


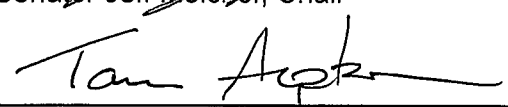
FY 2013, FY 2014, and FY 2015

Senate Ways and Means Subcommittee

Kansas Department of Commerce
Kansas Department of Labor
Kansas Department of Revenue
State Court of Tax Appeals

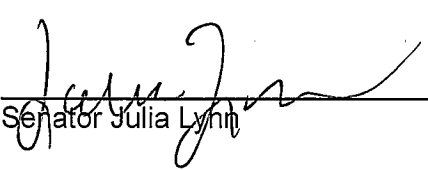


Senator Jeff Mecher, Chair



Senator Tom Arpke, Vice-Chair

Senator Tom Holland, Ranking Minority
Member



Senator Julia Lynn

Senate Ways and Means Committee
Date: 03-12-2013
Attachment #: 4

House Budget Committee Report

Agency: Kansas Department of Commerce **Bill No.** HB 2088

Bill Sec. 25

Analyst: Steiner

Analysis Pg. No. 543

Budget Page No. 74

Expenditure Summary	Agency Estimate FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 15,500,000	\$ 15,500,000	\$ 0
Other Funds	136,883,468	136,883,468	0
Subtotal	\$ 152,383,468	\$ 152,383,468	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	185,000	185,000	0
Subtotal	\$ 185,000	\$ 185,000	\$ 0
TOTAL	\$ 152,568,468	\$ 152,568,468	\$ 0
FTE positions	203.5	192.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	203.5	192.0	0.0

Agency Estimate

The **agency's** estimate for FY 2013 operating expenditures is \$152,383,468. Included in the estimate is \$15,500,000 from the State General Fund and \$19,083,708 from the Economic Development Initiatives Fund (EDIF). The estimate is an all funds increase of \$7,884,137, or 5.5 percent and EDIF increase of \$3,768,183, or 24.6 percent, above the amount approved by the 2012 Legislature. The State General Fund estimate remained the same. The EDIF increase is mostly attributable to a reappropriation of \$3,766,689 in FY 2013 that was not spent in FY 2012. The additional EDIF increase is a result of the undermarket pay approved by the 2012 Legislature and distributed by the State Finance Council. The all funds increase is due to a revised estimate of several special revenue funds, including the Workforce Investment Act Federal Fund, the Wagner Peyser Federal Fund, and the Community Development Block Grant.

Governor's Recommendation

The **Governor** concurs with the agency's request for FY 2013 with the following exception. The Governor recommends the deletion of an additional 11.5 FTE and 3.0 Non-FTE positions from the FY 2013 agency revised estimate.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2013.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation for FY 2013.

Senate Subcommittee Report

Agency: Kansas Department of Commerce **Bill No.** SB 76

Bill Sec. 25

Analyst: Steiner

Analysis Pg. No. 543

Budget Page No. 74

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2013</u>	<u>Governor Recommendation FY 2013</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 15,500,000	\$ 15,500,000	\$ 0
Other Funds	136,883,468	136,883,468	0
Subtotal	<u>\$ 152,383,468</u>	<u>\$ 152,383,468</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	185,000	185,000	0
Subtotal	<u>\$ 185,000</u>	<u>\$ 185,000</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 152,568,468</u>	 <u>\$ 152,568,468</u>	 <u>\$ 0</u>
 FTE positions	 203.5	 192.0	 0.0
Non FTE Uncl. Perm. Pos.	69.0	66.0	0.0
TOTAL	<u>272.5</u>	<u>258.0</u>	<u>0.0</u>

Agency Estimate

The **agency's** estimate for FY 2013 operating expenditures is \$152,383,468. Included in the estimate is \$15,500,000 from the State General Fund and \$19,083,708 from the Economic Development Initiatives Fund (EDIF). The estimate is an all funds increase of \$7,884,137, or 5.5 percent and EDIF increase of \$3,768,183, or 24.6 percent, above the amount approved by the 2012 Legislature. The State General Fund estimate remained the same. The EDIF increase is mostly attributable to a reappropriation of \$3,766,689 in FY 2013 that was not spent in FY 2012. The additional EDIF increase is a result of the undermarket pay approved by the 2012 Legislature and distributed by the State Finance Council. The all funds increase is due to a

revised estimate of several special revenue funds, including the Workforce Investment Act Federal Fund, the Wagner Peyser Federal Fund, and the Community Development Block Grant.

Governor's Recommendation

The **Governor** concurs with the agency's request for FY 2013 with the following exception. The Governor recommends the deletion of an additional 11.5 FTE and 3.0 Non-FTE positions from the FY 2013 agency revised estimate.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's FY 2013 revised estimate.

House Budget Committee Report

Agency: Kansas Department of Commerce **Bill No.** HB 2231

Bill Sec. 69

Analyst: Steiner

Analysis Pg. No. 543

Budget Page No. 74

Expenditure Summary	Agency Request FY 2014	Governor Recommendation FY 2014	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 15,500,000	\$ 15,000,000	\$ (1,500,000)
Other Funds	129,646,265	128,921,428	(325,000)
Subtotal	\$ 145,146,265	\$ 143,921,428	\$ (1,825,000)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	190,000	190,000	0
Subtotal	\$ 190,000	\$ 190,000	\$ 0
TOTAL	\$ 145,336,265	\$ 144,111,428	\$ (1,825,000)
FTE positions	203.5	192.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	203.5	192.0	0.0

Agency Request

The **agency's** request for FY 2014 operating expenditures is \$145,146,265. Included in the request is \$15,500,000 from the State General Fund and \$14,829,029 from the Economic Development Initiatives Fund (EDIF). The request is an all funds decrease of \$7,237,203, or 4.7 percent, and an EDIF decrease of \$4,254,612, or 22.3 percent, below the agency's FY 2013 request. The State General Fund request remains the same as the agency's FY 2013 estimate. The EDIF decrease is attributable to the large reappropriation that was carried forward in FY 2013 but was not carried forward to FY 2014. Additionally, the agency's EDIF operating grant does reflect the agency's allocated budget in FY 2014. The all funds decrease is due to the Air Service Incentive Fund not being included in the agency's budget for FY 2014. Additionally, the decrease is partially due to a revised estimate of several special funds, including the Workforce Investment Act Federal Fund, and the Wagner Peyser Federal Fund, and the Community Development Block Grant.

Governor's Recommendation

The **Governor** recommends FY 2014 operating expenditures of \$143,921,428, including \$15,000,000 from the State General Fund and \$14,117,010 from the Economic Development Initiatives Fund. The Governor's recommendation is an all funds decrease of \$1,224,837, or 0.8 percent, a State General Fund decrease of \$500,000, or 3.2 percent, and an EDIF decrease of \$712,086, or 4.8 percent, below the agency's FY 2014 request. The State General Fund

decrease is attributable to replacing the State General Fund appropriation for the Medicaid Reform Employment Incentive Program with an EDIF appropriation. The EDIF decrease is partially offset as a result of the Governor recommending the agency's reduced resources. Additionally, the EDIF reduction is also offset by \$275,000 in additional EDIF spending for the Accelerate Entrepreneurship Program which is a new program designed to help emerging entrepreneurs.

