

# George Docking

## **BUDGET MESSAGE OF GOVERNOR GEORGE DOCKING TO THE BUDGET SESSION OF THE LEGISLATURE OF KANSAS January 12, 1960**

Once again I am privileged to appear before you to submit the budget report to the Legislature and to deliver the budget message as provided by law. We are meeting together at the start of a new decade in American history and in the history of our state. The timing of this meeting is significant because the 1960 Budget Session of the Legislature will be making a basic decision that will guide our state during the next decade.

The decision that we are making is whether to embark on new and grandiose spending plans for state and local governments of Kansas, of which there have been many suggested, or whether we shall reduce the taxes on our citizens while at the same time maintaining a sound and economical program at the state and local levels.

This decision will not be made five years from now, or ten years from now, but will be made by this Legislature. It is not necessary for me to tell you that the state has more money coming in from the tax increases which you voted than is needed to operate a sound program for our state government. This fact is apparent not only from reports of the amount of the surplus, but also from the reports of people thinking up ways to spend the surplus. If the surplus is spent and if taxes are not reduced on our citizens, then, before the decade is over, income taxes will be increased again, sales taxes raised to three or four percent and new taxes devised to reduce further the amount that the citizens of our state will be able to expend in directions of their own choosing.

I have stated my position on this matter many times. I pointed out that the half percent increase in sales and compensating tax that was voted by the Legislature over my veto was not necessary for sound operation of the state government. This fact has been proven to be correct. When it was made, it was greeted by some people with statements that the budget was misrepresented, revenues were overestimated, expenditures would increase more than projected, and dire consequences would occur if this additional increase was not made. These predictions have simply not been born out and the recommendations that I made to you at that time have been shown to be correct.

In my budget message to the 1958 Budget Session and in my message to the 1959 Legislature I stated my position on the methods that should be used to balance the state budget. I said, "I have come to the conclusion that the only way that state expenditures can be held down is for the state government to operate on the closest possible margin of revenue and without surpluses. I, therefore, conclude that the best practice is to finance each 18 month period so that if new programs are added, new taxes must be added with them."

The recent outpouring of plans to dispose of the taxes extracted from our citizens bears out the wisdom of the plan that I put before you in these two sessions of the Legislature. I have become even more convinced that the position is a sound one and that a failure to adopt it will result in the same fiscal problems that the state was facing when I became Governor because new programs had been adopted without adequate financing. I am convinced that, if we do not want to go the way of some of the other states who are having fiscal problems of major magnitude at

this time, we must continue a sound but conservative program of budgeting for our state government.

With this general philosophy in mind, I have prepared the budget that I am submitting. The budget provides for an adequate level of services for each state agency and provides for increases in the program levels of some.

Total expenditures of the state for the fiscal year 1960 are at 329.9 million dollars. I am recommending expenditures for fiscal year 1961 of 338.5 million dollars, an increase of 2.6 percent. However, as you will note later, I am recommending that the distribution of the residue be delayed so that the figures for fiscal year 1961 include a residue distribution while the estimated fiscal year 1960 expenditures do not. If this factor is taken into consideration in comparing the expenditures for the two fiscal years, the recommended expenditure level for the first fiscal year 1961 (with so-called residue \$12.5 million subtracted to make the figures comparable) would mean that comparable expenditures for fiscal year 1961 to the 329.9 million for fiscal year 1960 would be \$326.0 million, or a decrease of 1.2 percent.

The amount for state operations is recommended at 151.1 million compared to 142.8 million in the fiscal year 1960, an increase of 5.8 percent. Total expenditures comparable to the present General Revenue Fund are recommended at 64.6 million dollars for the fiscal year 1961, compared to 62.1 million dollars for the fiscal year 1960, or an increase of 4 percent. For the combined General Revenue and Retail Sales Tax Funds, excluding Aid to Counties, the recommendation for fiscal year 1961 is 110.5 million dollars compared to 107.2 million dollars for the fiscal year 1960, or an increase of 3.1 percent

#### Summary of the Financial Recommendations on the General Revenue and Retail Sales Tax Funds

With this message I am attaching Table I which is a statement of the combined General Revenue and Retail Sales Tax Fund for the fiscal years 1960, 1961, and 1962. This table shows my recommendations on revenues and expenditures from these two funds for the fiscal year 1961 and the projected revenues and expenditures for the fiscal year 1962. I am basing my budget on the adoption of the Legislature of the following measures:

- (1) A combination of the Retail Sales Tax Fund and the General Revenue Fund.
- (2) The change in date of distribution of the 12.5 million dollars to the cities and counties (the so-called "residue") from June 2, 1960, to two equal payments on September 1, 1960, and April 10, 1961 (in the same manner that the so-called residue was distributed by the Special Session in 1958).
- (3) The reduction of Sales and Compensating Use Tax from the present 2 ½ percent rate to a rate of 1 ½ percent from July 1, 1960, through June 30, 1961, with the rate to return to 2 percent beginning July 1, 1961.

If these measures are followed and the expenditure program is adopted as I have recommended it in my budget the state budget will be in balance for the fiscal year 1961 with adequate reserves to carry the state through the fiscal year 1962.

The wisdom of combining the Retail Sales Tax Fund and the General Revenue Fund has been discussed so adequately in previous years that I shall not discuss it at this point except to recommend once again that this measure to improve the state government be adopted by this

Legislature. The distribution of the so-called "residue" in two equal payments on September 1 and April 10 rather than on the June 2 date has been tried and resulted in no hardships at the local level of government. This practice should be continued in the interest of economy and the efficient operation of the government.

