

KANSAS HUMAN RIGHTS COMMISSION

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	\$ 1,127,908	\$ 1,088,408	\$ 1,067,091	\$ 1,139,386	\$ 1,061,846	\$ 1,199,953	\$ 1,103,793
Other Funds	383,095	387,734	382,968	370,285	364,329	350,756	344,680
TOTAL	\$ 1,511,003	\$ 1,476,142	\$ 1,450,059	\$ 1,509,671	\$ 1,426,175	\$ 1,550,709	\$ 1,448,473
Capital Improvements:							
State General Fund	\$ 1,070	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0	0	0
TOTAL	\$ 1,070	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 1,512,073	\$ 1,476,142	\$ 1,450,059	\$ 1,509,671	\$ 1,426,175	\$ 1,550,709	\$ 1,448,473
Percentage Change:							
Operating Expenditures							
State General Fund	(0.1) %	(3.5) %	(5.4) %	4.7 %	(0.5) %	5.3 %	0.0 %
All Funds	(4.9)	(2.3)	(4.0)	2.3	(1.6)	2.7	0.0
FTE Positions	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Non-FTE							
Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	23.0	23.0	23.0	23.0	23.0	23.0	23.0

AGENCY OVERVIEW

The Kansas Human Rights Commission (KHRC) is mandated by the Kansas Legislature to prevent and eliminate unlawful discrimination, and is responsible for enforcing both the Kansas Act Against Discrimination and the Kansas Age Discrimination in Employment Act. The Commission educates the general populace on what constitutes acts of discrimination in employment, housing, and public accommodations and how such acts can be prevented.

Starting in FY 2006, the KHRC was also given the authority to review and investigate claims of racial and other profiling by law enforcement agencies. The Commission is composed of seven individuals appointed by the Governor and subject to approval by the Senate. The Commissioners include two representatives of industry, two representatives of labor, one licensed attorney, one representative of the real estate industry and one at-large member.

Commissioners serve terms of four years and, at the will of the Governor and the discretion of the Senate, may be appointed for additional terms. No more than four Commissioners may be from the same political party.

MAJOR ISSUES FROM PRIOR YEARS

During the **2005** Session, the Legislature approved SB 77 (the Racial Profiling Bill), which prohibits law enforcement officers and agencies from relying on racial, ethnic, national origin, gender or religious dress in selecting which individuals to subject to routine traffic stops, or in deciding upon the scope and substance of law enforcement activity following the initial

The Kansas Act Against Discrimination has been declared equivalent to Title VII of the Civil Rights Act of 1964 as amended, the Age Discrimination in Employment Act of 1967 as amended, Title VIII of the Civil Rights Act of 1968 as amended, and the Genetic Information Non-Discrimination Act. Because of this equivalent determination, the Commission is able to enter into contractual agreements with the Equal Employment Opportunity Commission (EEOC), the agency which enforces comparable laws at the federal level. Money generated under this federal contract is used to fund agency operations. The agency utilizes two programs.

The first is the Compliance and Education program, which is charged with the prevention and elimination of discrimination and the education of the public. The second is the Administrative Hearings Office, which was established by the 2004 Legislature in SB 141. The bill stated the following: The Commission shall use at least four commissioners or the Department of Administration's Office of Administrative Hearings to conduct hearings on complaints. A hearing is held when the Commission has reached a finding of probable cause and the case has not been resolved between the parties. The agency contracts with the Office of Administrative Hearings to provide this service.

stop. The law mandates that the Kansas Human Rights Commission receive and review complaints of racial and other profiling, and investigate, if necessary. The 2005 Legislature also approved an additional \$159,514 from the State General Fund and 4.0 FTE positions for the anticipated requirements of the agency under the Racial Profiling Bill. Subsequently, SB 93

of the **2011 Legislative Session** transferred the filing and investigation of profiling complaints to the Office of the Attorney General.

During the **2006** Session, the Legislature approved HB 2582, which amended the Kansas Act Against Discrimination. The act prohibits a restrictive covenant that discriminates based on race, religion, color, sex, disability, familial status, national origin, or ancestry from being enforced.

During the **2011** Session, the Governor recommended the transfer of the duties and responsibilities of the Kansas Human

Rights Commission to the Office of the Attorney General. However, the Legislature amended the Governor's budget to restore \$1,627,111, including \$1,189,084 from the State General Fund, to keep the KHRC as a separate agency with 25.0 FTE positions for FY 2012. The 2011 Legislature then added an additional \$80,000, all from the State General Fund, for agency operations.

During **2012** Session, the Legislature amended the disability provisions of the Kansas Statutes to bring the Kansas Act Against Discrimination into alignment with the federal Americans with Disabilities Act.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency's** FY 2015 revised estimate for operating expenditures totals \$1,476,142, including \$1,088,408 from the State General Fund. This is an all funds decrease of \$114,383, or 7.2 percent, and a State General Fund increase of \$21,317, or 2.0 percent, from the FY 2015 approved budget. The all

funds decrease is attributable to the former supervisor position being absorbed into the Assistant Director's responsibilities. The agency requests 23.0 FTE approved positions, which is the same as the FY 2015 approved number.