The Governor's recommendation includes a decrease of \$17,081, including \$4,330 from the EDIF, to reflect the Governor's recommendation to reduce the Kansas Public Employees Retirement System (KPERs) death and disability employer contribution rate from the statutory 1.0 percent to 0.85 percent for FY 2014.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2014 with the following adjustments.

1. Delete \$500,000, all from the State General Fund, for the University of Kansas Medical Center. This represents funding for cancer research cancer at the University of Kansas Medical Center.
2. Delete \$500,000, all from the State General Fund, for the Animal Health Research Grant at Kansas State University. This represents funding for animal health research at Kansas State University.
3. Delete \$500,000 all from the State General Fund, for Aviation Research Grant at Wichita State University. This represents funding for aviation research at Wichita State University.
4. Delete \$50,000, all from Economic Development Initiatives Fund, for the Medicaid Reform Employment Incentive Program. This program provides incentives for companies that employ and train individuals with disabilities. The pilot program began in FY 2013 and was previously funded from the State General Fund.
5. Delete \$275,000, all from the Economic Development Initiatives Fund, for the Accelerate Entrepreneurship Program, for FY 2014 and direct the agency to self-fund the program from existing resources.

House Committee Recommendation

The Committee concurs with the Budget Committee recommendation for FY 2014 with the following adjustments:

1. Delete recommendations 1, 2 and 3 made by the Budget Committee for FY 2014. This will restore funding to the original \$5.0 million, all from the State General Fund, for cancer research cancer at the University of Kansas Medical Center, \$5.0 million, all from the State General Fund, for animal health research at Kansas State University, and \$5.0 million, all from the State General Fund, for aviation research at Wichita State University.

2. Delete \$1,500,000, all from the Economic Development Initiatives Fund, for FY 2014, from the Department of Commerce' Operating Grant and transfer the same amount to the State General Fund for FY 2014.

Senate Subcommittee Report

Agency: Kansas Department of Commerce **Bill No.** 110

Bill Sec. 69

Analyst: Steiner

Analysis Pg. No. 543

Budget Page No. 74

<u>Expenditure Summary</u>	<u>Agency Request FY 2014</u>	<u>Governor Recommendation FY 2014</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 15,500,000	\$ 15,000,000	\$ (15,000,000)
Other Funds	129,646,265	128,921,428	(23,189)
Subtotal	<u>\$ 145,146,265</u>	<u>\$ 143,921,428</u>	<u>\$ (15,023,189)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	190,000	190,000	0
Subtotal	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 145,336,265</u></u>	<u><u>\$ 144,111,428</u></u>	<u><u>\$ (15,023,189)</u></u>
FTE positions	203.5	192.0	0.0
Non FTE Uncl. Perm. Pos.	69.0	66.0	0.0
TOTAL	<u><u>272.5</u></u>	<u><u>258.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency's** request for FY 2014 operating expenditures is \$145,146,265. Included in the request is \$15,500,000 from the State General Fund and \$14,829,096 from the Economic Development Initiatives Fund (EDIF). The request is an all funds decrease of \$7,237,203, or 4.7 percent, and an EDIF decrease of \$4,254,612, or 22.3 percent, below the agency's FY 2013 revised estimate. The State General Fund request remains the same as the agency's FY 2013 estimate. The EDIF decrease is attributable to the large reappropriation that was carried forward in FY 2013 but was not carried forward to FY 2014. Additionally, the agency's EDIF operating grant does not reflect the agency's allocated budget in FY 2014. The all funds decrease is due to the Air Service Incentive Fund not being included in the agency's budget for FY 2014. Additionally, the decrease is partially due to a revised estimate of several special funds, which include the following a decrease of \$15,369,310 for Workforce Investment Act Federal Funds and the agency did not receive any ARRA Green Jobs Grant funds in FY 2014.

Governor's Recommendation

The **Governor** recommends FY 2014 operating expenditures of \$143,921,428, including \$15,000,000 from the State General Fund and \$14,117,010 from the Economic Development Initiatives Fund. The Governor's recommendation is an all funds decrease of \$1,224,837, or 0.8 percent, a State General Fund decrease of \$500,000, or 3.2 percent, and an EDIF decrease of \$712,086, or 4.8 percent, below the agency's FY 2014 request. The State General Fund decrease is attributable to replacing the State General Fund appropriation for the Medicaid Reform Employment Incentive Program with an EDIF appropriation. The EDIF decrease is partially offset as a result of the Governor recommending the agency's reduced resources. Additionally, the EDIF reduction is also offset by \$275,000 in additional EDIF spending for the Accelerate Entrepreneurship Program which is a new program designed to help emerging entrepreneurs.

The Governor's recommendation includes a decrease of \$17,081, including \$4,330 from the EDIF, to reflect the Governor's recommendation to reduce the Kansas Public Employees Retirement System (KPERS) death and disability employer contribution rate from the statutory 1.0 percent to 0.85 percent for FY 2014.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's FY 2014 revised estimate with the following adjustment and notations:

1. Delete \$15.0 million, all from the State General Fund, including \$5.0 million for FY 2014, for cancer research cancer at the University of Kansas Medical Center, \$5.0 million, for animal health research at Kansas State University, and \$5.0 million, for aviation research at Wichita State University.
2. Delete \$23,189, all from the Economic Development Initiatives Fund, for the \$1 rent reduction negotiated by the Department of Administration for FY 2014.
3. The Subcommittee directed the Department of Commerce, and all agencies in the General Government Budget Subcommittee, to construct a reorganization plan that allows the agency to provide the same level of services funded at 80.0 percent of its current level. The purpose was to allow the agency to reorganize as they saw fit without any of the normal constraints. Examples include restrictions placed by the Department of Administration such as rent and the monumental building surcharge and restrictions placed by the classified employment system.
4. The Subcommittee recommends the agency use a per transaction approach for all future Information Technology projects to mitigate the absorption of capital costs within the agency's budget.
5. The Subcommittee recommends the agency utilize outsourcing wherever possible to increase the quality and efficient delivery of services.

House Budget Committee Report

Agency: Kansas Department of Commerce **Bill No.** 2231

Bill Sec. 70

Analyst: Steiner

Analysis Pg. No. 543

Budget Page No. 74

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ --	\$ 15,000,000	\$ 0
Other Funds	--	129,020,538	(325,000)
Subtotal	\$ --	\$ 144,020,538	\$ (325,000)
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	195,000	0
Subtotal	\$ --	\$ 195,000	\$ 0
TOTAL	\$ --	\$ 144,215,538	\$ (325,000)
FTE positions	--	192.0	0.0
Non FTE Uncl. Perm. Pos.	--	66.0	0.0
TOTAL	--	258.0	0.0

Agency Request

There were no agency budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

Governor's Recommendation

The **Governor** recommends FY 2015 operating expenditures of \$144,020,538, including \$15,000,000 from the State General Fund and \$14,146,974 from the Economic Development Initiatives Fund. The recommendation is an all funds increase of \$99,110, or 0.1 percent, and an EDIF increase of \$29,964, or 0.2 percent, above the Governor's FY 2014 recommendation. The State General Fund appropriation remained the same.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2015 with the following adjustments.