My position on the reduction of the Retail Sales Tax Fund from 2 ½ percent to 1 ½ percent for one year with its restoration at the original 2 percent level following July 1, 1961, is simple. During the two years that this tax has been in effect it has taken from our citizens an amount approximately equal to the surplus of money that this state has in these two funds. It is my position that the proper thing to do is to return this surplus to the citizens from whence it was taken rather than think up schemes for dissipating it on new and expanded state programs. The citizens paid for this increased sales tax on the food and clothing that they purchased. Let us return the unneeded taxes back to them through tax reductions. If new problems arise in the future which the state must face, future Legislatures can adjust the tax rates to pay for the programs upon which they embark. I, therefore, once again strongly recommend that the sales and compensating taxes be reduced to a rate of 1 ½ percent from July 1, 1960, through June 30, 1961, and be continued at 2 percent beginning July 1, 1961.

#### Other Budget Recommendations

I shall discuss very briefly some of the general recommendations and comments that I have on the budget of the various state agencies touching only on highlights because the program information sections of the budget document contains the details of my recommendations.

#### 1. General Government

Only brief references to the agencies included in the general government area will be made in the budget meeting.

I have recommended an increase in the budget for the Antidiscrimination Commission to allow the Commission to continue to improve its education programs.

It has been necessary once again to recommend that the Legislature review the fee structure of a number of the regulatory boards to bring them in line with current expenditure levels and to adjust them so that the agencies with current expenditure levels and to adjust them so that the agencies will be maintained on a sound financial basis. These recommendations will be found in the detailed section of the budget document.

The State Corporation Commission is authorized (G. S. 1949, 66-104, 1501 to 1503, as amended) to supervise the public utilities and common carriers doing business in the State of Kansas and to assess charges for inspections, supervision, examinations, and audits necessary to perform its duties in a proper manner. The assessment so levied may not exceed one-fifth of one percent of the gross operating revenues of the utilities and in any event shall not exceed \$200,000 per year. Twenty percent of the amount, or \$40,000, is deposited to the General Revenue Fund, leaving \$160,000 to defray the cost of administering the public utilities law. The present level of income is not sufficient to finance the current operating level of the program and the balance of the fund will be practically exhausted at the end of the fiscal year 1961. It is recommended that the law be amended to allow collections of not to exceed \$250,000 per year. After the deposit to the General Revenue Fund, \$200,000 will be available to defray the cost of operation of the utility division.

I have recommended that one additional man be authorized for the Industrial Development Commission to make the program of industrial contacts more efficient.

I have recommended some expansion in the work of the Property Valuation Department including some additional work on ration studies, an additional property appraiser for the assessment of pipe lines and funds for publishing a manual on real estate appraisals as a continuation of the program to improve the assessments of property in Kansas. This latter recommendation was made to the last session of the Legislature but was rejected. Its necessity is indicated by my recommending it for your attention once more.

The budget of the Workmen's Compensation Commission has been included in the Governor's Budget Report pending a separate report that will be submitted to the Legislature at a later date. The report will recommend changes in the expenditure budget of the agency. Proposals also will be made for increasing revenues to finance operations during fiscal year 1961 and succeeding years. For several years the expenditures of the Workmen's Compensation Commission have been exceeding the income to the fund. This matter has been called to the attention of the Legislature in previous sessions and it is now necessary, if the program of Workmen's Compensation is to be continued, that a change be made to provide adequate financing for the Workmen's Compensation Commission.

## 2. Public Welfare

The budgets for the agencies included in public welfare have been recommended at an adequate level to provide for the needs of the citizens of our state

Although the U. S. Department of Health, Education and Welfare has granted \$15,000 to the state for use for the Interdepartmental Committee on Aging for the purpose of planning meetings and making reports leading up to the President's 1961 Whitehouse Conference on Aging, this grant will not be sufficient to meet all the expenses necessary for carrying out this program. I recommend the Legislature appropriate \$10,000 from the Special Employments Security Fund of the Employment Security Division to supplement the Federal grant. A bill to implement this recommendation will be submitted to the Legislature.

I am also recommending that funds be provided in the amount of \$195,000 for the construction of an all or multi-purpose building at the Kansas Soldiers' Home and Mother Bickerdyke Annex. The Veterans' Commission has operated this Home with an awareness of cost, and, I believe, the additional building requested by the Soldiers' Home is well justified.

## 3. Education and Research

### A. Institutions under the Board of Regents

I have recommended General Revenue Fund operating expenditures of \$27,251,608 for the fiscal year 1961 for the Board of Regents and the educational institutions under its jurisdiction. This compares with General Revenue Fund expenditures of \$25,823,785 estimated for the fiscal year 1960 and represents a 5.5 percent increase for operating expenditures. I have recommended capital improvement programs from the General Revenue Fund for these institutions totaling \$600,920.

I have included for the second year in the printed budget document information relating to the increase in average salaries at the various educational institutions for the information of the Legislature and the public. I have recommended for each school an amount for salary increases in the unclassified teaching personnel equal to 3 percent of the 1960 salaries for affected positions. This amount is to provide for increases to non-classified teaching and non-administrative personnel. The salaries of the administrative personnel at out state schools have been increased until no further increases should be required during the fiscal year 1961.

I have recommended some additional programs where the programs were closely related to the academic program carried on within the institution and have not recommended others primarily in the areas of expanded state services. I would like to call your attention to Table II attached to the budget message which compares the increase in the General Use Funds from the fiscal year 1958 to the fiscal year 1960 at the various educational institutions to the increase in total enrollment at these same institutions for the same period. You will note that the increase in funds has greatly exceeded the increase in enrollment in every institution but one during this period. The budget as recommended for the educational institutions makes provision for additional faculty where estimated enrollments would justify such additions and provides for increases in other operating expenditures as recommended by the Board of Regents.

