

# KANSAS INSURANCE DEPARTMENT

	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	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	29,498,735	30,047,640	29,967,048	30,927,609	30,838,407	31,753,852	31,662,796
<b>TOTAL</b>	<b>\$ 29,498,735</b>	<b>\$ 30,047,640</b>	<b>\$ 29,967,048</b>	<b>\$ 30,927,609</b>	<b>\$ 30,838,407</b>	<b>\$ 31,753,852</b>	<b>\$ 31,662,796</b>
Capital Improvements:							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	34,252	95,000	95,000	95,000	95,000	95,000	95,000
<b>TOTAL</b>	<b>\$ 34,252</b>	<b>\$ 95,000</b>	<b>\$ 95,000</b>	<b>\$ 95,000</b>	<b>\$ 95,000</b>	<b>\$ 95,000</b>	<b>\$ 95,000</b>
<b>GRAND TOTAL</b>	<b>\$ 29,532,987</b>	<b>\$ 30,142,640</b>	<b>\$ 30,062,048</b>	<b>\$ 31,022,609</b>	<b>\$ 30,933,407</b>	<b>\$ 31,848,852</b>	<b>\$ 31,757,796</b>
Percentage Change:							
Operating Expenditures							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	14.2	1.9	1.6	2.9	2.9	2.7	2.7
FTE Positions	122.4	122.4	122.4	122.4	122.4	122.4	122.4
Non-FTE							
Perm.Uncl.Pos.	3.6	3.6	3.6	3.6	3.6	3.6	3.6
<b>TOTAL</b>	<b>126.0</b>	<b>126.0</b>	<b>126.0</b>	<b>126.0</b>	<b>126.0</b>	<b>126.0</b>	<b>126.0</b>

## AGENCY OVERVIEW

---

The mission of the Kansas Insurance Department is to protect the insurance consumers of Kansas and serve the public interest through the supervision, control, and regulation of the business of insurance within the state. The Department accomplishes its mission by assuring an affordable, accessible, and competitive insurance market.

The Insurance Commissioner is an elected official who supervises all transactions relating to insurance companies in the state. The Commissioner also oversees several programs related to insurance. Beginning with the submission of its FY 2013 budget request, the Insurance Department has had eight programs: General Administration; Financial Surveillance; Producers Division; Property and Casualty; Firefighters Relief Fund; Workers Compensation; Accident and Health; and Life.

### MAJOR ISSUES FROM PRIOR YEARS

The **2004 and 2005 Legislatures** each authorized transfers from the Insurance Department Service Regulation Fund to the State General Fund: \$1.0 million in FY 2004, \$1.0 million in FY 2005, and \$0.5 million in FY 2006.

The **2006 Legislature** approved an agency request to delete 3.7 FTE. The positions had been vacant for several years.

The **2009 Legislature** delayed the transfer of \$2.0 million from the State General Fund to the Workers Compensation Fund for the loan payments scheduled in FY 2009 and FY 2010 to FY 2011 and FY 2012. For FY 2009, the Legislature also transferred \$169,987 from the Kansas Savings Incentive

Prior to the FY 2013 budget submission, the agency was organized into six divisions: Firefighters Relief Fund; Insurance Company Regulation; Insurance Company Examination; Workers Compensation; Group-Funded Workers Compensation; and Municipal Group-Funded Pools.

Prior to FY 1993, the Insurance Department was partly funded by the State General Fund. The 1992 Legislature made the agency entirely fee-funded. Some fees which had been collected for credit to the State General Fund as well as additional assessments against insurers are now credited to the Insurance Department Service Regulation Fund.

Premium taxes paid by insurance companies to the Insurance Department generate approximately \$118 million in State General Fund revenues annually.

Program Fund, \$4,295,800 from the Insurance Department Service Regulation Fund, and \$2,355,000 from the Workers Compensation Fund to the State General Fund. For FY 2010, the Legislature transferred \$390,899 from the Insurance Department Service Regulation Fund to the State General Fund. Also, the Legislature eliminated 5.0 unfilled FTE positions.

The **2010 Legislature** transferred \$5.0 million from the Insurance Department Service Regulation Fund to the State General Fund, leaving a balance of \$10.8 million in the account. In addition, the Legislature suspended the transfer of \$1.0 million from the State General Fund to the Workers Compensation Fund for FY 2011, leaving a balance in that account of \$586,376.

The **2010 Legislature** also passed 2010 House Sub. for SB 200, which removed the phase-in provision for the assessment of a privilege fee on any Health Maintenance Organization (HMO) operating in Kansas for five years or less. All HMOs, without regard to years of operation, are required to pay an annual fee of 1.0 percent of all premiums charged. This fee generated revenues of \$3.4 million for the State General Fund in FY 2010.

The **2013 Legislature** transferred \$15.0 million from the Insurance Department Service Regulation Fund to the State General Fund in FY 2013 and \$5.0 million in FY 2014 and FY 2015, leaving a balance in the account of \$8.4 million in FY 2013 and an agency estimated balance of \$7.5 million in FY 2014 and \$6.6 million in FY 2015.