1. Delete \$50,000, all from Economic Development Initiatives Fund, for the Medicaid Reform Employment Incentive Program for FY 2015. This program provides incentives for companies that employ and train individuals with disabilities. The pilot program began in FY 2013 and was previously funded from the State General Fund.
2. Delete \$275,000, all from the Economic Development Initiatives Fund, for the Accelerate Entrepreneurship Program, for FY 2015 and direct the agency to self-fund the program from existing resources.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation for FY 2015.

Senate Subcommittee Report

Agency: Kansas Department of Commerce **Bill No.** 110

Bill Sec. 70

Analyst: Steiner

Analysis Pg. No. 543

Budget Page No. 74

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ --	\$ 15,000,000	\$ (15,000,000)
Other Funds	--	129,020,538	(23,189)
Subtotal	\$ --	\$ 144,020,538	\$ (15,023,189)
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	195,000	0
Subtotal	\$ --	\$ 195,000	\$ 0
TOTAL	\$ --	\$ 144,215,538	\$ (15,023,189)
FTE positions	--	192.0	0.0
Non FTE Uncl. Perm. Pos.	--	66.0	0.0
TOTAL	--	258.0	0.0

Agency Request

There were no **agency** budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

Governor's Recommendation

The **Governor** recommends FY 2015 operating expenditures of \$144,020,538, including \$15,000,000 from the State General Fund and \$14,146,974 from the Economic Development Initiatives Fund. The recommendation is an all funds increase of \$99,110, or 0.1 percent, and an EDIF increase of \$29,964, or 0.2 percent, above the Governor's FY 2014 recommendation. The State General Fund appropriation remained the same.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's FY 2015 revised estimate with the following adjustment and notations:

1. Delete \$15.0 million, all from the State General Fund for FY 2015, including \$5.0 million, for cancer research cancer at the University of Kansas Medical Center, \$5.0 million, for animal health research at Kansas State University, and \$5.0 million, for aviation research at Wichita State University.
2. Delete \$23,189, all from the Economic Development Initiatives Fund, for the \$1 rent reduction negotiated by the Department of Administration for FY 2015.
3. The Subcommittee directed the Department of Commerce, and all agencies in the General Government Budget Subcommittee, to construct a reorganization plan that allows the agency to provide the same level of services funded at 80.0 percent of its current level. The purpose was to allow the agency to reorganize as they saw fit without any of the normal constraints. Examples include restrictions placed by the Department of Administration such as rent and the monumental building surcharge and restrictions placed by the classified employment system.
4. The Subcommittee recommends the agency use a per transaction approach for all future Information Technology projects to mitigate the absorption of capital costs within the agency's budget.
5. The Subcommittee recommends the agency utilize outsourcing wherever possible to increase the quality and efficient delivery of services.

House Budget Committee Report

Agency: Kansas Department of Labor

Bill No. HB 2088

Bill Sec. --

Analyst: Carroll

Analysis Pg. No. 1227

Budget Page No. 224

Expenditure Summary	Agency Estimate FY 2013	Governor Recommendation FY 2013 *	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 338,003	\$ 338,003	\$ 0
Other Funds	645,814,240	645,814,240	0
Subtotal	\$ 646,152,243	\$ 646,152,243	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,899,005	2,899,005	0
Subtotal	\$ 2,899,005	\$ 2,899,005	\$ 0
TOTAL	\$ 649,051,248	\$ 649,051,248	\$ 0
FTE positions	404.4	443.4	0.0
Non FTE Uncl. Perm. Pos.	61.3	61.3	0.0
TOTAL	465.7	504.7	0.0

NOTE: GBA No. 1, Item 9 added 39.0 FTE positions due to the agency understating its current position count in FY 2013.

Agency Estimate

The **agency** estimates FY 2013 operating expenditures of \$646.2 million, including \$338,003 from the State General Fund. The estimate is an all funds increase of \$150.7 million, or 30.4 percent, above the 2012 Legislature approved amount. The increase is mainly attributable to an increase in Employment Security Administration Fund payments. The State General Fund revised estimate is \$338,003, a decrease of \$103,085 or 30.1 percent, below the FY 2012 Legislature approved amount. The reappropriation of \$58,440 is lapsed back into the State General Fund. The agency also reduced operating expenditures of \$44,645, primarily in the Administration program, by using more special revenue funds to pay for salaries and wages. The estimate includes 404.4 FTE positions, which is 84.6 less FTE positions approved by the FY 2013 Legislature approved amount. The agency was required to reduce vacant FTE positions as part of SB 294, the Appropriations Bill, that required any vacant position that has been unfilled for greater than 120 days as of June 30, 2012 be eliminated. This eliminated 50.7 FTE positions.

The agency requests a capital improvements budget of \$2.9 million, an increase of \$223,206, or 8.3 percent, above the approved FY 2013 capital improvements budget. The increase is mainly attributable to the agency reflecting the principal payment for the Unemployment Insurance Modernization bond with debt service. All expenditures in capital improvements for FY 2013 are funded by special revenue funds.

Governor's Recommendation

The **Governor** concurs with the agency's estimate.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Kansas Department of Labor

Bill No. SB 76

Bill Sec. --

Analyst: Carroll

Analysis Pg. No. 1227

Budget Page No. 224

Expenditure Summary	Agency Estimate FY 2013	Governor Recommendation FY 2013 *	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 338,003	\$ 338,003	\$ 0
Other Funds	645,814,240	645,814,240	0
Subtotal	\$ 646,152,243	\$ 646,152,243	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,899,005	2,899,005	0
Subtotal	\$ 2,899,005	\$ 2,899,005	\$ 0
TOTAL	\$ 649,051,248	\$ 649,051,248	\$ 0
FTE positions	404.4	443.4	0.0
Non FTE Uncl. Perm. Pos.	61.3	61.3	0.0
TOTAL	465.7	504.7	0.0

NOTE: GBA No. 1, Item 9 added 39.0 FTE positions due to the agency understating its current position count in FY 2013.