One of the important recommendations that I am making is that the Board of Regents be appropriated \$25,000 for a research staff so that the Board will be able to obtain factual information on which to establish policies for the operations of the state schools under its jurisdiction. This recommendation was made to the last Legislature but was not adopted. The Board of Regents at its meeting on October 9, 1959, approved a building report to be submitted to the Kansas Legislature showing the building needs of the institutions under its jurisdiction for the fiscal year 1960 through 1965 which totaled \$12,011,000. To apply on the long-range plan, appropriations for fiscal year 1961 were requested from the following funds:

Education Building Fund	\$2,641,000
General Revenue Fund	<u>775,000</u>
Total	\$3,416,000

As its meeting on November 20, 1959, the Board of Regents amended the building report by adding \$171,000 to the Kansas State University request for appropriations from the Educational Building Fund and by shifting previously requested 1961 appropriations from the Educational Building Fund to the General Revenue Fund as follows: \$106,000 to the School for the Deaf and \$35,000 to the School for the Blind. The amended funding of requests for appropriations for fiscal year 1961 was as follows:

Education Building Fund	\$2,671,000
General Revenue Fund	<u>916,000</u>
Total	\$3,587,000

It is my belief that the ad valorem tax levy of .75 mill each year credited to the Educational Building Fund to be used for the erection, equipment and repair of buildings at the state educational institutions which are under the jurisdiction of the Board of Regents was intended to

provide, and that it will provide, for the building needs of all of the institutions authorized to receive appropriations from the fund.

The construction of the Engineering Building at the University of Kansas and of the Science Building at Kansas State University could not be initiated during fiscal year 1961 under the Regents' proposed schedule because sufficient funds would not have been appropriated to enter into building contracts. I, therefore, recommend that the schedule of 1961 appropriations from the Educational Building Fund which was approved at the October meeting of the Board of Regents be revised to shift appropriations as follows:

1. To reduce from \$450,000 to \$275,000 the requested appropriation for the Engineering Building at the University of Kansas.
2. To reduce from \$225,000 to \$140,000 the requested appropriation for the Physical Science Building at Kansas State University.
3. To add an appropriation of \$260,000 for the new school building at the School for the Blind. Tax resources for the Educational Building Fund which may be anticipated through 1965 based on normal increases in the assessed valuation of taxable property will provide money to complete all the proposed projects which are itemized in the program submitted by the Board of Regents by fiscal year 1965, including facilities at the Schools for the Blind and the Deaf. I have been advised by the State Architect's office that the need for the building at the School for the Deaf is not an emergency, and, therefore, can be provided by appropriated funds within the five-year period.

Table III shows the original and the amended building program of the Board of Regents and also my recommendations for 1961 appropriations.

### 3. Education and Research

#### B. Other Educational Programs

I recommend that the program of vocational rehabilitation be expanded to include a vocational rehabilitation and placement unit for the mentally retarded to be operated jointly by the Vocational Rehabilitation Service and the Kansas Neurological Institute. The Program would be operated by the Vocational Rehabilitation Service as an integral part of the hospital program of the Kansas Neurological Institute. Its purpose would be to provide vocational adjustment counselling, vocational training, and placement services for institutionalized mentally retarded patients. Approximately 65 percent of the cost of the rehabilitation unit will be borne by Federal funds, resulting in a lower net cost of the state for rehabilitation of mentally retarded persons than for present care. I recommend a supplemental appropriation of \$19,546 for the fiscal year 1960, which will be matched by Federal funds of \$35,622, for a total budget of \$55,168 for the current year. For fiscal year 1961, a total budget of \$201,268 is recommended of which \$129,959 will be provided from Federal funds.

I am recommending that \$200,000 be provided for the construction of a cottage or cottages for 48 students at the Boys' Industrial School to take care of the expended population at the institution. The amount recommended was that suggested by the State Architect.

I have recommended, as I have in the past, that the full 100 percent distribution of the present formulas of high school aid and elementary school aid be made for both the fiscal year 1960 and 1961. In order to meet the need for the fiscal year 1960, an additional transfer of \$492,450 will be required. The change in the intangible tax law made by the 1959 Legislature is responsible for approximately \$377,000 of the increase. The remainder of the increase is due to the fact that the amount distributed from the annual school fund in the fiscal year 1959 was less than originally

estimated. It is recommended that the present expenditure limitation of \$17.6 million for the current fiscal year be increased to \$18,149,122.

The estimated requirement for full distribution of state elementary school aid in the fiscal year 1961 is \$18.8 million. Full distribution of high school aid was estimated at \$8.1 million for fiscal year 1960 and \$8.3 million for fiscal year 1961 when the budget report was prepared. Since that time I have been informed that these estimates are too high and that it will require only \$7,448,000 during fiscal year 1960 and \$7,800,000 during fiscal year 1961 for full distribution. The budget should be adjusted accordingly. It is estimated that the State School Emergency Finance Fund, created for a two-year duration, will require \$2,610,000 to meet the demands for the fiscal year 1961.

We have had several pressure groups asking for additional sales tax money at the state level for schools. The school tax problem cannot be solved by more and more dipping into the taxes you pay on the purchases you make. The main problem can be solved by a more equitable adjustment of taxes at the local level.

In Sedgwick County, for example, residents vary in the amount of school taxes paid from 5 mills to 70 mills, depending on the location of your home. For instance, if you own a home in the lowest tax district in Sedgwick County assessed for \$4,000, your school taxes per year will be \$20. If you own a home in the highest tax district in the same county assessed for the same amount of \$4,000, your school taxes will be \$280.

If the state Legislature adopted the highest suggested amount from the sales tax budget which has been suggested by the greatest spending pressure group, the taxes in the high value district would be not less than \$250 and the problem would not even be denied.

Those statements have nothing to do with the quality of the schools. The quality may be better or worse in the low tax districts.

These districts are adjusted at the county level. The solution lies with the individual citizen and with his control over his local government. If he is unable or unwilling or afraid to govern himself then he must look to the state, or even farther, to the Federal government, for the management of his affairs.

#### 4. Public Safety

The continually increasing populations at the Kansas State Industrial Reformatory and at the Kansas State Penitentiary have necessitated increases in the operating budgets of these two institutions. I have recommended some necessary capital improvements at each of the institutions.