## **BUDGET SUMMARY AND KEY POINTS**

### **FY 2015 Agency Estimate**

The **agency** estimates total revised expenditures of \$30.1 million, all from special revenue funds, for operational expenditures and capital improvements, in FY 2015. The agency estimates \$30.0 million for operational expenditures, all from special revenue funds, in FY 2015. This is a decrease of \$13,151, or less than 0.1 percent, below the amount approved

by the 2014 Legislature. The decrease is attributable to a decrease in tuition grant and fringe benefits expenditures. The agency estimates capital improvement expenditures of \$95,000, all from special revenue funds, in FY 2015. This is the same amount approved by the 2014 Legislature. The budget includes 122.4 FTE positions and 3.6 non-FTE unclassified positions.

### **FY 2015 Governor Recommendation**

The **Governor** recommends total expenditures of \$30.1 million, all from special revenue funds, in FY 2015. Of this amount, the Governor recommends operational expenditures of \$30.0 million, all from special revenue funds, and capital improvements of \$95,000, all from special revenue funds, in FY 2015. The operational expenditures total is a decrease of \$80,592, or 0.3 percent, below the agency's revised estimate. The decrease is attributable to the Governor's recommendation

to reduce KPERS employer contributions. The capital improvements total is the same amount as the agency's revised estimate.

The Governor's recommendation also includes the transfer of \$3.0 million, all from the Workers Compensation Fund, to the State General Fund in FY 2015.

## **FY 2016 Agency Request**

The **agency** requests total expenditures of \$31.0 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2016. The agency requests operational expenditures of \$30.9 million, all from special revenue funds, for FY 2016. This is an increase of \$879,969, or 2.9 percent, above the agency's revised FY 2015 estimate. The increase is attributable to an increase in workers compensation and other claims payments; medical, pharmaceutical, and legal expenses related to claims; computer expenditures; and utilities.

## **FY 2016 Governor Recommendation**

The **Governor** recommends total expenditures of \$30.9 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2016. The Governor recommends operational expenditures of \$30.8 million, all from special revenue funds, for FY 2016. This is a decrease of \$89,202, or 0.3 percent, below the agency's request. The decrease is attributable to a reduction of employer contributions for state employee health insurance. The

## **FY 2017 Agency Request**

The **agency** requests total expenditures of \$31.8 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2017. The agency requests operational expenditures of \$31.8 million, all from special revenue funds, for FY 2017. This is an increase of \$826,242, or 2.7 percent, above the amount requested for FY 2016. The increase is primarily attributable to an increase in salaries and wages and fringe benefit expenditures associated with payment

This is partially offset by a decrease in salaries and wages and associated fringe benefit expenditures due to salaries returning to a normalized rate absent the \$250 bonus for state employees in FY 2015. The agency requests capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2016. This is the same amount as the revised FY 2015 estimate. The budget includes 122.4 FTE positions and 3.6 non-FTE unclassified positions.

Governor recommends capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2016. This is the same amount as the agency's request.

The Governor's recommendation also includes the transfer of \$8.0 million, all from the Insurance Department Service Regulation Fund, to the State General Fund, for FY 2016.

of the 27<sup>th</sup> payroll period in the fiscal year; increased workers compensation and other claims payments; medical, pharmaceutical, and legal expenses related to claims; computer expenditures; and utilities. The agency requests \$95,000, all from special revenue funds, for capital improvements for FY 2017. This is the same amount as the FY 2016 request. The budget includes 122.4 FTE positions and 3.6 non-FTE unclassified positions.

## **FY 2017 Governor Recommendation**

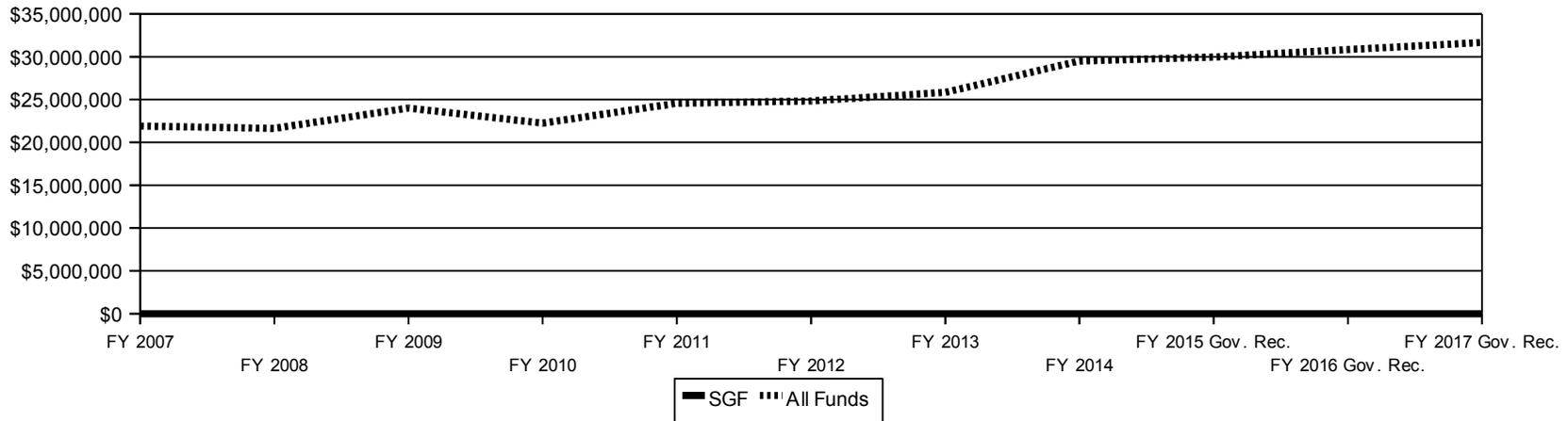
The **Governor** recommends total expenditures of \$31.8 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2017. The Governor recommends operational expenditures of \$31.7 million, all from special revenue funds, for FY 2017. This is a decrease of \$91,056, or 0.3 percent, below the agency's request. The decrease is attributable to a reduction of employer contributions for state employee health insurance. The

Governor recommends capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2017. This is the same amount as the agency's request.

