

## House Budget Committee Report

**Agency:** Department of Administration

**Bill No.** HB 2397

**Bill Sec.** 38

**Analyst:** Wu

**Analysis Pg. No.** Vol. 2, 1208

**Budget Page No.** 16

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 104,867,065	\$ 91,556,103	\$ 0
Other Funds	44,233,877	45,206,254	0
<i>Subtotal</i>	<u>\$ 149,100,942</u>	<u>\$ 136,762,357</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 48,764,583	\$ 39,504,076	\$ 0
Other Funds	11,572,975	16,232,975	0
<i>Subtotal</i>	<u>\$ 60,337,558</u>	<u>\$ 55,737,051</u>	<u>\$ 0</u>
<b>TOTAL</b>	<b><u>\$ 209,438,500</u></b>	<b><u>\$ 192,499,408</u></b>	<b><u>\$ 0</u></b>
FTE positions	463.1	463.1	0.0

### Agency Request

The **agency** requests \$209.4 million, including \$153.6 million SGF, for on-budget expenditures for FY 2022. For FY 2022, on-budget expenditures increase by \$16.6 million, or 8.6 percent, above the FY 2021 revised estimate. The increase is primarily due to the operating expenditures portion of the agency's enhancement request to renovate and rehabilitate the entire Docking State Office Building, including the addition of laboratory space for the Kansas Department of Health and Environment (\$11.4 million, an increase of \$9.8 million from the agency's supplemental request for FY 2021). The enhancement request also includes debt service principal expenditures that is reflected in the capital improvements request (\$7.0 million). Absent the enhancements, the request is an operating expenditures decrease of \$2.2 million, or 1.5 percent, below the FY 2021 revised estimate. The non-enhancement decrease is primarily due to lower debt service interest payments, including for KPERS Pension Obligation Bonds (\$1.6 million) and bonds related to the National Bio and Agro-Defense Facility (\$582,787). The agency also requests 92.2 on-budget FTE positions, which is the same as the FY 2021 revised estimate.

The request also includes \$85.9 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures decrease by \$1.4 million, or 1.6 percent, below the FY 2021 revised estimate. The decrease is primarily due to lower expenditures for contracts to support the management of the State Employee Health Benefits Program (\$928,685) and on printing equipment (\$332,000). The agency also requests 370.9 off-budget FTE positions for FY 2022, which is a decrease of 1.0 FTE position below the FY 2021 revised estimate.

## **Governor's Recommendation**

The **Governor** recommends \$192.5 million, including \$131.1 million SGF, for on-budget expenditures for FY 2022. The recommendation is an all funds decrease of \$16.9 million, or 8.1 percent, and an SGF decrease of \$22.6 million, or 14.7 percent, below the FY 2022 agency request. The decrease is primarily due to the Governor's recommendation not to adopt the agency's enhancement request to renovate the Docking State Office Building (\$18.4 million). The decrease is also attributable to lower debt service principal and interest payments on bonds related to renovation of the Kansas Statehouse (\$10.3 million), the National Bio and Agro-defense Facility (NBAF) (\$2.7 million), and bond restructuring (\$1.1 million). The decrease is partially offset by the issuance of 2020R/S series bonds (\$15.9 million), which refunds 2010E-1, 2010E-2, 2010O-2, 2010F, and 2011B series bonds. The recommendation also includes 92.2 on-budget FTE positions, which is the same as the FY 2022 agency request.

The Governor's recommendation also includes \$85.9 million in off-budget expenditures, all from special revenue funds, and 370.9 off-budget FTE positions, which are the same as the FY 2022 agency request.

## **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation for FY 2022.

## **House Committee Recommendation**

The **Committee** concurs with the Budget Committee's recommendation for FY 2022.