FY 2015 Governor Recommendation

The **Governor** recommends a FY 2015 budget of \$1,450,059, a decrease of \$26,083, or 1.8 percent, below the agency's revised estimate. The decrease is attributable to the

Governor's KPERs rate reduction of \$13,606, including \$8,840 from the State General Fund and \$4,766 from special revenue funds, and a \$12,477 lapse reappropriation.

FY 2016 Agency Request

The **agency** requests \$1,509,671 for FY 2016 expenditures, including \$1,139,386 from the State General Fund. This is an all funds increase of \$33,529, or 2.3, above the FY 2015 revised

estimate. Operating expenditures include \$1,139,386 from the State General Fund, an increase of \$50,978, or 4.7 percent, above the FY 2015 revised estimate. The agency requests 23.0

FTE positions, which is the same as the FY 2015 approved number. The agency included two enhancements requests totaling \$68,321, all from the State General Fund, to fund a

Special Investigator II position (\$56,181) and for microcomputer equipment (\$12,140) in FY 2016.

FY 2016 Governor Recommendation

The **Governor** recommends a FY 2016 budget of \$1,426,175, a decrease of \$83,496, or 5.5 percent, below the agency's request. The decrease is attributable to the Governor's recommendation to reduce the state's payments for its

employees health care costs by \$17,180 and because the Governor does not recommend funding the agency's enhancement requests.

FY 2017 Agency Request

The **agency** requests \$1,550,709 for FY 2017 expenditures, including \$1,199,953 from the State General Fund. This is an all funds increase of \$41,038, or 2.7 percent, above the FY 2016 request. Operating expenditures include \$1,199,953 from the State General Fund, an increase of \$60,567, or 5.3 percent, above the FY 2016 request. The agency requests 23.0 FTE

positions, which is the same as the FY 2016 request. The agency included two enhancements requests totaling \$81,712, all from the State General Fund, to fund a Special Investigator II position (\$81,712) and for microcomputer equipment (\$3,000) in FY 2017.

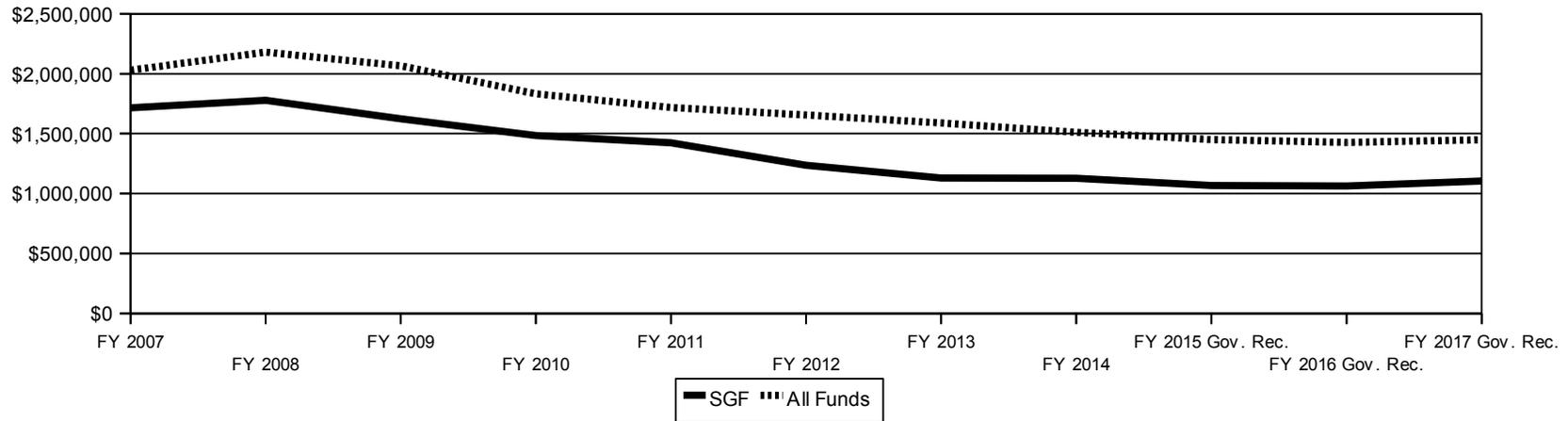
FY 2017 Governor Recommendation

The **Governor** recommends a FY 2017 budget of \$1,448,473, an \$102,236 decrease, or 6.6 percent, below the agency's request. The decrease is attributable to the Governor's recommendation that the Legislature reduce State contributions

to the agency's employees by \$17,524 and because the Governor is not recommending funding the agency's enhancement requests.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 1,715,512	6.3 %	\$ 2,029,549	2.3 %	34.0
2008	1,778,909	3.7	2,179,786	7.4	34.0
2009	1,623,273	(8.7)	2,065,820	(5.2)	34.0
2010	1,483,223	(8.6)	1,831,795	(11.3)	34.0
2011	1,422,992	(4.1)	1,717,591	(6.2)	34.0
2012	1,236,246	(13.1)	1,655,322	(3.6)	25.0
2013	1,128,863	(8.7)	1,588,338	(4.0)	23.0
2014	1,127,908	(0.1)	1,511,003	(4.9)	23.0
2015 Gov. Rec.	1,067,091	(5.4)	1,450,059	(4.0)	23.0
2016 Gov. Rec.	1,061,846	(0.5)	1,426,175	(1.6)	23.0
2017 Gov. Rec.	1,103,793	4.0	1,448,473	1.6	23.0
Eleven-Year Change	\$ (611,719)	(35.7)%	\$ (581,076)	(28.6)%	(11.0)