The Governor's recommendation also includes the transfer of \$8.0 million, all from the Insurance Department Service Regulation Fund, to the State General Fund, for FY 2017.

# BUDGET TRENDS

## OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 0	-- %	\$ 21,906,391	9.8 %	143.0
2008	0	--	21,628,581	(1.3)	143.0
2009	0	--	24,003,969	11.0	143.4
2010	0	--	22,242,278	(7.3)	138.4
2011	0	--	24,567,936	10.5	123.4
2012	0	--	24,834,805	1.1	122.4
2013	0	--	25,837,213	4.0	122.4
2014	0	--	29,498,735	14.2	122.4
2015 Gov. Rec.	0	--	29,967,048	1.6	122.4
2016 Gov. Rec.	0	--	30,838,407	2.9	122.4
2017 Gov. Rec.	0	--	31,662,796	2.7	122.4
Eleven-Year Change	\$ 0	-- %	\$ 9,756,405	44.5 %	(20.6)

**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
<b>By Program:</b>									
Financial Surveillance	\$ 1,524,261	\$ 1,805,282	\$ 1,085,995	\$ (719,287)	(39.8) %	\$ 1,789,698	\$ 1,079,941	\$ (709,757)	(39.7)%
General Administration	5,713,149	5,354,845	6,516,115	1,161,270	21.7	5,311,520	6,462,299	1,150,779	21.7
Producers Division	522,484	578,715	607,866	29,151	5.0	574,049	601,272	27,223	4.7
Property and Casualty	807,012	749,113	874,217	125,104	16.7	742,945	864,753	121,808	16.4
Firefighters Relief	12,651,389	10,386,743	10,401,817	15,074	0.1	10,385,556	10,400,112	14,556	0.1
Workers Compensation	6,618,154	10,092,262	10,408,530	316,268	3.1	10,090,434	10,406,738	316,304	3.1
Accident and Health	1,304,739	713,422	682,636	(30,786)	(4.3)	708,653	676,312	(32,341)	(4.6)
Life Division	357,547	367,258	350,433	(16,825)	(4.6)	364,193	346,980	(17,213)	(4.7)
<b>TOTAL</b>	<b>\$ 29,498,735</b>	<b>\$ 30,047,640</b>	<b>\$ 30,927,609</b>	<b>\$ 879,969</b>	<b>2.9 %</b>	<b>\$ 29,967,048</b>	<b>\$ 30,838,407</b>	<b>\$ 871,359</b>	<b>2.9 %</b>
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 8,242,888	\$ 8,540,150	\$ 8,345,080	\$ (195,070)	(2.3) %	\$ 8,459,558	\$ 8,255,878	\$ (203,680)	(2.4)%
Contractual Services	3,876,763	3,247,847	4,029,661	781,814	24.1	3,247,847	4,029,661	781,814	24.1
Commodities	251,060	357,993	371,261	13,268	3.7	357,993	371,261	13,268	3.7
Capital Outlay	39,807	151,650	156,621	4,971	3.3	151,650	156,621	4,971	3.3
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 12,410,518	\$ 12,297,640	\$ 12,902,623	\$ 604,983	4.9 %	\$ 12,217,048	\$ 12,813,421	\$ 596,373	4.9 %
Aid to Local Units	12,457,812	10,250,000	10,250,000	0	0.0	10,250,000	10,250,000	0	0.0
Other Assistance	4,630,405	7,500,000	7,774,986	274,986	3.7	7,500,000	7,774,986	274,986	3.7
<b>TOTAL</b>	<b>\$ 29,498,735</b>	<b>\$ 30,047,640</b>	<b>\$ 30,927,609</b>	<b>\$ 879,969</b>	<b>2.9 %</b>	<b>\$ 29,967,048</b>	<b>\$ 30,838,407</b>	<b>\$ 871,359</b>	<b>2.9 %</b>
<b>Financing:</b>									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
All Other Funds	29,498,735	30,047,640	30,927,609	879,969	2.9	29,967,048	30,838,407	871,359	2.9
<b>TOTAL</b>	<b>\$ 29,498,735</b>	<b>\$ 30,047,640</b>	<b>\$ 30,927,609</b>	<b>\$ 879,969</b>	<b>2.9 %</b>	<b>\$ 29,967,048</b>	<b>\$ 30,838,407</b>	<b>\$ 871,359</b>	<b>2.9 %</b>

