

Department of Administration

Expenditure	Actual FY 2014	Approved FY 2015	Approved FY 2016	Approved FY 2017
All Funds:				
State Operations	\$ 81,916,833	\$ 61,310,050	\$ 121,393,612	\$ 154,844,449
Aid to Local Units	-	650,000	325,000	325,000
Other Assistance	666,057	602,200	12,000	12,000
<i>Subtotal - Operating</i>	<u>\$ 82,582,890</u>	<u>\$ 62,562,250</u>	<u>\$ 121,730,612</u>	<u>\$ 155,181,449</u>
Capital Improvements	16,424,882	40,232,975	25,220,666	25,322,802
TOTAL	<u><u>\$ 99,007,772</u></u>	<u><u>\$ 102,795,225</u></u>	<u><u>\$ 146,951,278</u></u>	<u><u>\$ 180,504,251</u></u>
State General Fund:				
State Operations	\$ 42,083,520	\$ 24,287,287	\$ 73,037,391	\$ 108,255,531
Aid to Local Units	-	-	-	-
Other Assistance	44,549	14,200	-	-
<i>Subtotal - Operating</i>	<u>\$ 42,128,069</u>	<u>\$ 24,301,487</u>	<u>\$ 73,037,391</u>	<u>\$ 108,255,531</u>
Capital Improvements	16,334,882	15,257,975	12,105,666	11,957,802
TOTAL	<u><u>\$ 58,462,951</u></u>	<u><u>\$ 39,559,462</u></u>	<u><u>\$ 85,143,057</u></u>	<u><u>\$ 120,213,333</u></u>
Percent Change:				
Operating Expenditures				
All Funds	40.4 %	(24.2)%	94.6 %	27.5 %
State General Fund	35.4	(42.3)	200.5	48.2
FTE Positions	468.2	390.7	390.7	390.7
Non-FTE Unclass. Perm. Pos.	91.5	167.1	167.1	166.1
TOTAL	<u><u>559.7</u></u>	<u><u>557.8</u></u>	<u><u>557.8</u></u>	<u><u>556.8</u></u>

The Legislature approved a FY 2015 budget of \$102.8 million, including \$39.6 million from the State General Fund, an all funds increase of \$3.8 million, or 3.8 percent, and a State General Fund reduction of \$18.9 million, or 32.3 percent, from the FY 2014 actual budget.

The all funds increase is attributable to allotments totaling \$2.6 million including a 2.0 percent operating reduction of \$194,391, a \$2.3 million negative adjustment to debt service, a reduction in employer retirement contributions, and a reappropriation lapse. The reductions were offset by a supplemental increase of \$2.5 million, all from the State General Fund, recommended by the Governor to compensate the federal

government due to irregularities in accounting for expenditures within the Office of Information Technology Services (OITS).

The State General Fund reduction of \$18.9 million is attributable to reallocated debt service on the Statehouse from the State General Fund to the State Highway Fund in FY 2015.

The Department of Administration continues to pursue a policy of reducing Information Technology expenditures. The budget includes savings of \$3.8 million in FY 2015 and \$15.0 million for FY 2016 and FY 2017. The savings are to be accrued by consolidation of software licenses

and services but are not reflected in any one agency budget. 2015 Senate Bill 112 grants the Department of Administration the authority to transfer funds from other cabinet level state agencies to the Department of Administration to achieve the state reductions. For FY 2015, the agency lapsed \$200,000 from the Department for Children and Families and \$300,000 from the Kansas Department of Health and Environment's State General Fund accounts. The agency also transferred \$3.3 million from the State Highway Fund to the State General Fund for a total of \$3.8 million in reductions and increased revenue. The plans for FY 2016 and FY 2017 have not yet been published.

The Legislature approved a FY 2016 budget of \$147.0 million, including \$85.1 million from the State General Fund, an all funds increase of \$44.2 million, or 43.0 percent, and a State General Fund increase of \$45.6 million, or 115.2 percent, from the FY 2015 approved budget.

