

Kansas Department of Labor

Expenditure	Actual FY 2014	Approved FY 2015	Approved FY 2016	Approved FY 2017
All Funds:				
State Operations	\$ 36,773,240	\$ 37,245,829	\$ 36,783,827	\$ 38,631,292
Aid to Local Units	-	-	-	-
Other Assistance	369,842,666	342,428,346	287,363,528	243,502,000
<i>Subtotal - Operating</i>	<u>\$ 406,615,906</u>	<u>\$ 379,674,175</u>	<u>\$ 324,147,355</u>	<u>\$ 282,133,292</u>
Capital Improvements	2,544,840	2,815,000	3,025,000	605,000
TOTAL	<u><u>\$ 409,160,746</u></u>	<u><u>\$ 382,489,175</u></u>	<u><u>\$ 327,172,355</u></u>	<u><u>\$ 282,738,292</u></u>
State General Fund:				
State Operations	\$ 294,102	\$ 325,600	\$ 314,903	\$ 313,065
Aid to Local Units	-	-	-	-
Other Assistance	-	-	-	-
<i>Subtotal - Operating</i>	<u>\$ 294,102</u>	<u>\$ 325,600</u>	<u>\$ 314,903</u>	<u>\$ 313,065</u>
Capital Improvements	48	-	-	-
TOTAL	<u><u>\$ 294,150</u></u>	<u><u>\$ 325,600</u></u>	<u><u>\$ 314,903</u></u>	<u><u>\$ 313,065</u></u>
Percent Change:				
Operating Expenditures				
All Funds	(28.2)%	(6.6)%	(14.6)%	(13.0)%
State General Fund	(12.9)	10.7	(3.3)	(0.6)
FTE Positions	335.1	232.5	232.5	232.5
Non-FTE Unclass. Perm. Pos.	157.5	193.4	193.4	193.4
TOTAL	<u><u>492.6</u></u>	<u><u>425.9</u></u>	<u><u>425.9</u></u>	<u><u>425.9</u></u>

The Kansas Department of Labor's FY 2015 approved operating budget is \$379.7 million, including \$325,600 from the State General Fund. This is an all funds decrease of \$26.9 million, or 6.6 percent, but a State General Fund increase of \$31,498, or 10.7 percent, from FY 2014 actual expenditures. The all funds decrease below FY 2014 actual expenditures is primarily due to a reduction in unemployment insurance benefit payments. The FY 2015 approved operating budget is an all funds decrease of \$217,146, or less than 0.1 percent, below the FY 2015 budget approved by the 2014 Legislature and is largely due to reduced KPERS employer contributions, partially offset by the approval of \$40,161 in supplemental funding for a second interest payment on the 401 SW Topeka Blvd. remodeling bond. The approved FY 2015 State General

Fund amount is unchanged from the amount approved by the 2014 Legislature after accounting for reappropriated funds from FY 2014 and the Governor's December 9th allotment, which reduced the FY 2015 amount approved by the 2014 Legislature by \$8,854. The FY 2015 approved budget includes 232.5 FTE positions, which is a decrease of 102.6 FTE positions below the FY 2014 actual amount and 98.5 positions below the FY 2015 amount approved by the 2014 Legislature. The FTE reduction is largely due to the agency eliminating vacant positions.

The FY 2015 approved capital improvements budget is \$2.8 million, all from special revenue funds, which is an increase of \$270,160,

or 10.6 percent, above FY 2014 actual expenditures and the same as the FY 2015 amount approved by the 2014 Legislature. The increase above FY 2014 actual expenditures is primarily attributable to increased debt service principal payments and increased rehabilitation and repair expenditures.

The FY 2016 approved operating budget is \$324.1 million, including \$314,903 from the State General Fund. This is an all funds decrease of \$55.5 million, or 14.6 percent, including a State General Fund decrease of \$10,697, or 3.3 percent, below the FY 2015 approved amount. The all funds decrease is primarily due to a reduction in projected unemployment insurance benefit payments and the State General Fund decrease is primarily due to a 4.0 percent reduction in operating expenditures and reduced employer contributions for KPERS and state employee health insurance. The agency also received approval for an enhancement of \$18,600, all from off-budget funds, to purchase a new vehicle for the Unemployment Insurance Division's Fraud Unit for FY 2016. The FY 2016 approved budget includes 232.5 FTE positions, the same as the FY 2015 approved amount.

The FY 2016 approved capital improvements budget is \$3.0 million, all from special revenue funds, which is an increase of \$210,000, or 7.5 percent, above the FY 2015 approved amount. The increase is primarily due to renovations at 1309 SW Topeka Blvd. and 401 SW Topeka Blvd., as well as increased debt service principal payments on the

Unemployment Insurance Modernization bond and the 401 SW Topeka Blvd. bond.

