

## House Budget Committee Report

**Agency:** Kansas Insurance Department

**Bill No.** HB 2370

**Bill Sec.** 40

**Analyst:** Fye

**Analysis Pg. No.** 1012

**Budget Page No.** 106

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	30,927,609	30,838,407	0
Subtotal	\$ 30,927,609	\$ 30,838,407	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	95,000	95,000	0
Subtotal	\$ 95,000	\$ 95,000	\$ 0
<b>TOTAL</b>	<b>\$ 31,022,609</b>	<b>\$ 30,933,407</b>	<b>\$ 0</b>
FTE positions	122.4	122.4	0.0
Non FTE Uncl. Perm. Pos.	3.6	3.6	0.0
<b>TOTAL</b>	<b>126.0</b>	<b>126.0</b>	<b>0.0</b>

### Agency Request

The **agency** requests total expenditures of \$31.0 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2016. The agency requests operational expenditures of \$30.9 million, all from special revenue funds, for FY 2016. This is an increase of \$879,969, or 2.9 percent, above the agency's revised FY 2015 estimate. The increase is attributable to an increase in workers compensation and other claims payments; medical, pharmaceutical, and legal expenses related to claims; computer expenditures; and utilities. This is partially offset by a decrease in salaries and wages and associated fringe benefit expenditures due to salaries returning to a normalized rate absent the \$250 bonus for state employees in FY 2015. The agency requests capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2016. This is the same amount as the revised FY 2015 estimate. The budget includes 122.4 FTE positions and 3.6 non-FTE unclassified positions.

### Governor's Recommendation

The **Governor** recommends total expenditures of \$30.9 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2016. The Governor recommends operational expenditures of \$30.8 million, all from special revenue funds, for FY 2016. This is a decrease of \$89,202, or 0.3 percent, below the agency's request. The decrease is attributable to a reduction of employer contributions for state employee health insurance. The Governor recommends capital improvement expenditures of \$95,000, all from special revenue

funds, for FY 2016. This is the same amount as the agency's request. The Governor's recommendation also includes the transfer of \$8.0 million, all from the Insurance Department Service Regulation Fund, to the State General Fund, for FY 2016.

**House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation for FY 2016 with the following adjustment:

1. Add language to process the \$8.0 million transfer from the Service Regulation Fund to the State General Fund that was included in the Governor's recommendation, as four \$2.0 million quarterly transfers, to assist the agency with cash flow purposes 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:** Kansas Insurance Department      **Bill No.** SB 237      **Bill Sec.** 40

**Analyst:** Fye      **Analysis Pg. No.** 1012      **Budget Page No.** 106

<u>Expenditure Summary</u>	<u>Agency Request FY 2016</u>	<u>Governor Recommendation FY 2016</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	30,927,609	30,838,407	0
Subtotal	\$ 30,927,609	\$ 30,838,407	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	95,000	95,000	0
Subtotal	\$ 95,000	\$ 95,000	\$ 0
 TOTAL	 \$ 31,022,609	 \$ 30,933,407	 \$ 0
 FTE positions	 122.4	 122.4	 0.0
Non FTE Uncl. Perm. Pos.	3.6	3.6	0.0
TOTAL	126.0	126.0	0.0

## **Agency Request**

The **agency** requests total expenditures of \$31.0 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2016. The agency requests operational expenditures of \$30.9 million, all from special revenue funds, for FY 2016. This is an increase of \$879,969, or 2.9 percent, above the agency's revised FY 2015 estimate. The increase is attributable to an increase in workers compensation and other claims payments; medical, pharmaceutical, and legal expenses related to claims; computer expenditures; and utilities. This is partially offset by a decrease in salaries and wages and associated fringe benefit expenditures due to salaries returning to a normalized rate absent the \$250 bonus for state employees in FY 2015. The agency requests capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2016. This is the same amount as the revised FY 2015 estimate. The budget includes 122.4 FTE positions and 3.6 non-FTE unclassified positions.

## **Governor's Recommendation**

The **Governor** recommends total expenditures of \$30.9 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2016. The Governor recommends operational expenditures of \$30.8 million, all from special revenue funds, for FY 2016. This is a decrease of \$89,202, or 0.3 percent, below the agency's request. The decrease is attributable to a reduction of employer contributions for state employee health insurance. The Governor recommends capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2016. This is the same amount as the agency's request. The Governor's recommendation also includes the transfer of \$8.0 million, all from the Insurance Department Service Regulation Fund, to the State General Fund, for FY 2016.

## **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation for FY 2016 with the following adjustment:

1. Add language to process the \$8.0 million transfer from the Service Regulation Fund to the State General Fund that was included in the Governor's recommendation, as four \$2.0 million quarterly transfers, to assist the agency with cash flow purposes 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. Add language to process the \$8.0 million transfer from the Service Regulation Fund to the State General Fund that was included in the Governor's recommendation as four \$2.0 million quarterly transfers for cash flow purposes for FY 2016.
2. Delete \$86,336, all from special revenue funds, 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 \$17,871, all from special revenue funds, 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.
4. 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	\$ 12,813,421	\$ (104,207)	\$ 12,709,214	\$ 0	\$ 12,709,214
Aid to Local Units	10,250,000	0	10,250,000	0	10,250,000
Other Assistance	7,774,986	0	7,774,986	0	7,774,986
Subtotal- Operations	\$ 30,838,407	\$ (104,207)	\$ 30,734,200	\$ 0	\$ 30,734,200
Capital Improvements	95,000	0	95,000	0	95,000
TOTAL	<u>\$ 30,933,407</u>	<u>\$ (104,207)</u>	<u>\$ 30,829,200</u>	<u>\$ 0</u>	<u>\$ 30,829,200</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	122.4	0.0	122.4	0.0	122.4
Non-FTE Unclass. Perm. Pos.	3.6	0.0	3.6	0.0	3.6
TOTAL	<u>126.0</u>	<u>0.0</u>	<u>126.0</u>	<u>0.0</u>	<u>126.0</u>