

## House Budget Committee Report

**Agency:** Adjutant General's Department

**Bill No.** HB 2370

**Bill Sec.** 120

**Analyst:** Klaassen

**Analysis Pg. No.** 434

**Budget Page No.** 338

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016*	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 7,446,219	\$ 5,786,324	\$ 0
Other Funds	31,759,182	31,803,912	0
Subtotal	\$ 39,205,401	\$ 37,590,236	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 4,320,194	\$ 1,663,902	\$ 0
Other Funds	2,374,860	826,004	0
Subtotal	\$ 6,695,054	\$ 2,489,906	\$ 0
<b>TOTAL</b>	<b>\$ 45,900,455</b>	<b>\$ 40,080,142</b>	<b>\$ 0</b>
FTE positions	147.5	147.5	0.0
Non FTE Uncl. Perm. Pos.	146.6	141.6	0.0
<b>TOTAL</b>	<b>294.1</b>	<b>289.1</b>	<b>0.0</b>

\*NOTE: Includes GBA No. 1, Item 11 and deletes \$725,601, all from the State General Fund, for Debt Service Refunding for FY 2016. Changes are reflected in the table only.

### Agency Request

The **agency** requests a FY 2016 budget totaling \$39.2 million, including \$7.5 million from the State General Fund. This is an all funds decrease of \$8.2 million, or 17.2 percent, and a State General Fund increase of \$79,799, or 1.1 percent, from the FY 2015 revised estimate. The FY 2016 request includes 147.5 FTE and 146.6 Non-FTE positions, which is a decrease of 38.0 FTE and 117.0 non-FTE positions from the FY 2015 revised estimate, and is primarily related to the closure of the Kansas Readiness Sustainment Maintenance Site Program. The request includes sixteen enhancements totaling \$3.8 million, including \$2.1 million from the State General Fund, for FY 2016. This request is comprised of A) nine operating enhancements (\$590,180 All Funds, including \$450,698 State General Fund, and 7.0 non-FTE positions) and B) seven capital improvements enhancements (\$3.2 million All Funds, including \$1.6 million State General Fund) for FY 2016.

The agency requests capital improvements expenditures totaling \$6.7 million, including \$4.3 million from the State General Fund, for FY 2016. This is an all funds increase of \$1.3 million, or 24.7 percent, and a State General Fund increase of \$1.7 million, or 66.3 percent, above the FY 2015 revised estimate. This increase is due to seven capital improvements enhancement requests totaling \$3.2 million, including \$1.6 million from the State General Fund, for FY 2016.

## **Governor's Recommendation**

The **Governor** recommends an operating budget totaling \$37.6 million, including \$5.8 million from the State General Fund, for FY 2016. This is an all funds decrease of \$1.6 million, or 4.1 percent, and a State General Fund decrease of \$1.7 million, or 22.3 percent, below the agency's FY 2016 request. The difference from the agency's FY 2016 request is due to the following recommended adjustments.

- Allotment Plan funding reductions.
- Reductions for employer contributions for state employee health insurance.
- Reductions to refinance current agency debt.
- Reductions due to non-recommended operating enhancement requests.
- Reductions to additional State General Funding request.
- Additional Civil Air Patrol operating expenditures.

The Governor recommends capital improvements expenditures totaling \$3.2 million, including \$2.4 million from the State General Fund, for FY 2016. This is an all funds decrease of \$3.5 million, or 52.0 percent, and a State General Fund decrease of \$1.9 million, or 44.7 percent, below the agency's FY 2016 request. This decrease is due to the following.

- The Governor not recommending six of the agency's seven capital improvements enhancements (\$2.7 million all funds, including \$1.1 million State General Fund); and
- The Governor's recommendation to refinance current agency debt, which attributes for a decrease of \$787,390, all from the State General Fund, in debt service principal payments from the agency's FY 2016 request.

The Governor's recommendation includes: 1) \$1.2 million, including \$329,893 from the State General Fund, to provide for the agency's base request for rehabilitation and repairs expenditures for FY 2016, and 2) the agency's capital improvements enhancement request for \$472,000, all from the State General Fund, to provide for expenditures for the design of a new, 25,000 square foot, State Emergency Management Operations and Training Center located on or adjacent to the grounds of the Kansas National Guard 190th Refueling Wing at Forbes Field in Topeka.

## **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation for FY 2016.

## **House Committee Recommendation**

The **Committee** concurs with the Budget Committee's recommendation for FY 2016.