I recommended to the 1959 Legislature that three additional parole agents be added to the Board of Probation and Parole to handle the increased workloads experienced by the Board. This recommendation was rejected by the 1959 Legislature. The condition is no better now than it was at the time this proposal was rejected by the last Legislature and I am recommending once more that three additional parole agents be authorized so that adequate parole supervision can be obtained in Kansas.

You are all acquainted with the recent disaster at the State Penitentiary. Approximately \$23,000 will be required as a supplemental appropriation to cover the immediate costs caused by the emergency. In addition, the State Penitentiary will be requesting funds for restoration of the industries. These requests were too indefinite at the time the budget was prepared to be incorporated in it and are being submitted directly to the Legislature for its consideration.

## 5. Conservation of Agriculture and Natural Resources

The Forestry, Fish and Game Commission requested ten additional game protectors. I have not recommended the ten additional protectors. If the operating budget of the Forestry, Fish and Game Commission is increased to provide for additional coverage of the state with game protectors and the fees of the Forestry, Fish and Game Commission are not increased, the capital improvement program of the Commission would be eliminated or drastically reduced.

The work of the State Grain Inspection Department has increased in the fiscal year 1959 by 85% over the fiscal year 1957, and 57% over the fiscal year 1958. When the budget was prepared a year ago for the current fiscal year, the level of grain activity then existing was not expected to be maintained and the budget was adjusted accordingly. While the level of business in the current year is not as high as a year ago, it is higher than originally estimated. It is, therefore, necessary to recommend that the expenditure limitation on the Revolving Fund in the fiscal year 1960 be increased by \$246,184.

I am recommending the construction of a 4-H Exhibit Building at the Kansas State Fair in the amount of \$155,500 for fiscal year 1961 and that funds be provided for relocating a transformer bank and allied wiring as recommended by the State Fire Marshal and for the construction and installation of permanent bleachers during the current fiscal year.

The request by the Livestock Sanitary Commission for supplemental funds to continue the expanded brucellosis programs has not been recommended and the amount recommended for fiscal year 1961 is based on the amount actually appropriated for the fiscal year 1960. The expanded program was sold as a program to "match" Federal expenditures to be made on brucellosis. Now the Federal government no longer has funds to expend on the testing program and the state is being left to pick up the cost.

In addition, the Governor is required by law to appoint as commissioner the person bearing the recommendation of the Executive Committee of the Kansas State Livestock Association, thus placing control of the administration of the program in the hands of a few men. For these reasons, the recommended program has been held at present levels. The Legislature should study the program in order to work out a better livestock regulatory law at the next regular session. The Legislature at that time also should study the feasibility of changing from a voluntary to a mandatory program.

The State Soil Conservation Committee requested funds for the fiscal year 1961 for a program of state assistance in the preparation of detailed Watershed Work Plans. This assistance would endeavor to reduce the growing planning need as the result of local desire to implement the provisions of the Federal Hope-Aiken Act. While this program appears to have merit, there is no recommendation included at this time for the requested \$90,000.

## 6. Health and Hospitals

I have recommended an adequate level of programs for the continuing operation of our mental hospital program, including funds for the operation of the Kansas Neurological Institute. As most of you know, this institution has just started operating, with the first patients being admitted during the present month. I have already commented, in a previous section of this message, on the recommended rehabilitation program in vocational rehabilitation. The program of the Neurological Institute has been recommended at an adequate level for the operation of the institution while admitting patients at a maximum rates with the average population estimated to be approximately 487 for the fiscal year 1961.



## 7. Recreational and Historical

I have recommended a budget for the Kansas Centennial Commission for the celebration of the State Centennial for \$651,294 in the fiscal year 1960 and \$267,896 for fiscal year 1961. The Commission has made plans for a state-wide celebration for the Centennial of our state and I am recommending the program substantially as submitted by the Commission. Many of the items proposed by the Centennial Commission will be revenue producing and the revenue received by the Commission will be deposited in the Centennial Special Revenue Fund. The Commission hopes to make the Centennial Celebration as nearly self-supporting as possible but will require General Fund money in order to enter contracts for many of the programs anticipated. I recommend that you give these appropriations your serious attention.

One of the major recommendations that I am making for the improvement of our state government is that we take another step in providing basic park facilities in our state not only for the value that they have to our citizens at the present time but as a further inducement to industry to locate within our borders. I am recommending that the State Park and Resources Authority be provided funds for undertaking a state park operation at the Fall River and Toronto reservoirs. The close proximity of these two areas will allow the establishment of a combined park operation at a relatively low cost by joint utilization of personnel and equipment. I am recommending an operating budget of \$53,822 for the fiscal year 1961 and a capital improvement budget of \$67,500 for the fiscal year 1961. I am recommending capital improvements of \$40,500 for the South Shore area of the Kanopolis State Park.

## 8. Highways and Other Transportation

In 1955 the Legislature repealed the ton-mile tax law. In lieu of this law, the truck industry agreed to and recommended that certain other changes be made in truck license fees, and the motor fuel tax law. How this worked out for the large truck companies was the subject of a Legislative Council Research report in 1957. The facts presented in that study should have been sufficient to motivate each and every one of you to demand an immediate change in the law, but again and again the big truck lobby has been successful in stifling proposed legislation. The citizens of Kansas are proud of their fine highway system, but to maintain its high degree of excellence the users thereof must pay their fair share. This, the truck industry is not doing, and the addition of the extra one cent to the Federal gasoline tax has increased this inequity in highway support. Therefore, I recommend that the State Motor Fuel Tax rate be reduced to four cents (4 ) and that a highway use tax in an equal or compensating amount be imposed on trucks of 26,000 lbs. gross weight and greater. The necessary bills to implement this recommendation will be submitted.

