislature.

4. State Gaming Revenues Fund—This fund is created under KSA 79-4801 and functions as a clearing fund, disbursing receipts from lottery sales, taxes and fees on racing activities in accord with a statutorily prescribed formula. KSA 74-8711 sets out the formula for the distribution of the receipts. The current formula first transfers $80,000 to the Problem Gambling Grant Fund, then 85.0 percent of the remaining receipts to the Economic Development Initiatives Fund, 10.0 percent to the Correctional Institutions Building Fund, and 5.0 percent to the Juvenile Detention Facilities Fund.

5. Children's Initiatives Fund—This fund is used to benefit the physical and mental health, welfare, and safety of children in Kansas. The fund receives proceeds from the national tobacco settlement, which are appropriated by the Legislature for programs and activities benefiting children.

6. Expanded Lottery Act Revenues Fund—This fund is created under KSA 74-8768 and may be used for the reduction of state debt, state infrastructure improvements, the University Engineering Initiative Act, reduction of local ad valorem taxes and reduction of the unfunded actuarial liability of the KPERS System.

7. Special Revenue Funds—Funds into which statutorily earmarked receipts are deposited. There are several hundred such funds, and the revenues consist largely of special fees or levies assessed by the state as well as federal grant-in-aid receipts. Generally, these monies must be expended for purposes specified by state statutes, or in the case of federal grants, for purposes specified by the federal government. Another distinct class of these funds is the agency fee fund, which consists of receipts collected and retained by an agency. For reporting purposes, federal funds must be uniquely identified, separate from state monies.

8. State Highway Fund—Receipts are dedicated to the maintenance and construction of state and local streets and highways and to operations of the Department of Transportation and the Department of Revenue's Division of Motor Vehicles. Revenue sources include motor fuel taxes, motor vehicle registration taxes, driver's license fees, special vehicle permits, federal funds, and proceeds from the sale of bonds.

9. Enterprise Funds—Funds to account for charges for services, usually of a commercial nature, rendered to the public for compensation. The predominant use is accounting for dormitory operations at state universities.

10. Intra-Governmental Service Funds—Non-reportable funds that account for the provision of goods and services by state agencies for other state agencies. Through these funds, the cost of the goods and services is charged to and paid by the recipient agency. Most of these funds are excluded from the budget system.
11. Trust and Agency Funds—Funds containing monies received, held, and disbursed by the state acting as a trustee, agent, or custodian. Agency funds consist of monies collected by the state as agent and disbursed to other governments and individuals.

12. Clearing Funds—Non-reportable funds into which monies are transferred from other funds and then disbursed for a particular general expenditure, such as payroll. These funds are excluded from the budget system.

13. State Institutions Building Fund—A fund for constructing, equipping, and repairing buildings at the institutions under the Department for Aging and Disability Services, and the Department of Education, as well as the Veterans Commission Office and the state's juvenile correctional facilities. Income is derived from a one-half mill, statewide levy on property subject to ad valorem taxation.

14. Kansas Educational Building Fund—A fund for constructing, equipping, and repairing buildings at the state universities. Income is derived from a one-mill, statewide levy on property subject to ad valorem taxation.

15. Employment Security Fund—The fund from which unemployment benefits are paid through the Kansas Department of Labor. Deposits consist of employer taxes, contributions, fines, and penalties levied on employers for unemployment benefits, as well as interest earned on unemployment trust funds deposited in the U.S. Treasury.

16. Retirement Funds—A class of funds including the several employee retirement funds managed by the Kansas Public Employees Retirement System. State employees and employees of local governments who have joined the system are eligible to receive retirement benefits from these funds. The funds are financed by both employer and employee contributions and investment earnings.

17. State Emergency Fund—This fund is generally used to meet state obligations arising from natural disasters, match federal payments to individuals and families, and offer rewards to catch wanted criminals. The State Finance Council is empowered to authorize expenditures from the fund. It is financed through transfers from the State General Fund.

18. Other Funds—A summary category used in the budget to refer to all funds other than the State General Fund.

Each fund in the state budget has a four-digit assigned number based on the following classifications.

1000	State General Fund
1700	Expanded Lottery Act Revenues Fund
1800	State Water Plan Fund
1900	Economic Development Initiatives Fund
2000	Children's Initiatives Fund
2000 series	Special Revenue Funds—State
3000 series	Special Revenue Funds—Federal

4000 series	State Highway Fund
5000 series	Enterprise Funds
6000 series	Intra-Governmental Service Funds
7000 series	Trust and Agency Funds
8000 series	Capital Project Funds
9000 series	Clearing, Refund, and Suspense Funds

Lapse

That portion of an appropriation not spent or reappropriated. A lapsed appropriation reverts to the fund from which it was made and becomes part of the unappropriated balance. State General Fund appropriations automatically lapse at the end of a fiscal year unless specific legislative authorization provides for the carryover of unexpended funds (see **Reappropriation**).

