

## House Budget Committee Report

**Agency:** Kansas Department of Commerce **Bill No.** 2370

**Bill Sec.** 68

**Analyst:** Mariani

**Analysis Pg. No.** 1457

**Budget Page No.** 72

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 5,000,000	\$ 0	\$ 0
Other Funds	108,353,269	112,234,369	1,100,000
Subtotal	\$ 113,353,269	\$ 112,234,369	\$ 1,100,000
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	200,000	200,000	0
Subtotal	\$ 200,000	\$ 200,000	\$ 0
TOTAL	\$ 113,553,269	\$ 112,434,369	\$ 1,100,000
FTE positions	149.6	149.6	0.0
Non FTE Uncl. Perm. Pos.	119.1	119.1	0.0
TOTAL	268.7	268.7	0.0

### Agency Request

The **agency** requests operating expenditures for FY 2016 of \$113.4 million, including \$5.0 million from the State General Fund and \$13.8 million from the Economic Development Initiative Fund (EDIF). The request is an all funds decrease of \$14.1 million, or 11.1 percent, from the FY 2015 agency request and is largely due to a decrease in funding from the EDIF and a shift in funding for the Affordable Airfare program. The request is an increase of \$4.8 million, or 1,900.0 percent, from the State General Fund and is largely attributable to a desire to shift the funding source for the existing Affordable Airfare program to the State General Fund. This program has historically been funded with transfers from other special revenue funds. The budget includes 149.6 FTE positions and 119.1 non-FTE unclassified positions, the same as the number requested for FY 2015.

### Governor's Recommendation

The **Governor** recommends FY 2016 operating expenditures of \$112.2 million, including \$13.8 million from the EDIF and no funding from the State General Fund. The recommendation is an all funds decrease of \$1.1 million, or 1.0 percent, an EDIF decrease of \$19,292, or 0.1 percent, and a State General Fund decrease of \$5.0 million, or 100.0 percent, from the agency request. The recommendation is an all funds decrease of \$14.7 million, an EDIF decrease of \$5.0 million and a State General Fund decrease of \$245,000 from the FY 2015 Governor's Budget Recommendation.

The Governor concurs with the agency request with the following exceptions.

- Reduction of \$1.0 million in funding for the Affordable Airfare Program and a shift in funding from the State General Fund to the State Highway Fund.
- Addition of \$100,000 from the EDIF for the Military Base Program.
- Addition of \$500,000 from the EDIF for Public Broadcasting Grants due to the grants program transitioning from the Department of Administration to the Department of Commerce.
- Reduction of \$548,000 from the EDIF for the agency operating grant.
- Reduction of \$170,900, including \$32,708 from the EDIF, to reduce employer contributions for state employee health insurance.

### **House Budget Committee Recommendation**

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

1. Add \$1.0 million, all from the Affordable Airfares Fund, for total program expenditures of \$5.0 million for FY 2016.
2. Add \$100,000, all from the Economic Development Initiatives Fund, for Public Broadcasting for total program expenditures of \$600,000 for FY 2016.

### **House Committee Recommendation**

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

1. Add language specifying the Affordable Airfare Program grants provided for FY 2016 shall be the same amount as those received by the grantees in FY 2015.
  2. Delete \$100,000, all from the Economic Development Initiatives Fund, for Public Broadcasting for total program expenditures of \$500,000 for FY 2016.
  3. Delete \$80,000, all from the Economic Development Initiatives Fund, for the agency operating grant and appropriate the same amount to the Department of Labor Economic Development Initiatives Fund special projects account for the purpose of holding meetings to compile input from businesses and industry groups about pursuing a state-run OSHA plan for FY 2016.
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**Senate Subcommittee Report**

**Agency:** Kansas Department of Commerce **Bill No.** SB 237

**Bill Sec.** 68

**Analyst:** Mariani

**Analysis Pg. No.** 1457

**Budget Page No.** 72

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 5,000,000	\$ 0	\$ 0
Other Funds	108,353,269	112,234,369	0
Subtotal	\$ 113,353,269	\$ 112,234,369	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	200,000	200,000	0
Subtotal	\$ 200,000	\$ 200,000	\$ 0
 TOTAL	 \$ 113,553,269	 \$ 112,434,369	 \$ 0
 FTE positions	 149.6	 149.6	 0.0
Non FTE Uncl. Perm. Pos.	119.1	119.1	0.0
TOTAL	268.7	268.7	0.0

