

## House Budget Committee Report

**Agency:** Kansas Department of Labor

**Bill No.** HB 2370

**Bill Sec.** 73

**Analyst:** Chiamopoulos

**Analysis Pg. No.** 2802

**Budget Page No.** 212

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 332,943	\$ 318,284	\$ 0
Other Funds	282,673,573	282,428,536	0
Subtotal	\$ 283,006,516	\$ 282,746,820	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	605,000	605,000	0
Subtotal	\$ 605,000	\$ 605,000	\$ 0
<b>TOTAL</b>	<b>\$ 283,611,516</b>	<b>\$ 283,351,820</b>	<b>\$ 0</b>
FTE positions	232.5	232.5	0.0
Non FTE Uncl. Perm. Pos.	193.4	193.4	0.0
<b>TOTAL</b>	<b>425.9</b>	<b>425.9</b>	<b>0.0</b>

### Agency Request

The **agency** requests FY 2017 operating expenditures of \$283.0 million, including \$332,943 from the State General Fund. The request is an all funds decrease of \$41.7 million, or 12.9 percent, below the agency's FY 2016 request. The FY 2017 State General Fund request is unchanged from the FY 2016 request. The all funds decrease is primarily due to a reduction in projected unemployment insurance benefit payments. The request includes 232.5 FTE positions, which is the same as the requested FY 2016 amount.

The agency requests a capital improvements budget of \$605,000, which is a decrease of \$2.4 million, or 80.0 percent, below the FY 2016 request. The decrease is due to a \$2.5 million reduction in debt service principal payments resulting from the Unemployment Insurance Modernization bond being fully repaid in FY 2016. All capital improvements expenditures in FY 2017 are funded by special revenue funds.

### Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$282.7 million, including \$318,284 from the State General Fund. The recommendation is an all funds decrease of \$259,696, or 0.1 percent, including a State General Fund decrease of \$14,659, or 4.4 percent, below the agency's FY 2017 request. The all funds decrease is attributable to the Governor recommending a 4.0 percent State General Fund reduction totaling \$13,342, as well as

recommending a reduction of \$246,354, including \$1,317 from the State General Fund, to reduce the employer contribution rate for state employee health insurance. The recommendation includes 232.5 FTE positions, which is the same number included in the agency's request.

The Governor concurs with the agency's FY 2017 capital improvements request of \$605,000.

### **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 with the following adjustment:

1. Do not increase the amount from 10.0 percent (maximum \$100,000) to 20.0 percent (maximum \$200,000) that is withheld from the agency's fee fund revenue and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount was estimated to be \$100,000 for FY 2017.
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## Senate Subcommittee Report

**Agency:** Kansas Department of Labor

**Bill No.** SB 237

**Bill Sec.** 73

**Analyst:** Chiamopoulos

**Analysis Pg. No.** 2802

**Budget Page No.** 212

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 332,943	\$ 318,284	\$ 0
Other Funds	282,673,573	282,428,536	0
Subtotal	\$ 283,006,516	\$ 282,746,820	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	605,000	605,000	0
Subtotal	\$ 605,000	\$ 605,000	\$ 0
<b>TOTAL</b>	<b>\$ 283,611,516</b>	<b>\$ 283,351,820</b>	<b>\$ 0</b>
FTE positions	232.5	232.5	0.0
Non FTE Uncl. Perm. Pos.	193.4	193.4	0.0
<b>TOTAL</b>	<b>425.9</b>	<b>425.9</b>	<b>0.0</b>

### Agency Request

The **agency** requests FY 2017 operating expenditures of \$283.0 million, including \$332,943 from the State General Fund. The request is an all funds decrease of \$41.7 million, or 12.9 percent, below the agency's FY 2016 request. The FY 2017 State General Fund request is unchanged from the FY 2016 request. The all funds decrease is primarily due to a reduction in projected unemployment insurance benefit payments. The request includes 232.5 FTE positions, which is the same as the requested FY 2016 amount.

The agency requests a capital improvements budget of \$605,000, which is a decrease of \$2.4 million, or 80.0 percent, below the FY 2016 request. The decrease is due to a \$2.5 million reduction in debt service principal payments resulting from the Unemployment Insurance Modernization bond being fully repaid in FY 2016. All capital improvements expenditures in FY 2017 are funded by special revenue funds.

### Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of \$282.7 million, including \$318,284 from the State General Fund. The recommendation is an all funds decrease of \$259,696, or 0.1 percent, including a State General Fund decrease of \$14,659, or 4.4 percent, below the agency's FY 2017 request. The all funds decrease is attributable to the Governor recommending a 4.0 percent State General Fund reduction totaling \$13,342, as well as

recommending a reduction of \$246,354, including \$1,317 from the State General Fund, to reduce the employer contribution rate for state employee health insurance. The recommendation includes 232.5 FTE positions, which is the same number included in the agency's request.

The Governor concurs with the agency's FY 2017 capital improvements request of \$605,000.

### **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 adjustment:

1. Do not increase the amount from 10.0 percent (maximum \$100,000) to 20.0 percent (maximum \$200,000) that is withheld from the agency's fee fund revenue and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount was estimated to be \$100,000 for FY 2017.

### **Senate Committee of the Whole Recommendation**

The **Committee of the Whole** concurs with the 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. Do not increase the amount from 10.0 percent (maximum \$100,000) to 20.0 percent (maximum \$200,000) that is withheld from the agency's fee fund revenue and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount was estimated to be \$100,000 for FY 2017.
2. Delete \$548,745, including \$3,608 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.
3. Delete \$63,591, including \$419 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.
4. Delete \$1,192, all from the State General Fund, for a 25.0 percent reduction of travel expenditures for FY 2017.
5. Add language to prohibit the agency 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 Vetoes FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 39,244,820	\$ (613,528)	\$ 38,631,292	\$ 0	\$ 38,631,292
Aid to Local Units	0	0	0	0	0
Other Assistance	243,502,000	0	243,502,000	0	243,502,000
Subtotal- Operations	\$ 282,746,820	\$ (613,528)	\$ 282,133,292	\$ 0	\$ 282,133,292
Capital Improvements	605,000	0	605,000	0	605,000
TOTAL	<u>\$ 283,351,820</u>	<u>\$ (613,528)</u>	<u>\$ 282,738,292</u>	<u>\$ 0</u>	<u>\$ 282,738,292</u>
State General Fund					
State Operations	\$ 318,284	\$ (5,219)	\$ 313,065	\$ 0	\$ 313,065
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
Subtotal-Operating	\$ 318,284	\$ (5,219)	\$ 313,065	\$ 0	\$ 313,065
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 318,284</u>	<u>\$ (5,219)</u>	<u>\$ 313,065</u>	<u>\$ 0</u>	<u>\$ 313,065</u>
FTE Positions	232.5	0.0	232.5	0.0	232.5
Non-FTE Unclass. Perm. Pos.	193.4	0.0	193.4	0.0	193.4
TOTAL	<u>425.9</u>	<u>0.0</u>	<u>425.9</u>	<u>0.0</u>	<u>425.9</u>