Limited Reappropriation

That part of a reappropriation which exceeds the limitation established by the Legislature on expenditures from a reappropriation. Limited reappropriations may be expended only with approval of the State Finance Council or the Legislature. State General Fund limited reappropriations, starting in FY 2006, are transferred to the 27th Payroll Adjustment account of the State General Fund as part of the mechanism that financed the 27th payroll that occurred in FY 2006 and the additional check to come in FY 2017.

Limited Term Appointment

A type of an appointment to a regular classified position in state civil service which is tied to funding limitations stipulated in grant specifications or other contractual agreements. Employment ends when the funding ends and the employee does not have layoff rights. Limited term positions are included in agency FTE position limitations.

Line-Item Appropriation

An appropriation made by the Legislature for a specific purpose. The term derives from the practice used in some jurisdictions of appropriating funds by narrowly defined “line-item” objects of expenditure.

Longevity

Bonus payments made to eligible classified employees or non-judicial personnel based on $40 per year of service multiplied by the number of years of state service. Minimum eligibility is ten years of service, and the maximum payment is $1,000 for 25 years. Employees hired more recently are not eligible for this bonus.

MEGA Appropriations Bill

Legislation which includes appropriations for all state agencies. Appropriation bills are effective for one year, unlike substantive statutes, which are effective on a permanent basis until amended or repealed. The MEGA bill contains supplemental appropriations and adjustments to the current fiscal year, appropriations for operating budgets for the upcoming fiscal year, and appropriations for capital improvements for the forthcoming fiscal year and any applicable out years as a multi-year appropriation.

Multi-Year Appropriation

A legislative authorization to expend monies from a fund in more than one fiscal year.

Non-FTE Unclassified Permanent Position

A position categorized in the SHARP payroll system as unclassified temporary and coded as a “P” or “L” but which receives retirement benefits, and is therefore counted as part of the permanent state workforce for budgeting purposes.

Object

A generic term referring to the lowest level of data stored and accessed in the state’s budget system. Object identifies a specific budget item. An object type is associated with each object to differentiate between expenditures (E), funding sources (F), revenue (R), and FTE positions (S).

Omnibus Appropriations Bill

A bill containing numerous individual appropriations for both the current and budget fiscal years that is considered during the “veto” stage of a legislative session. It finances items such as substantive legislation that passed and Governor’s budget amendments adopted by the Legislature.

Performance Budgeting

A budgeting process that uses performance measures to distribute available financial resources. Outcome measures gauge the ultimate effect of programs on the problems or conditions they are intended to affect. Output measures indicate the level of resource input or intermediate agency work effort. Efficiency measures compare input to output.

Performance Information

Quantitative expressions which describe the effect a program has on a given condition or problem. Performance information provides a framework within which the benefits of the given program may be evaluated. Components of this information are a program purpose, which states the policy goal being served; objectives, which state the criteria for determining progress in accomplishing the purpose; and performance measures, which are the data used to measure progress.

Performance Measures

Classes of data used to develop program performance information. Outcome measures are the most important, as they gauge the ultimate effect of agency programs. Effectiveness measures focus on how well program operations accomplish their particular goals. Workload or output measures indicate the level of resource input or intermediate outputs, while efficiency measures compare input to output.

Personal Services

A term used by the budget system for salaries and wages paid to persons employed by the state.

Position Classification Actions

Types of actions taken when it is necessary to change the classification of a position in the classified service. There are two types of actions: individual position classification actions and classification study actions. Individual position classification actions are changes in the classification of a position from one existing class to a different existing class (at the same or a different pay grade). Classification study actions may involve one or more positions in one or more classes. A classification study may redefine the

work in a class or a class series, reassign pay grades, or establish new classes at the same or different pay grade.

Program

A set of related operations that follows a planned course of action to achieve a specified purpose and set of objectives. Programs are used to classify agency services and provide a basic framework for resource allocation decisions.

Reallocation

A change of funding levels between the programs in an agency, or object codes within a program. These changes reflect the adjustment of agency priorities or needs.

Reappropriation

Unexpended funds remaining at the end of the current fiscal year that are carried over to the next fiscal year. If the reappropriation is subject to an expenditure limitation, the limitation controls the amount of the reappropriation that can be spent in the next fiscal year. If the reappropriation is not subject to an expenditure limitation, all of it can be spent in the next fiscal year (see **Limited Reappropriation**).

Reduced Resource Package

A budget request which reflects a targeted reduction to a program or agency budget. The package includes only the decremental cost of the reduced expenditures. Information regarding the reductions, as well as the effect of the budget reduction, is included in a tabular and narrative format in the beginning of the agency budget, rather than being detailed on each budget form.

Reporting Level

In the state's budgeting system, a 24-digit number grouped into two different "layers" by hyphens used to identify the agency and major program level.

