

Senate Subcommittee Report

Agency: Kansas Department of Revenue **Bill No.** SB 237

Bill Sec. 63

Analyst: Dapp

Analysis Pg. No. 1395

Budget Page No. 86

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 62,237,378	\$ 15,487,937	\$ 0
Other Funds	42,456,422	86,912,216	0
Subtotal	\$ 104,693,800	\$ 102,400,153	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 104,693,800	\$ 102,400,153	\$ 0
FTE positions	944.0	944.0	0.0
Non FTE Uncl. Perm. Pos.	129.0	129.0	0.0
TOTAL	1,073.0	1,073.0	0.0

*The Governor's recommendation has been increased by \$837,085, all from special revenue funds, to adopt provisions of GBA No. 1, Item 3 in FY 2017.

Agency Request

The **agency** requests FY 2017 expenditures of \$104,693,800, including \$62,237,378 from the State General Fund. The request is an all funds decrease of \$17,016,094, or 14.0 percent, below the agency's FY 2016 request, and a State General Fund increase of \$1,839,825, or 3.0 percent, above the agency's FY 2016 request. The all funds decrease is attributable to reduced contractual service and aid to local units expenditures, specifically the discontinuation of distribution to local units from the Oil and Gas Valuation Depletion Trust Fund. These decreases are partially offset by increased salary and wage expenditures, due to a 27th pay period that occurs in the fiscal year.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$101,563,068, including \$15,487,937 from the State General Fund. The recommendation is an all funds decrease of \$3,130,732, or 3.0 percent, including a State General Fund decrease of \$46,749,441, or 75.1 percent, below the agency's FY 2017 request. The all funds decrease is attributable to reduced employer contributions for state employee health insurance and a recommended 4.0 percent reduction in State General Fund and State Highway Fund expenditures. The State General Fund decrease is attributable to the Governor's recommendation that motor vehicle related expenditures continue to be funded through a transfer from the State Highway Fund instead of the State General Fund.

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 notation:

1. The Department of Revenue FY 2017 budget should be further reviewed during the Omnibus session.
2. Add \$1,000,000, all from the Division of Vehicles modernization surcharge, to the Division of Vehicles Modernization Fund 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: Kansas Department of Revenue **Bill No.** HB 2370 **Bill Sec.** 63
Analyst: Dapp **Analysis Pg. No.** 1395 **Budget Page No.** 86

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
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Other Funds	42,456,422	86,912,216	0
Subtotal	\$ 104,693,800	\$ 102,400,153	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
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Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 104,693,800	\$ 102,400,153	\$ 0
FTE positions	944.0	944.0	0.0
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TOTAL	1,073.0	1,073.0	0.0

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Agency Request

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Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$101,563,068, including \$15,487,937 from the State General Fund. The recommendation is an all funds decrease of \$3,130,732, or 3.0 percent, including a State General Fund decrease of \$46,749,441, or 75.1 percent, below the agency's FY 2017 request. The all funds decrease is attributable to reduced employer contributions for state employee health insurance and a recommended 4.0 percent reduction in State General Fund and State Highway Fund expenditures. The State General Fund decrease is attributable to the Governor's recommendation that motor vehicle related expenditures continue to be funded through a transfer from the State Highway Fund instead of the State General Fund.

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.

Conference Committee Recommendation (House Sub. for SB 112)

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

1. Add language to prohibit expenditures on newspapers and magazines, including electronic subscriptions, for FY 2017.
2. Delete \$13,401, all from the State General Fund, for a 25.0 percent reduction of travel expenditures for FY 2017.
3. Delete \$1,411, all from the State General Fund, for a 50.0 percent reduction of advertising expenditures for FY 2017.
4. Delete \$1,167,504, including \$301,054 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.

5. Delete \$135,300, including \$34,889 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.
6. Add language to deposit \$1 of the \$4 Division of Vehicles Modernization Surcharge for total receipts, not to exceed \$1.0 million, in the Division of Vehicles Modernization Fund for FY 2017 and increase the expenditure limitation for the Division of Vehicles Modernization Fund by \$1.0 million for FY 2017.
7. Do not concur with GBA No. 1, Item 3, to add \$837,085, all from the Division of Vehicles Operating Fund, to restore the transfer from the Vehicles Operating Fund to the State General Fund authorized in SB 4 in 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	\$ 86,298,069	\$ (1,154,701)	\$ 85,143,368	\$ 0	\$ 85,143,368
Aid to Local Units	12,154,240	0	12,154,240	0	12,154,240
Other Assistance	3,947,844	0	3,947,844	0	3,947,844
Subtotal- Operations	\$ 102,400,153	\$ (1,154,701)	\$ 101,245,452	\$ 0	\$ 101,245,452
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 102,400,153</u>	<u>\$ (1,154,701)</u>	<u>\$ 101,245,452</u>	<u>\$ 0</u>	<u>\$ 101,245,452</u>
State General Fund					
State Operations	\$ 15,434,196	\$ (350,755)	\$ 15,083,441	\$ 0	\$ 15,083,441
Aid to Local Units	0	0	0	0	0
Other Assistance	53,741	0	53,741	0	53,741
Subtotal-Operating	\$ 15,487,937	\$ (350,755)	\$ 15,137,182	\$ 0	\$ 15,137,182
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 15,487,937</u>	<u>\$ (350,755)</u>	<u>\$ 15,137,182</u>	<u>\$ 0</u>	<u>\$ 15,137,182</u>
FTE Positions	944.0	0.0	944.0	0.0	944.0
Non-FTE Unclass. Perm. Pos.	129.0	0.0	129.0	0.0	129.0
TOTAL	<u>1,073.0</u>	<u>0.0</u>	<u>1,073.0</u>	<u>0.0</u>	<u>1,073.0</u>