

Senate Subcommittee Report

Agency: Department of Corrections

Bill No. SB 237

Bill Sec. 119

Analyst: Carroll

Analysis Pg. No. 35

Budget Page No. 300

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017*	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 182,015,466	\$ 172,094,012	\$ 1,000,000
Other Funds	30,705,629	31,811,277	0
Subtotal	\$ 212,721,095	\$ 203,905,289	\$ 1,000,000
Capital Improvements:			
State General Fund	\$ 1,470,000	\$ 1,470,000	\$ 0
Other Funds	10,298,794	9,401,936	0
Subtotal	\$ 11,768,794	\$ 10,871,936	\$ 0
TOTAL	\$ 224,489,889	\$ 214,777,225	\$ 1,000,000
FTE positions	316.0	317.0	0.0
Non FTE Uncl. Perm. Pos.	165.0	165.0	0.0
TOTAL	481.0	482.0	0.0

*NOTE: Includes GBA No. 1, Items 9 and 11 and deletes \$2.4 million, including \$3.0 million from the State General Fund, for consensus caseload estimates and debt service refunding for FY 2017. Changes are reflected in the table only.

Agency Request

The **agency** requests FY 2017 operating expenditures of \$212.7 million, including \$182.0 million from the State General Fund. The request is an increase of \$4.2 million, or 2.0 percent, including a State General Fund increase of \$5.2 million, or 2.9 percent, above the FY 2016 request. The request includes enhancements totaling \$14.1 million, all from the State General Fund. **Absent the enhancements**, the agency requests \$198.6 million, including \$167.9 million from the State General Fund. The request is a decrease of \$210,744, or 0.1 percent, below the FY 2016 request less enhancements, partially offset by a State General Fund increase of \$752,531, or 0.5 percent. The overall decrease is predominately due to reduced expenditures for the health care contract, food services contract, capital outlay expenditures for Correctional Industries, and Juvenile Accountability Block Grants and Title II funding decreases, partially offset by expenditures associated with a 27th payroll period. The request includes 316.0 FTE positions, which is 1.0 additional FTE position above the FY 2016 request.

The agency requests FY 2017 capital improvements expenditures of \$11.8 million, including \$1.5 million from the State General Fund. The request is an overall decrease of \$318,455, or 2.6 percent, below the FY 2016 request, partially offset by a State General Fund increase of \$95,000, or 6.9 percent. The decrease is attributable to reduced rehabilitation and repair expenditures, partially offset by increased debt service principal payments and Correctional Industries capital improvement expenditures.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$206.3 million, including \$175.1 million from the State General Fund. The recommendation is a decrease of \$6.4 million, or 3.0 percent, including a State General Fund decrease of \$6.9 million, or 3.8 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's enhancements for fringe benefit shortfalls, increased KPERS employer contributions for parole and juvenile corrections officers, IT equipment and upgrades, and replacement vehicles. The Governor further recommends a 4.0 percent (\$306,000) State General Fund reduction to the Administration program, a reduction of \$339,257, including \$281,563 from the State General Fund, to reduce employer contributions for state employee health insurance, restructuring two bonds for debt service savings, and reduced expenditures for juvenile out-of-home placements caseloads. These reductions in the Governor's recommendation are partially offset by recommending partial funding of the agency's enhancement requests for contract beds, the inmate medical contract, and the food service contract. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

The Governor recommends FY 2017 capital improvement expenditures of \$10.9 million, including \$1.5 million from the the State General Fund. The recommendation is a decrease of \$896,858, or 7.6 percent, below the agency's FY 2017 request. The overall decrease is attributable to reduced expenditures from the Correctional Institutions Building Fund based on available cash balances.

