

House Budget Committee Report

Agency: Kansas Department of Commerce **Bill No.** 2370

Bill Sec. 69

Analyst: Mariani

Analysis Pg. No. 1457

Budget Page No. 72

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 5,000,000	\$ 0	\$ 0
Other Funds	107,506,732	110,385,216	(2,900,000)
Subtotal	\$ 112,506,732	\$ 110,385,216	\$ (2,900,000)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	200,000	200,000	0
Subtotal	\$ 200,000	\$ 200,000	\$ 0
TOTAL	\$ 112,706,732	\$ 110,585,216	\$ (2,900,000)
FTE positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0

Agency Request

The **agency** requests operating expenditures of \$112.5 million, including \$5.0 million from the State General Fund and \$13.8 million from the Economic Development Initiative Fund (EDIF). The request is an all fund decrease of \$846,537, or 0.7 percent, from the FY 2016 agency request and is largely due to a decrease in funding for other assistance of \$1.2 million partially offset by an increase in the request for salaries and wages of \$690,668 due to the 27th payroll expenditures which occur in FY 2017. The State General Fund amount is the same as the FY 2016 agency request but reflects an increase of \$4.8 million, or 1,900.0 percent from the FY 2015 approved budget due to a desire to shift the funding source for the existing Affordable Airfare program to the State General Fund for FY 2016 and FY 2017. This program has historically been funded with transfers from other special revenue funds. The EDIF amount is the same as the FY 2016 agency request. The budget includes 149.5 FTE positions and 118.1 non-FTE unclassified positions, a decrease of 0.1 FTE position and 1.0 non-FTE unclassified positions from the FY 2016 agency request.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$110.4 million, including \$13.8 million from the EDIF and no funding from the State General Fund. The recommendation is an all funds decrease of \$2.1 million, or 1.9 percent, an EDIF increase of \$18,640, or 0.1 percent, and a State General Fund decrease of \$5.0 million, or 100.0 percent, from the agency request.

The Governor concurs with the agency request with the following exceptions.

- Reduction of \$2.0 million in funding for the Affordable Airfare Program and a shift in funding from the State General Fund to the State Highway Fund.
- Addition of \$100,000 from the EDIF for the Military Base Program.
- Addition of \$500,000 from the EDIF for Public Broadcasting Grants due to the grants program transitioning from the Department of Administration to the Department of Commerce.
- Reduction of \$548,000 from the EDIF for the agency operating grant.
- Reduction of \$173,516 all funds, including \$33,360 from the EDIF, to reduce employer contributions for state employee health insurance.

House Budget Committee Recommendation

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

1. Delete \$3.0 million, all from the Affordable Airfares Fund, for FY 2017, due to the elimination of the program.
2. Add \$100,000, all from the Economic Development Initiatives Fund, for Public Broadcasting for total program expenditures of \$600,000 for FY 2017.

House Committee Recommendation

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

1. Delete \$100,000, all from the Economic Development Initiatives Fund, for Public Broadcasting for total program expenditures of \$500,000 for FY 2017.
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Senate Subcommittee Report

Agency: Kansas Department of Commerce **Bill No.** 237

Bill Sec. 69

Analyst: Mariani

Analysis Pg. No. 1457

Budget Page No. 72

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 5,000,000	\$ 0	\$ 0
Other Funds	107,506,732	110,385,216	0
Subtotal	<u>\$ 112,506,732</u>	<u>\$ 110,385,216</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	200,000	200,000	0
Subtotal	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 112,706,732</u></u>	<u><u>\$ 110,585,216</u></u>	<u><u>\$ 0</u></u>
FTE positions	149.5	149.5	0.0
Non FTE Uncl. Perm. Pos.	118.1	118.1	0.0
TOTAL	<u><u>267.6</u></u>	<u><u>267.6</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests operating expenditures of \$112.5 million, including \$5.0 million from the State General Fund and \$13.8 million from the Economic Development Initiative Fund (EDIF). The request is an all fund decrease of \$846,537, or 0.7 percent, from the FY 2016 agency request and is largely due to a decrease in funding for other assistance of \$1.2 million partially offset by an increase in the request for salaries and wages of \$690,668 due to the 27th payroll expenditures which occur in FY 2017. The State General Fund amount is the same as the FY 2016 agency request but reflects an increase of \$4.8 million, or 1,900.0 percent from the FY 2015 approved budget due to a desire to shift the funding source for the existing Affordable Airfare program to the State General Fund for FY 2016 and FY 2017. This program has historically been funded with transfers from other special revenue funds. The EDIF amount is the same as the FY 2016 agency request. The budget includes 149.5 FTE positions and 118.1 non-FTE unclassified positions, a decrease of 0.1 FTE position and 1.0 non-FTE unclassified positions from the FY 2016 agency request.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$110.4 million, including \$13.8 million from the EDIF and no funding from the State General Fund. The recommendation

is an all funds decrease of \$2.1 million, or 1.9 percent, an EDIF increase of \$18,640, or 0.1 percent, and a State General Fund decrease of \$5.0 million, or 100.0 percent, from the agency request.

The Governor concurs with the agency request with the following exceptions.

- Reduction of \$2.0 million in funding for the Affordable Airfare Program and a shift in funding from the State General Fund to the State Highway Fund.
- Addition of \$100,000 from the EDIF for the Military Base Program.
- Addition of \$500,000 from the EDIF for Public Broadcasting Grants due to the grants program transitioning from the Department of Administration to the Department of Commerce.
- Reduction of \$548,000 from the EDIF for the agency operating grant.
- Reduction of \$173,516 all funds, including \$33,360 from the EDIF, to reduce employer contributions for state employee health insurance.

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 adjustments:

1. Add language specifying the Affordable Airfare Program grants provided for FY 2017 shall be the same proportional amount as those received by the grantees in FY 2016.

Senate Committee of the Whole Recommendation

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

Conference Committee Recommendation

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

1. Delete \$3.0 million, all from the Affordable Airfare Fund, due to elimination of the program for FY 2017.
2. Delete \$341,231, all from special revenue funds, to reduce the Kansas Public Employee Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017. This implements the provisions of SB 228.

3. Delete \$39,543, all from special revenue funds, to suspend employer contributions to the KPERS Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2017.
4. Add language to prohibit executive branch agencies, excluding regents institutions, the State Library, and the State Historical Society from making 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	\$ 26,992,754	\$ (380,774)	\$ 26,611,980	\$ 0	\$ 26,611,980
Aid to Local Units	15,810,000	0	15,810,000	0	15,810,000
Other Assistance	67,582,462	(3,000,000)	64,582,462	0	64,582,462
Subtotal- Operations	\$ 110,385,216	\$ (3,380,774)	\$ 107,004,442	\$ 0	\$ 107,004,442
Capital Improvements	200,000	0	200,000	0	200,000
TOTAL	<u>\$ 110,585,216</u>	<u>\$ (3,380,774)</u>	<u>\$ 107,204,442</u>	<u>\$ 0</u>	<u>\$ 107,204,442</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>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FTE Positions	149.5	0.0	149.5	0.0	149.5
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>149.5</u>	<u>0.0</u>	<u>149.5</u>	<u>0.0</u>	<u>149.5</u>

9