Agency Estimate

The **agency** estimates FY 2013 operating expenditures of \$646.2 million, including \$338,003 from the State General Fund. The estimate is an all funds increase of \$150.7 million,

or 30.4 percent, above the 2012 Legislature approved amount. The increase is mainly attributable to an increase in Employment Security Administration Fund payments. The State General Fund revised estimate is \$338,003, a decrease of \$101,821, or 30.1 percent, below the FY 2012 Legislature approved amount. The reappropriation of \$57,176 is lapsed back into the State General Fund. The agency also reduced operating expenditures of \$44,645, primarily in the Administration program, by using more special revenue funds to pay for salaries and wages. The estimate includes 404.4 FTE positions, which is 84.6 less FTE positions approved by the FY 2013 Legislature approved amount. The agency was required to reduce vacant FTE positions as part of SB 294, the Appropriations Bill, that required any vacant position that has been unfilled for greater than 120 days as of June 30, 2012 be eliminated. This eliminated 50.7 FTE positions.

The agency requests a capital improvements budget of \$2.9 million, an increase of \$223,206, or 8.3 percent, above the approved FY 2013 capital improvements budget. The increase is mainly attributable to the agency reflecting the principal payment for the Unemployment Insurance Modernization bond with debt service. All expenditures in capital improvements for FY 2013 are funded by special revenue funds.

Governor's Recommendation

The **Governor** concurs with the agency's estimate.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Department of Labor

Bill No. HB 2231

Bill Sec. 73

Analyst: Carroll

Analysis Pg. No. 1227

Budget Page No. 224

Expenditure Summary	Agency Request FY 2014	Governor Recommendation FY 2014 *	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 337,997	\$ 337,854	\$ 0
Other Funds	470,825,644	470,797,853	0
Subtotal	\$ 471,163,641	\$ 471,135,707	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,840,000	2,840,000	0
Subtotal	\$ 2,840,000	\$ 2,840,000	\$ 0
TOTAL	\$ 474,003,641	\$ 473,975,707	\$ 0
FTE positions	404.5	443.4	0.0
Non FTE Uncl. Perm. Pos.	61.3	61.3	0.0
TOTAL	465.8	504.7	0.0

NOTE: GBA No. 1, Item 9 added 39.0 FTE positions due to the agency understating its current position count for FY 2014.

Agency Request

The **agency** requests FY 2014 operating expenditures of \$471.2 million, including \$337,997 from the State General Fund. The request is an all funds decrease of \$175.0 million, or 27.1 percent, and a State General Fund decrease of \$6 below the revised 2013 estimate. The decrease is primarily due to a reduction in the projected Unemployment Insurance benefit payments as the Emergency Unemployment Compensation federal program is phased out. The request includes 404.4 FTE positions, which is the same as the FY 2013 revised estimate.

The agency requests a capital improvements budget of \$2.8 million, a decrease of \$59,005, or 2.0 percent, below the revised FY 2013 estimate. The decrease is mainly attributable to less costly renovations at 2650 E Circle Dr South and 414, 416, 418, and 420 SW Jackson St for FY 2014. All expenditures for capital improvements for FY 2014 will be paid for by special revenue funds including \$170,000 in Sale of Building funds.

Governor's Recommendation

The **Governor** recommends FY 2014 operating expenditures of \$471.1 million, including \$337,854 from the State General Fund. The recommendation is an all funds decrease of \$175.0 million, or 27.1 percent, and a State General Fund decrease of \$149 below the FY 2013 recommendation. The Governor's recommendation includes a decrease of \$28,287, including

\$143 from the State General Fund, to reflect the Governor's recommendation to reduce the Kansas Public Employees Retirement System (KPERs) death and disability employer contribution from the statutory 1.0 percent to 0.85 percent for FY 2014.

The Governor's recommendation is an all funds decrease of \$27,934, or less than 0.1 percent, and a State General Fund decrease of \$143 below the agency's FY 2014 request. The decrease is attributable to the Governor's reduction of KPERs death and disability employer contribution percentage rate.

The Governor concurs with the agency's capital improvement expenditures budget request.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following recommendations:

1. The Budget Committee recommends the agency report, prior to Omnibus, on the status of the Unemployment Insurance Modernization project that began in FY 2008 and has yet to be completed for FY 2014.
2. The Budget Committee recommends the agency add a performance measure that evaluates the number of unemployment fraud cases evaluated each fiscal year for FY 2014.
3. The Budget Committee recommends an audit be completed prior to FY 2015 to assess the Unemployment Insurance Modernization project. The Budget Committee notes an audit will determine the best course of action for the project and the Unemployment Insurance program as a whole.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation with the following notation:

1. The Committee concurs with the new performance measure in the Budget Committee recommendation. The Committee recommends the new performance measure examines the number of unemployment fraud cases investigated each fiscal year, the percent of these cases that are resolved, and the total dollar amount of funds recovered for FY 2014. The Committee notes this performance measure should be measured in each subsequent fiscal year.

Senate Subcommittee Report

Agency: Kansas Department of Labor

Bill No. SB 110

Bill Sec. 73

Analyst: Carroll

Analysis Pg. No. 1227

Budget Page No. 224

Expenditure Summary	Agency Request FY 2014	Governor Recommendation FY 2014 *	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 337,997	\$ 337,854	\$ 0
Other Funds	470,825,644	470,797,853	0
Subtotal	\$ 471,163,641	\$ 471,135,707	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,840,000	2,840,000	0
Subtotal	\$ 2,840,000	\$ 2,840,000	\$ 0
TOTAL	\$ 474,003,641	\$ 473,975,707	\$ 0
FTE positions	404.5	443.4	0.0
Non FTE Uncl. Perm. Pos.	61.3	61.3	0.0
TOTAL	465.8	504.7	0.0

NOTE: GBA No. 1, Item 9 added 39.0 FTE positions due to the agency understating its current position count for FY 2014.

Agency Request

The **agency** requests FY 2014 operating expenditures of \$471.2 million, including \$337,997 from the State General Fund. The request is an all funds decrease of \$175.0 million, or 27.1 percent, and a State General Fund decrease of \$6 below the revised 2013 estimate. The decrease is primarily due to a reduction in the projected Unemployment Insurance benefit payments as the Emergency Unemployment Compensation federal program is phased out. The request includes 404.4 FTE positions, which is the same as the FY 2013 revised estimate.

The agency requests a capital improvements budget of \$2.8 million, a decrease of \$59,005, or 2.0 percent, below the revised FY 2013 estimate. The decrease is mainly attributable to less costly renovations at 2650 E Circle Dr South and 414, 416, 418, and 420 SW Jackson St for FY 2014. All expenditures for capital improvements for FY 2014 will be paid for by special revenue funds including \$170,000 in Sale of Building funds.

Governor's Recommendation

The **Governor** recommends FY 2014 operating expenditures of \$471.1 million, including \$337,854 from the State General Fund. The recommendation is an all funds decrease of \$175.0 million, or 27.1 percent, and a State General Fund decrease of \$149 below the FY 2013 recommendation. The Governor's recommendation includes a decrease of \$28,287, including \$143 from the State General Fund, to reflect the Governor's recommendation to reduce the Kansas Public Employees Retirement System (KPERS) death and disability employer contribution from the statutory 1.0 percent to 0.85 percent for FY 2014.