Revenue Estimates

Projections of anticipated State General Fund revenue for the current and budget fiscal years. An estimate is developed on a consensus basis by the Division of the Budget, Department of Revenue, university economists, and the Legislative Research Department twice annually. In November an estimate is made for the current and budget years. This estimate forms the basis of the Governor's budget recommendations to the Legislature. In the spring, prior to the end of the legislative session, the current and budget year estimates are reviewed and revised, if necessary.

Revenue Transfer

Authority in appropriation bills instructing the Department of Administration to transfer all or any part of the revenue in a particular fund to another fund either between agencies or within an agency in order to finance certain programs or operations. An example is the transfer from the State Highway Fund in the Department of Transportation to the Division of Vehicles Operating Fund in the Department of Revenue. Revenue transfers between funds or accounts within an agency are also made by an executive directive signed by the Governor. For a few agencies, most constituting a system, such as KDADS and the state hospitals, the Regents universities, and the Department of Corrections, revenue transfers can be made between agencies within a system with the approval of the Director of the Budget.

Salary Plan

The schedule for classified employees of position classifications, pay grades, and pay steps, as administered by the Department of Administration. This plan is used in developing salary and wage estimates.

Shift Differential

An additional amount paid to certain classified employees who work shifts other than the normal day shift. Because this rate is established by gubernatorial directive, budgeted increases for salary plan revisions are not applied to the amount budgeted for this purpose.

Shrinkage

The difference between the cost of fully funding salaries and wages in a budget, assuming all positions were filled at all times, and the actual salary costs, taking vacancies into account. Also called "turnover," it is expressed as a percentage.

Strategic Plan

A practical, action-oriented guide, based upon an examination of internal and external factors which directs goal-setting and resource allocation to achieve meaningful results over time.

Supplemental Appropriation

An appropriation made to finance the operations of state government during the current fiscal year in addition to regular appropriations already approved. Supplemental appropriations are considered when a shortage of funds is anticipated as a result of an emergency or unforeseen occurrence.

Unclassified Positions

Employees in the unclassified service are designated in KSA 75-2935:

Regular—A position that counts toward the agency's FTE position limitation with duties and responsibilities of an ongoing nature. Employees in a regular unclassified position receive full benefits, based on the percent of time worked. Unclassified employees do not follow the same regulations as classified employees.

Non-FTE Permanent—A position that does not count toward the agency's FTE position limitation, but has duties of an ongoing nature and the incumbent in the position receives retirement and other benefits.

Temporary—Temporary unclassified positions do not count toward the agency's FTE position limitation. Employees are not limited to 999 hours in a year, as with classified temporary positions. Fringe benefits are at the discretion of the appointing authority.

Version

A term used in the new budget system to identify different stages of budget data. The system accommodates several version types, such as "Download," "Agency," "Executive," and "Final Approved." Within limits, more than one budget can be created within the same type of version (Agency 1, Agency 2, etc.). Budget versions are

controlled by different users throughout the budget process for viewing and development.

Veto

The constitutional authority of the Governor to disapprove bills passed by the Legislature. The line-item veto is the authority of the Governor to disapprove any item of appropriation while approving the rest of the appropriations bill. The Legislature may override a veto with a vote of at least two-thirds of the members of each house.

Appendix
Budget Cost Indices

Cost indices for FY 2015, FY 2016 and FY 2017 are provided as guidelines to be used by all state agencies in preparing their budget requests.

Salaries & Wages

Salary Adjustments ..... Agencies shall not budget for step movement or a base salary adjustment. Any adjustments to the salary plan will be handled in the budget process.

Longevity Bonus Payments..... Longevity bonuses will be budgeted at $40 per year of service for employees hired prior to June 15, 2008 (KSA 75-5541).

	FY 2015	FY 2016	FY 2017
Shift Differential for Regular Employees (per hour or 10% of base salary)	$0.30	$0.30	$0.30
Shift Differential for Highway Patrol Troopers	0.75	0.75	0.75
Shift Differential for Employees Covered by KOSE & Juvenile Corrections Officers	0.50	0.50	0.50
Retention Incentive Differential for Building Trades Employees	0.30	0.30	0.30

Rates for Computing Fringe Benefits

KPERS Regular & School Member Retirement			
Retirement Rate	11.27 %	12.37 %	13.57 %
Death & Disability Insurance	0.85	1.00	1.00
Composite Total	12.12 %	13.37 %	14.57 %
TIAA Members Current Service			
Retirement Rate	8.50 %	8.50 %	8.50 %
Death & Disability Insurance	0.85	1.00	1.00
Composite Total	9.35 %	9.50 %	9.50 %
Judges Retirement			
Retirement Rate & Disability Benefits	22.59 %	23.98 %	21.94 %
Death Insurance	0.40	0.40	0.40
Composite Total	22.99 %	24.38 %	22.34 %
Deferred Compensation			
Retirement Rate	8.00 %	8.00 %	8.00 %
Death & Disability Insurance	0.85	1.00	1.00
Composite Total	8.85 %	9.00 %	9.00 %
Retirees Returning to Different Employer	15.80 %	17.44 %	16.83 %
Retired Nurses Returning to Same Employer	10.80 %	11.44 %	10.83 %
Retirees Returning to School Employment that requires a license under KSA 72-1388 (state agencies) [1]	18.80 %	N/A	N/A

