

## Senate Subcommittee Report

**Agency:** Department of Administration

**Bill No.** SB 237

**Bill Sec.** 57

**Analyst:** Dear

**Analysis Pg. No.** 1231

**Budget Page No.** 18

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 42,835,154	\$ 35,780,809	\$ 0
Other Funds	41,364,703	48,210,963	0
Subtotal	\$ 84,199,857	\$ 83,991,772	\$ 0
Capital Improvements:			
State General Fund	\$ 18,114,200	\$ 17,949,152	\$ 0
Other Funds	3,085,800	13,365,000	0
Subtotal	\$ 21,200,000	\$ 31,314,152	\$ 0
<b>TOTAL</b>	<b>\$ 105,399,857</b>	<b>\$ 115,305,924</b>	<b>\$ 0</b>
FTE positions	390.7	390.7	0.0
Non FTE Uncl. Perm. Pos.	166.1	166.1	0.0
<b>TOTAL</b>	<b>556.8</b>	<b>556.8</b>	<b>0.0</b>

### Agency Request

The **agency** requests \$84.2 million, including \$42.8 million from the State General Fund, a decrease of \$382,086, or 0.5 percent, including \$90,577, or 0.2 percent, from the State General Fund for FY 2017.

The State General Fund reduction is primarily attributable to debt service interest for the Statehouse (\$457,077), NBAF (\$108,196), and debt restructuring expenditures (\$56,470). The debt service reductions are partially offset by an increase in interest on the KPERS obligation bonds of \$337,061 and salaries and wages largely due to the 27th payroll (\$271,498).

The special revenue fund reduction of \$291,509, or 0.7 percent, is attributable to no on-budget OITS requests for FY 2017 due to no allocated expenditures for the State and Local Implementation Grant fund (SLIGP) or the GIS Contracting Services Fund for law enforcement broadband services and no projected amount from the Ed Byrne Memorial Justice Fund. The agency also reduced Expanded Lottery Act Revenue Fund expenditures by \$350,000 that were allocated for debt service interest on the Statehouse. The increases were partially offset by the EDIF enhancement for public broadcasting.

The reductions in both State General Fund and Special Revenue Funds were partially offset by increased expenditures in salaries and wages of \$1.4 million due to the 27th payroll check, \$0.9 million in utilities, and an additional \$0.4 million in increased EDIF expenditures for Public Broadcasting. The request continues to reflect \$3.4 million in enhancements, including

\$1.2 million from the State General Fund, for the Long Term Care Office volunteer conference, public broadcasting, and Rehabilitation and Repair.

### **Governor's Recommendation**

The **Governor** recommends operating expenditures of \$84.0 million, including \$35.8 million from the State General Fund. With the addition of capital improvements, the Governor recommends expenditures of \$115.3 million, including \$53.7 million from the State General Fund. This is an all funds increase of \$9.9 million, or 9.4 percent, partially offset by a State General Fund reduction of \$7.2 million, or 11.8 percent, from the FY 2017 agency estimate.

The Governor recommends additional debt service for the National Bio and Agro-Defense Facility of \$16.2 million, all from the State General Fund. The increase is offset by reducing the State General Fund for debt service payments on the Statehouse by \$20.0 million and replacing it with moneys from the State Highway Fund.

The Governor also reduced agency expenditures by \$399,269, for a 4.0 percent operating reduction, reduced employer contributions for state employee health insurance by 8.5 percent for a State General Fund reduction of \$40,413, and refinanced bonds for a savings of \$1.8 million.

The Governor further recommends that the Public Broadcasting program be relocated from the Department of Administration budget to the Department of Commerce. The Department of Administration has no functional control over the Public Broadcasting Council currently. This would reduce EDIF expenditures by \$600,000.

### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation for FY 2017.

### **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee recommendation for FY 2017.

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## House Budget Committee Report

**Agency:** Department of Administration

**Bill No.** HB 2370

**Bill Sec.** 57

**Analyst:** Dear

**Analysis Pg. No.** 1231

**Budget Page No.** 18

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
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Other Funds	41,364,703	48,210,963	0
Subtotal	\$ 84,199,857	\$ 83,991,772	\$ 0
Capital Improvements:			
State General Fund	\$ 18,114,200	\$ 17,949,152	\$ 0
Other Funds	3,085,800	13,365,000	0
Subtotal	\$ 21,200,000	\$ 31,314,152	\$ 0
 TOTAL	 \$ 105,399,857	 \$ 115,305,924	 \$ 0
 FTE positions	 390.7	 390.7	 0.0
Non FTE Uncl. Perm. Pos.	166.1	166.1	0.0
TOTAL	556.8	556.8	0.0

### Agency Request

The **agency** requests \$84.2 million, including \$42.8 million from the State General Fund, a decrease of \$382,086, or 0.5 percent, including \$90,577, or 0.2 percent, from the State General Fund for FY 2017.

The State General Fund reduction is primarily attributable to debt service interest for the Statehouse (\$457,077), NBAF (\$108,196), and debt restructuring expenditures (\$56,470). The debt service reductions are partially offset by an increase in interest on the KPERs obligation bonds of \$337,061 and salaries and wages largely due to the 27th payroll (\$271,498).

The special revenue fund reduction of \$291,509, or 0.7 percent, is attributable to no on-budget OITS requests for FY 2017 due to no allocated expenditures for the State and Local Implementation Grant fund (SLIGP) or the GIS Contracting Services Fund for law enforcement broadband services and no projected amount from the Ed Byrne Memorial Justice Fund. The agency also reduced Expanded Lottery Act Revenue Fund expenditures by \$350,000 that were allocated for debt service interest on the Statehouse. The increases were partially offset by the EDIF enhancement for public broadcasting.