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**Senate Subcommittee Report**

**Agency:** Adjutant General's Department

**Bill No.** SB 237

**Bill Sec.** 120

**Analyst:** Klaassen

**Analysis Pg. No.** 434

**Budget Page No.** 338

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016*	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 7,446,219	\$ 5,786,324	\$ 0
Other Funds	31,759,182	31,803,912	0
Subtotal	<u>\$ 39,205,401</u>	<u>\$ 37,590,236</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 4,320,194	\$ 1,663,902	\$ 0
Other Funds	2,374,860	826,004	0
Subtotal	<u>\$ 6,695,054</u>	<u>\$ 2,489,906</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 45,900,455</u></u>	<u><u>\$ 40,080,142</u></u>	<u><u>\$ 0</u></u>
FTE positions	147.5	147.5	0.0
Non FTE Uncl. Perm. Pos.	146.6	141.6	0.0
<b>TOTAL</b>	<u><u>294.1</u></u>	<u><u>289.1</u></u>	<u><u>0.0</u></u>

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**Agency Request**

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## **Governor's Recommendation**

The **Governor** recommends an operating budget totaling \$37.6 million, including \$5.8 million from the State General Fund, for FY 2016. This is an all funds decrease of \$1.6 million, or 4.1 percent, and a State General Fund decrease of \$1.7 million, or 22.3 percent, below the agency's FY 2016 request. The difference from the agency's FY 2016 request is due to the following recommended adjustments.

- Allotment Plan funding reductions.
- Reductions for employer contributions for state employee health insurance.
- Reductions to refinance current agency debt.
- Reductions due to non-recommended operating enhancement requests.
- Reductions to additional State General Funding request.
- Additional Civil Air Patrol operating expenditures.

The Governor recommends capital improvements expenditures totaling \$3.2 million, including \$2.4 million from the State General Fund, for FY 2016. This is an all funds decrease of \$3.5 million, or 52.0 percent, and a State General Fund decrease of \$1.9 million, or 44.7 percent, below the agency's FY 2016 request. This decrease is due to the following.

- The Governor not recommending six of the agency's seven capital improvements enhancements (\$2.7 million all funds, including \$1.1 million State General Fund); and
- The Governor's recommendation to refinance current agency debt, which attributes for a decrease of \$787,390, all from the State General Fund, in debt service principal payments from the agency's FY 2016 request.

The Governor's recommendation includes: 1) \$1.2 million, including \$329,893 from the State General Fund, to provide for the agency's base request for rehabilitation and repairs expenditures for FY 2016, and 2) the agency's capital improvements enhancement request for \$472,000, all from the State General Fund, to provide for expenditures for the design of a new, 25,000 square foot, State Emergency Management Operations and Training Center located on or adjacent to the grounds of the Kansas National Guard 190th Refueling Wing at Forbes Field in Topeka.

## **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation for FY 2016.

## **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee's recommendation for FY 2016.

## **Senate Committee of the Whole Recommendation**

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2016.

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

The **Conference Committee** concurs with the Governor's recommendation for FY 2016 with the following adjustments:

1. Concur with GBA No. 1, Item 11 and delete \$725,601, all from the State General Fund to update State General Funded debt service payments and make further technical adjustments of \$40,282 to allow the GBA to correctly reflect debt service payments for FY 2016.
2. Delete \$134,788, including \$27,486 from the State General Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate from 12.37 percent to 10.91 percent for FY 2016. This implements the provisions of SB 228.
3. Delete \$19,624, all from the State General Fund, for a 25.0 percent reduction of travel expenditures for FY 2016.
4. Delete \$27,899, including \$5,689 from the State General Fund, to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2016.
5. Add language to prohibit expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016.

	Governor's Recommendation FY 2016	Legislative Action	Legislative Approved FY 2016	Governor's Veto FY 2016	Final Legislative Approved FY 2016
All Funds					
State Operations	\$ 30,933,086	\$ (142,029)	\$ 30,791,057	\$ 0	\$ 30,791,057
Aid to Local Units	4,520,745	0	4,520,745	0	4,520,745
Other Assistance	2,136,405	0	2,136,405	0	2,136,405
Subtotal- Operations	\$ 37,590,236	\$ (142,029)	\$ 37,448,207	\$ 0	\$ 37,448,207
Capital Improvements	2,489,906	0	2,489,906	0	2,489,906
TOTAL	<u>\$ 40,080,142</u>	<u>\$ (142,029)</u>	<u>\$ 39,938,113</u>	<u>\$ 0</u>	<u>\$ 39,938,113</u>
State General Fund					
State Operations	\$ 5,385,831	\$ (12,517)	\$ 5,373,314	\$ 0	\$ 5,373,314
Aid to Local Units	265,478	0	265,478	0	265,478
Other Assistance	135,015	0	135,015	0	135,015
Subtotal-Operating	\$ 5,786,324	\$ (12,517)	\$ 5,773,807	\$ 0	\$ 5,773,807
Capital Improvements	1,663,902	0	1,663,902	0	1,663,902
TOTAL	<u>\$ 7,450,226</u>	<u>\$ (12,517)</u>	<u>\$ 7,437,709</u>	<u>\$ 0</u>	<u>\$ 7,437,709</u>
FTE Positions	147.5	0.0	147.5	0.0	147.5
Non-FTE Unclass. Perm. Pos.	141.6	0.0	141.6	0.0	141.6
TOTAL	<u>289.1</u>	<u>0.0</u>	<u>289.1</u>	<u>0.0</u>	<u>289.1</u>