[1] The special employer contribution rate for KPERS retirees returning to school employment that requires a professional license, expires after FY 2015. Unless the Legislature extends this exception or otherwise modifies working after retirement rules, the "retirees returning to different employer" rate above will apply in FY 2016 and FY 2017.

	FY 2015	FY 2016	FY 2017
Security Officer Retirement—Group A—Age 55			
Retirement Rate	11.66 %	12.76 %	13.96 %
Death & Disability Insurance	0.85	1.00	1.00
Composite Total	12.51 %	13.76 %	14.96 %
Security Officer Retirement—Group B—Age 60			
Retirement Rate	11.40 %	12.50 %	13.70 %
Death & Disability Insurance	0.85	1.00	1.00
Composite Total	12.25 %	13.50 %	14.70 %
KBI [2]	19.25 %	21.32 %	20.47 %
Highway Patrol State Troopers [2]	19.25 %	21.32 %	20.47 %
Highway Patrol CASP & Motor Carrier Inspectors, State Fire Marshal, Regents, & Adjutant General [2]	19.25 %	21.32 %	20.47 %
FICA Rate (Composite Rate for OASDI—6.2% & Medicare—1.45%)	7.65 %	7.65 %	7.65 %
Maximum Salary for OASDI (none for Medicare)			
Paychecks issued July 1-December 31, 2014, 2015, 2016	$117,000	$118,500	$123,600
Paychecks issued January 1-June 30, 2015, 2016, 2017	118,500	123,600	130,500
Unemployment Insurance Assessment	0.12 %	0.23 %	0.23 %
State Leave Payment Assessment	0.60 %	0.64 %	0.65 %
Single Member Health Insurance Premium (Monthly)			
Full-Time Employees	$571.36	$571.36	$582.79
Part-Time Employees (minimum of 1,000 Hours)	455.04	455.04	464.14
Dependent Health Insurance Premium (Monthly)			
Full-Time Employees	264.46	264.46	269.75
Part-Time Employees (minimum of 1,000 Hours)	209.10	209.10	213.28
Workers Compensation Assessment			
Experienced-based Rates by Agency:			
016 Abstracters Board of Examiners	1.637 %	1.637 %	1.637 %
028 Board of Accountancy	0.221	0.221	0.221
034 Adjutant General	3.153	3.713	3.891
039 Department for Aging & Disability Services	0.332	0.391	0.409
046 Department of Agriculture	0.536	0.631	0.661
058 Kansas Human Rights Commission	0.135	0.159	0.168
082 Attorney General	0.310	0.365	0.383
083 Kansas Bureau of Investigation	0.314	0.370	0.388
094 Banking Department	0.371	0.437	0.458
100 Board of Barbering	0.376	0.376	0.376
102 Behavioral Sciences Regulatory Board	0.135	0.159	0.168
105 Board of Healing Arts	0.135	0.159	0.168
122 Citizens Utility Ratepayer Board	0.135	0.159	0.168
143 Kansas Corporation Commission	0.090	0.106	0.111
149 Board of Cosmetology	0.135	0.159	0.168
159 Department of Credit Unions	0.135	0.159	0.168
167 Kansas Dental Board	0.225	0.225	0.225
173 Department of Administration	0.936	1.102	1.155
177 Ellsworth Correctional Facility	2.828	3.330	3.490

[2] Rates include employer retirement rate as well as death and disability insurance rate.