The increase of \$44.2 million is attributable to additional debt service payments of \$16.2 million for the National Bio and Agro-Defense Facility and \$31.4 million for debt service on the issuance of \$1.0 billion in KPERS Pension Obligation bonds. The Legislature also moved \$5.9 million in State General Fund debt service from other state agencies to the Department of Administration in a move to consolidate State General Fund debt service in the agency which was continued into FY 2017.

The increases were partially offset by a reduction of \$391,597, for a 4.0 percent operating reduction, reduced employer contributions for state employee health insurance by 8.5 percent for a State General Fund reduction of \$39,620, refinanced bonds for a savings of \$7.1 million, and the Public Broadcasting program relocation from the Department of Administration budget to the Department of Commerce. The Department of Administration has no functional control over the Public Broadcasting Council currently. This reduced Economic Development Initiatives Fund (EDIF) expenditures by \$600,000.

The Legislature approved a FY 2017 budget of \$180.5 million, including \$120.2 million from the State General Fund, an all funds increase of \$33.5 million, or 22.8 percent, and a State General Fund increase of \$35.1 million, or 41.2 percent, from the FY 2016 approved budget.

The increase of \$33.5 million is attributable to \$30.8 million in additional debt service on the \$1.0 billion in KPERS pension obligation bonds for total State General Fund debt service on the bonds of \$62.2 million for FY 2017. The remaining increase is attributable to expenditures for the 27th payroll (\$1.4 million), \$0.9 million in utilities, and an additional \$0.4 million in increased EDIF expenditures for Public Broadcasting. The slightly larger State General Fund increase is attributable to greater savings from bond refinancing being allocated to the State General Fund in the Governor's April 29th Governor's Budget Amendment (GBA).

Department of Administration

	FY 2015			FY 2016			FY 2017		
	SGF	All Funds	FTE	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate/Request	\$ 39,384,388	\$ 102,931,425	390.7	\$ 59,793,682	\$ 102,379,373	390.7	\$ 59,768,105	\$ 101,969,161	390.7
Governor's Changes:									
1. Governor's December 9 th Allotment	\$ (264,774)	\$ (276,774)	-	\$ -	\$ -	-	\$ -	\$ -	-
2. OITS Supplemental Request	2,498,714	2,498,714	-	-	-	-	-	-	-
3. KPERS Reduction	-	(27,522)	-	-	-	-	-	-	-
4. Bond Refinancing	(2,306,838)	(2,306,838)	-	(752,112)	(752,112)	-	(1,752,362)	(1,752,362)	-
5. 4.0 Percent SGF Operating Reduction	-	-	-	(391,597)	(391,597)	-	(399,269)	(399,269)	-
6. Health Insurance Reduction	-	-	-	(39,620)	(64,803)	-	(40,413)	(65,505)	-
7. Public Broadcasting Reduction	-	-	-	-	(600,000)	-	-	(600,000)	-
8. NBAF Debt Service	-	-	-	16,153,525	16,153,525	-	16,153,900	16,153,900	-
9. State Highway Fund Switch	-	-	-	(20,000,000)	-	-	(20,000,000)	-	-
10. GBA #1 - Item 1	-	-	-	(6,386,185)	(6,386,185)	-	(5,991,350)	(5,991,350)	-
11. GBA #1 - Item 11	(55,597)	(300,809)	-	3,070,462	2,087,482	-	7,785,301	5,698,481	-
Total Governor's Recommendation	\$ 39,255,893	\$ 102,518,196	390.7	\$ 51,448,155	\$ 112,425,683	390.7	\$ 55,523,912	\$ 115,013,056	390.7
Change from Agency Est./Req.	\$ (128,495)	\$ (413,229)	-	\$ (8,345,527)	\$ 10,046,310	-	\$ (4,244,193)	\$ 13,043,895	-
Percent Change from Agency Est./Req.	(0.3)%	(0.4)%	- %	(14.0)%	9.8 %	- %	(7.1)%	12.8 %	- %
Legislative Action:									
12. OITS Reduction Language	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-
13. GBA Corrections	2,670	2,670	-	(175,877)	(175,877)	-	(175,880)	(175,880)	-
14. KU Medical Education Debt Service	169,517	169,517	-	1,089,750	1,089,750	-	1,089,750	1,089,750	-
15. John Redmond Debt Service	131,382	131,382	-	1,674,600	1,674,600	-	1,673,000	1,673,000	-
16. Public Broadcasting Debt Service	-	(26,540)	-	-	(133,081)	-	-	(134,082)	-
17. Digital Imaging Program	-	-	-	-	1,000,000	-	-	1,000,000	-
18. Vehicle Modernization Surcharge	-	-	-	-	-	-	-	-	-
19. KPERS Debt Service - SB 228	-	-	-	31,411,533	31,411,533	-	62,242,351	62,242,351	-
20. Docking Building Sale	-	-	-	-	-	-	-	-	-
21. OITS Budget Reporting	-	-	-	-	-	-	-	-	-
22. Purchasing Fee Fund	-	-	-	-	-	-	-	-	-
23. KPERS Employer Contribution Rate Reduction	-	-	-	(58,038)	(88,052)	-	(113,945)	(171,427)	-
24. Travel Expenditures Reduction	-	-	-	(12,758)	(12,758)	-	(12,157)	(12,157)	-
25. KPERS Death and Disability Reduction	-	-	-	(12,508)	(18,720)	-	(13,698)	(20,360)	-
26. Pittsburg State Debt Service	-	-	-	(221,800)	(221,800)	-	-	-	-
27. Newspapers and Magazines Prohibition	-	-	-	-	-	-	-	-	-
TOTAL APPROVED	\$ 39,559,462	\$ 102,795,225	390.7	\$ 85,143,057	\$ 146,951,278	390.7	\$ 120,213,333	\$ 180,504,251	390.7
Change from Gov. Rec.	\$ 303,569	\$ 277,029	-	\$ 33,694,902	\$ 34,525,595	-	\$ 64,689,421	\$ 65,491,195	-
Percent Change from Gov. Rec.	0.8 %	0.3 %	- %	65.5 %	30.7 %	- %	116.5 %	56.9 %	- %
Change from Agency Est./Req.	\$ 175,074	\$ (136,200)	-	\$ 25,349,375	\$ 44,571,905	-	\$ 60,445,228	\$ 78,535,090	-
Percent Change from Agency Est./Req.	0.4 %	(0.1)%	- %	42.4 %	43.5 %	- %	101.1 %	77.0 %	- %