## Conclusion

As I said in my last budget message, "I have discussed with you some of the important features of the budget plan. I believe that it represents an adequate plan for the operation of our state government at a level that the citizens can finance. I ask you to join with me in an attempt to hold down the expenditures of state government and to reduce the taxes upon our citizens."

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TABLE I

COMBINED FUNDS STATEMENT - GENERAL REVENUE AND RETAIL SALES TAX FUND

FISCAL YEARS 1960, 1961, and 1962

----- <i>Estimated Fiscal</i> -----						----- <i>Estimated Fiscal Year</i> -----				
<i>Year 1961</i> -----						<i>1962</i> -----				
		<i>10-1-</i>		<i>4-1-61</i>			<i>10-1-</i>		<i>4-1-62</i>	
	<i>7-1-60</i>	<i>to</i>	<i>1-1-61</i>	<i>to</i>	<i>Total</i>	<i>7-1-61</i>	<i>to</i>	<i>1-1-62</i>	<i>to</i>	<i>Total</i>
<i>Estimated</i>	<i>to</i>	<u><i>12-31-</i></u>	<u><i>3-31-</i></u>	<u><i>6-30-</i></u>	<i>Total</i>	<i>to</i>	<u><i>12-31-</i></u>	<u><i>3-31-</i></u>	<u><i>6-30-</i></u>	<i>Total</i>
<u><i>FY 1960</i></u>	<u><i>9-30-60</i></u>	<u><i>60</i></u>	<u><i>61</i></u>	<u><i>61</i></u>	<u><i>FY 1961</i></u>	<u><i>9-30-61</i></u>	<u><i>61</i></u>	<u><i>62</i></u>	<u><i>62</i></u>	<u><i>FY 1962</i></u>