**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
<b>By Program:</b>								
Financial Surveillance	\$ 1,085,995	\$ 1,141,577	\$ 55,582	5.1 %	\$ 1,079,941	\$ 1,135,401	\$ 55,460	5.1 %
General Administration	6,516,115	6,798,116	282,001	4.3	6,462,299	6,743,157	280,858	4.3
Producers Division	607,866	634,001	26,135	4.3	601,272	627,275	26,003	4.3
Property and Casualty	874,217	912,658	38,441	4.4	864,753	903,004	38,251	4.4
Firefighters Relief	10,401,817	10,407,738	5,921	0.1	10,400,112	10,405,999	5,887	0.1
Workers Compensation	10,408,530	10,777,824	369,294	3.5	10,406,738	10,775,996	369,258	3.5
Accident and Health	682,636	716,005	33,369	4.9	676,312	709,554	33,242	4.9
Life Division	350,433	365,933	15,500	4.4	346,980	362,410	15,430	4.4
<b>TOTAL</b>	<b>\$ 30,927,609</b>	<b>\$ 31,753,852</b>	<b>\$ 826,243</b>	<b>2.7 %</b>	<b>\$ 30,838,407</b>	<b>\$ 31,662,796</b>	<b>\$ 824,389</b>	<b>2.7 %</b>
<b>By Major Object of Expenditure:</b>								
Salaries and Wages	\$ 8,345,080	\$ 8,726,099	\$ 381,019	4.6 %	\$ 8,255,878	\$ 8,635,043	\$ 379,165	4.6 %
Contractual Services	4,029,661	4,171,362	141,701	3.5	4,029,661	4,171,362	141,701	3.5
Commodities	371,261	385,562	14,301	3.9	371,261	385,562	14,301	3.9
Capital Outlay	156,621	161,608	4,987	3.2	156,621	161,608	4,987	3.2
Debt Service	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 12,902,623	\$ 13,444,631	\$ 542,008	4.2 %	\$ 12,813,421	\$ 13,353,575	\$ 540,154	4.2 %
Aid to Local Units	10,250,000	10,250,000	0	0.0	10,250,000	10,250,000	0	0.0
Other Assistance	7,774,986	8,059,221	284,235	3.7	7,774,986	8,059,221	284,235	3.7
<b>TOTAL</b>	<b>\$ 30,927,609</b>	<b>\$ 31,753,852</b>	<b>\$ 826,243</b>	<b>2.7 %</b>	<b>\$ 30,838,407</b>	<b>\$ 31,662,796</b>	<b>\$ 824,389</b>	<b>2.7 %</b>
<b>Financing:</b>								
State General Fund	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
All Other Funds	30,927,609	31,753,852	826,243	2.7	30,838,407	31,662,796	824,389	2.7
<b>TOTAL</b>	<b>\$ 30,927,609</b>	<b>\$ 31,753,852</b>	<b>\$ 826,243</b>	<b>2.7 %</b>	<b>\$ 30,838,407</b>	<b>\$ 31,662,796</b>	<b>\$ 824,389</b>	<b>2.7 %</b>

# BUDGET OVERVIEW

## A. FY 2015 – Current Year

### Adjustments to the Approved State General Fund Budget

	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	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	30,155,791	30,142,640	(13,151)	30,062,048	(93,743)
TOTAL	<u>\$ 30,155,791</u>	<u>\$ 30,142,640</u>	<u>\$ (13,151)</u>	<u>\$ 30,062,048</u>	<u>\$ (93,743)</u>
FTE Positions	122.4	122.4	(0.0)	122.4	(0.0)

The **agency** submits a revised estimate for total expenditures of \$30.1 million, all from special revenue funds, for operational expenditures and capital improvements, in FY 2015. The agency estimates \$30.0 million for operational expenditures, all from special revenue funds, in FY 2015. This is a decrease of \$13,151, or less than 0.1 percent, below the amount approved by the 2014 Legislature. The decrease is attributable to a decrease in tuition grants and fringe benefit expenditures. The agency request a revised estimate for capital improvements of \$95,000, all from special revenue funds, in FY 2015. This is the same amount approved by the 2014 Legislature.

The operational expenditures revised estimate is detailed by category of expenditure.

- **Salaries and Wages.** The agency estimates \$8.5 million, all from special revenue funds, for salaries and wages in FY 2015. This is a decrease of \$3,151, or less than 0.1 percent, below the amount approved by the 2014 Legislature and is attributable to a decrease in fringe benefit expenditures.

- **Contractual Services.** The agency estimates \$3.2 million, all from special revenue funds, for contractual services in FY 2015. This is the same amount approved by the 2014 Legislature. Major portions of expenditures for contractual services includes estimates for professional fees to be paid to attorneys and hospitals providing services to claimants, computer software, travel and subsistence, specific communication costs related to performance of company examinations, and utilities.
- **Commodities.** The agency estimates \$357,993, all from special revenue funds, for commodities in FY 2015. This is the same amount approved by the 2014 Legislature. Major portions of expenditures for commodities include drug and pharmaceutical claims payments, data processing supplies, and general office supplies.
- **Capital Outlay.** The agency estimates \$151,650, all from special revenue funds, for capital outlay in FY 2015. This is the same amount approved by the 2014 Legislature. Major portions of expenditures for capital outlay include computer equipment and printers.

- **Aid to Local Units of Government.** The agency estimates \$10.3 million, all from special revenue funds, for aid to local units of government in FY 2015. This is the same amount approved by the 2014 Legislature.
- **Other Assistance.** The agency estimates \$7.5 million, all from special revenue funds, for other assistance in FY 2015. This is a decrease of \$10,000, or less than 0.1 percent, below the amount approved by the 2014 Legislature and is primarily attributable to a decrease in tuition grant expenditures.

The **Governor** recommends total expenditures of \$30.1 million, all from special revenue funds, in FY 2015. The Governor recommends operational expenditures of \$30.0 million, all from special revenue funds, in FY 2015. The operational expenditures total is a decrease of \$80,592, or 0.3 percent, below the agency's revised estimate. The decrease is attributable to the Governor's recommendation to reduce KPERS employer contributions. The Governor recommends capital improvement expenditures of \$95,000, in FY 2015. This is the same amount as the agency's revised estimate.

