

House Budget Committee Report

Agency: Health Care Stabilization Fund Board of Governors

Bill No. House **Bill Sec.** 26
Sub. for SB 4

Analyst: Fye

Analysis Pg. No. 1127

Budget Page No. 62

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	32,268,668	32,255,847	0
Subtotal	<u>\$ 32,268,668</u>	<u>\$ 32,255,847</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>\$ 32,268,668</u></u>	<u><u>\$ 32,255,847</u></u>	<u><u>\$ 0</u></u>
FTE positions	19.5	19.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>19.5</u></u>	<u><u>19.5</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** requests a revised estimate in FY 2015 of \$32.3 million, all from special revenue funds. This is a decrease of \$7,009,567, or 17.9 percent, below the amount approved by the 2014 Legislature. The decrease is primarily attributable to the agency's revised estimate for claims payments and claims related expenditures, such as attorney and other legal fees. There was a significant increase in claims payments in FY 2013 compared to FY 2011 and FY 2012, so the agency had projected increased payments using FY 2013 totals as a guide. A review of FY 2014 expenditures seem to indicate that FY 2013 was an outlier, so the agency re-estimated claims payments, and has reduced claims expenditures and legal costs in the revised budget estimate. The revised estimate includes 19.5 FTE positions, which is 0.5 FTE positions above the number approved by the 2014 Legislature. The increase is attributable to the agency hiring a part-time Legal Assistant.

Governor's Recommendation

The **Governor** recommends expenditures of \$32.3 million, all from special revenue funds, in FY 2015. This is a decrease of \$12,821, or less than 0.1 percent, below the amount requested by the agency. The decrease is attributable to a decrease in employer contributions for state employees KPERS, due to a change in the KPERS employer contribution rate.

House Sub. for Senate Bill 4

House Sub. for SB 4 adopted the Governor’s recommendation in FY 2015.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor’s recommendation in FY 2015.

House Committee Recommendation

The **Committee** concurs with the Budget Committee’s recommendation in FY 2015.

Senate Subcommittee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** House **Bill Sec.** 26
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Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	32,268,668	32,255,847	0
Subtotal	\$ 32,268,668	\$ 32,255,847	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 32,268,668	\$ 32,255,847	\$ 0
FTE positions	19.5	19.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	19.5	19.5	0.0

Agency Estimate

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by the 2014 Legislature. The decrease is primarily attributable to the agency's revised estimate for claims payments and claims related expenditures, such as attorney and other legal fees. There was a significant increase in claims payments in FY 2013 compared to FY 2011 and FY 2012, so the agency had projected increased payments using FY 2013 totals as a guide. A review of FY 2014 expenditures seem to indicate that FY 2013 was an outlier, so the agency re-estimated claims payments, and has reduced claims expenditures and legal costs in the revised budget estimate. The revised estimate includes 19.5 FTE positions, which is 0.5 FTE positions above the number approved by the 2014 Legislature. The increase is attributable to the agency hiring a part-time Legal Assistant.

Governor's Recommendation

The **Governor** recommends expenditures of \$32.3 million, all from special revenue funds, in FY 2015. This is a decrease of \$12,821, or less than 0.1 percent, below the amount requested by the agency. The decrease is attributable to a decrease in employer contributions for state employees KPERS, due to a change in the KPERS employer contribution rate.

House Sub. for Senate Bill 4

House Sub. for SB 4 adopted the Governor's recommendation in FY 2015.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation in FY 2015.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation in FY 2015.

Senate Committee of the Whole Recommendation

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2015.

	Governor's Recommendation FY 2015	Legislative Action	Legislative Approved FY 2015	Governor's Veto FY 2015	Final Legislative Approved FY 2015
All Funds					
State Operations	\$ 6,751,027	\$ 0	\$ 6,751,027	\$ 0	\$ 6,751,027
Aid to Local Units	0	0	0	0	0
Other Assistance	25,504,820	0	25,504,820	0	25,504,820
Subtotal- Operations	\$ 32,255,847	\$ 0	\$ 32,255,847	\$ 0	\$ 32,255,847
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 32,255,847</u>	<u>\$ 0</u>	<u>\$ 32,255,847</u>	<u>\$ 0</u>	<u>\$ 32,255,847</u>
State General Fund					
State Operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
Subtotal-Operating	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FTE Positions	19.5	0.0	19.5	0.0	19.5
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>19.5</u>	<u>0.0</u>	<u>19.5</u>	<u>0.0</u>	<u>19.5</u>