1. The Governor deleted \$276,774, including \$264,774 from the State General Fund, as part of the December 9th allotment in FY 2015. For this agency, the allotment included a reduction of \$55,472, all from the State General Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015; a reduction of \$206,391, including \$194,391 from the State General Fund, for a 4.0 percent reduction in operating expenditures for the last six months of FY 2015; and a deletion of \$14,911, all from the State General Fund, for a reappropriation lapse from FY 2014 to FY 2015
2. The Governor added \$2.5 million, all from the State General Fund, for a supplemental request from OITS to pay an order from the federal government for improper rate setting in the distribution of Information Technology service in FY 2015.
3. The Governor deleted \$27,522, all from the State General Fund, for the special revenue fund portion of the KPERS rate reduction in the December 9th allotment in FY 2015.
4. The Governor deleted \$2.3 million in FY 2015, \$752,112 for FY 2016, and \$1.8 million for FY 2017, all from the State General Fund, for refinancing savings on various State General Fund debt issuance.
5. The Governor deleted, all from the State General Fund, \$391,597 for FY 2016 and \$399,269 for FY 2017 for a 4.0 percent reduction in operating expenditures.
6. The Governor deleted \$64,803, including \$39,620 from the State General Fund, for FY 2016 and \$65,505, including \$40,413 from the State General Fund, for FY 2017 to reduce employer contributions for state employee health insurance.
7. The Governor deleted \$600,000, all from EDIF, for FY 2016 and FY 2017 to reduce state support for public broadcasting.
8. The Governor added \$16.2 million, all from the State General Fund, for FY 2016 and FY 2017 for debt service on bonds issued for the National Bio and Agro Defense Facility.
9. The Governor deleted \$20.0 million, all from the State General Fund, and added the same amount in State Highway Funds, for FY 2016 and FY 2017 to reduce State General Fund expenditures on debt service.
10. The Legislature concurred with GBA No. 1, Item 1 and deleted \$6.4 million for FY 2016 and \$6.0 million for FY 2017, all from the State General Fund, to reflect interest only payments for debt service on the National Bio and Agro Defense Facility.
11. The Legislature concurred with GBA No. 1, Item 11 and deleted \$300,809, including \$55,597 from the State General Fund, in FY 2015, added \$2.1 million, including \$3.1 million from the State General Fund, for FY 2016, and added \$5.7 million, including \$7.8 million from the State General Fund, for FY 2017 to update State General Fund debt service payments to allow the GBA to correctly reflect debt service payments.
12. The Legislature added language to reduce information technology expenditures by \$3.8 million in FY 2015 and by \$15.0 million for FY 2016 and FY 2017 as contained within the Governor's budget recommendation.
13. The Legislature concurred with GBA No. 1, Item 11 to update State General Fund debt service payments and make further technical adjustments to: delete \$330,019, all from the State General Fund, and make further technical adjustments of \$2,670 in FY 2015; add \$2.1 million, all from the State General Fund and make further technical adjustments of \$175,877 for FY 2016; and, add \$5.7 million, all from the State General Fund and make further technical adjustments of \$175,880 to allow the GBA to correctly reflect debt service payments for FY 2017.
14. The Legislature added \$169,517 in FY 2015 and \$1.1 million for FY 2016 and FY 2017, all from the State General Fund, for debt service on the KU Medical Education Building.
15. The Legislature added \$131,382 in FY 2015 and \$1.7 million for FY 2016 and FY 2017, all from the State General Fund, for debt service on the John Redmond Reservoir.
16. The Legislature deleted \$26,540 in FY 2015, \$133,081 for FY 2016 and \$134,082 for FY 2017, all from the Public Broadcasting Digital Conversion Debt Service Account, for reduced debt service expenditures.
17. The Legislature added \$1.0 million, all from the Digital Imaging Program Fund, to provide grants to agencies for digital imaging projects for FY 2016 and FY 2017. Additionally, the Legislature appropriated the Digital Imaging Program Fund for FY 2016 and FY 2017.
18. The Legislature added language to deposit \$1 of the \$4 Division of Vehicles Modernization Surcharge for total receipts not to exceed \$1.0 million in the Digital Imaging Program Fund for FY 2016 and FY 2017.
19. The Legislature added \$31.4 million for FY 2016 and \$62.2 million for FY 2017, all from the State General Fund, for debt service on the issuance of \$1.0 billion in revenue bonds to implement the provisions of 2015 SB 228 for FY 2016.