The Governor's recommendation is an all funds decrease of \$27,934, or less than 0.1 percent, and a State General Fund decrease of \$143 below the agency's FY 2014 request. The decrease is attributable to the Governor's reduction of KPERS death and disability employer contribution percentage rate.

The Governor concurs with the agency's capital improvement expenditures budget request.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following notations:

1. The Subcommittee directed the Department of Labor, and all agencies in the General Government Budget Subcommittee, to construct a reorganization plan that allows the agency to provide the same level of services funded at 80.0 percent of its current level. The purpose was to allow the agency to reorganize as they saw fit without any of the normal constraints. Examples include restrictions placed by the Department of Administration such as rent and the monumental building surcharge and restrictions placed by the classified employment system.
2. The Subcommittee recommends the agency use a per transaction approach for all future Information Technology projects to mitigate the absorption of capital costs within the agency's budget.
3. The Subcommittee recommends the agency utilize outsourcing wherever possible to increase the quality and efficient delivery of services.
4. The Subcommittee recommends the agency analyze the cost of ownership annually for its properties on a per square foot basis to determine if the agency is using its space in the most efficient manner.

House Budget Committee Report

Agency: Kansas Department of Labor

Bill No. HB 2231

Bill Sec. 74

Analyst: Carroll

Analysis Pg. No. 1227

Budget Page No. 224

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015 *	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ --	\$ 337,854	\$ 0
Other Funds	--	435,849,303	0
Subtotal	\$ --	\$ 436,187,157	\$ 0
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	2,715,000	0
Subtotal	\$ --	\$ 2,715,000	\$ 0
TOTAL	\$ --	\$ 438,902,157	\$ 0
FTE positions	--	443.4	0.0
Non FTE Uncl. Perm. Pos.	--	61.3	0.0
TOTAL	--	504.7	0.0

NOTE: GBA No. 1, Item 9 added 39.0 FTE positions due to the agency understating its current position count for FY 2015 and \$4.1 million, including \$63,150 from the State General Fund, to account for the agency's State General Fund needs and a Workers Compensation IT project budgeted for FY 2014 that will still be underway for FY 2015.

Agency Request

There were no **agency** budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

Governor's Recommendation

The **Governor** recommends FY 2015 operating expenditures of \$432.1 million, including \$274,704 from the State General Fund. The recommendation is a decrease of \$39.1 million, or 8.3 percent, and a State General Fund decrease of \$63,150, or 18.7 percent, below the Governor's FY 2014 recommendation. The decrease is primarily attributable to a decrease of projected Unemployment Insurance benefit payments (\$33.7 million) and Worker's Compensation sizable one-time contractual obligations (\$5.2 million).

The Governor recommends FY 2015 capital improvement expenditures of \$2.7 million, all from special revenue funds. The recommendation is a decrease of \$125,000, or 4.4 percent, below the FY 2014 recommendation. The decrease is primarily due to renovations being completed in FY 2014.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Kansas Department of Labor

Bill No. SB 110

Bill Sec. 74

Analyst: Carroll

Analysis Pg. No. 1227

Budget Page No. 224

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015 *	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ --	\$ 337,854	\$ 0
Other Funds	--	435,849,303	0
Subtotal	\$ --	\$ 436,187,157	\$ 0
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	2,715,000	0
Subtotal	\$ --	\$ 2,715,000	\$ 0
TOTAL	\$ --	\$ 438,902,157	\$ 0
FTE positions	--	443.4	0.0
Non FTE Uncl. Perm. Pos.	--	61.3	0.0
TOTAL	--	504.7	0.0

NOTE: GBA No. 1, Item 9 added 39.0 FTE positions due to the agency understating its current position count for FY 2015 and \$4.1 million, including \$63,150 from the State General Fund, to account for the agency's State General Fund needs and a Workers Compensation IT project budgeted for FY 2014 that will still be underway for FY 2015.

Agency Request

There were no **agency** budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

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Governor's Recommendation

The **Governor** recommends FY 2015 operating expenditures of \$432.1 million, including \$274,704 from the State General Fund. The recommendation is a decrease of \$39.1 million, or 8.3 percent, and a State General Fund decrease of \$63,150, or 18.7 percent, below the Governor's FY 2014 recommendation. The decrease is primarily attributable to a decrease of projected Unemployment Insurance benefit payments (\$33.7 million) and Worker's Compensation sizable one-time contractual obligations (\$5.2 million).

The Governor recommends FY 2015 capital improvement expenditures of \$2.7 million, all from special revenue funds. The recommendation is a decrease of \$125,000, or 4.4 percent, below the FY 2014 recommendation. The decrease is primarily due to renovations being completed in FY 2014.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Department of Revenue **Bill No.** HB 2088

Bill Sec. 22

Analyst: Steiner

Analysis Pg. No. 498

Budget Page No. 92

Expenditure Summary	Agency Estimate FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 16,091,541	\$ 16,091,541	\$ 0
Other Funds	86,828,665	86,828,665	0
Subtotal	\$ 102,920,206	\$ 102,920,206	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 102,920,206	\$ 102,920,206	\$ 0
FTE positions	994.0	994.0	(50.0)
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	994.0	994.0	(50.0)

Agency Estimate

The **agency** estimates FY 2013 operating expenditures of \$102,920,206, including \$16,091,541 from the State General Fund. The estimate is an all funds increase of \$7,190,260, or 7.5 percent. The State General Fund estimate of \$16,091,541 is the same amount approved by the 2012 Legislature. The all funds increase is partially attributable to a revised estimate of the Division of Vehicles Modernization Fund which is used to support the Division of Vehicles Modernization Fund. The agency also saw a decrease in commodities.

Governor's Recommendation

The **Governor** concurs with the agency's estimate for FY 2013.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2013 with the following adjustment:

1. Delete 50.0 vacant FTE positions in FY 2013. This would bring the total FTE position to 944.0 in FY 2013.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation for FY 2013.

Senate Subcommittee Report

Agency: Kansas Department of Revenue **Bill No.** SB 76 **Bill Sec.** 22

Analyst: Steiner **Analysis Pg. No.** 498 **Budget Page No.** 92

Expenditure Summary	Agency Estimate FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 16,091,541	\$ 16,091,541	\$ 0
Other Funds	86,828,665	86,828,665	0
Subtotal	<u>\$ 102,920,206</u>	<u>\$ 102,920,206</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 102,920,206</u></u>	<u><u>\$ 102,920,206</u></u>	<u><u>\$ 0</u></u>
FTE positions	994.0	994.0	0.0
Non FTE Uncl. Perm. Pos.	14.0	14.0	0.0
TOTAL	<u><u>1,008.0</u></u>	<u><u>1,008.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates FY 2013 operating expenditures of \$102,920,206, including \$16,091,541 from the State General Fund. The estimate is an all funds increase of \$7,190,260, or 7.5 percent. The State General Fund estimate of \$16,091,541 is the same amount approved by the 2012 Legislature. The all funds increase is partially attributable to a revised estimate of the Division of Vehicles Modernization Fund which is used to support the Division of Vehicles Modernization Fund. The agency also saw a decrease in commodities.