Summary of Operating Budget FY 2014 - FY 2016

	Actual 2014	Agency Estimate				Governor's Recommendation			
		Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	Percent Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	Percent Change from FY 15
By Program:									
Administration	1,511,003	1,476,142	1,509,671	33,529	2.3	1,450,059	1,426,175	(23,884)	(1.6)
TOTAL	\$ 1,511,003	\$ 1,476,142	\$ 1,509,671	\$ 33,529	2.3 %	\$ 1,450,059	\$ 1,426,175	\$ (23,884)	(1.6)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 1,093,537	\$ 1,049,730	\$ 1,075,377	\$ 25,647	2.4 %	\$ 1,036,124	\$ 1,004,021	\$ (32,103)	(3.1)%
Contractual Services	378,031	390,450	402,774	12,324	3.2	382,945	402,774	19,829	5.2
Commodities	17,157	18,983	19,380	397	2.1	18,983	19,380	397	2.1
Capital Outlay	10,154	9,457	12,140	2,683	28.4	4,485	--	(4,485)	(100.0)
Debt Service	--	--	--	--	--	--	--	--	--
Subtotal - Operations	\$ 1,498,879	\$ 1,468,620	\$ 1,509,671	\$ 41,051	2.8 %	\$ 1,442,537	\$ 1,426,175	\$ (16,362)	(1.1)%
Aid to Local Units	--	--	--	--	--	--	--	--	--
Other Assistance	12,124	7,522	0	(7,522)	(100.0)	7,522	--	(7,522)	(100.0)
TOTAL	\$ 1,511,003	\$ 1,476,142	\$ 1,509,671	\$ 33,529	2.3 %	\$ 1,450,059	\$ 1,426,175	\$ (23,884)	(1.6)%
Financing:									
State General Fund	\$ 1,127,908	\$ 1,088,408	\$ 1,139,386	\$ 50,978	4.7 %	\$ 1,067,091	\$ 1,061,846	\$ (5,245)	(0.5)%
Education and Training Fund	14,004	36,319	28,516	(7,803)	(21.5)	36,089	28,286	(7,803)	(21.6)
Employment Discrimination Fund	369,091	351,415	341,769	(9,646)	(2.7)	346,879	336,043	(10,836)	(3.1)
TOTAL	\$ 1,511,003	\$ 1,476,142	\$ 1,509,671	\$ 33,529	2.3 %	\$ 1,450,059	\$ 1,426,175	\$ (23,884)	(1.6)%

Summary of Operating Budget FY 2016 - FY 2017

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
By Program:								
Administration	1,509,671	1,550,709	41,038	2.7	1,426,175	1,448,473	22,298	1.6
By Major Object of Expenditure:								
Salaries and Wages	\$ 1,075,377	\$ 1,120,960	\$ 45,583	4.2 %	\$ 1,004,021	\$ 1,021,724	\$ 17,703	1.8 %
Contractual Services	402,774	406,932	4,158	1.0	402,774	406,932	4,158	1.0
Commodities	19,380	19,817	437	2.3	19,380	19,817	437	2.3
Capital Outlay	12,140	3,000	(9,140)	(75.3)	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--
Subtotal - Operations	\$ 1,509,671	\$ 1,550,709	\$ 41,038	2.7 %	\$ 1,426,175	\$ 1,448,473	\$ 22,298	1.6 %
Aid to Local Units	--	--	--	--	--	--	--	--
Other Assistance	--	--	--	--	--	--	--	--
TOTAL	\$ 1,509,671	\$ 1,550,709	\$ 41,038	2.7 %	\$ 1,426,175	\$ 1,448,473	\$ 22,298	1.6 %
Financing:								
State General Fund	\$ 1,139,386	\$ 1,199,953	\$ 60,567	5.3 %	\$ 1,061,846	\$ 1,103,793	\$ 41,947	4.0 %
Education and Training Fund	28,516	22,725	(5,791)	(20.3)	28,286	22,490	(5,796)	(20.5)
Employment Discrimination Fund	341,769	328,031	(13,738)	(4.0)	336,043	322,190	(13,853)	(4.1)
TOTAL	\$ 1,509,671	\$ 1,550,709	\$ 41,038	2.7 %	\$ 1,426,175	\$ 1,448,473	\$ 22,298	1.6 %

BUDGET OVERVIEW

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$1,075,931 for the Human Rights Commission in FY 2015. Several adjustments have been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of \$12,477, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and shifted to FY 2015.