The Governor's recommendation also includes the transfer of \$3.0 million, all from the Workers Compensation Fund, to the State General Fund, in FY 2015.

**B. FY 2016 – Budget Year**

<b>FY 2016 OPERATING BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 30,927,609	\$ 30,838,407	\$ (89,202)
<b>FTE Positions</b>	122.4	122.4	0.0
<b>Change from FY 2015:</b>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	879,969	871,359	
TOTAL	<u>\$ 879,969</u>	<u>\$ 871,359</u>	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	2.9	2.9	
TOTAL	<u>2.9 %</u>	<u>2.9 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests operational expenditures of \$30.9 million, all from special revenue funds, for FY 2016. This is an increase of \$879,696, or 2.9 percent, above the revised FY 2015 estimate.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$8.3 million, all from special revenue funds, for salaries and wages for FY 2016. This is a decrease of \$195,070, or 2.3 percent, below the revised FY 2015 estimate and is primarily attributable to a reduction in salaries and wages and associated fringe benefit expenditures due to

salaries returning to a normalized rate, absent the \$250 bonus for state employees in FY 2015.

- **Contractual Services.** The agency requests \$4.0 million, all from special revenue funds, for contractual services for FY 2016. This is an increase of \$781,814, or 24.1 percent, above the revised FY 2015 estimate and is primarily attributable to additional legal and medical expenses related to claims, computer software, and utilities expenditures.
- **Commodities.** The agency requests \$371,261, all from special revenue funds, for commodities for FY 2016. This is an increase of \$13,268, or 3.7 percent, above the revised FY 2015 estimate and is primarily attributable to additional pharmaceutical and other supplies related to workers compensation claims.
- **Capital Outlay.** The agency requests \$156,621, all from special revenue funds, for capital outlay for FY 2016. This is an increase of \$4,971, or 3.3 percent, above the revised FY 2015 estimate and

is primarily attributable to additional computer equipment expenditures.

- **Aid to Local Units of Government.** The agency requests \$10.3 million, all from special revenue funds, for aid to local units of government for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Other Assistance.** The agency requests \$7.8 million, all from special revenue funds, for other assistance for FY 2016. This is an increase of \$274,986, or 3.7 percent, above the revised FY 2015 estimate and is primarily attributable to an increase in workers compensation and other claims payments.

The **Governor** recommends operational expenditures of \$30.8 million, all from special revenue funds, for FY 2016. This is a decrease of \$89,202, or 0.3 percent, below the agency's request. The decrease is attributable to a reduction of the employer contribution rate for state employee health insurance.

The Governor's recommendation also includes the transfer of \$8.0 million, all from the Insurance Department Service Regulation Fund, to the State General Fund, for FY 2016.

**C. FY 2017 – Budget Year**

<b>FY 2017 OPERATING BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 31,753,852	\$ 31,662,796	\$ (91,056)
<b>FTE Positions</b>	122.4	122.4	0.0
<b><i>Change from FY 2016:</i></b>			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	826,243	0	
TOTAL	<u>\$ 826,243</u>	<u>\$ 0</u>	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	2.7	2.7	
TOTAL	<u>2.7 %</u>	<u>2.9 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests operational expenditures of \$31.8 million, all from special revenue funds, for FY 2017. This is an increase of \$826,243, or 2.7 percent, above the FY 2016 request.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$8.7 million, all from special revenue funds, for salaries and wages for FY 2017. This is an increase of \$381,019, or 4.6 percent, above the FY 2016 request. The increase is attributable to an increase in salaries and wages and associated fringe benefit expenditures primarily

associated with payment of the 27<sup>th</sup> payroll period in the fiscal year.

- **Contractual Services.** The agency requests \$4.2 million, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$141,701, or 3.5 percent, above the FY 2016 request and is attributable to additional legal and medical expenses related to claims, computer software, postage, and utilities expenditures.
- **Commodities.** The agency requests \$385,562, all from special revenue funds, for commodities for FY 2017. This is an increase of \$14,301, or 3.9 percent, above the FY 2016 request and is primarily attributable to additional pharmaceutical and other supplies expenditures related to claims.
- **Capital Outlay.** The agency requests \$161,608, all from special revenue funds, for capital outlay for FY 2017. This is an increase of \$4,987, or 3.2 percent, above the FY 2016 request and is

primarily attributable to additional computer equipment expenditures.

- **Aid to Local Units of Government.** The agency requests \$10.3 million, all from special revenue funds, for aid to local units of government for FY 2017. This is the same amount as the FY 2016 request.
- **Other Assistance.** The agency requests \$8,059,221, all from special revenue funds, for other assistance for FY 2017. This is an increase of \$284,235, or 3.7 percent, above the FY 2016 request and is primarily attributable to an increase in workers compensation and other claims payments.

The **Governor** recommends operational expenditures of \$31.7 million, all from special revenue funds, for FY 2017. This is a decrease of \$91,056, or 0.3 percent, below the agency's request. The decrease is attributable to a reduction of the employer contribution rate for state employee health insurance.

The Governor's recommendation also includes the transfer of \$8.0 million, all from the Insurance Department Service Regulation Fund, to the State General Fund, for FY 2017.