Governor's Recommendation

The **Governor** concurs with the agency's estimate for FY 2013.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's FY 2013 revised estimate.

House Budget Committee Report

Agency: Kansas Department of Revenue

Bill No. HB 2231

Bill Sec. 63

Analyst: Steiner

Analysis Pg. No. 498

Budget Page No. 92

Expenditure Summary	Agency Request FY 2014	Governor Recommendation FY 2014	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 16,113,448	\$ 14,489,641	\$ 0
Other Funds	82,894,209	82,852,405	0
Subtotal	<u>\$ 99,007,657</u>	<u>\$ 97,342,046</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 99,007,657</u></u>	<u><u>\$ 97,342,046</u></u>	<u><u>\$ 0</u></u>
FTE positions	994.0	994.0	(50.0)
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>994.0</u></u>	<u><u>994.0</u></u>	<u><u>(50.0)</u></u>

Agency Request

The **agency** requests FY 2014 operating expenditures of \$99,007,657, including \$16,113,448 from the State General Fund. The request is an all funds decrease of \$3,912,549, or 3.8 percent, and a State General Fund increase of \$21,907, or 0.1 percent, above the agency's FY 2013 revised estimate. The all funds decrease is largely attributable to a decrease in the Division of Vehicles Modernization Fund.

Governor's Recommendation

The **Governor** recommends FY 2014 operating expenditures of \$97,342,046, including \$14,489,641 from the State General Fund. The recommendation is an all funds decrease of \$1,665,611, or 1.7 percent, and a State General Fund decrease of \$1,623,807, or 10.1 percent, below the agency's FY 2014 request. The decrease is largely attributable to a 10.0 percent State General Fund reduction for shrinkage. Also included in the decrease is the Governor's recommendation to reduce the Kansas Public Employees Retirement System (KPERs) death and disability employer contributions from the statutory 1.0 percent to 0.85 percent for FY 2014.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2014 with the following adjustment and recommendation:

1. Delete 50.0 FTE positions in FY 2014. This would bring the total FTE position to 944.0 for FY 2014.
2. Add language to the appropriations bill directing that an additional Alcohol Beverage Control (ABC) investigative agent position be filled from within existing resources. The Budget Committee heard testimony regarding the importance of ABC enforcement agents.
3. The Budget Committee would like to note the costs associated with HB 2006, which would expand the number of businesses licenses by the Alcoholic Beverage Division of the Department of Revenue to sell alcoholic liquor. The fiscal note associated with this bill are estimated at \$1.91 million in FY 2014, with one-time costs of \$355,000 and the remaining costs of salaries and wages at \$1,555,000 which will be on-going. Also, additional staffing will be required which include 9.0 enforcement agents, 7.0 licensing positions, 2.0 attorneys, 1.0 legal assistant, and 2.0 temporary clerks.
4. The Budget Committee would like to note that SB 83, as amended, will be able to pull down more federal dollars. The bill increases an existing payment plan processing fee from \$10 to \$25; establishes a petition for abatement of debt fee of \$50; and, provides for the retention of a \$22 processing fee from funds remitted to the IRS under the Federal "State Income Tax Levy Program". Additionally, passage of the bill would allow the Department of Revenue to fill 12 to 14 vacant positions.

House Committee Recommendation

The Committee concurs with the Budget Committee recommendation for FY 2014.

Senate Subcommittee Report

Agency: Kansas Department of Revenue

Bill No. SB 110

Bill Sec. 63

Analyst: Steiner

Analysis Pg. No. 498

Budget Page No. 92

<u>Expenditure Summary</u>	<u>Agency Request FY 2014</u>	<u>Governor Recommendation FY 2014</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 16,113,448	\$ 14,489,641	\$ 0
Other Funds	82,894,209	82,852,405	(172,401)
Subtotal	<u>\$ 99,007,657</u>	<u>\$ 97,342,046</u>	<u>\$ (172,401)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 99,007,657</u>	 <u>\$ 97,342,046</u>	 <u>\$ (172,401)</u>
 FTE positions	 994.0	 994.0	 0.0
Non FTE Uncl. Perm. Pos.	14.0	14.0	0.0
TOTAL	<u>1,008.0</u>	<u>1,008.0</u>	<u>0.0</u>

Agency Request

The **agency** requests FY 2014 operating expenditures of \$99,007,657, including \$16,113,448 from the State General Fund. The request is an all funds decrease of \$3,912,549, or 3.8 percent, and a State General Fund increase of \$21,907, or 0.1 percent, above the agency's FY 2013 revised estimate. The all funds decrease is largely attributable to a decrease in the Division of Vehicles Modernization Fund.

Governor's Recommendation

The **Governor** recommends FY 2014 operating expenditures of \$97,342,046, including \$14,489,641 from the State General Fund. The recommendation is an all funds decrease of \$1,665,611, or 1.7 percent, and a State General Fund decrease of \$1,623,807, or 10.1 percent, below the agency's FY 2014 request. The decrease is largely attributable to a 10.0 percent

State General Fund reduction for shrinkage. Also included in the decrease is the Governor's recommendation to reduce the Kansas Public Employees Retirement System (KPERs) death and disability employer contributions from the statutory 1.0 percent to 0.85 percent for FY 2014.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's FY 2014 revised estimate with the following adjustment and notations:

1. Delete \$172,401, all from the Division of Vehicles Operating Fund, for FY 2014 for the \$1 rent reduction.
2. The Subcommittee directed the Department of Revenue, and all agencies in the General Government Budget Subcommittee, to construct a reorganization plan that allows the agency to provide the same level of services funded at 80.0 percent of its current level. The purpose was to allow the agency to reorganize as they saw fit without any of the normal constraints. Examples include restrictions placed by the Department of Administration such as rent and the monumental building surcharge and restrictions placed by the classified employment system.
3. The Subcommittee recommends the agency use a per transaction approach for all future Information Technology projects to mitigate the absorption of capital costs within the agency's budget.
4. The Subcommittee recommends the agency utilize outsourcing wherever possible to increase the quality and efficient delivery of services.

House Budget Committee Report

Agency: Kansas Department of Revenue

Bill No. HB 2231

Bill Sec. 64

Analyst: Steiner

Analysis Pg. No. 498

Budget Page No. 92

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ --	\$ 14,597,812	\$ 0
Other Funds	--	82,191,864	0
Subtotal	\$ --	\$ 96,789,676	\$ 0
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	0	0
Subtotal	\$ --	\$ 0	\$ 0
TOTAL	\$ --	\$ 96,789,676	\$ 0
FTE positions	--	994.0	(50.0)
Non FTE Uncl. Perm. Pos.	--	0.0	0.0
TOTAL	--	994.0	(50.0)

Agency Request

There were no agency budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

Governor's Recommendation

The **Governor** recommends FY 2015 operating expenditures of \$96,789,676 including \$14,597,812 from the State General Fund. The recommendation is an all funds decrease of decrease of \$552,370, or 0.6 percent, and a State General Fund increase of \$108,171, or 0.7 percent, below the Governor's FY 2014 recommendation.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2014 with the following adjustment:

1. Delete 50.0 vacant FTE positions in FY 2015. This would bring the total FTE positions to 944.0 for FY 2015.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation for FY 2015.

