

## Senate Subcommittee Report

**Agency:** Department for Children and Families      **Bill No.** House Sub. for SB 4      **Bill Sec.** 41

**Analyst:** Deckard

**Analysis Pg. No.** 2474

**Budget Page No.** 156

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015*	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 218,833,952	\$ 222,215,934	\$ 0
Other Funds	400,080,708	383,814,988	0
Subtotal	\$ 618,914,660	\$ 606,030,922	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 618,914,660</b>	<b>\$ 606,030,922</b>	<b>\$ 0</b>
FTE positions	2,251.5	2,251.5	0.0
Non FTE Uncl. Perm. Pos.	278.5	278.5	0.0
<b>TOTAL</b>	<b>2,530.0</b>	<b>2,530.0</b>	<b>0.0</b>

\*Note: Includes GBA No. 1, Item 5, to add a new federal fund and expenditures of \$1,000,000, all from federal funds, for a SNAP Employment and Training Pilot program in FY 2015 and GBA No. 1, Item 9, to fund the spring Human Services Consensus Caseload estimate to delete \$2,100,000 from the State General Fund and add the same amount from other funding sources in FY 2015. Changes are reflected in the table only.

### Agency Estimate

The **agency** estimates expenditures of \$618.9 million, including \$218.8 million from the State General Fund in FY 2015. The revised estimate is an increase of \$16.9 million, or 2.8 percent, from all funding sources above the amount approved by the 2014 Legislature, and an increase of \$3.2 million from the State General Fund, or 1.5 percent, above the amount approved by the 2014 Legislature, adjusted for Governor's allotments. The agency's budget was submitted prior to the December allotment, so the agency's revised budget estimates do not incorporate the allotments.

The agency's revised estimate includes increased expenditures for rent of \$1.9 million and \$9.8 million in additional computer programming and software expenditures. The increased expenditures for software includes \$6.6 million to move legacy systems off the mainframe system and \$1.4 million in additional mainframe charges in FY 2015. Additional increases in estimated federal funds are also included. The agency's revised 2015 estimate includes a lapse of \$661,000 of the total \$4,331,000 reappropriated into FY 2015 from FY 2014.

The agency estimate includes State Operations expenditures totaling \$232.2 million, including \$133.2 million for salaries and wages and \$96.2 million for contractual services. The agency estimate also includes \$386.8 million for other assistance expenditures. These expenditures include cash assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

The agency estimate includes \$218.8 million from the State General Fund, \$32.3 million from the Children's Initiatives Fund, and \$340.9 million from federal funding sources. The agency's revised estimate includes 2,251.5 FTE positions and 278.5 non-FTE positions. This is an increase of 124.0 non-FTE positions.

### **Governor's Recommendation**

The **Governor** recommends FY 2015 expenditures totaling \$605.0 million, including \$224.3 million from the State General Fund. The recommendation is an all funds decrease of \$13.9 million, or 2.2 percent, and an increase of \$5.5 million from the State General Fund, or 2.5 percent, from the agency's request.

The recommendation includes a reduction of \$12,000,533, including \$3,980,880, to agency operations as the result of the Governor's December 9th State General Fund allotment. A reduction of \$737,138 from the State General Fund is a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency operations, but is reflective of a reduction of expenditures. An additional \$646,067 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$1,383,205.

The Governor's recommendation fully funds the fall human services consensus caseload estimates, which includes an all funds reduction of \$500,000 and a State General Fund increase of \$10.2 million from the State General Fund.

Also included in the Governor's recommendation was a transfer of \$500,000, all from the Children's Initiatives Fund, to the State General Fund in FY 2015. The Governor's recommendation also includes a transfer of \$14.5 million from the Kansas Endowment for Youth Fund (located within Kansas Public Employees Retirement System) to the State General Fund in FY 2015.

### **House Sub. for Senate Bill 4**

**House Sub. for SB 4** adopted the Governor's recommendation for FY 2015 with the following adjustment:

1. Reduce the transfer from the Kansas Endowment for Youth Fund to the State General Fund by \$2.5 million, for a total transfer of \$12.0 million in FY 2015 and review later during the budget process. In addition, add language to delay transferring \$5.0 million of the total transfer until April 2015.

### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation as adjusted by House Sub. for SB 4 with the following further adjustment:

1. Recommends whenever allowable under contract and law, the agency convert any classified positions which have been vacant for more than 150 days into either unclassified positions or non-FTE unclassified positions, whichever is appropriate.



The agency's revised estimate includes increased expenditures for rent of \$1.9 million and \$9.8 million in additional computer programming and software expenditures. The increased expenditures for software includes \$6.6 million to move legacy systems off the mainframe system and \$1.4 million in additional mainframe charges in FY 2015. Additional increases in estimated federal funds are also included. The agency's revised 2015 estimate includes a lapse of \$661,000, all from the State General Fund, of the total \$4,331,000 reappropriated into FY 2015 from FY 2014.

The agency estimate includes State Operations expenditures totaling \$232.2 million, including \$133.2 million for salaries and wages and \$96.2 million for contractual services. The agency estimate also includes \$386.8 million for other assistance expenditures. These expenditures include cash assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

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### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation as adjusted by House Sub. for SB 4 with the following adjustment:

1. Transfer \$2.0 million, all from the Kansas Endowment for Youth Fund, to the State General Fund, in FY 2015.

### **House Committee Recommendation**

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

1. Eliminate the transfer of \$2.0 million from the Kansas Endowment for Youth Fund, to the State General Fund, in FY 2015.

### **Conference Committee Recommendation (House Sub. for SB 112)**

1. Concur with GBA No. 1, Item 5, to add a new federal fund and expenditures of \$1.0 million, all from federal funds, for a SNAP Employment and Training Pilot program in FY 2015.
2. Concur with GBA No. 1, Item 9, to fund the spring Human Services Consensus Caseload estimate to delete \$2.1 million from the State General Fund and add the same amount from other funding sources in FY 2015.

	Governor's Recommendation FY 2015*	Legislative Action	Legislative Approved FY 2015	Governor's Vetoed FY 2015	Final Legislative Approved FY 2015
All Funds					
State Operations	\$ 225,137,316	\$ 0	\$ 225,137,316	\$ 0	\$ 225,137,316
Aid to Local Units	0	0	0	0	0
Other Assistance	380,893,606	0	380,893,606	0	380,893,606
Subtotal- Operations	\$ 606,030,922	\$ 0	\$ 606,030,922	\$ 0	\$ 606,030,922
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 606,030,922</u>	<u>\$ 0</u>	<u>\$ 606,030,922</u>	<u>\$ 0</u>	<u>\$ 606,030,922</u>
State General Fund					
State Operations	\$ 95,772,132	\$ 0	\$ 95,772,132	\$ 0	\$ 95,772,132
Aid to Local Units	0	0	0	0	0
Other Assistance	126,443,802	0	126,443,802	0	126,443,802
Subtotal-Operating	\$ 222,215,934	\$ 0	\$ 222,215,934	\$ 0	\$ 222,215,934
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 222,215,934</u>	<u>\$ 0</u>	<u>\$ 222,215,934</u>	<u>\$ 0</u>	<u>\$ 222,215,934</u>
FTE Positions	2,251.5	0.0	2,251.5	0.0	2,251.5
Non-FTE Unclass. Perm. Pos.	278.5	0.0	278.5	0.0	278.5
TOTAL	<u>2,530.0</u>	<u>0.0</u>	<u>2,530.0</u>	<u>0.0</u>	<u>2,530.0</u>

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