- A reduction of \$21,317, as the result of the Governor’s December 9th State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to \$1,067,091. That amount is reflected in the table below as the currently approved FY 2015 State General Fund amount. The agency’s budget was submitted prior to the December allotment, so the agency’s revised budget estimates do not incorporate the allotment.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 1,067,091	\$ 1,088,408	\$ 21,317	\$ 1,067,091	\$ 0
All Other Funds	523,434	387,734	(135,700)	382,968	(140,466)
TOTAL	<u>\$ 1,590,525</u>	<u>\$ 1,476,142</u>	<u>\$ (114,383)</u>	<u>\$ 1,450,059</u>	<u>\$ (140,466)</u>
FTE Positions	23.0	23.0	0.0	23.0	0.0

The **agency’s** FY 2015 revised estimate for operating expenditures totals \$1,476,142, including \$1,088,408 from the State General Fund. This is an all funds decrease of \$114,383,

or 7.2 percent, and a State General Fund increase of \$21,317, or 2.0 percent, from the FY 2015 approved budget. The all funds decrease is attributable to the former supervisor position

being absorbed into the Assistant Director's responsibilities. The agency requests 23.0 FTE approved positions, which is the same as the FY 2015 approved number.

Expenditures include the following categories.

- **Salaries and Wages.** The agency's FY 2015 revised estimate of \$1,049,730, including \$682,042 from the State General Fund. This is an all funds decrease of \$100,795, or 8.8 percent, and a State General Fund decrease of \$40,943, or 6.4 percent, below the FY 2015 approved budget. The revised estimate includes \$367,688 in special revenue funds, a decrease of \$141,738, or 27.8 percent, below the FY 2015 approved budget. There are 23.0 authorized FTE positions; 16.5 positions are filled. The agency's FY 2015 revised estimate includes shrinkage of \$405,140 resulting from 6.5 unfilled FTE positions. It also resulted from the consolidation of a supervisor position into the Assistant Director position.
- **Contractual Services.** The agency's FY 2015 revised estimate totals \$390,450, including \$379,649 from the State General Fund. The estimate is an all funds decrease of \$23,988, or 5.8 percent, and a State General Fund decrease of \$29,732, or 7.3 percent, below the FY 2015 approved budget. Reduced expenditures on contractual services resulted from an agency wide effort to reduce its expenditures including canceling phone lines, voice mail and email accounts for eliminated positions, reduction in hard copy newsletters, a reduction in Wichita rental space, reduction in public service advertising, reductions in in-state travel, prohibition of out of state travel, except for one trip reimbursed by the Equal Employment Opportunity Commission

and the elimination of paper-based subscriptions to local newspapers.

- **Commodities.** The agency's FY 2015 revised estimate of \$18,983, including \$9,738 from the State General Fund. This is an all funds increase of \$520, or 2.8 percent, and a State General Fund increase of \$226, or 2.4 percent, above the FY 2015 approved budget.
- **Capital Outlay.** The agency's FY 2015 revised estimate totals \$9,457, all from the State General Fund. This is an increase of \$1,040, or 12.4 percent, above the FY 2015 approved budget. The money is being used to replace five replacement desktops with monitors. Three of the desktops will be replaced with laptops and two will be replaced with new desktops.
- **Other Assistance.** The agency's FY 2015 revised estimate of \$7,522, all from the State General Fund, is the same as the FY 2015 approved budget. These funds allow the agency to permit one of its employees to participate in the Voluntary Retirement Incentive Program.

The **Governor** recommends a FY 2015 budget of \$1,450,059, including \$1,067,091 from the State General Fund. The recommendation is an all funds decrease of \$26,083, or 1.8 percent, and a State General Fund decrease of \$21,317, or 2.0 percent, below the agency's FY 2015 revised estimate.

The reduction is attributable to \$13,606, including \$8,840 from the State General Fund, as part of the Governor's allotment plan, which included a reduction to employers KPERs contributions. The State General Fund portion of this plan adjusted the FY 2015 approved budget, and the special revenue

fund component, which is comprised of employers KPERS contributions, is included as part of the recommendation; and a lapse of \$12,477.

The Governor’s \$12,477 lapse is attributable to two smaller lapses. The Governor recommends the Legislature lapse \$7,505 the agency would otherwise spend on contractual services related to printing and copying as well as \$4,972 that would be spent on the purchase of computer equipment.

Governor’s Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling \$280.0 million which reduced

expenditures by \$60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional \$219.9 million. The adjustments included in the \$219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place

GOVERNOR’S ALLOTMENTS			
<u>Allotment</u>	<u>SGF</u>	<u>All Funds</u>	<u>FTE</u>
December Allotment			
Reduce KPERS Employer Contribution Rate	\$ (8,840)	\$ (8,840)	0.0
Lapse Reappropriations	(12,477)	(12,477)	0.0
TOTAL	\$ (21,317)	\$ (21,317)	0.0

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of \$8,840 from the State General Fund, as a result of the Governor’s State General Fund allotment reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency expenditures but is

reflective of a reduction of expenditures from the State General Fund.

