

## Senate Subcommittee Report

**Agency:** Department of Corrections

**Bill No.** SB 237

**Bill Sec.** 118

**Analyst:** Carroll

**Analysis Pg. No.** 35

**Budget Page No.** 300

| Expenditure Summary      | Agency Request<br>FY 2016        | Governor<br>Recommendation<br>FY 2016* | Senate<br>Subcommittee<br>Adjustments |
|--------------------------|----------------------------------|--|---------------------------------------|
| Operating Expenditures:  |                                  |  |                                       |
| State General Fund       | \$ 176,853,740                   | \$ 168,995,224                         | \$ 1,000,000                          |
| Other Funds              | 31,668,904                       | 31,340,312                             | 0                                     |
| Subtotal                 | <u>\$ 208,522,644</u>            | <u>\$ 200,335,536</u>                  | <u>\$ 1,000,000</u>                   |
| Capital Improvements:    |                                  |  |                                       |
| State General Fund       | \$ 1,375,000                     | \$ 654,150                             | \$ 0                                  |
| Other Funds              | 10,712,249                       | 9,822,070                              | 0                                     |
| Subtotal                 | <u>\$ 12,087,249</u>             | <u>\$ 10,476,220</u>                   | <u>\$ 0</u>                           |
| <br>TOTAL                | <br><u><u>\$ 220,609,893</u></u> | <br><u><u>\$ 210,811,756</u></u>       | <br><u><u>\$ 1,000,000</u></u>        |
| <br>FTE positions        | <br>315.0                        | <br>316.0                              | <br>0.0                               |
| Non FTE Uncl. Perm. Pos. | 165.0                            | 165.0                                  | 0.0                                   |
| TOTAL                    | <u><u>480.0</u></u>              | <u><u>481.0</u></u>                    | <u><u>0.0</u></u>                     |

\*NOTE: Includes GBA No. 1, Items 9 and 11 and deletes \$1.7 million, including \$1.1 million from the State General Fund, for consensus caseload estimates and debt service refunding for FY 2016. Changes are reflected in the table only.

### Agency Request

The **agency** requests FY 2016 operating expenditures of \$208.5 million, including \$176.9 million from the State General Fund. The request is an increase of \$7.7 million, or 3.8 percent, including a State General Fund increase of \$7.6 million, or 4.5 percent, above the FY 2015 estimate. The request includes numerous enhancements totaling \$9.7 million, all from the State General Fund. **Absent the enhancements**, the agency requests operating expenditures of \$198.8 million, including \$167.2 million from the State General Fund. The request is a decrease of \$2.0 million, or 1.0 percent, including a State General Fund decrease of \$2.0 million, or 1.2 percent, below the FY 2015 estimate. The request includes 315.0 FTE positions, which is 5.0 less FTE positions than the FY 2015 estimate. The decrease is mainly attributable to onetime bonuses made in FY 2015 that do not occur for FY 2016, savings from relocating the Central Office, and the loss of federal funding for out-of-home placements.

The agency requests FY 2016 capital improvement expenditures of \$12.1 million, including \$1.4 million from the State General Fund. The request is a decrease of \$2.4 million, or 16.6 percent, including a State General Fund decrease of \$140,000, or 9.2 percent, below the FY 2015 estimate. The decreases are primarily due to completions of major projects in FY 2015 that do not occur for FY 2016.

## **Governor's Recommendation**

The **Governor** recommends FY 2016 operating expenditures of \$202.1 million, including \$170.1 million from the State General Fund. The recommendation is a decrease of \$6.4 million, or 3.1 percent, including a State General Fund decrease of \$6.8 million, or 3.8 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's enhancements for fringe benefit shortfalls, increased KPERS employer contributions for parole and juvenile corrections officers, IT equipment and upgrades, and replacement vehicles. The Governor further recommends a 4.0 percent (\$306,000) State General Fund reduction to the Administration program, a reduction of \$332,532, including \$277,598 from the State General Fund, to reduce employer contributions for state employee health insurance, restructuring two bonds for debt service savings, and reduced expenditures for juvenile out-of-home placements caseloads. These reductions in the Governor's recommendation are partially offset by recommending partial funding of the agency's enhancement requests for contract beds, the inmate medical contract, and the food service contract. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

The Governor recommends FY 2016 capital improvement expenditures of \$10.5 million, including \$654,150 from the State General Fund. The recommendation is a decrease of \$1.6 million, or 13.3 percent, including a State General Fund decrease of \$720,850, or 52.4 percent, below the agency's FY 2016 request. The decrease is due to reduced expenditures from the Correctional Institutions Building Fund based on available cash balances.

