

House Budget Committee Report

Agency: Kansas Insurance Department

Bill No. HB 2370

Bill Sec. 41

Analyst: Fye

Analysis Pg. No. 1012

Budget Page No. 106

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	31,753,852	31,662,796	0
Subtotal	\$ 31,753,852	\$ 31,662,796	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	95,000	95,000	0
Subtotal	\$ 95,000	\$ 95,000	\$ 0
 TOTAL	 \$ 31,848,852	 \$ 31,757,796	 \$ 0
 FTE positions	 122.4	 122.4	 0.0
Non FTE Uncl. Perm. Pos.	3.6	3.6	0.0
TOTAL	126.0	126.0	0.0

Agency Request

The **agency** requests total expenditures of \$31.8 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2017. The agency requests operational expenditures of \$31.8 million, all from special revenue funds, for FY 2017. This is an increase of \$826,242, or 2.7 percent, above the amount requested for FY 2016. The increase is primarily attributable to an increase in salaries and wages and fringe benefit expenditures associated with payment of the 27th payroll period in the fiscal year; increased workers compensation and other claims payments; medical, pharmaceutical, and legal expenses related to claims; computer expenditures; and utilities. The agency requests \$95,000, all from special revenue funds, for capital improvements for FY 2017. This is the same amount as the FY 2016 request. The budget includes 122.4 FTE positions and 3.6 non-FTE unclassified positions.

Governor's Recommendation

The **Governor** recommends total expenditures of \$31.8 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2017. The Governor recommends operational expenditures of \$31.7 million, all from special revenue funds, for FY 2017. This is a decrease of \$91,056, or 0.3 percent, below the agency's request. The decrease is attributable to a reduction of employer contributions for state employee health insurance. The Governor recommends capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2017. This is the same amount as the agency's request. The Governor's

recommendation also includes the transfer of \$8.0 million, all from the Insurance Department Service Regulation Fund, to the State General Fund, for FY 2017.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor’s recommendation for FY 2017 with the following adjustment:

1. Add language to process the \$8.0 million transfer from the Service Regulation Fund to the State General Fund that was included in the Governor’s recommendation, as four \$2.0 million quarterly transfers, to assist the agency with cash flow purposes for FY 2017.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas Insurance Department

Bill No. SB 237

Bill Sec. 41

Analyst: Fye

Analysis Pg. No. 1012

Budget Page No. 106

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	31,753,852	31,662,796	0
Subtotal	\$ 31,753,852	\$ 31,662,796	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	95,000	95,000	0
Subtotal	\$ 95,000	\$ 95,000	\$ 0
TOTAL	\$ 31,848,852	\$ 31,757,796	\$ 0
FTE positions	122.4	122.4	0.0
Non FTE Uncl. Perm. Pos.	3.6	3.6	0.0
TOTAL	126.0	126.0	0.0

Agency Request

The **agency** requests total expenditures of \$31.8 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2017. The agency requests operational expenditures of \$31.8 million, all from special revenue funds, for FY 2017. This is an increase of \$826,242, or 2.7 percent, above the amount requested for FY 2016. The increase is primarily attributable to an increase in salaries and wages and fringe benefit expenditures associated with payment of the 27th payroll period in the fiscal year; increased workers compensation and other claims payments; medical, pharmaceutical, and legal expenses related to claims; computer expenditures; and utilities. The agency requests \$95,000, all from special revenue funds, for capital improvements for FY 2017. This is the same amount as the FY 2016 request. The budget includes 122.4 FTE positions and 3.6 non-FTE unclassified positions.

Governor's Recommendation

The **Governor** recommends total expenditures of \$31.8 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2017. The Governor recommends operational expenditures of \$31.7 million, all from special revenue funds, for FY 2017. This is a decrease of \$91,056, or 0.3 percent, below the agency's request. The decrease is attributable to a reduction of employer contributions for state employee health insurance. The Governor recommends capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2017. This is the same amount as the agency's request. The Governor's recommendation also includes the transfer of \$8.0 million, all from the Insurance Department Service Regulation Fund, to the State General Fund, for FY 2017.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2017 with the following adjustment:

1. Add language to process the \$8.0 million transfer from the Service Regulation Fund to the State General Fund that was included in the Governor's recommendation, as four \$2.0 million quarterly transfers, to assist the agency with cash flow purposes for FY 2017.

Senate Committee Recommendation

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

Senate Committee of the Whole Recommendation

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2017.

Conference Committee Recommendation (House Sub. for SB 112)

The **Conference Committee** concurs with the Governor's recommendation for FY 2017 with the following adjustments:

1. Add language to process the \$8.0 million transfer from the Service Regulation Fund to the State General Fund that was included in the Governor's recommendation as four \$2.0 million quarterly transfers for cash flow purposes for FY 2017.
2. Delete \$169,571, all from special revenue funds, 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.
3. Delete \$19,650, all from special revenue funds, 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.
4. 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	\$ 13,353,575	\$ (189,221)	\$ 13,164,354	\$ 0	\$ 13,164,354
Aid to Local Units	10,250,000	0	10,250,000	0	10,250,000
Other Assistance	8,059,221	0	8,059,221	0	8,059,221
Subtotal- Operations	\$ 31,662,796	\$ (189,221)	\$ 31,473,575	\$ 0	\$ 31,473,575
Capital Improvements	95,000	0	95,000	0	95,000
TOTAL	<u>\$ 31,757,796</u>	<u>\$ (189,221)</u>	<u>\$ 31,568,575</u>	<u>\$ 0</u>	<u>\$ 31,568,575</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>				

FTE Positions	122.4	0.0	122.4	0.0	122.4
Non-FTE Unclass. Perm. Pos.	3.6	0.0	3.6	0.0	3.6
TOTAL	<u>126.0</u>	<u>0.0</u>	<u>126.0</u>	<u>0.0</u>	<u>126.0</u>