Reappropriations Lapse:

A reduction of \$12,477 as a result of the Governor’s State General Fund reappropriation allotment. This allotment will decrease available funding in the agency’s administration.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,509,671	\$ 1,426,175	\$ (83,496)
FTE Positions	23.0	23.0	0.0
<i>Change from FY 2015:</i>			
<i>Dollar Change:</i>			
State General Fund	\$ 50,978	\$ (5,245)	
All Other Funds	(17,449)	(18,639)	
TOTAL	<u>\$ 33,529</u>	<u>\$ (23,884)</u>	
<i>Percent Change:</i>			
State General Fund	4.7 %	(0.5) %	
All Other Funds	(4.5)	(4.9)	
TOTAL	<u>2.3 %</u>	<u>(1.6) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$1.5 million, including \$1.1 million from the State General Fund. This is an all funds increase of \$33,529, or 2.3 percent, and a State General Fund increase of \$50,978, or 4.7 percent, above the FY 2015 revised estimate. The increase is attributable to increases in salaries and wages, contractual services, commodities, and capital outlay, partially offset by a \$7,522 voluntary retirement incentive taken in the FY 2015 revised estimate.

Operating expenditures include \$1.1 million from the State General Fund, an increase of \$50,978, or 4.7 percent, above the FY 2015 revised estimate. The agency requests 23.0 FTE positions, which is no change from the FY 2015 revised estimate.

The agency included two enhancement requests totaling \$66,316, all from the State General Fund, to fund a Special

Investigator II position (\$54,176) and for microcomputer equipment (\$12,140) in FY 2016.

Expenditures include the following categories.

- **Salaries and Wages.** The agency's FY 2016 request is \$1,075,377, including \$721,341 from the State General Fund. This is an all funds increase of \$25,647, or 2.4 percent, above the FY 2015 revised estimate. The request also includes \$354,036 in other funds, a decrease of \$13,652, or 3.7 percent, below the FY 2015 revised estimate. The increase in salaries and wages is primarily attributable to the agency's enhancement request for a Special Investigator II position totaling \$54,176, all from the State General Fund, to fill a vacant position. **Absent the agency's enhancement** request, the FY 2016 request is a State General Fund decrease of \$14,877, or 2.2 percent, below the FY 2015 revised estimate.
- **Contractual Services.** The agency's FY 2016 request is \$402,774, including \$395,965 from the State General Fund. This is an all funds increase of \$12,324, or 3.2 percent, and a State General Fund increase of \$16,316, or 4.3 percent, above the FY 2015 revised estimate. The request also includes \$6,809 in special revenue funds, a decrease of \$3,992, or 37.0 percent, below the FY 2015 revised estimate. The State General Fund increase is attributable to rental rates in the Landon State Office Building, the largest contractual expenditure for the agency. The rental rate for the Landon State Office Building is scheduled to increase by over 27.0 percent in FY 2016 from the FY 2015 rental rate.

- **Commodities.** The agency's FY 2016 request is \$19,380, an increase of \$397, or 2.1 percent, above the FY 2015 revised estimate. The request includes \$9,940 from the State General Fund, an increase of \$202, or 2.1 percent, above the FY 2015 revised estimate. The request also includes \$9,440 in special revenue funds, an increase of \$195, or 2.1 percent, above the FY 2015 revised level. The increase in commodities is primarily attributable to an \$177 increase in food costs, an \$124 increase in stationery and office supplies, and a \$66 increase in data processing supplies.
- **Capital Outlay.** The agency's FY 2016 request is \$12,140, all from the State General Fund, an increase of \$2,683, or 28.4 percent, above the FY 2015 revised estimate. The increase is attributable to an enhancement request for microcomputer equipment for \$12,140, all from the State General Fund. **This enhancement** accounts for 100.0 percent of the agency's capital outlay request.

The **Governor** recommends a FY 2016 budget of \$1,426,175, including \$1,061,846 from the State General Fund. The recommendation is an all funds decrease of \$83,496, or 5.5 percent, and a State General Fund decrease of \$77,540, or 6.8 percent, below the agency's FY 2016 request. The decrease is attributable to the Governor's recommendation to reduce employer contributions for state employee health insurance by \$17,180, including \$11,224 from the State General Fund. The decrease is also attributable to the Governor recommending the Legislature not fund the agency's enhancement requests totaling \$66,316.

Enhancements Detail

FY 2016 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Special Investigator II	\$ 54,176	\$ 54,176	1.0	\$ 0	\$ 0	0.0
Microcomputer Equipment	12,140	12,140	0.0	0	0	0.0
TOTAL	\$ 66,316	\$ 66,316	1.0	\$ 0	\$ 0	0.0

The **agency's** FY 2016 request includes supplemental requests totaling \$66,316, all from the State General Fund, including:

- **Special Investigator II.** The agency requests \$54,176, all from the State General Fund, to fund a Special Investigator II position for FY 2016. The main responsibilities of this position are to investigate, resolve, and settle complaints. The agency believes that filling the Special Investigator II position would have a positive impact on the agency being able to better serve the public, and investigating additional cases. A new Special Investigator II position can be expected to close 30 cases in their first year due to needed training and 60 cases annually thereafter; and

- **Microcomputer equipment.** The agency requests \$12,140, all from the State General Fund, to purchase microcomputer equipment for FY 2016. The funds would purchase eight new computers, replacing old ones that will be four years old at the time of the request. This will allow the agency to use computers under warranty, per the advice of the Office of Information Technology.