## **Senate Subcommittee Recommendation**

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

1. Add \$1.0 million, all from the State General Fund, for offender programs for FY 2016.

## **Senate Committee Recommendation**

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

1. Delete \$1.0 million, all from the State General Fund, and review the additional funding for offender programs at Omnibus for FY 2016.
2. Delete \$206,000, all from the State General Fund, for estimate savings for implementation of HB 2336 for FY 2016.
3. Concur with GBA No. 1, Item 9, to delete \$943,000, including \$276,000 from the State General Fund, for juvenile out-of-home placements projected caseloads for FY 2016.
4. Concur with GBA No. 1, Item 11, to delete \$801,400, all from the State General Fund, for debt service refunding for FY 2016.

**Senate Committee of the Whole Recommendation**

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

**House Budget Committee Report**

**Agency:** Department of Corrections

**Bill No.** HB 2370

**Bill Sec.** 118

**Analyst:** Carroll

**Analysis Pg. No.** 35

**Budget Page No.** 300

| Expenditure Summary      | Agency Request<br>FY 2016        | Governor Recommendation<br>FY 2016* | House Budget Committee<br>Adjustments |
|--------------------------|----------------------------------|-------------------------------------|---------------------------------------|
| Operating Expenditures:  |                                  |                                     |                                       |
| State General Fund       | \$ 176,853,740                   | \$ 168,995,224                      | \$ 500,000                            |
| Other Funds              | 31,668,904                       | 31,340,312                          | 0                                     |
| Subtotal                 | <u>\$ 208,522,644</u>            | <u>\$ 200,335,536</u>               | <u>\$ 500,000</u>                     |
| Capital Improvements:    |                                  |                                     |                                       |
| State General Fund       | \$ 1,375,000                     | \$ 654,150                          | \$ 0                                  |
| Other Funds              | 10,712,249                       | 9,822,070                           | 0                                     |
| Subtotal                 | <u>\$ 12,087,249</u>             | <u>\$ 10,476,220</u>                | <u>\$ 0</u>                           |
| <br>TOTAL                | <br><u><u>\$ 220,609,893</u></u> | <br><u><u>\$ 210,811,756</u></u>    | <br><u><u>\$ 500,000</u></u>          |
| <br>FTE positions        | <br>315.0                        | <br>316.0                           | <br>(1.0)                             |
| Non FTE Uncl. Perm. Pos. | 165.0                            | 165.0                               | 0.0                                   |
| TOTAL                    | <u><u>480.0</u></u>              | <u><u>481.0</u></u>                 | <u><u>(1.0)</u></u>                   |

\*NOTE: Includes GBA No. 1, Items 9 and 11 and deletes \$1.7 million, including \$1.1 million from the State General Fund, for consensus caseload estimates and debt service refunding for FY 2016. Changes are reflected in the table only.

**Agency Request**

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### **Governor's Recommendation**

The **Governor** recommends FY 2016 operating expenditures of \$202.1 million, including \$170.1 million from the State General Fund. The recommendation is a decrease of \$6.4 million, or 3.1 percent, including a State General Fund decrease of \$6.8 million, or 3.8 percent, below the agency's FY 2016 request. The Governor does not recommend the agency's enhancements for fringe benefit shortfalls, increased KPERS employer contributions for parole and juvenile corrections officers, IT equipment and upgrades, and replacement vehicles. The Governor further recommends a 4.0 percent (\$306,000) State General Fund reduction to the Administration program, a reduction of \$332,532, including \$277,598 from the State General Fund, to reduce employer contributions for state employee health insurance, restructuring two bonds for debt service savings, and reduced expenditures for juvenile out-of-home placements caseloads. These reductions in the Governor's recommendation are partially offset by recommending partial funding of the agency's enhancement requests for contract beds, the inmate medical contract, and the food service contract. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

The Governor recommends FY 2016 capital improvement expenditures of \$10.5 million, including \$654,150 from the State General Fund. The recommendation is a decrease of \$1.6 million, or 13.3 percent, including a State General Fund decrease of \$720,850, or 52.4 percent, below the agency's FY 2016 request. The decrease is due to reduced expenditures from the Correctional Institutions Building Fund based on available cash balances.

### **House Budget Committee Recommendation**

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

1. Add \$500,000, all from the State General Fund, and appropriate the new Evidence Based Juvenile Programs account for FY 2016. The Evidence Based Juvenile Programs account will allow the agency to implement community-based programs that serve to further reduce juvenile out-of-home placements in group homes.
2. Add language requiring the agency to issue a report to the 2017 Legislature detailing the effectiveness of the evidence based juvenile programs including a cost benefit and cost avoidance analysis.
3. Delete 1.0 FTE position that was added to accurately reflect the agency's FTE total for FY 2016.
4. Review adding \$1,918,214, all from the State General Fund, for a 2.0 percent raise for all Corrections Officers at Omnibus.