		FY 2015	FY 2016	FY 2017
178	Office of Administrative Hearings	0.135 %	0.159 %	0.168 %
195	El Dorado Correctional Facility	2.496	2.940	3.081
204	Board of Mortuary Arts	0.206	0.206	0.206
206	Emergency Medical Services Board	0.135	0.159	0.168
234	State Fire Marshal	2.803	3.302	3.460
246	Fort Hays State University	0.452	0.532	0.558
247	Governmental Ethics Commission	0.135	0.159	0.168
252	Office of the Governor/Lieutenant Governor	0.135	0.159	0.168
264	Health & Environment	0.280	0.330	0.346
266	Hearing Instruments Board of Examiners	1.549	1.549	1.549
270	Health Care Stabilization	0.135	0.159	0.168
276	Kansas Department of Transportation	2.378	2.801	2.935
280	Highway Patrol	0.986	1.162	1.217
288	Historical Society	0.135	0.162	0.168
296	Department of Labor	0.639	0.753	0.789
300	Department of Commerce	0.330	0.389	0.408
313	Hutchinson Correctional Facility	3.460	4.075	4.271
328	Board of Indigents Defense Services	0.133	0.157	0.164
331	Insurance Department	0.191	0.224	0.235
349	Judicial Council	0.135	0.159	0.168
352	Kansas Juvenile Correctional Complex	11.137	13.116	13.746
363	Kansas Neurological Institute	4.941	5.819	6.098
365	KPERS	0.135	0.159	0.168
367	Kansas State University	0.378	0.445	0.466
368	Kansas State University—Veterinary Medical Center	0.378	0.445	0.466
369	Kansas State University—ESARP	0.378	0.445	0.466
373	Kansas State Fair	0.135	0.159	0.168
379	Emporia State University	0.459	0.541	0.567
385	Pittsburg State University	0.374	0.440	0.461
400	Lansing Correctional Facility	4.623	5.444	5.706
408	Larned Correctional MH Facility	2.635	3.104	3.252
410	Larned State Hospital	3.257	3.835	4.020
412	Larned Juvenile Correctional Facility	1.934	2.277	2.386
422	Legislative Coordinating Council	0.135	0.159	0.168
425	Legislative Research Department	0.135	0.159	0.168
428	Legislature	0.424	0.499	0.523
434	State Library	0.135	0.159	0.168
450	Kansas Lottery	0.135	0.159	0.168
482	Board of Nursing	0.135	0.159	0.168
488	Board of Examiners in Optometry	0.745	0.745	0.745
494	Osawatomie State Hospital	6.634	7.814	8.189
507	Parsons State Hospital & Training Center	5.560	6.548	6.862
521	Department of Corrections	0.583	0.686	0.719
522	Kansas Correctional Industries	4.398	5.180	5.429
529	KS Comm. on Peace Officers' Standards & Training	0.135	0.159	0.168
531	Board of Pharmacy	0.135	0.159	0.168
540	Legislative Division of Post Audit	0.135	0.159	0.168
543	Real Estate Appraisal Board	0.260	0.260	0.260
549	Kansas Real Estate Commission	0.135	0.159	0.168
553	Kansas Racing & Gaming Commission	0.135	0.159	0.168
561	Board of Regents	0.135	0.159	0.168
562	Board of Tax Appeals	0.135	0.159	0.168

		FY 2015	FY 2016	FY 2017
565	Department of Revenue	0.525 %	0.619 %	0.648 %
579	Revisor of Statutes	0.135	0.159	0.168
581	Norton Correctional Facility	3.104	3.655	3.830
604	School for the Blind	3.398	4.002	4.194
610	School for the Deaf	2.717	3.200	3.354
622	Secretary of State	0.135	0.159	0.168
625	Office of the Securities Commissioner	0.135	0.159	0.168
626	Sentencing Commission	0.135	0.159	0.168
629	Department for Children & Families	0.501	0.591	0.619
652	Department of Education	0.533	0.628	0.658
660	Topeka Correctional Facility	3.340	3.933	4.022
663	Board of Technical Professions	0.135	0.159	0.168
670	State Treasurer	0.135	0.159	0.168
671	Pooled Money Investment Board	0.135	0.159	0.168
677	Judiciary	0.290	0.342	0.358
682	University of Kansas	0.415	0.488	0.512
683	KU Medical Center	0.391	0.461	0.483
694	Commission on Veterans Affairs Office	3.631	4.277	4.482
709	Kansas Water Office	0.135	0.159	0.168
710	Department of Wildlife & Parks & Tourism	1.924	2.266	2.375
712	Winfield Correctional Facility	1.559	1.837	1.925
715	Wichita State University	0.465	0.547	0.573

Rent & Other Cost Estimates

Base Rates per Square Foot [3]

Office Space			
Docking, Landon, Memorial, Curtis, Awl, Finney, Eisenhower, 1020 Kansas	$15.25	$19.40	$19.50
Computer Space			
Docking, Landon, Curtis, Eisenhower	50.05	50.00	50.00
Storage Space			
Docking, Landon, Memorial, Curtis, Finney, Eisenhower	5.50	5.50	5.50
Other Building Costs			
Moving Costs, General Labor (per man hour) [4]	25.00	25.00	25.00
Lease Administration Costs (per square foot)	0.05	0.05	0.05
Security Keycard (each)	12.75	12.75	12.75
Security Card Reader Installation	Actual	Actual	Actual
Security Card Reader (maintenance & support per month)	45.00	45.00	45.00
State Records Center (per cubic foot)	5.25	5.25	5.25

[3] The total rates represent the space rental rates for state buildings. The federal rates, for agencies with federal fund revenues, represent that portion of the total rates that federal funds are estimated to finance. The difference must be financed from non-federal sources when the total rate exceeds the federal rate.

[4] Moving estimates are on a per job basis. Contact Office of Facilities Management for job estimates.