## 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 \$32,177, all from special revenue funds, and affects 103 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 \$49,240, all from special revenue funds, and FY 2017 longevity payments total \$54,080, all from special revenue funds.**

**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 \$89,202, all from special revenue funds, for FY 2016. This is a reduction of \$91,056, 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	0.0 %	0.0 %	0.0 %	0.0 %
All Other Funds	100.0	100.0	100.0	100.0
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.

## Fee Fund Analysis - Insurance Company Examination Fund

The Insurance Company Examination Fee Fund receives its revenue from collections generated during the course of audits and investigations of foreign (non-Kansas) and domestic insurance companies.

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	\$ 44,499	\$ 53,094	\$ 53,094	\$ 103,094	\$ 111,631	\$ 153,094	\$ 167,685
Revenue	603,459	1,070,994	1,070,994	1,072,759	1,072,759	1,127,946	1,127,946
Transfers in	20,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Funds Available	\$ 667,958	\$ 1,174,088	\$ 1,174,088	\$ 1,225,853	\$ 1,234,390	\$ 1,331,040	\$ 1,345,631
Less: Expenditures	614,864	1,070,994	1,062,457	1,072,759	1,066,705	1,127,946	1,121,770
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 53,094</u>	<u>\$ 103,094</u>	<u>\$ 111,631</u>	<u>\$ 153,094</u>	<u>\$ 167,685</u>	<u>\$ 203,094</u>	<u>\$ 223,861</u>
Ending Balance as Percent of Expenditures	8.6%	9.6%	10.5%	14.3%	15.7%	18.0%	20.0%
Month Highest Ending Balance	October \$ 65,448	October \$ 49,555	October \$ 49,555	October \$ 50,555	October \$ 50,555	October \$ 53,555	October \$ 53,555
Month Lowest Ending Balance	September \$ 26,442	January \$ 10,555	January \$ 10,555	January \$ 15,555	January \$ 15,555	January \$ 17,555	January \$ 17,555

### Fee Fund Analysis - Insurance Department Service Regulation Fund

KSA 40-112 established the Insurance Department Service Regulation Fund for the purpose of maintaining the operations of the Kansas Insurance Department. The fund consists of fees charged by the Department, 1.0 percent of premium taxes

received from insurance companies pursuant to KSA 40-252, and an annual assessment imposed as deemed necessary by the Commissioner to fund the operations of the Department.

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	\$ 8,444,600	\$ 8,870,200	\$ 8,870,200	\$ 10,122,403	\$ 10,190,325	\$ 15,639,055	\$ 8,086,628
Revenue	14,084,684	14,457,840	14,457,840	14,457,840	14,757,840	14,457,840	15,057,840
Transfers in	0	5,000	5,000	5,000	5,000	5,000	5,000
Total Funds Available	\$ 22,529,284	\$ 23,333,040	\$ 23,333,040	\$ 24,585,243	\$ 24,953,165	\$ 30,101,895	\$ 23,149,468
Less: Expenditures	8,609,084	8,210,637	8,142,715	8,946,188	8,866,537	9,338,321	9,257,008
Transfers Out	5,050,000	5,000,000	5,000,000	0	8,000,000	0	8,000,000
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 8,870,200</u>	<u>\$ 10,122,403</u>	<u>\$ 10,190,325</u>	<u>\$ 15,639,055</u>	<u>\$ 8,086,628</u>	<u>\$ 20,763,574</u>	<u>\$ 5,892,460</u>
Ending Balance as Percent of Expenditures	103.0%	123.3%	125.1%	174.8%	91.2%	222.3%	63.7%
Month Highest Ending Balance	March <u>\$ 10,165,653</u>	March <u>\$ 7,889,206</u>	March <u>\$ 7,889,206</u>	March <u>\$ 7,728,206</u>	March <u>\$ 7,728,206</u>	March <u>\$ 7,910,206</u>	March <u>\$ 7,910,206</u>
Month Lowest Ending Balance	December \$ 3,210,313	December \$ 578,206	December \$ 578,206	December \$ 49,206	December \$ 49,206	December \$ (151,794)	June \$ (151,794)

### Fee Fund Analysis - Workers Compensation Fund

KSA 566(b)(1) authorizes the Commissioner of Insurance to impose an assessment upon all insurance carriers, the proceeds of which shall be credited to the Workers Compensation Fee Fund to pay claims, attorney fees, and costs

which may be required to be paid from such a fund during the current fiscal year. Other sources of revenue include fines, penalties, and reimbursements.

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	\$ 7,622,567	\$ 6,185,389	\$ 6,185,389	\$ 10,546,982	\$ 7,548,810	\$ 9,222,058	\$ 6,225,678
Revenue	5,180,976	14,453,855	14,453,855	9,083,606	9,083,606	9,417,964	9,417,964
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 12,803,543	\$ 20,639,244	\$ 20,639,244	\$ 19,630,588	\$ 16,632,416	\$ 18,640,022	\$ 15,643,642
Less: Expenditures	6,618,154	10,092,262	10,090,434	10,408,530	10,406,738	10,777,824	10,775,996
Transfers Out	0	0	3,000,000	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 6,185,389</u>	<u>\$ 10,546,982</u>	<u>\$ 7,548,810</u>	<u>\$ 9,222,058</u>	<u>\$ 6,225,678</u>	<u>\$ 7,862,198</u>	<u>\$ 4,867,646</u>
Ending Balance as Percent of Expenditures	93.5%	104.5%	74.8%	88.6%	59.8%	72.9%	45.2%
Month Highest Ending Balance	July <u>\$ 7,403,956</u>	July <u>\$ 10,765,315</u>	July <u>\$ 10,765,315</u>	July <u>\$ 7,631,510</u>	July <u>\$ 7,631,510</u>	July <u>\$ 5,546,510</u>	July <u>\$ 5,546,510</u>
Month Lowest Ending Balance	May <u>\$ 1,825,215</u>	May <u>\$ 7,171,510</u>	May <u>\$ 7,171,510</u>	May <u>\$ 5,068,610</u>	May <u>\$ 5,068,610</u>	May <u>\$ 2,177,510</u>	May <u>\$ 2,177,510</u>

