

## House Budget Committee Report

**Agency:** Kansas Department of Labor

**Bill No.** HB 2370

**Bill Sec.** 72

**Analyst:** Chiamopoulos

**Analysis Pg. No.** 2802

**Budget Page No.** 212

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 332,943	\$ 318,309	\$ 0
Other Funds	324,407,805	324,167,580	0
Subtotal	\$ 324,740,748	\$ 324,485,889	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	3,025,000	3,025,000	0
Subtotal	\$ 3,025,000	\$ 3,025,000	\$ 0
<b>TOTAL</b>	<b>\$ 327,765,748</b>	<b>\$ 327,510,889</b>	<b>\$ 0</b>
FTE positions	232.5	232.5	0.0
Non FTE Uncl. Perm. Pos.	193.4	193.4	0.0
<b>TOTAL</b>	<b>425.9</b>	<b>425.9</b>	<b>0.0</b>

### Agency Request

The **agency** requests FY 2016 operating expenditures of \$324.7 million, including \$332,943 from the State General Fund. The request is an all funds decrease of \$55.2 million, or 14.5 percent, including a State General Fund decrease of \$1,511, or 0.5 percent, below the agency's revised FY 2015 estimate. The decrease is primarily due to a reduction in projected unemployment insurance benefit payments. Included in the request is an enhancement of \$18,600, all from the KDOL Off Budget Fund, for the purchase of a passenger vehicle. The request includes 232.5 FTE positions, which is the same as the revised FY 2015 estimate.

The agency requests a capital improvements budget of \$3.0 million, which is an increase of \$210,000, or 7.5 percent, above the revised FY 2015 estimate. The increase is due to renovations at 1309 SW Topeka Blvd. and 401 SW Topeka Blvd., as well as increased debt service principal payments on the UI Modernization bond and the 401 SW Topeka Blvd. bond. All capital improvements expenditures in FY 2016 are funded by special revenue funds.

### Governor's Recommendation

The **Governor** recommends FY 2016 operating expenditures of \$324.5 million, including \$318,309 from the State General Fund. The recommendation is an all funds decrease of \$254,859, or 0.1 percent, including a State General Fund decrease of \$14,634, or 4.4 percent, below the agency's FY 2016 request. The all funds decrease is attributable to the Governor

recommending a 4.0 percent State General Fund reduction totaling \$13,342, as well as recommending a reduction of \$241,517, including \$1,292 from the State General Fund, to reduce the employer contribution rate for state employee health insurance. The recommendation includes 232.5 FTE positions, which is the same number included in the agency's request.

The Governor concurs with the agency's FY 2016 capital improvements request of \$3.0 million.

### **House Budget Committee Recommendation**

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

### **House Committee Recommendation**

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

1. Add \$80,000, all from the Economic Development Initiatives Fund, for expenditures to seek input from businesses and industry groups about pursuing a state-run OSHA plan for FY 2016. Add language requiring the agency, in conjunction with the Department of Commerce, to hold meetings to gather such information and submit a joint report to the House Speaker and Senate President by November 1, 2015.
  2. Do not increase the amount from 10.0 percent (maximum \$100,000) to 20.0 percent (maximum \$200,000) that is withheld from the agency's fee fund revenue and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount was estimated to be \$100,000 for FY 2016.
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**Senate Subcommittee Report**

**Agency:** Kansas Department of Labor

**Bill No.** SB 237

**Bill Sec.** 72

**Analyst:** Chiamopoulos

**Analysis Pg. No.** 2802

**Budget Page No.** 212

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 332,943	\$ 318,309	\$ 0
Other Funds	324,407,805	324,167,580	0
Subtotal	\$ 324,740,748	\$ 324,485,889	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	3,025,000	3,025,000	0
Subtotal	\$ 3,025,000	\$ 3,025,000	\$ 0
<b>TOTAL</b>	<b>\$ 327,765,748</b>	<b>\$ 327,510,889</b>	<b>\$ 0</b>
FTE positions	232.5	232.5	0.0
Non FTE Uncl. Perm. Pos.	193.4	193.4	0.0
<b>TOTAL</b>	<b>425.9</b>	<b>425.9</b>	<b>0.0</b>