	FY 2015	FY 2016	FY 2017
Federal Rates per Square Foot			
Office Space			
Docking	$7.67	$7.67	$7.67
Landon	12.59	12.59	12.59
Memorial	11.19	11.19	11.19
Curtis	15.25	15.25	15.25
Eisenhower	12.00	12.00	12.00
Computer Space			
Docking	4.86	4.86	4.86
Landon	23.72	23.72	23.72
Curtis	35.36	35.36	35.36
Eisenhower	29.52	29.52	29.52
Facilities Planning Project Fee			
Architect (on an hourly basis)	80.00	80.00	80.00
Engineer (on an hourly basis)	90.00	90.00	90.00
Monumental Building Surcharge per Square Foot [5]			
For support of State Capitol, Judicial Center, Cedar Crest, & Capitol Complex Parking Lots	1.50	2.56	2.66

Travel & Subsistence

Private Reimbursement per Mile			
Automobile	0.560	0.570	0.580
Motorcycle	0.530	0.540	0.550
Airplane	1.310	1.330	1.350

Subsistence & Lodging	FY 2015		FY 2016		FY 2017	
	Meals	Lodging [6]	Meals	Lodging [6]	Meals	Lodging [6]
In-State—Regular	$46	$83	$47	$85	$48	$87
Out-of-State—Regular	46	83	47	85	48	87
Out-of-State—High Cost	61	159	62	161	63	163
Out-of-State—Special High Cost	71	178	72	180	73	182
International Travel	69 [7]	Actual	71	Actual	73	Actual
Conference Lodging (KAR 1-16-18a(e)) [8]		Actual		Actual		Actual

[5] Applies to all agencies located within Shawnee County; cannot be funded with federal funds; rate per square foot of rentable space in state buildings or leased space.

[6] Actual cost of lodging up to this maximum.

[7] Or actual to either a maximum of $127 in FY 2015 or the allowable meal expense on the U.S. Department of State website for Foreign Per Diem Rates by location.

[8] Meal allowance is based on destination city.

OITS Rate Estimates	Unit	FY 2015	FY 2016	FY 2017
Information Processing Services				
ADABAS (charged to only 2 agencies)	Month	$45,175.88	$45,175.88	$45,175.88
DB2 (charged to only 2 agencies)	Month	24,750.34	24,750.34	24,750.34
SAS (charged to only 2 agencies)	Month	12,627.61	12,627.61	12,627.61
CICS On-Line Processing	Second	0.07	0.07	0.07
MVS CPU	Hour	382.92	382.92	382.92
Data Storage	GB/Month	2.44	2.44	2.44
Data Center (LSOB)	Square Foot/Year	72.97	72.97	72.97
Data Center (TODC)	Square Foot/Year	122.98	122.98	122.98
Telecommunication Services				
KANWIN Services				
KANWIN Router Only				
1-6 nodes	Month	264.00	264.00	264.00
7-23 nodes	Month	594.00	594.00	594.00
>23 nodes	Month	852.00	852.00	852.00
ACD Standard	Month	24.00	24.00	24.00
ACD Enhanced	Month	34.00	34.00	34.00
ACD Premium	Month	12.00	12.00	12.00
Wireless (Full Service)	Month	81.51	81.51	81.51
Wireless (Agency Authorization)	Month	72.07	72.07	72.07
Wireless (Agency AP)	Month	49.81	49.81	49.81
Network Connect	Month	46.00	46.00	46.00
Voice Mail	Month	3.40	3.40	3.40
Dial Tone	Month	17.50	17.50	17.50
Long Distance	Minute	0.08	0.08	0.08
International Calls		At Cost	At Cost	At Cost
2nd Router	Month	46.48	46.48	46.48
DS3 Router	Month	379.92	379.92	379.92
Telecom Professional Services	Hour	70.00	70.00	70.00
Professional Services				
Professional Technical Services	Hour	72.50	72.50	72.50
Remote Connectivity	Month	8.02	8.02	8.02
FTP Service	Month	9.37	9.37	9.37
SharePoint Services	Month	78.28	78.28	78.28
List Serve Distribution	Prescriber List	0.09	0.09	0.09
Email Service (250 MB Mailbox)	Month	13.00	13.00	13.00
Network User Services	Per User/Month	95.64	95.64	95.64
Virtual Server RAM Usage	Per 2GB/Month	62.02	62.02	62.02
VMWare Network Cost	Month	13.76	13.76	13.76
Tivoli	Per GB	1.00	1.00	1.00
SAN Storage	Per GB	0.35	0.35	0.35
Sitefinity Hosting (Small)	Month	199.83	199.83	199.83
Sitefinity Hosting (Large)	Month	226.16	226.16	226.16
Web Application Hosting	Month	64.27	64.27	64.27
Web Development Services	Hour	72.50	72.50	72.50
System Automation Development	Hour	72.50	72.50	72.50
Small Agency Backup Monitoring	Month	25.84	25.84	25.84