### Fee Fund Analysis - Firefighters' Relief Fund

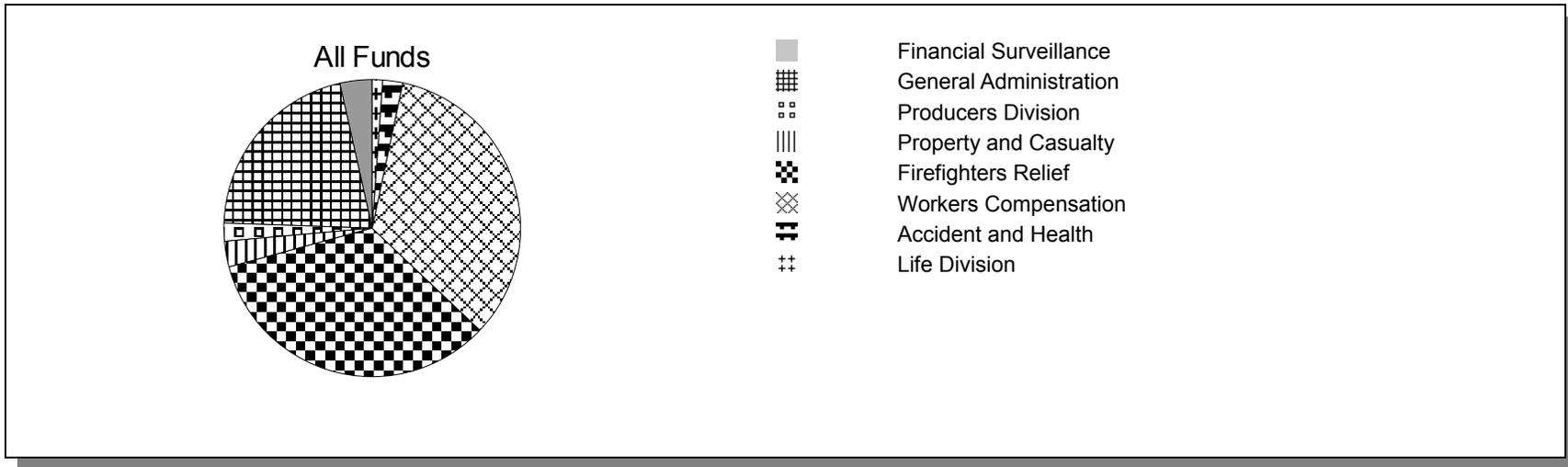
KSA 40-1703 requires every insurance company that writes fire and lightning insurance to pay 2.0 percent of the total amount of annual premiums written in Kansas to the Kansas Insurance Department. Funds collected are distributed to

various cities, townships, and counties in Kansas, less amounts retained by the Insurance Department for expenses connected to administration of the fund.

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	\$ 674,210	\$ 815,338	\$ 815,338	\$ 100,000	\$ 101,187	\$ 200,000	\$ 202,892
Revenue	12,792,517	9,671,405	9,671,405	10,501,817	10,501,817	10,507,737	10,507,737
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 13,466,727	\$ 10,486,743	\$ 10,486,743	\$ 10,601,817	\$ 10,603,004	\$ 10,707,737	\$ 10,710,629
Less: Expenditures	12,651,389	10,386,743	10,385,556	10,401,817	10,400,112	10,407,738	10,405,999
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 815,338</u>	<u>\$ 100,000</u>	<u>\$ 101,187</u>	<u>\$ 200,000</u>	<u>\$ 202,892</u>	<u>\$ 299,999</u>	<u>\$ 304,630</u>
Ending Balance as Percent of Expenditures	6.4%	1.0%	1.0%	1.9%	2.0%	2.9%	2.9%
Month Highest Ending Balance	June \$ 859,955	June \$ 1,760,354	June \$ 1,760,354	June \$ 15,092,354	June \$ 15,092,354	June \$ 16,598,354	June \$ 16,598,354
Month Lowest Ending Balance	May \$ 139,305	May \$ 460,354	June \$ 460,354	May \$ 1,092,354	May \$ 1,092,354	May \$ 14,498,354	May \$ 14,498,354

# PROGRAM DETAIL

## EXPENDITURES BY PROGRAM-- GOVERNOR'S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total
Financial Surveillance	\$ 1,079,941	3.5 %
General Administration	6,462,299	21.0
Producers Division	601,272	1.9
Property and Casualty	864,753	2.8
Firefighters Relief	10,400,112	33.7
Workers Compensation	10,406,738	33.7
Accident and Health	676,312	2.2
Life Division	346,980	1.1
<b>TOTAL</b>	<b>\$ 30,838,407</b>	<b>100.0 %</b>