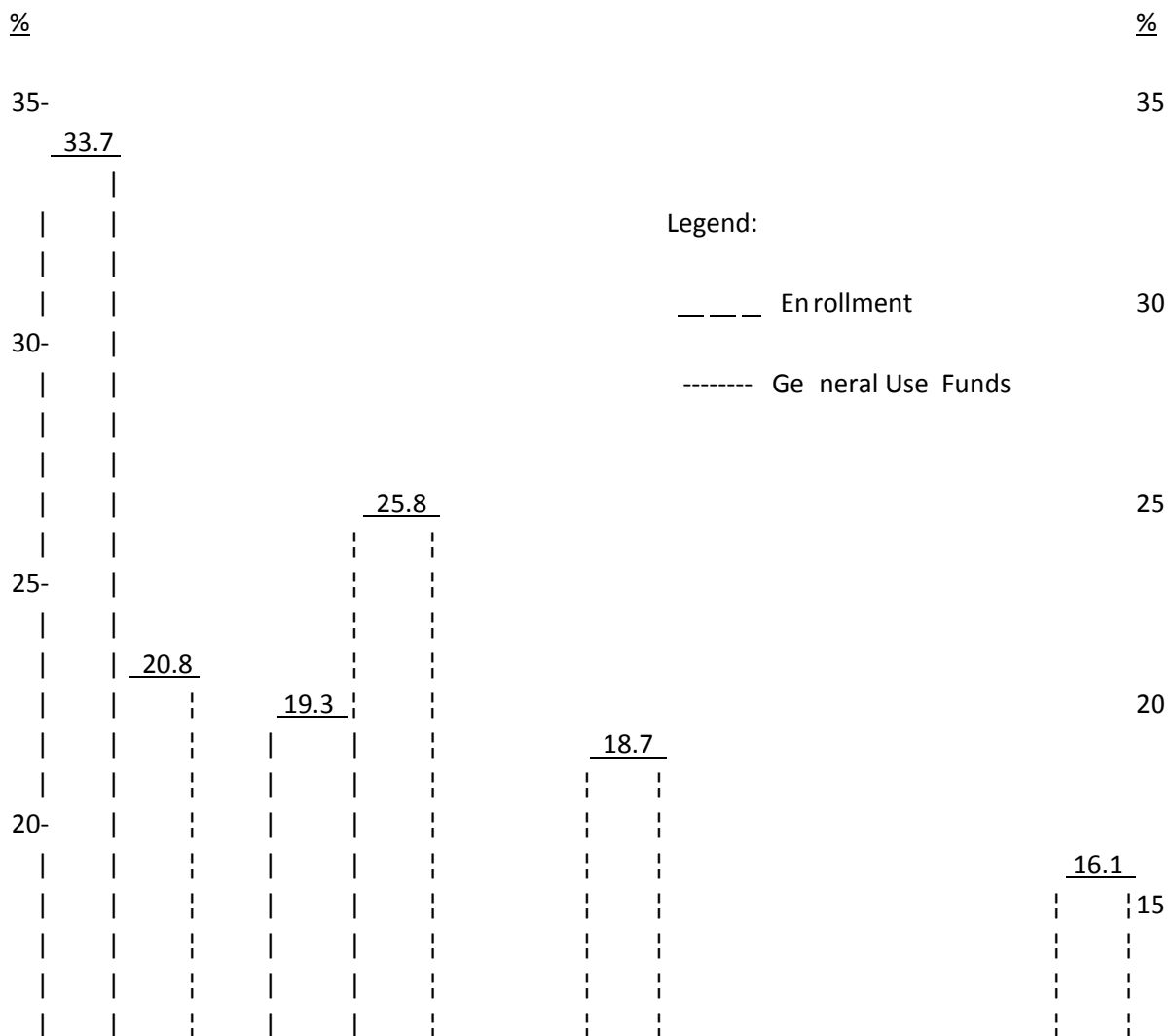
	\$ 550		\$		\$ 550		\$		\$ 550		\$ 550
<i>Ad valorem</i>	31,375,000	\$ -	\$ 95	7,487,3	4,850	31,875,000	\$ -	\$ 95	7,718,0	\$ 45	32,875,000
<i>Taxes: Intangible</i>	000	2,018,8	,150	63	19,707,000	2,084,9	,150	7,718,0	4,850	32,875,000	
<i>Income Taxes</i>	2,887,5	50	2,660,8	771,69	922	3,187,5	50	2,749,9	13	20,322,3,187,5	
<i>Inheritance Taxes</i>	00	686,26	65	4	1,063,0	00	686,26	35	771,69	102	00
<i>Excise Taxes</i>	87,643,	9	666,50	14,233,	31	62,070,	9	666,50	4	1,063,0	75,942,
<i>Gross Receipts Taxes</i>	545	17,828,	6	389	15,699,	087	18,149,	6	18,636,	31	110
<i>Agency Earnings</i>	5,990,4	535	14,308,		531	6,319,0	168	18,743,	477	20,413,	6,656,7
<i>Other Revenue</i>	99	3,750	632	-	6,315,2	42	73,286	327	-	138	21
<i>Transfers</i>	1,783,1	416,13	-	458,07	92	1,795,2	430,38	-	492,36	6,583,4	1,915,9
<i>Subtotal - Receipts</i>	56	5	373,72	9	547,35	92	7	391,47	1	35	43
<i>Unencumbered Cash</i>	722,64	325,88	5	314,82	3	713,10	325,88	0	314,92	601,72	713,70
<i>7-1-59</i>	6	4	25,400	4	47,000	8	4	25,400	4	5	8
<i>Estimated Cash</i>	679,	647,			109,	756,	680,			47,500	790,
<i>Balance 7-1-60</i>	378	014	-	-	533	547	820	-	-	109,	070
<i>Estimated Cash</i>	\$131,6	\$ 21,92	\$ 18,13	\$ 23,26	\$ 43,94	\$107,2	\$ 22,43	\$ 27,93	\$ 25,0	\$122,6	
<i>Balance 10-1-60</i>	31,724	6,437	0,278	5,349	4,512	66,576	0,764	1,788	3,469	\$ 49,59	31,052
<i>Estimated Cash</i>	27,892,	-	-	-	-	-	-	-	-	5,031	-
<i>Balance 1-1-61</i>	031	52,348,	-	-	-	52,348,	-	-	-	-	-
<i>Estimated Cash</i>	-	344	45,524,	-	-	344	(	-	-	-	-
<i>Balance 4-1-61</i>	-	-	480	32,506,	-	-	2	(	-	-	-
<i>Estimated Cash</i>	-	-	2	-	556	22,254,	-	3	-	-	-
<i>Balance 7-1-61</i>	-	-	-	-	162	-	-	)	36,690,	-	36,690,
<i>Estimated Cash</i>	-	-	-	-	-	-	494	)	29,245,	-	494
<i>Balance 10-1-61</i>	-	-	-	-	-	-	-	963	21,887,	-	-
<i>Estimated Cash</i>	-	-	-	-	-	-	-	-	549	-	-
<i>Balance 1-1-62</i>	-	-	-	-	-	-	-	-	-	14,62	-
<i>Estimated Cash</i>	-	-	-	-	-	-	-	-	-	7,395	-
<i>Balance 4-1-62</i>	\$159,5	\$ 74,27	\$ 63,65	\$ 55,77	\$ 66,19	\$159,6	\$ 59,12	\$ 51,91	\$ 49,82	\$ 64,22	\$159,3
<i>Total Resources</i>	23,755	4,781	4,758	1,905	8,674	14,920	1,258	7,751	1,018	2,426	21,546
<i>Less Estimated Demands (listed below)</i>	107,17	28,75	31,14	33,51	29,50	122,92	29,87	30,03	35,19	30,37	125,77
<i>Estimated Ending Balance</i>	5,411	0,301	8,202	7,743	8,180	4,426	5,295	0,202	3,623	1,080	0,200
	\$ 52,34	\$ 45,52	\$ 32,50	\$ 22,25	\$ 36,69	\$ 36,69	\$ 29,24	\$ 21,88	\$ 14,62	\$ 33,55	\$ 33,55
	8,344	4,480	6,556	4,162	0,494	0,494	5,963	7,549	7,395	1,346	1,346
	====	====	====	====	====	====	====	====	====	====	====
	===	===	===	===	===	===	===	===	===	===	===
<b>ESTIMATED DEMANDS</b>	(										
<i>General Revenue: Operating Expenditures</i>	\$ 59,18	\$ 15,72	\$ 15,72	\$ 15,72	\$ 15,72	\$ 62,89	\$ 16,50	\$ 16,50	\$ 16,50	\$ 16,50	\$ 66,03
<i>Capital Improvements</i>	1,969	2,698	2,698	2,698	2,698	0,792	8,823	8,823	8,823	8,823	5,292
<i>Subtotal - General Revenue</i>	2,893,	415,	415,	415,	415,	1,662,	436,	436,	436,	436,	1,745,
<i>Capital</i>	676	702	701	701	701	805	488	485	487	485	945
<i>Improvements</i>	\$ 62,07	\$ 16,13	\$ 16,13	\$ 16,13	\$ 16,13	\$ 64,55	\$ 16,94	\$ 16,94	\$ 16,94	\$ 16,94	\$ 67,78
<i>Subtotal - General Revenue</i>	5,645	8,400	8,399	8,399	8,399	3,597	5,311	5,308	5,310	5,308	1,237
<i>Retail Sales Tax Fund Allocations</i>	45,099	12,61	15,00	17,37	13,36	58,370	12,92	13,08	18,24	13,72	57,988
<i>Total Combined Funds Demands</i>	766	1,901	9,803	9,344	9,781	829	9,984	4,894	8,313	5,772	963
	\$107,1	\$ 28,75	\$ 31,14	\$ 33,51	\$ 29,50	\$122,9	\$ 29,87	\$ 30,03	\$ 35,19	\$ 30,67	\$125,7
	75,411	0,301	8,202	7,743	8,180	24,426	5,295	0,202	3,623	1,080	70,200
	====	====	====	====	====	====	====	====	====	====	====
	===	===	===	===	===	===	===	===	===	===	===