Senate Subcommittee Recommendation

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

1. Add \$1.0 million, all from the State General Fund, for offender programs.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation with the following adjustment:

1. Delete \$1.0 million, all from the State General Fund, and review the additional funding for offender programs at Omnibus.
2. Delete \$206,000, all from the State General Fund, for estimated savings for implementation of HB 2336 for FY 2017.
3. Concur with GBA No. 1, Item 9, to delete \$376,000, including \$946,000 from the State General Fund, for juvenile out-of-home placements projected caseloads for FY 2017.
4. Concur with GBA No. 1, Item 11, to delete \$2.1 million, all from the State General Fund, for debt service refunding for FY 2017.

Senate Committee of the Whole Recommendation

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

House Budget Committee Report

Agency: Department of Corrections

Bill No. HB 2370

Bill Sec. 119

Analyst: Carroll

Analysis Pg. No. 35

Budget Page No. 300

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017*	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 182,015,466	\$ 172,094,012	\$ 0
Other Funds	30,705,629	31,811,277	0
Subtotal	<u>\$ 212,721,095</u>	<u>\$ 203,905,289</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 1,470,000	\$ 1,470,000	\$ 0
Other Funds	10,298,794	9,401,936	0
Subtotal	<u>\$ 11,768,794</u>	<u>\$ 10,871,936</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 224,489,889</u></u>	 <u><u>\$ 214,777,225</u></u>	 <u><u>\$ 0</u></u>
 FTE positions	 316.0	 317.0	 (1.0)
Non FTE Uncl. Perm. Pos.	165.0	165.0	0.0
TOTAL	<u><u>481.0</u></u>	<u><u>482.0</u></u>	<u><u>(1.0)</u></u>

*NOTE: Includes GBA No. 1, Items 9 and 11 and deletes \$2.4 million, including \$3.0 million from the State General Fund, for consensus caseload estimates and debt service refunding for FY 2017. Changes are reflected in the table only.

Agency Request

The **agency** requests FY 2017 operating expenditures of \$212.7 million, including \$182.0 million from the State General Fund. The request is an increase of \$4.2 million, or 2.0 percent, including a State General Fund increase of \$5.2 million, or 2.9 percent, above the FY 2016 request. The request includes enhancements totaling \$14.1 million, all from the State General Fund. Absent the enhancements, the agency requests \$198.6 million, including \$167.9 million from the State General Fund. The request is a decrease of \$210,744, or 0.1 percent, below the FY 2016 request less enhancements, partially offset by a State General Fund increase of \$752,531, or 0.5 percent. The overall decrease is predominately due to reduced expenditures for the health care contract, food services contract, capital outlay expenditures for Correctional Industries, and Juvenile Accountability Block Grants and Title II funding decreases,

partially offset by expenditures associated with a 27th payroll period. The request includes 316.0 FTE positions, which is 1.0 additional FTE position above the FY 2016 request.

The agency requests FY 2017 capital improvements expenditures of \$11.8 million, including \$1.5 million from the State General Fund. The request is an overall decrease of \$318,455, or 2.6 percent, below the FY 2016 request, partially offset by a State General Fund increase of \$95,000, or 6.9 percent. The decrease is attributable to reduced rehabilitation and repair expenditures, partially offset by increased debt service principal payments and Correctional Industries capital improvement expenditures.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$206.3 million, including \$175.1 million from the State General Fund. The recommendation is a decrease of \$6.4 million, or 3.0 percent, including a State General Fund decrease of \$6.9 million, or 3.8 percent, below the agency's FY 2017 request. The Governor does not recommend the agency's enhancements for fringe benefit shortfalls, increased KPERs employer contributions for parole and juvenile corrections officers, IT equipment and upgrades, and replacement vehicles. The Governor further recommends a 4.0 percent (\$306,000) State General Fund reduction to the Administration program, a reduction of \$339,257, including \$281,563 from the State General Fund, to reduce employer contributions for state employee health insurance, restructuring two bonds for debt service savings, and reduced expenditures for juvenile out-of-home placements caseloads. These reductions in the Governor's recommendation are partially offset by recommending partial funding of the agency's enhancement requests for contract beds, the inmate medical contract, and the food service contract. The recommendation includes 316.0 FTE positions, which is 1.0 more FTE positions than the agency's estimate. The increase in FTE positions is a technical adjustment to accurately reflect the agency's current FTE total.