The **Governor** does not recommend either of the agency's enhancement requests.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,550,709	\$ 1,448,473	\$ (102,236)
FTE Positions	23.0	23.0	0.0
Change from FY 2016:			
<i>Dollar Change:</i>			
State General Fund	\$ 60,567	41,947	
All Other Funds	(19,529)	(19,649)	
TOTAL	<u>\$ 41,038</u>	<u>\$ (22,298)</u>	
<i>Percent Change:</i>			
State General Fund	5.3 %	(4.0) %	
All Other Funds	(5.3)	(5.4)	
TOTAL	<u>2.7 %</u>	<u>(1.6) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests a FY 2017 budget totaling \$1.6 million, including \$1.2 million from the State General Fund for FY 2017 expenditures. This is an all funds increase of \$41,038, or 2.7 percent, and a State General Fund increase of \$60,567, or 5.3 percent, above the FY 2016 request. The agency requests 23.0 FTE positions, which is the same as the FY 2016 request. The agency's FY 2017 request includes two enhancement requests totaling \$84,712, all from the State

General Fund, to fund a Special Investigator II position (\$81,712) and for microcomputer equipment (\$3,000) for FY 2017.

Expenditures include the following categories.

- **Salaries and Wages.** The agency's FY 2017 request is \$1.1 million, including \$786,888 from the State

General Fund, for FY 2017. This is an all funds increase of \$45,583, or 4.2 percent, and a State General Fund increase of \$65,547, or 9.1 percent, above the FY 2016 request. The request also includes \$334,072 in other funds, a decrease of \$19,964, or 5.6 percent, below the FY 2016 request. The increase in salaries and wages is primarily attributable to the agency's enhancement request for funding of a Special Investigator II and administrative position. The enhancement continues the enhancement from 2016 allowing for a Special Investigator II position, but different in that it requests funding an administrative assistant position for the agency's Wichita office. The entire enhancement totals \$81,712, \$25,179 of which funds an administrative assistant for part of the year, all from the State General Fund. **Absent the enhancement**, the request would amount to a decrease of \$36,129, or 3.4 percent, and a State General Fund decrease of \$16,165, or 2.2 percent, below the FY 2016 request.

- **Contractual Services.** The agency's FY 2017 request is \$406,932, an increase of \$4,158, or 1.0 percent, above the FY 2016 request. The FY 2017 request includes \$399,905 from the State General Fund, an increase of \$3,940, or 1.0 percent, above the FY 2016 request. The request also includes \$7,027, from special revenue funds, an increase of \$218, or 1.8 percent, above the FY 2016 request. The increase is attributable to increases in rental costs associated with the Landon State Office Building.

- **Commodities.** The agency's FY 2017 request is \$19,817, an increase of \$437, or 2.3 percent, above the FY 2016 request. The request includes \$10,160 from the State General Fund, an increase of \$220, or 2.2 percent, above the FY 2016 request. The request also includes \$9,657 in special revenue funds, an increase of \$217, or 2.3 percent, above the FY 2016 request. The increase in commodities is primarily attributable to an \$197 increase in food costs, an \$134 increase in stationery and office supplies, and a \$71 increase in data processing supplies.
- **Capital Outlay.** The agency's FY 2017 request is \$3,000, all from the State General Fund, a decrease of \$9,140, or 75.3 percent, below the FY 2016 request. The increase is attributable to an enhancement request for microcomputer equipment for \$3,000. This enhancement would allow the agency to replace a server in its Wichita office. The server will be seven years old at the time the agency purchases it.

The **Governor** recommends a FY 2017 budget of \$1,448,473, including \$1,103,793 from the State General Fund. The recommendation is an all funds decrease of \$102,236, or 6.6 percent, and a State General Fund decrease of \$96,160, or 8.0 percent, below the agency's FY 2017 request. The decrease is partially attributable to the Governor's recommendation to reduce the state's payments for its employees health care costs by \$17,524, \$11,448 from the State General Fund. The decrease is also attributable to the Governor not recommending the agency's enhancement requests.

Enhancements Detail

Enhancements	FY 2017 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Special Investigator II and administrative position	\$ 81,712	\$ 81,712	0.0	\$ 0	\$ 0	0.0
Microcomputer Equipment	3,000	3,000	0.0	0	0	0.0
TOTAL	\$ 84,712	\$ 84,712	0.0	\$ 0	\$ 0	0.0

The **agency's** revised FY 2017 estimate includes supplemental requests totaling \$84,712, all from the State General Fund, including:

- **Special Investigator II.** The agency requests \$81,712, all from the State General Fund, to fund a Special Investigator II plus position for FY 2017. The main responsibilities of this position are to investigate, resolve, and settle complaints. The "plus" designated in this enhancement title, reflects the addition of an administrative assistant at \$25,179 built into the enhancement. The agency believes that filling the Special Investigator II position would have a positive impact on the agency's ability to better serve the public, and investigating the additional cases. According to the agency, the administrative assistant could stave off the closure of the Wichita

office, which would place strain on the Topeka office; and

- **Microcomputer equipment.** The agency requests \$3,000, all from the State General Fund, to purchase a new server for its Wichita office. The existing server was purchased in July, 2009. To keep its capital outlay expenditures down, the agency delayed the purchase of a new server in July 2013, and instead purchased a warranty. The agency asserts that this new equipment helps to avoid viruses and other pitfalls associated with aged technology equipment.

