

Kansas Department of Labor

Expenditure	Actual FY 2020	Approved FY 2021	Approved FY 2022
All Funds:			
State Operations	\$ 37,023,936	\$ 82,527,665	\$ 60,099,921
Aid to Local Units	-	-	-
Other Assistance	1,312,396,531	662,028,662	401,930,051
<i>Subtotal - Operating</i>	<u>\$ 1,349,420,467</u>	<u>\$ 744,556,327</u>	<u>\$ 462,029,972</u>
Capital Improvements	988,723	1,595,000	1,295,000
TOTAL	<u>\$ 1,350,409,190</u>	<u>\$ 746,151,327</u>	<u>\$ 463,324,972</u>
State General Fund:			
State Operations	\$ 962,604	\$ 1,445,565	\$ 10,906,186
Aid to Local Units	-	-	-
Other Assistance	-	-	-
<i>Subtotal - Operating</i>	<u>\$ 962,604</u>	<u>\$ 1,445,565</u>	<u>\$ 10,906,186</u>
Capital Improvements	6	-	-
TOTAL	<u>\$ 962,610</u>	<u>\$ 1,445,565</u>	<u>\$ 10,906,186</u>
Percent Change:			
Operating Expenditures			
All Funds	691.6 %	(44.8)%	(37.9)%
State General Fund	70.9	50.2	654.5
FTE Positions	392.9	513.6	513.6

The approved operating budget for the Kansas Department of Labor in FY 2021 is \$744.6 million, including \$1.4 million SGF. This is an all funds decrease of \$604.9 million, or 44.8 percent, and an SGF increase of \$482,961, or 50.2 percent, from the FY 2020 actual operating expenditures. This all funds decrease is primarily due to decreased expenditures for unemployment insurance benefits payments. This decrease is partially offset by increased expenditures of federal Coronavirus Relief Fund moneys and special revenue funds for increased staffing and information technology services in the Unemployment Insurance program. The SGF increase is primarily due to increased expenditures on computer services to migrate to cloud services. The approved FY 2021 operating budget includes 513.6 FTE positions, which is an increase of 120.7 FTE positions above the FY 2020 actual number. This increase is due to additional positions in the Unemployment Insurance and Information Technology programs to administer new unemployment insurance programs.

The approved capital improvements budget for the Department of Labor in FY 2021 is \$1.6 million, all from special revenue funds. This is an increase of \$606,283, or 61.3 percent, above the FY 2020 actual capital improvements expenditures. This increase is from increased expenditures for the remodel of 2650 E. Circle Dr. South, including replacement of the heating, ventilation, and air conditioning and intercom systems.

The approved operating budget for the Kansas Department of Labor for FY 2022 is \$462.0 million, including \$10.9 million SGF. This is an all funds decrease of \$282.5 million, or 37.9 percent, and an SGF increase of \$9.5 million, or 654.5 percent, from FY 2021 approved operating expenditures. The all funds decrease is primarily due to decreased expenditures for unemployment insurance benefits payments. The decrease is also due to one-time federal Coronavirus Relief Fund moneys that occurred in FY 2021. The SGF increase is due to increased expenditures for modernization of the unemployment insurance benefits computer system.

The approved capital improvements budget for the agency for FY 2022 is \$1.3 million, all from special revenue funds. This is a decrease of \$300,000, or 18.8 percent, below the FY 2021 approved capital improvements budget. This decrease is due to the completion of the first floor renovation at 2650 E. Circle Dr. South and the completion of the roof replacement at 401 SW Topeka, partially offset by the boiler replacement at 401 SW Topeka and an increase in debt service principal payments for the remodel of 401 SW Topeka.

Kansas Department of Labor

	FY 2021			FY 2022		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate	\$ 1,445,722	\$ 716,151,484	513.6	\$ 1,451,318	\$ 453,724,972	513.6
Governor's Changes:						
1. Coronavirus Relief Fund	\$ -	\$ 30,000,000	-	\$ -	\$ -	-
2. SGF Reappropriation Lapse	(157)	(157)	-	-	-	-
3. Reduced Resources	-	-	-	(145,132)	-	-
<i>Subtotal - Governor's Recommendation</i>	<u>\$ 1,445,565</u>	<u>\$ 746,151,327</u>	<u>513.6</u>	<u>\$ 1,306,186</u>	<u>\$ 453,724,972</u>	<u>513.6</u>
Change from Agency Est.	\$ (157)	\$ 29,999,843	-	\$ (145,132)	\$ -	-
Percent Change from Agency Est.	(0.0)%	4.2 %	0.0 %	(10.0)%	-- %	0.0 %
Legislative Action:						
4. Unemployment System Modernization	\$ -	\$ -	-	\$ 9,600,000	\$ 9,600,000	-
5. Audit Language	-	-	-	-	-	-
6. Request for Proposal Language	-	-	-	-	-	-
7. Consumer Reporting Agency Report	-	-	-	-	-	-
TOTAL APPROVED	<u><u>\$ 1,445,565</u></u>	<u><u>\$ 746,151,327</u></u>	<u><u>513.6</u></u>	<u><u>\$ 10,906,186</u></u>	<u><u>\$ 463,324,972</u></u>	<u><u>513.6</u></u>
Change from Gov. Rec.	\$ -	\$ -	-	\$ 9,600,000	\$ 9,600,000	-
Percent Change from Gov. Rec.	-- %	-- %	0.0 %	735.0 %	2.1 %	0.0 %
Change from Agency Est.	\$ (157)	\$ 29,999,843	-	\$ 9,454,868	\$ 9,600,000	-
Percent Change from Agency Est.	(0.0)%	4.2 %	0.0 %	651.5 %	2.1 %	0.0 %

1. The Governor added \$30.0 million, all from federal Coronavirus Relief Fund moneys, primarily for staffing in the Unemployment Insurance and Information Technology programs in FY 2021. This transfer was made after the agency submitted its budget request.
2. The Governor deleted \$157, all SGF, to lapse the agency's SGF reappropriation of FY 2020 into FY 2021.
3. The Governor deleted \$145,132, all SGF, to implement the agency's reduced resources budget to decrease expenditures on Office of Information Technology Services expenditures for FY 2022.
4. The Legislature added \$9.6 million, all SGF, to modernize the unemployment insurance benefits computer system for FY 2022 and added language requiring the State Finance Council to review the possibility of using federal funds from the American Rescue Plan Act instead of SGF moneys to fund modernization.
5. The Legislature added language requiring the agency to use up to \$250,000 of that \$9.6 million SGF to conduct the external audit on fraudulent unemployment insurance payments required in 2021 Senate Sub. for Sub. for HB 2196 and requiring the State Finance Council to review the possibility of using federal COVID-19 relief funds instead.
6. The Legislature added language prohibiting any state agency from expending any funds to issue a request for proposal, continue the process of any previously issued request for proposal, or enter into a contract to modernize the unemployment insurance technology infrastructure for FY 2021 or FY 2022 unless such request or contract has been reviewed by the Unemployment Compensation Modernization and Improvement Council, recommended to the Legislative Coordinating Council, and authorized by the Legislative Coordinating Council.
7. The Legislature added language requiring the agency to prepare a report for national consumer reporting agencies for requesting claimants who experienced a delay of 30 days or more in the payment of a benefit on or after March 1, 2020, for FY 2022.