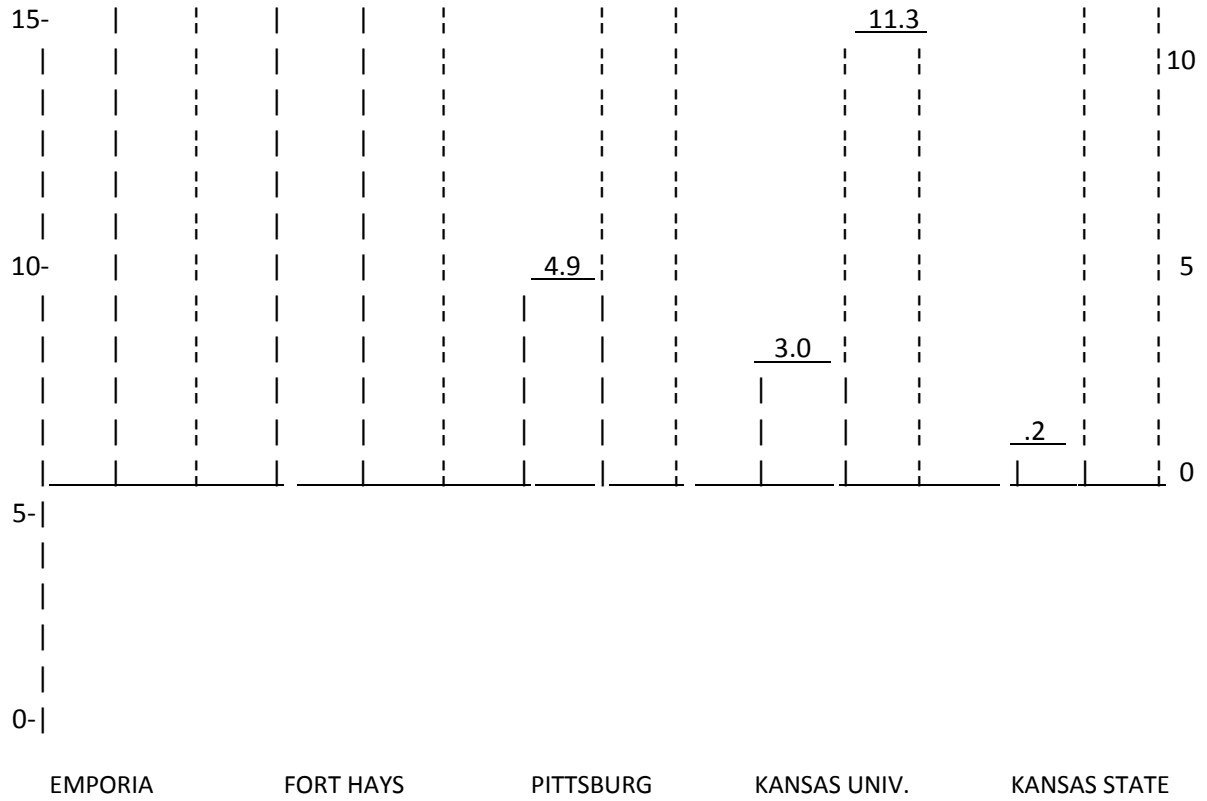
- (1) Inter-fund transfers between General Revenue Fund and Retail Sales Tax Fund are netted out of receipts and demands in fiscal year 1960.
- (2) Sales and Compensating Taxes are recommended at the rate of 1 1/2% July 1, 1960, through June 30, 1961.
- (3) Sales and Compensating Taxes are recommended at 2% beginning July 1, 1961.
- (4) General Revenue Fund demands for fiscal year 1962 include an increase of 5% over the recommended figure for fiscal year 1961.
- (5) Retail Sales Tax Fund allocations for fiscal year 1962, with the exception of aid to

counties, include an increase of 5% over  
fiscal year 1961 for continuing programs.

**TABLE II**

Percentage Increase in General Use Funds<sup>1/</sup>  
FY 1958 through FY 1960  
Compared with Percentage Increase in Total Fall Enrollment  
(Fall 1957 to Fall 1959)





1/ General Use Funds include General Revenue Fund, General Fees Fund, and any other funds, the use of which is not dedicated for the support of a specific program.

TABLE III

BUILDING PROGRAM - STATE EDUCATIONAL INSTITUTIONS

<u>Board of Regents Request - October 9, 1959</u>		<u>Board of Regents Amended Request - November 20, 1959</u>		<u>Governor's Recommended FY 1961 Appropriation</u>	
<u>Completion Date</u>	<u>Total Cost</u>	<u>Requested FY 1961 Appropriation</u>	<u>Completion Date</u>	<u>Total Cost</u>	<u>Requested FY 1961 Appropriation</u>