20. The Legislature added language barring the Department of Administration from selling the real property on which the Docking State Office Building is located for FY 2016 and FY 2017.
21. The Legislature added language directing OITS to report the agency budget separately from the Department of Administration for FY 2016 and FY 2017.
22. The Legislature added language transferring \$300,000 from the Purchasing Fee Fund to the State General Fund for FY 2016.
23. The Legislature reduced the Kansas Public Employees Retirement System employer contribution rate (excluding KPERs Death and Disability) from 12.37 percent to 10.91 percent for FY 2016 and from 13.57 percent to 10.81 percent for FY 2017. **For this agency, the reductions totaled \$88,052, including \$58,038 from the State General Fund, for FY 2016 and \$171,427, including \$113,945 from the State General Fund, for FY 2017.**
24. The Legislature deleted \$12,758 for FY 2016 and \$12,157 for FY 2107, all from the State General Fund, for a 25.0 percent reduction of travel expenditures.
25. The Legislature deleted \$18,720, including \$12,508 from the State General Fund, for FY 2016 and deleted \$20,360, including \$13,698 from the State General Fund, for FY 2017 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 2016 and FY 2017.
26. The Legislature deleted \$221,800, all from the State General Fund, to move funding from the Department of Administration to Pittsburg State University for debt service on the Armory and Recreation Center for FY 2016.
27. The Legislature prohibited agencies from making expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016 and FY 2017.