The **Governor** does not recommend funding the enhancements.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. The 2014 Legislature approved funding of \$11.3 million, including \$4.5 million from the State General Fund, in FY 2015 for a \$250 bonus for all full-time employees except elected officials who were employed on December 6, 2013, and which was paid December 6, 2014. **For this agency, the FY 2015 bonus totals \$5,134, including \$2,861, from the State General Fund, and affects 17 employees.**

Longevity Bonus Payments. For FY 2016 and FY 2017, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2016 payments is \$7.2 million, including \$2.8 million from the State General Fund. For FY 2017, the estimated cost for the payments is \$7.7 million, including \$3.0 million from the State General Fund. **For this agency, FY 2016 longevity payments total \$10,760, including \$7,030 from the State General Fund, and FY 2017 longevity payments total \$11,560, including \$7,849 from the State General Fund.**

Group Health Insurance. The Governor recommends Group Health and Hospitalization employer contributions of \$282.8 million, including \$108.2 million from the State General Fund, for FY 2016 and \$289.2 million, including \$110.7 million from the State General Fund, for FY 2017. For FY 2016 and FY 2017, the Governor recommends reducing the employer contributions for group health insurance by 8.5 percent. **For this agency this is a reduction of \$17,180, including \$11,224 from the State General Fund for FY 2016. This is a reduction of \$17,524, including \$11,448 from the State General Fund, for FY 2017.**

Kansas Public Employees Retirement System (KPERs) Rate Adjustments. The FY 2015 employer retirement contribution for KPERs regular and school members was scheduled to be 11.27 percent, an increase of 1.0 percent from 10.27 in FY 2014. The Governor reduced the employer contribution rate from 11.27 percent to 8.65 percent for the second half of FY 2015, for an effective contribution rate of 9.96 percent as part of the Governor's allotment plan. For FY 2016, the Governor recommends the retirement rate increase by 2.41 percent from 9.96 percent to 12.37 percent. For FY 2017, the Governor recommends the retirement rate increase by 1.2 percent from 12.37 percent to 13.57 percent. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

In addition, the employer contribution for the KPERs death and disability insurance rate will be increased to 1.0 percent, from 0.85 percent, for FY 2016 and for FY 2017.

The Governor further proposes offering \$1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution rates of the State/School Group. The Kansas Public Employee Retirement System estimates this plan could reduce employer contributions by \$68.43 million in FY 2016 and \$132.85 in FY 2017. The Kansas Development Finance Authority estimates that the bond service would be \$90.3 million in FY 2016 through FY 2017, assuming the Kansas credit ratings are not downgraded.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	75.5%	74.5 %	77.3 %	76.2 %
Education and Training FD	1.9	2.0	1.5	1.6
Employment Discrimination Fund (Fed)	22.6	23.5	21.2	22.2
TOTAL	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Note: Percentages may not add due to rounding.

Education and Training Fund Analysis

Revenues for this fund are generated by fees for copies and registration fees for the Annual Employment Law Seminar. Expenditures from this fund are limited to operating

expenditures for the Commission's education and training programs for the general public.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 13,370	\$ 21,560	\$ 21,560	\$ 7,241	\$ 7,471	\$ 725	\$ 1,185
Revenue	22,194	22,000	22,000	22,000	22,000	22,000	22,000
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 35,564	\$ 43,560	\$ 43,560	\$ 29,241	\$ 29,471	\$ 22,725	\$ 23,185
Less: Expenditures	14,004	36,319	36,089	28,516	28,286	22,725	22,490
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 21,560</u>	<u>\$ 7,241</u>	<u>\$ 7,471</u>	<u>\$ 725</u>	<u>\$ 1,185</u>	<u>\$ 0</u>	<u>\$ 695</u>
Ending Balance as Percent of Expenditures	154.0%	19.9%	20.7%	2.5%	4.2%	0.0%	3.1%
Month Highest Ending Balance	December \$ 32,501	December \$ 29,507	December \$ 29,507	December \$ 27,200	December \$ 27,000	December \$ 20,725	December \$ 20,725
Month Lowest Ending Balance	July \$ 13,370	June \$ 7,241	June \$ 7,471	June \$ 725	June \$ 1,185	June \$ 0	June \$ 695