Senate Subcommittee Report

Agency: Kansas Department of Revenue

Bill No. SB 110

Bill Sec. 64

Analyst: Steiner

Analysis Pg. No. 498

Budget Page No. 92

<u>Expenditure Summary</u>	<u>Agency Request FY 2015</u>	<u>Governor Recommendation FY 2015</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ --	\$ 14,489,641	\$ 0
Other Funds	--	82,852,405	(172,401)
Subtotal	\$ --	\$ 97,342,046	\$ (172,401)
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	0	0
Subtotal	\$ --	\$ 0	\$ 0
TOTAL	\$ --	\$ 97,342,046	\$ (172,401)
FTE positions	--	994.0	0.0
Non FTE Uncl. Perm. Pos.	--	14.0	0.0
TOTAL	--	1,008.0	0.0

Agency Request

There were no agency budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

Governor's Recommendation

The **Governor** recommends FY 2015 operating expenditures of \$96,789,676 including \$14,597,812 from the State General Fund. The recommendation is an all funds decrease of decrease of \$552,370, or 0.6 percent, and a State General Fund increase of \$108,171, or 0.7 percent, below the Governor's FY 2014 recommendation.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's FY 2015 revised estimate with the following adjustment and notations:

1. Delete \$172,401, all from the Division of Vehicles Operating Fund, for FY 2015 for the \$1 rent reduction.
2. The Subcommittee directed the Department of Revenue, and all agencies in the General Government Budget Subcommittee, to construct a reorganization plan that allows the agency to provide the same level of services funded at 80.0 percent of its current level. The purpose was to allow the agency to reorganize as they saw fit without any of the normal constraints. Examples include restrictions placed by the Department of Administration such as rent and the monumental building surcharge and restrictions placed by the classified employment system.
3. The Subcommittee recommends the agency use a per transaction approach for all future Information Technology projects to mitigate the absorption of capital costs within the agency's budget.
4. The Subcommittee recommends the agency utilize outsourcing wherever possible to increase the quality and efficient delivery of services.

House Budget Committee Report

Agency: State Court of Tax Appeals

Bill No. HB 2088

Bill Sec. 21

Analyst: Steiner

Analysis Pg. No. 528

Budget Page No. 106

Expenditure Summary	Agency Estimate FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 963,703	\$ 963,703	\$ 0
Other Funds	1,030,373	1,230,373	(40,000)
Subtotal	<u>\$ 1,994,076</u>	<u>\$ 2,194,076</u>	<u>\$ (40,000)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,994,076</u></u>	<u><u>\$ 2,194,076</u></u>	<u><u>\$ (40,000)</u></u>
FTE positions	19.0	19.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>19.0</u></u>	<u><u>19.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency's** estimate for FY 2013 operating expenditures is \$1,994,076, including \$963,703 from the State General Fund. Included in the agency's estimate is \$5,000 from the Duplicating Fee Fund and \$1,025,373 from the Court of Tax Appeals Filing Fee Fund. The estimate is the same amount approved by the 2012 Legislature.

Governor's Recommendation

The **Governor** recommends FY 2013 operating expenditures of \$2,194,076, an increase of \$200,000, or 10.0 percent, above the agency's FY 2013 estimate. The increase is associated with contractual services for costs associated with moving. The Court plans on moving to smaller offices in January 2013.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2013 with the following adjustment:

1. Delete \$40,000, all from the Court of Tax Appeals Filing Fee Fund, for FY 2013 for reduced moving expenditures.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation for FY 2013.

Senate Subcommittee Report

Agency: State Court of Tax Appeals

Bill No. 76

Bill Sec. 21

Analyst: Steiner

Analysis Pg. No. 528

Budget Page No. 106

Expenditure Summary	Agency Estimate FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 963,703	\$ 963,703	\$ 0
Other Funds	1,030,373	1,230,373	(44,613)
Subtotal	<u>\$ 1,994,076</u>	<u>\$ 2,194,076</u>	<u>\$ (44,613)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,994,076</u></u>	<u><u>\$ 2,194,076</u></u>	<u><u>\$ (44,613)</u></u>
FTE positions	19.0	19.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>19.0</u></u>	<u><u>19.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency's** estimate for FY 2013 operating expenditures is \$1,994,076, including \$963,703 from the State General Fund. Included in the agency's estimate is \$5,000 from the Duplicating Fee Fund and \$1,025,373 from the Court of Tax Appeals Filing Fee Fund. The estimate is the same amount approved by the 2012 Legislature.

Governor's Recommendation

The **Governor** recommends FY 2013 operating expenditures of \$2,194,076, an increase of \$200,000, or 10.0 percent, above the agency's FY 2013 estimate. The increase is associated

with contractual services for costs associated with moving. The Court plans on moving to smaller offices in January 2013.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's FY 2013 revised estimate with the following adjustment:

1. Delete \$44,613, all from the Court of Tax Appeals Filing Fee Fund, for FY 2013 for reduced moving expenditures.

House Budget Committee Report

Agency: State Court of Tax Appeals

Bill No. HB 2231

Bill Sec. 61

Analyst: Steiner

Analysis Pg. No. 528

Budget Page No. 106

Expenditure Summary	Agency Request FY 2014	Governor Recommendation FY 2014	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 967,336	\$ 919,731	\$ (30,000)
Other Funds	1,049,837	1,048,993	0
Subtotal	<u>\$ 2,017,173</u>	<u>\$ 1,968,724</u>	<u>\$ (30,000)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 2,017,173</u></u>	 <u><u>\$ 1,968,724</u></u>	 <u><u>\$ (30,000)</u></u>
 FTE positions	 19.0	 19.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>19.0</u></u>	<u><u>19.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency's** request for FY 2014 operating expenditures is \$2,017,173, including \$967,336 from the State General Fund. Included in the agency's request is \$5,000 from the Duplicating Fee Fund and \$1,044,837 from the Filing Fee Fund. The request is an all funds increase of \$23,097, or 1.2 percent, and a State General Fund increase of \$3,633, or 0.4 percent, above the agency's FY 2013 estimate.

Governor's Recommendation

The **Governor** recommends FY 2014 operating expenditures of \$1,968,724, including \$919,731 from the State General Fund. The recommendation is a decrease of \$48,449, or 2.4 percent, below the agency's FY 2014 request. The decrease is associated with the Governor's recommendation to reduce the Kansas Public Employees Retirement (KPERs) death and disability employer contributions from the statutory 1.0 percent to 0.85 percent for FY 2014. Additionally, the decrease is attributable to a reduction in contractual services due to a reduction in rent.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustment and recommendation for FY 2014.