The Governor recommends FY 2017 capital improvement expenditures of \$10.9 million, including \$1.5 million from the the State General Fund. The recommendation is a decrease of \$896,858, or 7.6 percent, below the agency's FY 2017 request. The overall decrease is attributable to reduced expenditures from the Correctional Institutions Building Fund based on available cash balances.

House Budget Committee Recommendation

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

1. Delete 1.0 FTE position that was added to accurately reflect the agency's FTE total for FY 2017.

House Committee Recommendation

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

1. Delete \$206,000, all from the State General Fund, for estimated savings for implementation of HB 2336 for FY 2017.

2. Concur with GBA No. 1, Item 9, to delete \$376,000, including \$946,000 from the State General Fund, for juvenile out-of-home placements projected caseloads for FY 2017.
3. Concur with GBA No. 1, Item 11, to delete \$2.1 million, all from the State General Fund, for debt service refunding for FY 2017.

Conference Committee Recommendation (House Sub. for SB 112)

1. Delete 1.0 FTE position that was added to accurately reflect the agency's FTE total for FY 2017.
2. Concur with GBA No. 1, Item 9, to delete \$376,000, including \$946,000 from the State General Fund, for juvenile out-of-home placements projected caseloads for FY 2017.
3. Concur with GBA No. 1, Item 11, to delete \$2.1 million, all from the State General Fund, for debt service refunding for FY 2017.
4. Delete \$2.5 million, all from the State General Fund, for estimated savings for implementation of HB 2051 for FY 2017.
5. Delete \$206,000, all from the State General Fund, for estimated savings for implementation of HB 2336 for FY 2017.
6. Delete \$830, all from the State General Fund, for a 50.0 percent reduction of advertising expenditures for FY 2017.
7. Add language to prohibit expenditures on newspapers and magazines, including electronic subscriptions, for FY 2017.
8. Delete \$612,493, including \$511,636 from the State General Fund, 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.
9. Delete \$70,290, including \$59,027 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.

	Governor's Recommendation FY 2017	Legislative Action	Legislative Approved FY 2017	Governor's Veto FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 130,441,192	\$ (3,355,288)	\$ 127,085,904	\$ 0	\$ 127,085,904
Aid to Local Units	47,001,614	0	47,001,614	0	47,001,614
Other Assistance	26,462,483	0	26,462,483	0	26,462,483
Subtotal- Operations	\$ 203,905,289	\$ (3,355,288)	\$ 200,550,001	\$ 0	\$ 200,550,001
Capital Improvements	10,871,936	0	10,871,936	0	10,871,936
TOTAL	<u>\$ 214,777,225</u>	<u>\$ (3,355,288)</u>	<u>\$ 211,421,937</u>	<u>\$ 0</u>	<u>\$ 211,421,937</u>

State General Fund

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State Operations	\$ 109,318,483	\$ (3,243,168)	\$ 106,075,315	\$ 0	\$ 106,075,315
Aid to Local Units	43,342,624	0	43,342,624	0	43,342,624
Other Assistance	19,432,905	0	19,432,905	0	19,432,905
Subtotal-Operating	\$ 172,094,012	\$ (3,243,168)	\$ 168,850,844	\$ 0	\$ 168,850,844
Capital Improvements	1,470,000	0	1,470,000	0	1,470,000
TOTAL	<u>\$ 173,564,012</u>	<u>\$ (3,243,168)</u>	<u>\$ 170,320,844</u>	<u>\$ 0</u>	<u>\$ 170,320,844</u>

FTE Positions	317.0	(1.0)	316.0	0.0	316.0
Non-FTE Unclass. Perm. Pos.	165.0	0.0	165.0	0.0	165.0
TOTAL	<u>482.0</u>	<u>(1.0)</u>	<u>481.0</u>	<u>0.0</u>	<u>481.0</u>