## **House Committee of the Whole Recommendation (Sub. for HB 2397)**

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2022 with the following adjustment:

1. Add language to delete 2.0 percent of SGF appropriations and reappropriations, except for debt service expenditures, for FY 2022.
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### Senate Subcommittee Report

**Agency:** Department of Administration

**Bill No.** SB 267

**Bill Sec.** 38

**Analyst:** Wu

**Analysis Pg. No.** Vol. 2, 1208

**Budget Page No.** 16

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 104,867,065	\$ 91,556,103	\$ 0
Other Funds	44,233,877	45,206,254	0
<i>Subtotal</i>	<i>\$ 149,100,942</i>	<i>\$ 136,762,357</i>	<i>\$ 0</i>
<b>Capital Improvements:</b>			
State General Fund	\$ 48,764,583	\$ 39,504,076	\$ 0
Other Funds	11,572,975	16,232,975	0
<i>Subtotal</i>	<i>\$ 60,337,558</i>	<i>\$ 55,737,051</i>	<i>\$ 0</i>
<b>TOTAL</b>	<b>\$ 209,438,500</b>	<b>\$ 192,499,408</b>	<b>\$ 0</b>
 FTE positions	 463.1	 463.1	 0.0

#### Agency Request

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equipment (\$332,000). The agency also requests 370.9 off-budget FTE positions for FY 2022, which is a decrease of 1.0 FTE position below the FY 2021 revised estimate.

### **Governor's Recommendation**

The **Governor** recommends \$192.5 million, including \$131.1 million SGF, for on-budget expenditures for FY 2022. The recommendation is an all funds decrease of \$16.9 million, or 8.1 percent, and an SGF decrease of \$22.6 million, or 14.7 percent, below the FY 2022 agency request. The decrease is primarily due to the Governor's recommendation not to adopt the agency's enhancement request to renovate the Docking State Office Building (\$18.4 million). The decrease is also attributable to lower debt service principal and interest payments on bonds related to renovation of the Kansas Statehouse (\$10.3 million), the National Bio and Agro-defense Facility (NBAF) (\$2.7 million), and bond restructuring (\$1.1 million). The decrease is partially offset by the issuance of 2020R/S series bonds (\$15.9 million), which refunds 2010E-1, 2010E-2, 2010O-2, 2010F, and 2011B series bonds. The recommendation also includes 92.2 on-budget FTE positions, which is the same as the FY 2022 agency request.

The Governor's recommendation also includes \$85.9 million in off-budget expenditures, all from special revenue funds, and 370.9 off-budget FTE positions, which are the same as the FY 2022 agency request.

### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation for FY 2022.

### **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee's recommendation for FY 2022.

### **Senate Committee of the Whole Recommendation (Sub. for SB 267)**

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2022.

### **Conference Committee Recommendation (HB 2007 and SB 159)**

The **Conference Committee** concurs with the Governor's recommendation for FY 2022.

### **Omnibus Action (SB 159)**

1. Add \$28.8 million, all SGF, for debt service payments on pension obligation bonds issued pursuant to HB 2405, including \$7.1 million for principal payments and \$21.6 million for interest, for FY 2022.
2. Add language authorizing the agency to issue up to \$120.0 million in bonds for the Docking State Office Building for FY 2022, subject to approval from the State Finance Council.

	Governor's Recommendation FY 2022	Legislative Action	Legislative Approved FY 2022	Governor's Veto FY 2022	Final Legislative Approved FY 2022
<b>All Funds</b>					
State Operations	\$ 95,852,357	\$ 28,750,000	\$ 124,602,357	\$ 0	\$ 124,602,357
Aid to Local Units	250,000	0	250,000	0	250,000
Other Assistance	160,000	0	160,000	0	160,000
<i>Subtotal - Operations</i>	<i>\$ 96,262,357</i>	<i>\$ 28,750,000</i>	<i>\$ 125,012,357</i>	<i>\$ 0</i>	<i>\$ 125,012,357</i>
Capital Improvements	96,237,051	0	96,237,051	0	96,237,051
<b>TOTAL</b>	<b>\$ 192,499,408</b>	<b>\$ 28,750,000</b>	<b>\$ 221,249,408</b>	<b>\$ 0</b>	<b>\$ 221,249,408</b>

**State General Fund**

State Operations	\$ 69,191,103	\$ 28,750,000	\$ 97,941,103	\$ 0	\$ 97,941,103
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operating</i>	<i>\$ 69,191,103</i>	<i>\$ 28,750,000</i>	<i>\$ 97,941,103</i>	<i>\$ 0</i>	<i>\$ 97,941,103</i>
Capital Improvements	61,869,076	0	61,869,076	0	61,869,076
<b>TOTAL</b>	<b>\$ 131,060,179</b>	<b>\$ 28,750,000</b>	<b>\$ 159,810,179</b>	<b>\$ 0</b>	<b>\$ 159,810,179</b>

FTE Positions	463.0	0.0	463.0	0.0	463.0
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