**Agency Request**

The **agency** requests operating expenditures for FY 2016 of \$113.4 million, including \$5.0 million from the State General Fund and \$13.8 million from the Economic Development Initiative Fund (EDIF). The request is an all funds decrease of \$14.1 million, or 11.1 percent, from the FY 2015 agency request and is largely due to a decrease in funding from the EDIF and a shift in funding for the Affordable Airfare program. The request is an increase of \$4.8 million, or 1,900.0 percent, from the State General Fund and is largely attributable to a desire to shift the funding source for the existing Affordable Airfare program to the State General Fund. This program has historically been funded with transfers from other special revenue funds. The budget includes 149.6 FTE positions and 119.1 non-FTE unclassified positions, the same as the number requested for FY 2015.

## **Governor's Recommendation**

The **Governor** recommends FY 2016 operating expenditures of \$112.2 million, including \$13.8 million from the EDIF and no funding from the State General Fund. The recommendation is an all funds decrease of \$1.1 million, or 1.0 percent, an EDIF decrease of \$19,292, or 0.1 percent, and a State General Fund decrease of \$5.0 million, or 100.0 percent, from the agency request. The recommendation is an all funds decrease of \$14.7 million, an EDIF decrease of \$5.0 million and a State General Fund decrease of \$245,000 from the FY 2015 Governor's Budget Recommendation.

The Governor concurs with the agency request with the following exceptions.

- Reduction of \$1.0 million in funding for the Affordable Airfare Program and a shift in funding from the State General Fund to the State Highway Fund.
- Addition of \$100,000 from the EDIF for the Military Base Program.
- Addition of \$500,000 from the EDIF for Public Broadcasting Grants due to the grants program transitioning from the Department of Administration to the Department of Commerce.
- Reduction of \$548,000 from the EDIF for the agency operating grant.
- Reduction of \$170,900, including \$32,708 from the EDIF, to reduce employer contributions for state employee health insurance.

## **Senate Subcommittee Recommendation**

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

## **Senate Committee Recommendation**

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

1. Add language specifying the Affordable Airfare Program grants provided for FY 2016 shall be the same proportional amount as those received by the grantees in FY 2015.

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

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

## **Conference Committee Recommendation**

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

1. Add \$1.0 million, all from the Affordable Airfares Fund, for total program expenditures of \$5.0 million for FY 2016.
2. Delete \$174,518, all from special revenue funds, to reduce the Kansas Public Employee 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 \$36,122, all from special revenue funds, to suspend employer contributions to the KPERS Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2016.
4. Add language to prohibit executive branch agencies, excluding regents institutions, the State Library and the State Historical Society from making expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016.

	Governor's Recommendation FY 2016	Legislative Action	Legislative Approved FY 2016	Governor's Vetoes FY 2016	Final Legislative Approved FY 2016
All Funds					
State Operations	\$ 26,399,626	\$ (210,640)	\$ 26,188,986	\$ 0	\$ 26,188,986
Aid to Local Units	16,010,000	0	16,010,000	0	16,010,000
Other Assistance	69,824,743	1,000,000	70,824,743	0	70,824,743
Subtotal- Operations	\$ 112,234,369	\$ 789,360	\$ 113,023,729	\$ 0	\$ 113,023,729
Capital Improvements	200,000	0	200,000	0	200,000
TOTAL	<u>\$ 112,434,369</u>	<u>\$ 789,360</u>	<u>\$ 113,223,729</u>	<u>\$ 0</u>	<u>\$ 113,223,729</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>				

FTE Positions	149.6	0.0	149.6	0.0	149.6
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>149.6</u>	<u>0.0</u>	<u>149.6</u>	<u>0.0</u>	<u>149.6</u>