*From Educational Building Fund*

<i>Fort Hays Kansas State College</i>	<i>10-1-</i>	<i>\$ 450,000</i>	<i>\$ 450,000</i>	<i>10-1-</i>	<i>\$ 450,000</i>	<i>\$ 450,000</i>	<i>\$ 450,000</i>
	<i>61</i>			<i>61</i>			
<i>1. Science Building Addition</i>	<i>7-1-</i>	<i>1,000,000</i>	<i>-</i>	<i>7-1-</i>	<i>1,000,000</i>	<i>-</i>	<i>-</i>
<i>2. Speech and Music Center</i>	<i>64</i>		<i>225,000</i>	<i>64</i>		<i>286,000</i>	<i>140,000</i>
		<i>2,700,000</i>			<i>2,700,000</i>		
<i>Kansas State University</i>			<i>-</i>			<i>-</i>	<i>-</i>
<i>1. Physical Science Building</i>	<i>3-1-</i>	<i>1,460,000</i>	<i>-</i>	<i>3-1-</i>	<i>1,460,000</i>	<i>-</i>	<i>-</i>
	<i>63</i>		<i>-</i>	<i>63</i>		<i>50,000</i>	<i>-</i>
<i>2. Dairy and Poultry Building</i>	<i>1-1-</i>	<i>250,000</i>	<i>-</i>	<i>1-1-</i>	<i>250,000</i>	<i>60,000</i>	<i>-</i>
	<i>65</i>	<i>50,000</i>		<i>65</i>	<i>50,000</i>		
<i>3. Sewers and Utilities</i>	<i>65</i>	<i>60,000</i>		<i>65</i>	<i>60,000</i>		
<i>4. Remodel Anderson Hall</i>			<i>300,000</i>			<i>300,000</i>	<i>300,000</i>
<i>5. Remodel Veterinary Hall</i>	<i>7-1-</i>		<i>-</i>	<i>7-1-</i>		<i>-</i>	<i>-</i>
	<i>64</i>	<i>300,000</i>	<i>-</i>	<i>64</i>	<i>300,000</i>	<i>-</i>	<i>-</i>
		<i>50,000</i>			<i>50,000</i>		
<i>Kansas State Teachers College, Emporia</i>	<i>7-1-</i>			<i>1961-</i>			
	<i>64</i>		<i>475,000</i>	<i>62</i>		<i>475,000</i>	<i>475,000</i>
<i>1. Maintenance Building</i>		<i>475,000</i>			<i>475,000</i>		
<i>2. Student Locker Rooms</i>	<i>7-1-</i>			<i>1961-</i>			
	<i>64</i>			<i>62</i>			
<i>Kansas State College, Pittsburg</i>		<i>35,000</i>	<i>35,000</i>		<i>-</i>	<i>-</i>	<i>35,000</i>
		<i>-</i>	<i>-</i>		<i>-</i>	<i>-</i>	<i>260,000</i>
<i>1. Educational Building</i>	<i>9-1-</i>			<i>9-1-</i>			
<i>School for the Blind</i>	<i>61</i>	<i>100,000</i>	<i>100,000</i>	<i>61</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>1. To Complete Recreation Building</i>	<i>7-1-</i>	<i>6,000</i>	<i>-</i>	<i>7-1-</i>	<i>-</i>	<i>-</i>	<i>100,000</i>
<i>2. New School Building</i>	<i>64</i>	<i>-</i>	<i>6,000</i>	<i>64</i>	<i>-</i>	<i>-</i>	<i>6,000</i>
							<i>-</i>
<i>School for the Deaf</i>		<i>600,000</i>			<i>600,000</i>	<i>600,000</i>	
<i>1. Remodel Gymnasium</i>		<i>1,900,000</i>	<i>600,000</i>		<i>1,900,000</i>		
<i>2. Complete Girls' Vocational School</i>	<i>9-1-</i>			<i>9-1-</i>		<i>450,000</i>	<i>600,000</i>
	<i>61</i>	<i>1,800,000</i>	<i>450,000</i>	<i>61</i>	<i>1,800,000</i>		
<i>3. Upper Grade School Building</i>							<i>-275,000</i>
		<u><i>\$11,236.00</i></u>	<u><i>-</i></u>		<u><i>\$11,095.00</i></u>		
		<u><i>0</i></u>			<u><i>0</i></u>	<u><i>\$ 2,671.00</i></u>	<u><i>-</i></u>
<i>University of Kansas</i>	<i>7-1-</i>		<u><i>\$ 2,641.00</i></u>			<u><i>0</i></u>	
<i>1. Power Plant</i>	<i>61</i>		<u><i>0</i></u>				<u><i>\$ 2,641.00</i></u>
<i>2. Engineering Building</i>							<u><i>0</i></u>
<i>3. Watson Library</i>		<i>\$ -</i>			<i>\$ 35,000;</i>		
<i>Addition</i>						<i>\$ 35,000</i>	
<i>Total Educational Building Fund</i>	<i>7-1-</i>	<i>260,000</i>	<i>\$ -</i>		<i>260,000</i>	<i>;</i>	<i>\$ -</i>
					<i>260,000</i>	<i>\$</i>	<i>-</i>

	61		260,000				
<i>From General Revenue Fund</i>		-		100,000		-	
<i>School for the Blind</i>	7-1-	-		9-1- 6,000			
1. To Complete Recreation	61	<u>515,000</u>		61 <u>515,000</u>	100,000		
<i>Building</i>			-			-	
2. New School Building		<u>\$ 775,000</u>	-	3-1- <u>\$ 916,000</u>	6,000	-	
			<u>515,000</u>	63	<u>515,000</u>	<u>        -</u>	
<i>School for the Deaf</i>		\$12,011,00		\$12,011,00			
1. Remodel Gymnasium	9-1-	0	<u>\$ 775,000</u>	1-1- 0	<u>\$ 916,000</u>	<u>        -</u>	
2. Complete Girls'	61	=====		64	=====		
<i>Vocational School</i>			\$ 3,416,00		\$ 3,587,00	\$ 2,641,00	
3. Upper Grade School	3-1-		0		0	0	
<i>Building</i>	63	=====			=====	=====	
<i>Total General Fund</i>							
<i>Grand Total</i>	1-1-			7-1-			
	64			61			
				10-1-			
				61			
	10-1-			7-1-			
	61			61			
				7-1-			
				61			
	10-1-			10-1-			
	61			61			

**KANSAS EDUCATIONAL BUILDING FUND  
ESTIMATED RESOURCES FISCAL YEARS  
1961 through 1964**

<i>Estimated Resources</i>	
<i>Available</i>	<i>\$13,157,721</i>
<i>for Appropriation</i>	<i><u>12,011,000</u></i>
<i>Estimated Appropriations</i>	
<i>Estimated Unappropriated</i>	
<i>Resources during</i>	<i>\$ 1,146,721</i>
<i>Fiscal Year 1964</i>	

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