

## Senate Subcommittee Report

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

**Bill Sec.** 62

**Analyst:** Dapp

**Analysis Pg. No.** 1395

**Budget Page No.** 86

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 60,397,553	\$ 13,741,202	\$ 0
Other Funds	61,312,341	105,766,457	0
Subtotal	\$ 121,709,894	\$ 119,507,659	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 121,709,894</b>	<b>\$ 119,507,659</b>	<b>\$ 0</b>
FTE positions	944.0	944.0	0.0
Non FTE Uncl. Perm. Pos.	129.0	129.0	0.0
<b>TOTAL</b>	<b>1,073.0</b>	<b>1,073.0</b>	<b>0.0</b>

\*The Governor's recommendation has been increased by \$837,085, all from special revenue funds, to adopt provisions of GBA No. 1, Item 3 in FY 2016.

### Agency Request

The **agency** requests FY 2016 expenditures of \$121,709,894, including \$60,397,553 from the State General Fund. The request is an all funds decrease of \$4,630,333, or 3.7 percent, below the revised FY 2015 estimate, and a State General Fund increase of \$45,836,146, or 314.8 percent, above the revised FY 2015 estimate. The request includes decreased contractual service, commodities and capital outlay expenditures, partially offset by increased salaries and wages expenditures of \$1,111,062, or 2.0 percent, due to increased employer KPERS contributions rate and reduced salaries and wages shrinkage. The increased State General Fund amount is a replacement of revenue received from the State Highway Fund in the proceeding years, used predominately for agency administration and the motor vehicles program.

### Governor's Recommendation

The **Governor** recommends FY 2016 operating expenditures of \$118,670,574, including \$13,741,202 from the State General Fund. The recommendation is an all funds decrease of \$3,039,320, or 2.5 percent, including a State General Fund decrease of \$46,656,351, or 77.2 percent, below the agency's FY 2016 request. The all funds decrease is attributable to reduced employer contributions for state employee health insurance and a recommended 4.0 percent reduction in State General Fund and State Highway Fund expenditures. The State General

Fund decrease is attributable to the Governor's recommendation that motor vehicle related expenditures continue to be funded through a transfer from the State Highway Fund instead of the State General Fund.

**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 notation:

1. The Department of Revenue FY 2016 budget should be further reviewed during the Omnibus session.
2. Add \$1,000,000, all from the Division of Vehicles modernization surcharge, to the Division of Vehicles Modernization Fund 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:** Kansas Department of Revenue      **Bill No.** HB 2370      **Bill Sec.** 62  
**Analyst:** Dapp      **Analysis Pg. No.** 1395      **Budget Page No.** 86

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 60,397,553	\$ 13,741,202	\$ 0
Other Funds	61,312,341	105,766,457	0
Subtotal	\$ 121,709,894	\$ 119,507,659	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 121,709,894</b>	<b>\$ 119,507,659</b>	<b>\$ 0</b>
FTE positions	944.0	944.0	0.0
Non FTE Uncl. Perm. Pos.	129.0	129.0	0.0
<b>TOTAL</b>	<b>1,073.0</b>	<b>1,073.0</b>	<b>0.0</b>

\*The Governor's recommendation has been increased by \$837,085, all from special revenue funds, to adopt provisions of GBA No. 1, Item 3 in FY 2016.

## **Agency Request**

The **agency** requests FY 2016 expenditures of \$121,709,894, including \$60,397,553 from the State General Fund. The request is an all funds decrease of \$4,630,333, or 3.7 percent, below the revised FY 2015 estimate, and a State General Fund increase of \$45,836,146, or 314.8 percent, above the revised FY 2015 estimate. The request includes decreased contractual service, commodities and capital outlay expenditures, partially offset by increased salaries and wages expenditures of \$1,111,062, or 2.0 percent, due to increased employer KPERS contributions rate and reduced salaries and wages shrinkage. The increased State General Fund amount is a replacement of revenue received from the State Highway Fund in the proceeding years, used predominately for agency administration and the motor vehicles program.

## **Governor's Recommendation**

The **Governor** recommends FY 2016 operating expenditures of \$118,670,574, including \$13,741,202 from the State General Fund. The recommendation is an all funds decrease of \$3,039,320, or 2.5 percent, including a State General Fund decrease of \$46,656,351, or 77.2 percent, below the agency's FY 2016 request. The all funds decrease is attributable to reduced employer contributions for state employee health insurance and a recommended 4.0 percent reduction in State General Fund and State Highway Fund expenditures. The State General Fund decrease is attributable to the Governor's recommendation that motor vehicle related expenditures continue to be funded through a transfer from the State Highway Fund instead of the State General Fund.

## **House Budget Committee Recommendation**

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

1. Add language prohibiting expenditures to regulate raffles or enforce any regulations of raffles for FY 2016.

## **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 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 language to prohibit expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016.

2. Delete \$12,696, all from the State General Fund, for a 25.0 percent reduction of travel expenditures for FY 2016.
3. Delete \$9,897, all from the State General Fund, for a 50.0 percent reduction of advertising expenditures for FY 2016.
4. Delete \$592,014, including \$138,966 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.
5. Delete \$122,539, including \$28,765 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.
6. Add language to deposit \$1 of the \$4 Division of Vehicles Modernization Surcharge for total receipts, not to exceed \$1.0 million, in the Division of Vehicles Modernization Fund for FY 2016 and increase the expenditure limitation for the Division of Vehicles Modernization Fund by \$1.0 million 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	\$ 85,205,575	\$ 262,854	\$ 85,468,429	\$ 0	\$ 85,468,429
Aid to Local Units	30,154,240	0	30,154,240	0	30,154,240
Other Assistance	4,147,844	0	4,147,844	0	4,147,844
Subtotal- Operations	\$ 119,507,659	\$ 262,854	\$ 119,770,513	\$ 0	\$ 119,770,513
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 119,507,659</u>	<u>\$ 262,854</u>	<u>\$ 119,770,513</u>	<u>\$ 0</u>	<u>\$ 119,770,513</u>
State General Fund					
State Operations	\$ 13,687,461	\$ (190,324)	\$ 13,497,137	\$ 0	\$ 13,497,137
Aid to Local Units	0	0	0	0	0
Other Assistance	53,741	0	53,741	0	53,741
Subtotal-Operating	\$ 13,741,202	\$ (190,324)	\$ 13,550,878	\$ 0	\$ 13,550,878
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 13,741,202</u>	<u>\$ (190,324)</u>	<u>\$ 13,550,878</u>	<u>\$ 0</u>	<u>\$ 13,550,878</u>
FTE Positions	944.0	0.0	944.0	0.0	944.0
Non-FTE Unclass. Perm. Pos.	129.0	0.0	129.0	0.0	129.0
TOTAL	<u>1,073.0</u>	<u>0.0</u>	<u>1,073.0</u>	<u>0.0</u>	<u>1,073.0</u>