

Senate Subcommittee Report

Agency: Kansas Department of Revenue **Bill No.** House Sub for SB 4 **Bill Sec.** 33

Analyst: Dapp **Analysis Pg. No.** 1395 **Budget Page No.** 86

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 14,561,407	\$ 14,111,931	\$ 0
Other Funds	111,778,820	111,373,995	0
Subtotal	<u>\$ 126,340,227</u>	<u>\$ 125,485,926</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>\$ 126,340,227</u></u>	<u><u>\$ 125,485,926</u></u>	<u><u>\$ 0</u></u>
FTE positions	944.0	944.0	0.0
Non FTE Uncl. Perm. Pos.	128.0	128.0	0.0
TOTAL	<u><u>1,072.0</u></u>	<u><u>1,072.0</u></u>	<u><u>0.0</u></u>

*The Governor's recommendation has been increased by \$918,543, all from special revenue funds, to adopt provisions of GBA No. 1, Item 3 in FY 2015.

Agency Estimate

The **agency** estimates FY 2015 expenditures of \$126,340,227, including \$14,561,407 from the State General Fund. The revised estimate is an all funds increase of \$3,835,994, or 3.1 percent, and a State General Fund increase of \$32,321, or 0.2 percent, above the amount approved by the 2014 Legislature. The increase is attributable to increased salary and wage expenditures, specifically in the classified regular wages and employer KPERS contributions, partially offset by reduced unclassified regular and temporary wages. Additionally, the agency is estimating increased contractual service and capital outlay expenditures, specifically in the area of computer programming, software and communication expenditures. These increases are partially offset by reduced aid to local units, namely lower than projected distributions from the Oil and Gas Valuation Depletion Trust Fund. The agency requests 944.0 FTE positions, which is the same amount approved by the 2014 Legislature.

Governor's Recommendation

The **Governor** recommends FY 2015 expenditures of \$124,567,383, including \$14,111,931 from the State General Fund. The recommendation is an all funds decrease of \$1,772,844, or 1.4 percent, and a State General Fund decrease of \$449,476, or 3.1 percent, below the agency's revised FY 2015 estimate. The decrease is attributable to the Governor's December 2014 allotment, specifically a 4.0 percent (6 month) State General Fund and State

Highway Fund allotment and a reduction to the KPERS employer contribution rate. The Governor recommends lapsing the agency's State General Fund reappropriation.

House Sub. for Senate Bill 4

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

Senate Subcommittee Recommendation

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

1. The Department of Revenue current year budget should be further reviewed during the Omnibus session.

Senate Committee Recommendation

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

Senate Committee of the Whole Recommendation

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

House Budget Committee Report

Agency: Kansas Department of Revenue **Bill No.** House Sub for SB 4 **Bill Sec.** 33

Analyst: Dapp **Analysis Pg. No.** 1395 **Budget Page No.** 86

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 14,561,407	\$ 14,111,931	\$ 0
Other Funds	111,778,820	111,373,995	0
Subtotal	<u>\$ 126,340,227</u>	<u>\$ 125,485,926</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>\$ 126,340,227</u></u>	<u><u>\$ 125,485,926</u></u>	<u><u>\$ 0</u></u>
FTE positions	944.0	944.0	0.0
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TOTAL	<u><u>1,072.0</u></u>	<u><u>1,072.0</u></u>	<u><u>0.0</u></u>

*The Governor's recommendation has been increased by \$918,543, all from special revenue funds, to adopt provisions of GBA No. 1, Item 3 in FY 2015.

Agency Estimate

The **agency** estimates FY 2015 expenditures of \$126,340,227, including \$14,561,407 from the State General Fund. The revised estimate is an all funds increase of \$3,835,994, or 3.1 percent, and a State General Fund increase of \$32,321, or 0.2 percent, above the amount approved by the 2014 Legislature. The increase is attributable to increased salary and wage expenditures, specifically in the classified regular wages and employer KPERS contributions, partially offset by reduced unclassified regular and temporary wages. Additionally, the agency is estimating increased contractual service and capital outlay expenditures, specifically in the area of computer programming, software and communication expenditures. These increases are partially offset by reduced aid to local units, namely lower than projected distributions from the Oil and Gas Valuation Depletion Trust Fund. The agency requests 944.0 FTE positions, which is the same amount approved by the 2014 Legislature.

Governor's Recommendation

The **Governor** recommends FY 2015 expenditures of \$124,567,383, including \$14,11,931 from the State General Fund. The recommendation is an all funds decrease of \$1,772,844, or 1.4 percent, and a State General Fund decrease of \$449,476, or 3.1 percent,

below the agency's revised FY 2015 estimate. The decrease is attributable to the Governor's December 2014 allotment, specifically a 4.0 percent (6 month) State General Fund and State Highway Fund allotment and a reduction to the KPERS employer contribution rate. The Governor recommends lapsing the agency's State General Fund reappropriation.

House Sub. for Senate Bill 4

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

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments and notations:

1. Add language prohibiting expenditures to regulate raffles or enforce any regulations of raffles in FY 2015.
2. The committee has concerns about the unknown expenses that the agency will be incurring in FY 2015 and FY 2016 by relocating from the Docking Building. The committee does commend the agency for keeping their two main offices in Downtown Topeka.
3. The committee encourages the agency to pursue postcard notifications for motor vehicle renewal as a cost savings measure, however such notification should include a way for the individual to be quickly identified by country treasurer such as a customer number. All postcard notifications shall make considerations for the privacy of the individual recipient.
4. The committee encourages the agency to review fees charged for drivers license renewal to bring fees in line with costs of processing renewals.

House Committee Recommendation

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

1. Delete language prohibiting expenditures to regulate raffles or enforce any regulations of raffles in FY 2015.

Conference Committee Recommendation (House Sub. for SB 112)

The **Conference Committee** concurs with the Governor's recommendation with the following adjustments:

1. Pay \$41,279, all from the Motor-Vehicle Fuel Tax Refund Fund, for refund requests submitted after the one-year statute of limitations in FY 2015.
2. Do not concur with GBA No. 1, Item 3, to add \$918,543, all from the Division of Vehicles Operating Fund, to restore the transfer from the Vehicles Operating Fund to the State General Fund authorized in SB 4 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	\$ 90,368,262	\$ (918,543)	\$ 89,449,719	\$ 0	\$ 89,449,719
Aid to Local Units	31,119,360	0	31,119,360	0	31,119,360
Other Assistance	3,998,304	0	3,998,304	0	3,998,304
Subtotal- Operations	\$ 125,485,926	\$ (918,543)	\$ 124,567,383	\$ 0	\$ 124,567,383
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 125,485,926</u>	<u>\$ (918,543)</u>	<u>\$ 124,567,383</u>	<u>\$ 0</u>	<u>\$ 124,567,383</u>
State General Fund					
State Operations	\$ 14,058,190	\$ 0	\$ 14,058,190	\$ 0	\$ 14,058,190
Aid to Local Units	0	0	0	0	0
Other Assistance	53,741	0	53,741	0	53,741
Subtotal-Operating	\$ 14,111,931	\$ 0	\$ 14,111,931	\$ 0	\$ 14,111,931
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 14,111,931</u>	<u>\$ 0</u>	<u>\$ 14,111,931</u>	<u>\$ 0</u>	<u>\$ 14,111,931</u>
FTE Positions	944.0	0.0	944.0	0.0	944.0
Non-FTE Unclass. Perm. Pos.	128.0	0.0	128.0	0.0	128.0
TOTAL	<u>1,072.0</u>	<u>0.0</u>	<u>1,072.0</u>	<u>0.0</u>	<u>1,072.0</u>