1. Delete \$30,000, all from the State General Fund, for FY 2014 for additional rent savings. The Court moved from the Docking State Office Building to the Eisenhower State Office Building in FY 2013.
2. The Budget Committee would note the Kansas Court of Tax Appeals has expressed concern that the increase in docket fees, particularly at certain jurisdictional levels, may result in a barrier to the access to justice and may result in a long term decrease in revenue to the Court of Tax Appeals Fee Fund.
3. The Budget Committee would note that due to increased filings and lower than expected costs for moving the fee fund balance of the Court of Tax Appeals Filing Fee Fund has not been impacted.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation for FY 2014.

Senate Subcommittee Report

Agency: State Court of Tax Appeals

Bill No. 110

Bill Sec. 61

Analyst: Steiner

Analysis Pg. No. 528

Budget Page No. 106

Expenditure Summary	Agency Request FY 2014	Governor Recommendation FY 2014	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 967,336	\$ 919,731	\$ 0
Other Funds	1,049,837	1,048,993	(10,841)
Subtotal	<u>\$ 2,017,173</u>	<u>\$ 1,968,724</u>	<u>\$ (10,841)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 2,017,173</u></u>	<u><u>\$ 1,968,724</u></u>	<u><u>\$ (10,841)</u></u>
FTE positions	19.0	19.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>19.0</u></u>	<u><u>19.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency's** request for FY 2014 operating expenditures is \$2,017,173, including \$967,336 from the State General Fund. Included in the agency's request is \$5,000 from the Duplicating Fee Fund and \$1,044,837 from the Filing Fee Fund. The request is an all funds increase of \$23,097, or 1.2 percent, and a State General Fund increase of \$3,633, or 0.4 percent, above the agency's FY 2013 estimate.

Governor's Recommendation

The **Governor** recommends FY 2014 operating expenditures of \$1,968,724, including \$919,731 from the State General Fund. The recommendation is a decrease of \$48,449, or 2.4 percent, below the agency's FY 2014 request. The decrease is associated with the Governor's recommendation to reduce the Kansas Public Employees Retirement (KPERs) death and disability employer contributions from the statutory 1.0 percent to 0.85 percent for FY 2014. Additionally, the decrease is attributable to a reduction in contractual services due to a reduction in rent.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's FY 2014 revised estimate with the following adjustment and notations:

1. Delete \$10,841, all from the Court of Tax Appeals Filing Fee Fund, for the \$1 rent reduction negotiated by the Department of Administration for FY 2014.
2. The Subcommittee directed the Court of Tax Appeals, and all agencies in the General Government Budget Subcommittee, to construct a reorganization plan that allows the agency to provide the same level of services funded at 80.0 percent of its current level. The purpose was to allow the agency to reorganize as they saw fit without any of the normal constraints. Examples include restrictions placed by the Department of Administration such as rent and the monumental building surcharge and restrictions placed by the classified employment system.
3. The Subcommittee recommends the agency use a per transaction approach for all future Information Technology projects to mitigate the absorption of capital costs within the agency's budget.
4. The Subcommittee recommends the agency utilize outsourcing wherever possible to increase the quality and efficient delivery of services.

House Budget Committee Report

Agency: State Court of Tax Appeals

Bill No. HB 2231

Bill Sec. 61

Analyst: Steiner

Analysis Pg. No. 528

Budget Page No. 106

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ --	\$ 919,731	\$ (30,000)
Other Funds	--	1,048,993	0
Subtotal	\$ --	\$ 1,968,724	\$ (30,000)
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	0	0
Subtotal	\$ --	\$ 0	\$ 0
TOTAL	\$ --	\$ 1,968,724	\$ (30,000)
FTE positions	--	19.0	0.0
Non FTE Uncl. Perm. Pos.	--	0.0	0.0
TOTAL	--	19.0	0.0

Agency Request

There were no **agency** budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

Governor's Recommendation

The **Governor** recommends recommends FY 2015 operating expenditures of \$1,980,365, including \$925,642 from the State General Fund, for FY 2015 operating expenditures. The recommendation is an all funds increase of \$11,641, or 0.6 percent, above the Governor's FY 2014 recommendation. The increase is attributable to higher employer contributions to the Kansas Public Employee Retirement System.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2015 with the following adjustment:

1. Delete \$30,000, all from the State General Fund for additional rent savings. The Court moved from the Docking State Office Building to the Eisenhower State Office Building in FY 2013.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation for FY 2015.

Senate Subcommittee Report

Agency: State Court of Tax Appeals

Bill No. SB 110

Bill Sec. 62

Analyst: Steiner

Analysis Pg. No. 528

Budget Page No. 106

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ --	\$ 919,731	\$ 0
Other Funds	--	1,048,993	(10,841)
Subtotal	\$ --	\$ 1,968,724	\$ (10,841)
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	0	0
Subtotal	\$ --	\$ 0	\$ 0
TOTAL	\$ --	\$ 1,968,724	\$ (10,841)
FTE positions	--	19.0	0.0
Non FTE Uncl. Perm. Pos.	--	0.0	0.0
TOTAL	--	19.0	0.0

Agency Request

There were no **agency** budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

Governor's Recommendation

The **Governor** recommends recommends FY 2015 operating expenditures of \$1,980,365, including \$925,642 from the State General Fund, for FY 2015 operating expenditures. The recommendation is an all funds increase of \$11,641, or 0.6 percent, above the Governor's FY 2014 recommendation. The increase is attributable to higher employer contributions to the Kansas Public Employee Retirement System.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's FY 2015 revised estimate with the following adjustment.

1. Delete \$10,841, all from the Court of Tax Appeals Filing Fee Fund, for the \$1 rent reduction negotiated by the Department of Administration for FY 2015.
2. The Subcommittee directed the Court of Tax Appeals, and all agencies in the General Government Budget Subcommittee, to construct a reorganization plan that allows the agency to provide the same level of services funded at 80.0 percent of its current level. The purpose was to allow the agency to reorganize as they saw fit without any of the normal constraints. Examples include restrictions placed by the Department of Administration such as rent and the monumental building surcharge and restrictions placed by the classified employment system.
3. The Subcommittee recommends the agency use a per transaction approach for all future Information Technology projects to mitigate the absorption of capital costs within the agency's budget.
4. The Subcommittee recommends the agency utilize outsourcing wherever possible to increase the quality and efficient delivery of services.

Explanation of Vote

I signed the committee report on the Senate Ways and Means Subcommittee on the Department of Commerce, the Department of Labor, the Department of Revenue, and the Kansas Court of Tax Appeals to advance the report to the full Senate Committee on Ways and Means. However, I do not support the deletion of the \$15.0 million research grants, including \$5.0 million in cancer research at the University of Kansas Hospital, \$5.0 million for animal health research at Kansas State University, and \$5.0 million for aviation reasearch at Wichita State University.

Senator Julia Lynn

March 12, 2013