	Unit	FY 2015	FY 2016	FY 2017
KITO				
Enterprise Project Management ($250k - $1m)	Per Quarter	0.40 %	0.40 %	0.40 %
Enterprise Project Management ($1m - $5m)	Per Quarter	0.30 %	0.30 %	0.30 %
Enterprise Project Management ($5m - $10m)	Per Quarter	0.20 %	0.20 %	0.20 %
Enterprise Project Management (> $10m)	Per Quarter	0.04 %	0.04 %	0.04 %
Infrastructure Projects	Per Quarter	0.03 %	0.03 %	0.03 %
Security				
Security Consulting	Hour	$120.00	$120.00	$120.00
Security Services	Hour	75.00	75.00	75.00
SSL Certificate (Standard)	Annual	70.00	70.00	70.00
SSL Certificate (Advantage)	Annual	80.00	80.00	80.00
SSL Certificate (Multi-domain)	Annual	85.00	85.00	85.00
SSL Certificate (Extended Verification)	Annual	100.00	100.00	100.00
SSL Certificate (Wild Card)	Annual	350.00	350.00	350.00
Administrative Surcharge				
Applies to all OITS rates listed above (cannot be paid with federal funds)		2.50 %	2.50 %	2.50 %

Contact: Agencies needing assistance for budgeting IT services should contact Anthony Schlinsog at (785) 296-3463.

Central Mail Estimation Factors

Central Mail provides services in Topeka for state agencies that have committed to processing their outgoing mail through Central Mail. Services provided include: pickup, sorting and delivery of building mail, applying postage for letters, flats, and packages on outgoing United States Postal Service mail, sending flats and packages via United Parcel Service (UPS) and FedEx, inserter services, and pick up of already stamped mail.

The Central Mail outgoing mail rate covers the cost of operations for building mail, outgoing mail including postage, mail automation, and inserter services. USPS, UPS and FedEx charges are passed through to the agency.

Postage rates will change for agencies when the United States Postal Service, United Parcel Service, or Federal Express has postage rate increases.

	FY 2015	FY 2016	FY 2017
Letters			
1st Class Postage (up to 2 ounces)	$0.47	$0.50	$0.52
Flat Rate (6.5 x 11.5 to 12 x 15 and less than 3/4 inch thick)			
Envelope (up to 1 ounce)	1.25	1.35	1.45
Envelope (up to 2 ounces)	1.45	1.55	1.65
Packages (zone 2, max 70 lbs, zones 3-9 extra)			
Up to 1 pound	5.85	6.05	6.25
Up to 2 pounds	6.05	6.35	6.65
Up to 3 pounds	6.75	7.05	7.35

Contact: Agencies needing assistance for budgeting mail services should contact David Lord at (785) 296-2321. Please note that the actual postage rate could differ in FY 2016 and FY 2017. These estimates are for planning purposes.

Accounting, Payroll & Budget Systems Support Rates (APB)

	Unit	FY 2015	FY 2016	FY 2017
Enterprise Applications—all	Per Transaction	0.791	1.208	1.208
Enterprise Applications—all	Per Accounting Line	0.063	0.104	0.104

In FY 2015, the APB rate will be based on the volume of transactions and the volume of accounting lines. This basis for the rate more accurately represents actual usage of the system resources. Billings will be done quarterly.

Contact: Agencies needing more specific information regarding the APB rate should contact Jeff Scannell at Jeff.Scannell@da.ks.gov.

Printing Services

Printing services general percentage increase		4.00 %	4.00 %	4.00 %
Black & white copying, single sided	per sheet	$0.0425	$0.0425	$0.0425
Black & white copying, duplex	per sheet	0.0850	0.0850	0.0850
Color copying, single sided, 8 1/2 x 11	per sheet	0.31	0.31	0.31
Color copying, single sided, 11 x 17	per sheet	0.62	0.62	0.62
Graphic design services	per hour	61.00	61.00	61.00

General Cost Guidelines [9]

Motor Vehicle Supplies	0.2 %	0.2 %	0.2 %
Clothing	1.0	1.0	1.0
Food	1.5	1.5	1.5
Fuel Oil & Coal	3.3	3.4	3.5
Gasoline & Oil	1.3	1.3	1.5
Electricity	3.0	3.4	3.6
Natural Gas	3.1	3.3	3.4
Medical Care	3.5	3.5	3.5
General	2.1	2.2	2.3

Master Lease Purchase Program interest rates

In May 2014 interest rates ranged from 1.2% to 2.0% depending on length of term. Rates will vary and agencies needing more specific information regarding interest rates should contact Pat Higgins at (785)296-2145.