### **House Committee Recommendation**

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

1. Delete \$206,000, all from the State General Fund, for estimate savings for implementation of HB 2336 for FY 2016.
2. Concur with GBA No. 1, Item 9, to delete \$943,000, including \$276,000 from the State General Fund, for juvenile out-of-home placements projected caseloads for FY 2016.
3. Concur with GBA No. 1, Item 11, to delete \$801,400, all from the State General Fund, for debt service refunding for FY 2016.

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

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

1. Add \$500,000, all from the State General Fund, and appropriate the new Evidence Based Juvenile Programs account for FY 2016. The Evidence Based Juvenile Programs account will allow the agency to implement community-based programs that serve to further reduce juvenile out-of-home placements in group homes.
2. Add language requiring the agency to issue a report to the 2017 Legislature detailing the effectiveness of the evidence based juvenile programs including a cost benefit and cost avoidance analysis.
3. Delete 1.0 FTE position that was added to accurately reflect the agency's FTE total for FY 2016.
4. Concur with GBA No. 1, Item 9, to delete \$943,000, including \$276,000 from the State General Fund, for juvenile out-of-home placements projected caseloads for FY 2016.
5. Concur with GBA No. 1, Item 11, to delete \$801,400, all from the State General Fund, for debt service refunding for FY 2016.
6. Delete \$1.2 million, all from the State General Fund, for estimated savings for implementation of HB 2051 for FY 2016.
7. Delete \$206,000, all from the State General Fund, for estimated savings for implementation of HB 2336 for FY 2016.
8. Transfer \$46,950, all from the General Fee Fund, to the State General Fund for FY 2016.
9. Delete \$826 all from the State General Fund, for a 50.0 percent reduction of advertising expenditures for FY 2016.

10. Add language to prohibit expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016.
11. Delete \$314,396, including \$261,521 from the State General Fund, 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.
12. Delete \$63,807, including \$53,628 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.

|                             | Governor's<br>Recommendation<br>FY 2016 | Legislative<br>Action | Legislative<br>Approved<br>FY 2016 | Governor's<br>Vetoed<br>FY 2016 | Final<br>Legislative<br>Approved<br>FY 2016 |
|-----------------------------|---|-----------------------|------------------------------------|---------------------------------|---|
| All Funds                   |   |                       |                                    |                                 |   |
| State Operations            | \$ 126,738,599                          | \$ (1,785,979)        | \$ 124,952,620                     | \$ 0                            | \$ 124,952,620                              |
| Aid to Local Units          | 47,201,724                              | 0                     | 47,201,724                         | 0                               | 47,201,724                                  |
| Other Assistance            | 26,395,213                              | 500,000               | 26,895,213                         | 0                               | 26,895,213                                  |
| Subtotal- Operations        | \$ 200,335,536                          | \$ (1,285,979)        | \$ 199,049,557                     | \$ 0                            | \$ 199,049,557                              |
| Capital Improvements        | 10,476,220                              | 0                     | 10,476,220                         | 0                               | 10,476,220                                  |
| TOTAL                       | <u>\$ 210,811,756</u>                   | <u>\$ (1,285,979)</u> | <u>\$ 209,525,777</u>              | <u>\$ 0</u>                     | <u>\$ 209,525,777</u>                       |
| State General Fund          |   |                       |                                    |                                 |   |
| State Operations            | \$ 104,849,695                          | \$ (1,722,925)        | \$ 103,126,770                     | \$ 0                            | \$ 103,126,770                              |
| Aid to Local Units          | 43,342,624                              | 0                     | 43,342,624                         | 0                               | 43,342,624                                  |
| Other Assistance            | 20,802,905                              | 500,000               | 21,302,905                         | 0                               | 21,302,905                                  |
| Subtotal-Operating          | \$ 168,995,224                          | \$ (1,222,925)        | \$ 167,772,299                     | \$ 0                            | \$ 167,772,299                              |
| Capital Improvements        | 654,150                                 | 0                     | 654,150                            | 0                               | 654,150                                     |
| TOTAL                       | <u>\$ 169,649,374</u>                   | <u>\$ (1,222,925)</u> | <u>\$ 168,426,449</u>              | <u>\$ 0</u>                     | <u>\$ 168,426,449</u>                       |
| FTE Positions               | 316.0                                   | (1.0)                 | 315.0                              | 0.0                             | 315.0                                       |
| Non-FTE Unclass. Perm. Pos. | 165.0                                   | 0.0                   | 165.0                              | 0.0                             | 165.0                                       |
| TOTAL                       | <u>481.0</u>                            | <u>(1.0)</u>          | <u>480.0</u>                       | <u>0.0</u>                      | <u>480.0</u>                                |