The reductions in both State General Fund and Special Revenue Funds were partially offset by increased expenditures in salaries and wages of \$1.4 million due to the 27th payroll

check, \$0.9 million in utilities, and an additional \$0.4 million in increased EDIF expenditures for Public Broadcasting. The request continues to reflect \$3.4 million in enhancements, including \$1.2 million from the State General Fund, for the Long Term Care Office volunteer conference, public broadcasting, and Rehabilitation and Repair.

### **Governor's Recommendation**

The **Governor** recommends operating expenditures of \$84.0 million, including \$35.8 million from the State General Fund. With the addition of capital improvements, the Governor recommends expenditures of \$115.3 million, including \$53.7 million from the State General Fund. This is an all funds increase of \$9.9 million, or 9.4 percent, partially offset by a State General Fund reduction of \$7.2 million, or 11.8 percent, from the FY 2017 agency estimate.

The Governor recommends additional debt service for the National Bio and Agro-Defense Facility of \$16.2 million, all from the State General Fund. The increase is offset by reducing the State General Fund for debt service payments on the Statehouse by \$20.0 million and replacing it with moneys from the State Highway Fund.

The Governor also reduced agency expenditures by \$3919,269, for a 4.0 percent operating reduction, reduced employer contributions for state employee health insurance by 8.5 percent for a State General Fund reduction of \$40,413, and refinanced bonds for a savings of \$1.8 million.

The Governor further recommends that the Public Broadcasting program be relocated from the Department of Administration budget to the Department of Commerce. The Department of Administration has no functional control over the Public Broadcasting Council currently. This would reduce EDIF expenditures by \$600,000.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation for FY 2017.

### **House Appropriations Committee Recommendation**

The **Committee** concurs with the Governor's recommendation in FY 2017 with the following adjustment:

1. Add language to reduce information technology expenditures by \$15.0 million as contained within the Governor's recommendation in FY 2017.

### **Conference Committee Recommendation**

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

1. Add language appropriating the Digital Imaging Program Fund for FY 2017.
2. Add language to reduce information technology expenditures by \$15.0 million as contained within the Governor's recommendation for FY 2017.

3. Add \$1.0 million, all from the Digital Imaging Program Fund, to provide grants to agencies for digital imaging projects for FY 2017.
4. Add language to deposit \$1 of the \$4 Division of Vehicles Modernization Surcharge for total receipts not to exceed \$1.0 million in the Digital Imaging Program Fund for FY 2017.
5. Concur with GBA No. 1, Item 1 and delete \$6.0 million all from the State General fund, to reflect interest only payments for debt service on the National Bio-Agro Defense Facility in FY 2017.
6. Concur with GBA No. 1, Item 11 and add \$5.7 million, all from the State General Fund to update State General Funded debt service payments and make further technical adjustments of \$175,880 to allow the GBA to correctly reflect debt service payments in FY 2017.
7. Add \$62.2 million, all from the State General Fund, for debt service on the issuance of \$1.0 billion in revenue bonds to implement the provisions of SB 228 for FY 2017.
8. Add \$1.1 million, all from the State General Fund, for debt service on the KU Medical Education Building in FY 2017.
9. Add \$1.7 million, all from the State General Fund, for debt service on the John Redmond Reservoir in FY 2017.
10. Add language directing the Office of Information Technology Services to report the agency budget separately from the Department of Administration for FY 2017.
11. Delete \$134,082, all from the Public Broadcasting Digital Conversion Debt Service Account, for reduced debt service expenditures for FY 2017.
12. Remove \$20,360, including \$13,698 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 2017.
13. Remove \$12,157, all from the State General Fund, for a 25.0 percent reduction of travel expenditures for FY 2017.
14. Remove \$171,427, including \$113,945 from the State General Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017. This implements the provisions of SB 228.
15. Add language to prohibit expenditures on newspapers and magazines, including electronic subscriptions, for FY 2017.

	Governor's Recommendation FY 2017	Legislative Action	Legislative Approved FY 2017	Governor's Vetoed FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 89,353,254	\$ 65,491,195	\$ 154,844,449	\$ 0	\$ 154,844,449
Aid to Local Units	325,000	0	325,000	0	325,000
Other Assistance	12,000	0	12,000	0	12,000
Subtotal- Operations	\$ 89,690,254	\$ 65,491,195	\$ 155,181,449	\$ 0	\$ 155,181,449
Capital Improvements	12,105,666	0	12,105,666	0	12,105,666
TOTAL	<u>\$ 101,795,920</u>	<u>\$ 65,491,195</u>	<u>\$ 167,287,115</u>	<u>\$ 0</u>	<u>\$ 167,287,115</u>
State General Fund					
State Operations	\$ 43,566,110	\$ 64,689,421	\$ 108,255,531	\$ 0	\$ 108,255,531
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
Subtotal-Operating	\$ 43,566,110	\$ 64,689,421	\$ 108,255,531	\$ 0	\$ 108,255,531
Capital Improvements	11,957,802	0	11,957,802	0	11,957,802
TOTAL	<u>\$ 55,523,912</u>	<u>\$ 64,689,421</u>	<u>\$ 120,213,333</u>	<u>\$ 0</u>	<u>\$ 120,213,333</u>
FTE Positions	390.7	0.0	390.7	0.0	390.7
Non-FTE Unclass. Perm. Pos.	166.1	0.0	166.1	0.0	166.1
TOTAL	<u>556.8</u>	<u>0.0</u>	<u>556.8</u>	<u>0.0</u>	<u>556.8</u>