

## Division of Fiscal & Administrative Services

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March 24, 2010

Anthony W. Miller  
Deputy Secretary of Education  
U.S. Department of Education  
400 Maryland Ave., S.W.  
Washington, DC 20202-0500

Dear Deputy Secretary Miller:

Thank you for your March 16, 2010 letter approving a waiver to the State of Kansas for state financial support for special education for FY 2010. We sincerely appreciate your support to ensure that a free appropriate public education is made available to all Kansas students with disabilities.

Unfortunately, since May 2009, when we initially submitted our waiver request to you, the recession has caused state revenues to consistently fall below projections. To make up for the shortfall in the current year, Governor Parkinson has been forced to announce three rounds of allotments or budget cuts in order to balance the state budget. In July, as we discussed in our August 2009 follow-up letter, the Governor implemented \$90.1 million in allotments from the state general fund. Following consensus revenue estimates in November which lowered anticipated revenue to the state in FY 2010 by another \$235 million, the Governor implemented a second round of budget reductions totaling \$193.2 million. After revenues fell short of the revised estimates by another \$89 million from November through February, the Governor announced a third round of reductions totaling \$31 million from the state general fund. As a result of these reductions, the revised state general fund budget for FY 2010 now stands at \$5,325,787,681. We wish to emphasize that even though additional cuts were made to the state budget, the Governor chose not to reduce special education funding from the amount originally approved. We have attached a summary prepared by the Kansas Legislative Research Department documenting these reductions and the revised approved budget.

In approving our waiver, the reduction in state support for special education services was limited to the percentage reduction in total approved state general fund expenditures from FY 2009 to FY 2010. At the time we submitted our follow-up information in August, the state budget had been reduced from \$6,163,802,845 for FY 2009 to \$5,523,022,787 for FY 2010, a reduction of 10.4 percent. Based on the additional budget reductions implemented by the Governor, the approved budget as it now stands for FY 2010 of \$5,325,787,681 represents a reduction of 13.6 percent from approved expenditures for FY 2009.

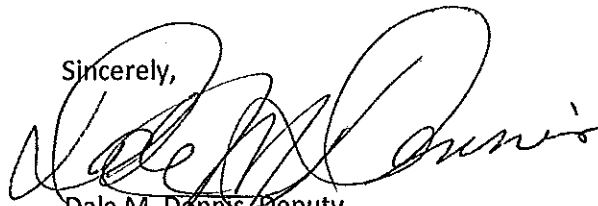
Due to the additional budget reductions imposed in the current year and following the same logic employed by the U.S. Department of Education in approving our waiver, we are now requesting the waiver amount be revised upward to \$58,174,427 million, as computed below.

	Approved Waiver Based on Approved State Budget As of August 12, 2009	Requested Waiver Based on Approved State Budget As of March 23, 2010
Approved FY 2009 State Budget	\$6,163,802,845	\$6,163,802,845
Approved FY 2010 State Budget	\$5,523,022,787	\$5,325,787,681
Amount of Reduction in the State Budget From FY 2009 to FY 2010	\$640,780,058	\$838,015,164
Percentage Reduction in the State Budget from FY 2009 to FY 2010	10.4%	13.6%
FY 2009 State Appropriation for Special Education Services Aid	\$427,753,137	\$427,753,137
Waiver Amount - Special Education Appropriation Multiplied by Percentage Reduction in State Budget	\$44,486,326	\$58,174,427

Due to the persistent decline in state revenues, we wish to reserve the right to update this information should the Governor or Legislature find it necessary to again cut the FY 2010 state general fund budget. Our state's revenue estimate will be updated in mid-April, which will form the basis of final legislative action on the state's budget. If revenues fall below that newer level, the Governor may be forced to take further steps to maintain a positive balance in the state general fund.

We appreciate your consideration of this request and your ongoing commitment to meet the educational needs of students with disabilities.

Sincerely,



Dale M. Dennis, Deputy  
Commissioner of Education

Attachment

# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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March 22, 2010

## FY 2010 Approved To Date

### State General Fund

#### FY 2010

May 2009	\$	5,613,629,052
Caseload Adjustments		24,314,645
July Allotment		(90,082,957)
November Allotment		(193,194,761)
Supplemental Bill (HB 2222)		2,121,702
Governor's March Adjustments		(31,000,000)
Total Adjusted FY 2010 Budget	\$	5,325,787,681