Employment Discrimination Fund

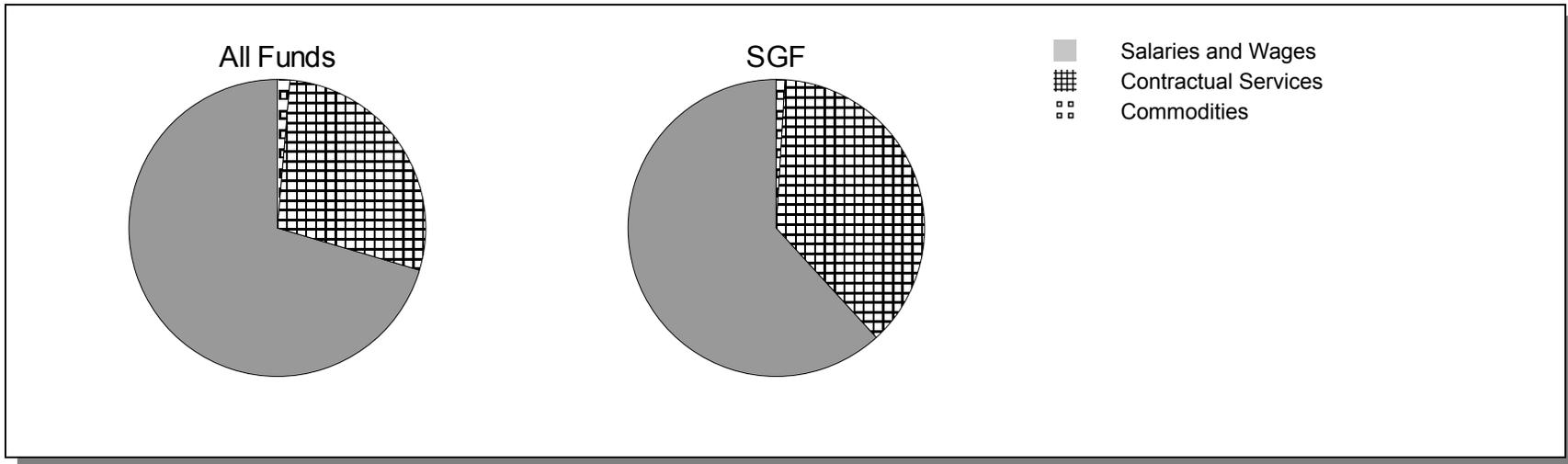
The agency has the ability to receive and accept federal funds to carry out its agency functions, pursuant to KSA 10-1004. The agency enters into a contract with the federal Equal Employment Opportunity Commission (EEOC) each federal fiscal year for the processing and resolving of complaints jointly filed under Kansas statutes and federal regulations. The

contract includes reimbursement for the receipt of complaints which fall under federal regulations, but outside of the agency's jurisdiction. The agency receives \$650 for each case resolution, and \$50 for the receipt and forwarding of complaints that fall under the EEOC's purview.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 171,707	\$ 5,566	\$ 5,566	\$ 14,401	\$ 18,937	\$ 332	\$ 10,594
Revenue	202,950	360,250	360,250	327,700	327,700	327,700	327,700
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 374,657	\$ 365,816	\$ 365,816	\$ 342,101	\$ 346,637	\$ 328,032	\$ 338,294
Less: Expenditures	369,091	351,415	346,879	341,769	336,043	328,031	322,190
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 5,566</u>	<u>\$ 14,401</u>	<u>\$ 18,937</u>	<u>\$ 332</u>	<u>\$ 10,594</u>	<u>\$ 1</u>	<u>\$ 16,104</u>
Ending Balance as Percent of Expenditures	1.5%	4.1%	5.5%	0.1%	3.2%	0.0%	5.0%
Month Highest Ending Balance	December <u>\$ 374,435</u>	December <u>\$ 365,816</u>	December <u>\$ 365,815</u>	December <u>\$ 342,101</u>	December <u>\$ 342,101</u>	December <u>\$ 328,032</u>	December <u>\$ 328,032</u>
Month Lowest Ending Balance	June \$ 5,566	June \$ 5,566	June \$ 18,937	June \$ 332	June \$ 10,594	June \$ 1	July \$ 10,954

PROGRAM DETAIL

EXPENDITURES BY OBJECT—GOVERNOR’S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Salaries and Wages	\$ 1,004,021	70.4 %	\$ 655,941	61.8 %
Contractual Services	402,774	28.2	395,965	37.3
Commodities	19,380	1.4	9,940	0.9
Capital Outlay	--	0.0	--	0.0
Other Assistance	--	0.0	--	0.0
TOTAL	\$ 1,426,175	100.0 %	\$ 1,061,846	100.0 %

FTE POSITIONS BY PROGRAM FY 2014 – FY 2017

<u>Program</u>	<u>Actual FY 2014</u>	<u>Agency Est. FY 2015</u>	<u>Gov. Rec. FY 2015</u>	<u>Agency Req. FY 2016</u>	<u>Gov. Rec. FY 2016</u>	<u>Agency Req. FY 2017</u>	<u>Gov. Rec. FY 2017</u>
Administration	23.0	23.0	23.0	23.0	23.0	23.0	23.0

PERFORMANCE MEASURES

<u>Measure</u>	<u>Gov. Rec. for FY 2014</u>	<u>Actual FY 2014</u>	<u>Gov. Rec. FY 2015</u>	<u>Gov. Rec. FY 2016</u>	<u>Gov. Rec. FY 2017</u>
Number of open cases	640	612	582	552	527
Number of complaints filed	820	787	800	805	810
Number of complaints closed	900	895	830	835	835
Processing time (in months)	9.0	10.0	9.6	9.1	8.7