**Agency Request**

The **agency** requests FY 2016 operating expenditures of \$324.7 million, including \$332,943 from the State General Fund. The request is an all funds decrease of \$55.2 million, or 14.5 percent, including a State General Fund decrease of \$1,511, or 0.5 percent, below the agency's revised FY 2015 estimate. The decrease is primarily due to a reduction in projected unemployment insurance benefit payments. Included in the request is an enhancement of \$18,600, all from the KDOL Off Budget Fund, for the purchase of a passenger vehicle. The request includes 232.5 FTE positions, which is the same as the revised FY 2015 estimate.

The agency requests a capital improvements budget of \$3.0 million, which is an increase of \$210,000, or 7.5 percent, above the revised FY 2015 estimate. The increase is due to renovations at 1309 SW Topeka Blvd. and 401 SW Topeka Blvd., as well as increased debt service principal payments on the UI Modernization bond and the 401 SW Topeka Blvd. bond. All capital improvements expenditures in FY 2016 are funded by special revenue funds.

**Governor's Recommendation**

The **Governor** recommends FY 2016 operating expenditures of \$324.5 million, including \$318,309 from the State General Fund. The recommendation is an all funds decrease of

\$254,859, or 0.1 percent, including a State General Fund decrease of \$14,634, or 4.4 percent, below the agency's FY 2016 request. The all funds decrease is attributable to the Governor recommending a 4.0 percent State General Fund reduction totaling \$13,342, as well as recommending a reduction of \$241,517, including \$1,292 from the State General Fund, to reduce the employer contribution rate for state employee health insurance. The recommendation includes 232.5 FTE positions, which is the same number included in the agency's request.

The **Governor** concurs with the agency's FY 2016 capital improvements request of \$3.0 million.

### **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 adjustment:

1. Do not increase the amount from 10.0 percent (maximum \$100,000) to 20.0 percent (maximum \$200,000) that is withheld from the agency's fee fund revenue and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount was estimated to be \$100,000 for FY 2016.

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

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

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

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

1. Do not increase the amount from 10.0 percent (maximum \$100,000) to 20.0 percent (maximum \$200,000) that is withheld from the agency's fee fund revenue and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount was estimated to be \$100,000 for FY 2016.
2. Delete \$279,495, including \$1,839 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 \$57,852, including \$380 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.

4. Delete \$1,187, all from the State General Fund, for a 25.0 percent reduction of travel expenditures for FY 2016.
5. Add language to prohibit the agency 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 Vetoed FY 2016	Final Legislative Approved FY 2016
All Funds					
State Operations	\$ 37,122,361	\$ (338,534)	\$ 36,783,827	\$ 0	\$ 36,783,827
Aid to Local Units	0	0	0	0	0
Other Assistance	287,363,528	0	287,363,528	0	287,363,528
Subtotal- Operations	\$ 324,485,889	\$ (338,534)	\$ 324,147,355	\$ 0	\$ 324,147,355
Capital Improvements	3,025,000	0	3,025,000	0	3,025,000
TOTAL	<u>\$ 327,510,889</u>	<u>\$ (338,534)</u>	<u>\$ 327,172,355</u>	<u>\$ 0</u>	<u>\$ 327,172,355</u>
State General Fund					
State Operations	\$ 318,309	\$ (3,406)	\$ 314,903	\$ 0	\$ 314,903
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
Subtotal-Operating	\$ 318,309	\$ (3,406)	\$ 314,903	\$ 0	\$ 314,903
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 318,309</u>	<u>\$ (3,406)</u>	<u>\$ 314,903</u>	<u>\$ 0</u>	<u>\$ 314,903</u>
FTE Positions	232.5	0.0	232.5	0.0	232.5
Non-FTE Unclass. Perm. Pos.	193.4	0.0	193.4	0.0	193.4
TOTAL	<u>425.9</u>	<u>0.0</u>	<u>425.9</u>	<u>0.0</u>	<u>425.9</u>