Price & Cost Guidelines for Selected Equipment Items

	FY 2015 Est. Price	FY 2016 Est. Price	FY 2017 Est. Price
Statewide Contract Management Fee			
(Applied to orders against statewide requirements contracts)	0.5 %	0.5 %	0.5 %
New Motor Vehicles—Passenger (Fleet Prices)			
Sedan, 4-door compact	$16,300	$16,400	$16,800
Sedan, 4-door midsize	16,600	18,100	18,600
Sedan, 4-door midsize, hybrid	27,437	23,900	24,600
Sedan, 4-door intermediate	18,166	18,200	18,800
Sedan, 4-door full size (non-police)	26,098	N/A	N/A

[9] Division of the Budget estimates, June 2014.

	FY 2015 Est. Price	FY 2016 Est. Price	FY 2017 Est. Price
New Motor Vehicles—Trucks (Fleet Prices)			
Mini-Van, 7-passenger	$22,527	$21,500	$22,100
Van, 8-passenger	20,600	21,500	22,100
Van, 12-passenger	21,700	22,800	23,400
Van, 15-passenger	25,200	27,000	27,900
Suburban, 1/2 ton (2 w/d)	31,357	30,000	30,800
Suburban, 3/4 ton (2 w/d)	32,883	32,700	33,700
Midsize Utility Vehicle	24,556	24,000	24,700
Pickup, 1/2 ton	16,026	16,800	17,300
Pickup, 3/4 ton	19,600	19,600	20,100
Pickup, 1 ton	22,700	22,700	23,300
4 WD pickup, 1/2 ton	18,306	19,300	19,800
4 WD pickup, 3/4 ton	21,764	22,100	22,700
Cabs and chassis, 1 ton	24,400	25,100	25,800
One ton, with flat bed and hoist	36,000	37,100	38,200
Cab and chassis, 1-1/2 ton (GVW up to 17,000 pounds)	31,827	32,700	33,700
Vertical Files - Economy			
2-drawer, metal, letter	96	216	216
2-drawer, metal, legal	110	245	245
4-drawer, metal, letter	134	301	301
4-drawer, metal, legal	151	336	336
5-drawer, metal, letter	195	400	400
5-drawer, metal, legal	224	445	445
Traditional Style Steel Desks			
Flat top, 72” x 36”, executive, double pedestal	850	877	877
Flat top, 60” x 30”, executive, double pedestal	890	913	913
60” x 30”, executive, single pedestal	603	616	616
Double pedestal typing return	907	1,047	1,047
Contemporary Style Steel Desks			
Double pedestal, 75”W x 30”D x 29”H	750	787	787
Double pedestal, 60”W x 30”D x 29”H	635	667	667
Single pedestal, 66”W x 30”D x 29”H	607	637	637
Single pedestal, side return, w/drawers, 75”W x 30”D x 29”H	965	966	966
Shell Chairs (fabric inner shell)			
Swivel tilt arm chair	244	256	256
Steno posture	209	218	218
Stack chair	108	113	113
Economy stack chair	63	66	66
Ergonomic Style Office Chairs			
Executive high back swivel tilt w/arms & casters	372	391	391
Executive low back swivel tilt w/arms & casters	352	370	370
Manager swivel tilt w/arms & casters	202	212	212
Secretarial swivel	340	357	357

	FY 2015 Est. Price	FY 2016 Est. Price	FY 2017 Est. Price
Facsimile Equipment			
Plain paper fax, 8 MB, 14.4 Kbps, Brother 2820	$183	$183	$183
Plain paper fax, 8 MB, 33.6 Kbps, Brother 4100e	321	321	321
Plain paper fax, 8 MB, 33.6 Kbps, Brother 4750e	508	508	508
Rental Photocopiers (price quoted is monthly)			
Digital Copier with stand, speed of 25 copies per minute, 5,000 copies per month volume	47	66	66
Digital Copier with stand & sorter, speed of 30 copies per minute, 12,000 copies per month volume	101	147	147
Digital Copier with sorter, automatic document feeder & automatic duplexing, speed of 50 copies per minute, 40,000 copies per month volume	229	285	285
Digital Copier, console style, sorter, automatic document feeder & automatic duplexing, speed of 60 copies per minute, 60,000 copies per month volume	294	375	375
Digital Copier, console style, sorter, automatic document feeder & automatic duplexing, speed of 80 copies per minute, 100,000 copies per month volume	463	573	573
Rates may differ depending upon the contractor involved.			
Laptop/Notebook Microcomputers			
Desktop CPU Replacement (Dell Optiplex 3020r)	709	519-804	519-804
Microcomputer (Dell Vostro 260 Minitower)	599	N/A	N/A
Standard Laptop (Dell Latitude 15 3000 series)	759	589	589
Ultralight Laptop (Dell Latitude 14 7000 series)	839	1,135	1,135
Monitors			
17” Flat Panel	129	140	140
19” Flat Panel	179	219	219
20” Flat Panel	159	219	219
22” Flat Panel	169	159	159