The FY 2017 approved operating budget is \$282.1 million, including \$313,065 from the State General Fund. This is an all funds decrease of \$42.0 million, or 13.0 percent, including a State General Fund decrease of \$1,838, or 0.6 percent, below the FY 2016 approved amount. The all funds decrease is primarily due to a reduction in projected unemployment insurance benefit payments and the State General Fund decrease is primarily due to reduced KPERS employer contributions. The FY 2017 approved budget includes 232.5 FTE positions, the same as the FY 2016 approved amount.

The FY 2017 approved capital improvements budget is \$605,000, all from special revenue funds, which is a decrease of \$2.4 million, or 80.0 percent, below the FY 2016 approved amount. The decrease is due to reduced debt service principal payments after the Unemployment Insurance Modernization bond is fully repaid in FY 2016.

In addition to fiscal changes, the 2015 Legislature passed SB 154, which revised provisions of the Employment Security Law pertaining to the calculation of weekly benefits and the assessment of employer contributions. These revisions may affect revenue into and expenditures from the Employment Security Fund.

Kansas Department of Labor

	FY 2015			FY 2016			FY 2017		
	SGF	All Funds	FTE	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate/Request	\$ 334,454	\$ 382,755,336	232.5	\$ 332,943	\$ 327,765,748	232.5	\$ 332,943	\$ 283,611,516	232.5
Governor's Changes:									
1. Governor's December 9 th Allotment	\$ (8,854)	\$ (8,854)	-	\$ -	\$ -	-	\$ -	\$ -	-
2. KPERS Employer Contribution Rate Reduction	-	(257,307)	-	-	-	-	-	-	-
3. 4.0 Percent SGF Operating Reduction	-	-	-	(13,342)	(13,342)	-	(13,342)	(13,342)	-
4. Health Insurance Reduction	-	-	-	(1,292)	(241,517)	-	(1,317)	(246,354)	-
Total Governor's Recommendation	\$ 325,600	\$ 382,489,175	232.5	\$ 318,309	\$ 327,510,889	232.5	\$ 318,284	\$ 283,351,820	232.5
Change from Agency Est./Req.	\$ (8,854)	\$ (266,161)	-	\$ (14,634)	\$ (254,859)	-	\$ (14,659)	\$ (259,696)	-
Percent Change from Agency Est./Req.	(2.6)%	(0.1)%	- %	(4.4)%	(0.1)%	- %	(4.4)%	(0.1)%	- %
Legislative Action:									
5. KPERS Employer Contribution Rate Reduction	\$ -	\$ -	-	\$ (1,839)	\$ (279,495)	-	\$ (3,608)	\$ (548,745)	-
6. KPERS Death and Disability Reduction	-	-	-	(380)	(57,852)	-	(419)	(63,591)	-
7. Travel Expenditures Reduction	-	-	-	(1,187)	(1,187)	-	(1,192)	(1,192)	-
8. Newspapers and Magazines Prohibition	-	-	-	-	-	-	-	-	-
TOTAL APPROVED	\$ 325,600	\$ 382,489,175	232.5	\$ 314,903	\$ 327,172,355	232.5	\$ 313,065	\$ 282,738,292	232.5
Change from Gov. Rec.	\$ -	\$ -	-	\$ (3,406)	\$ (338,534)	-	\$ (5,219)	\$ (613,528)	-
Percent Change from Gov. Rec.	- %	- %	- %	(1.1)%	(0.1)%	- %	(1.6)%	(0.2)%	- %
Change from Agency Est./Req.	\$ (8,854)	\$ (266,161)	-	\$ (18,040)	\$ (593,393)	-	\$ (19,878)	\$ (873,224)	-
Percent Change from Agency Est./Req.	(2.6)%	(0.1)%	- %	(5.4)%	(0.2)%	- %	(6.0)%	(0.3)%	- %

1. The Governor deleted \$8,854, all from the State General Fund, as part of the December 9th allotment in FY 2015. For this agency, the allotment included a reduction of \$1,270, 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 \$6,671, for a 4.0 percent reduction in operating expenditures for the last six months of FY 2015; and a deletion of \$913, for a reappropriation lapse from FY 2014 to FY 2015.
3. The Governor deleted, all from the State General Fund, \$13,342 for FY 2016 and \$13,342 for FY 2017 for a 4.0 percent reduction in operating expenditures.
2. The Governor deleted \$257,307, all from special revenue funds, 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.
4. The Governor deleted \$241,517, including \$1,292 from the State General Fund, for FY 2016 and \$246,354, including \$1,317 from the State General Fund, for FY 2017 to reduce employer contributions for state employee health insurance.
5. 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 \$279,495, including \$1,839 from the State General Fund, for FY 2016**

and \$548,745, including \$3,608 from the State General Fund, for FY 2017.

6. The Legislature deleted \$57,852, including \$380 from the State General Fund, for FY 2016 and \$63,591, including \$419 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.
7. The Legislature deleted \$1,187 for FY 2016 and \$1,192 for FY 2017, all from the State General Fund, for a 25.0 percent reduction of travel expenditures.
8. The Legislature prohibited agencies from making expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016 and FY 2017.