**FTE POSITIONS BY PROGRAM FY 2014 – FY 2017**

Program	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
Financial Surveillance	18.7	18.7	18.7	9.0	9.0	9.0	9.0
General Administration	66.1	66.1	66.1	73.4	73.4	73.4	73.4
Producers Division	8.8	8.8	8.8	9.0	9.0	9.0	9.0
Property and Casualty	11.7	11.7	11.7	13.0	13.0	13.0	13.0
Firefighters Relief	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Workers Compensation	2.7	2.7	2.7	2.5	2.5	2.5	2.5
Accident and Health	7.7	7.7	7.7	8.5	8.5	8.5	8.5
Life Division	4.7	4.7	4.7	5.0	5.0	5.0	5.0
<b>TOTAL</b>	<b>122.4</b>	<b>122.4</b>	<b>122.4</b>	<b>122.4</b>	<b>122.4</b>	<b>122.4</b>	<b>122.4</b>

**A. Financial Surveillance**

The Financial Surveillance Division protects insurance consumers in Kansas from financial hardship by detecting as quickly as possible those insurance companies which are in, or

have the potential to be in, hazardous financial condition. This division includes licensing, monitoring, and regulating insurance companies.

**FINANCIAL SURVEILLANCE  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	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
<b>Expenditures:</b>							
Salaries and Wages	\$ 1,461,431	\$ 1,595,382	\$ 1,579,798	\$ 869,792	\$ 863,738	\$ 911,252	\$ 905,076
Contractual Services	62,785	185,050	185,050	190,607	190,607	203,963	203,963
Commodities	45	6,400	6,400	6,592	6,592	6,789	6,789
Capital Outlay	0	18,450	18,450	19,004	19,004	19,573	19,573
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 1,524,261	\$ 1,805,282	\$ 1,789,698	\$ 1,085,995	\$ 1,079,941	\$ 1,141,577	\$ 1,135,401
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,524,261</u>	<u>\$ 1,805,282</u>	<u>\$ 1,789,698</u>	<u>\$ 1,085,995</u>	<u>\$ 1,079,941</u>	<u>\$ 1,141,577</u>	<u>\$ 1,135,401</u>
<b>Financing:</b>							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,524,261	1,805,282	1,789,698	1,085,995	1,079,941	1,141,577	1,135,401
TOTAL	<u>\$ 1,524,261</u>	<u>\$ 1,805,282</u>	<u>\$ 1,789,698</u>	<u>\$ 1,085,995</u>	<u>\$ 1,079,941</u>	<u>\$ 1,141,577</u>	<u>\$ 1,135,401</u>
FTE Positions	18.7	18.7	18.7	9.0	9.0	9.0	9.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>18.7</u>	<u>18.7</u>	<u>18.7</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>

The **agency** requests \$1.1 million, all from special revenue funds, for FY 2016. This a decrease of \$719,287, or 39.8 percent, below the agency's revised estimate in FY 2015. The agency's requests 9.0 FTE positions, which is a decrease of 9.7 FTE positions below the agency's revised estimate for FY 2015.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$869,792, all from special revenue funds, for salaries and wages for FY 2016. This is a decrease of \$725,590, or 45.5 percent, below the agency's revised estimate in FY 2015. The decrease is attributable to a reduction in salaries and wages and associated fringe benefit expenditures primarily due to shifting 9.7 FTE

positions to other programs. The decrease is also attributable to salaries and wages returning to a normalized rate, absent the \$250 bonus for state employees in FY 2015.

- **Contractual Services.** The agency requests \$190,607, all from special revenue funds, which is \$5,557, or 3.0 percent, above the agency's revised estimate in FY 2015 and is attributable to additional computer software and utilities expenditures.
- **Commodities.** The agency requests \$6,592, all from special revenue funds, for commodities for FY 2016. This is an increase of \$192, or 3.0 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in office supplies and data processing supplies.
- **Capital Outlay.** The agency requests \$19,004, all from special revenue funds, for capital outlay for FY 2016. This is an increase of \$554, or 3.0 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$1.1 million, all from special revenue funds, for FY 2016. This is a decrease of \$6,054, or 0.6 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

The **agency** requests \$1.1 million, all from special revenue funds, for FY 2017. This is an increase of \$55,582, or 5.1 percent, above the amount requested for FY 2016. The agency

requests 9.0 FTE positions, which is the same number requested for FY 2016.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$911,252, all from special revenue funds, which is \$41,460, or 4.8 percent, above the amount requested for FY 2016 and is attributable to an increase in salaries and wages and associated fringe benefits, due to payment of the 27<sup>th</sup> payroll period in the fiscal year.
- **Contractual Services.** The agency requests \$203,963, all from special revenue funds, which is \$13,356, or 7.0 percent, above the amount requested for FY 2016 and is primarily attributable to additional communications expenditures and in-state and out-of-state travel expenditures.
- **Commodities.** The agency requests \$6,789, all from special revenue funds, for commodities for FY 2017. This is an increase of \$197, or 3.0 percent, above the FY 2016 request. The increase is primarily attributable to an increase in office supplies and data processing supplies.
- **Capital Outlay.** The agency requests \$19,573, all from special revenue funds, for capital outlay for FY 2017. This is an increase of \$569, or 3.0 percent, above the FY 2016 request. The increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$1.1 million, all from special revenue funds, for FY 2017. This a decrease of \$6,176, or 0.5 percent, below the agency's request. The

decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

### ***B. General Administration***

The Administration Division (including the Legal Division) provides assistance, advice and counsel to the Insurance Commissioner and the operating divisions of the Department, and educating consumers about the insurance products they are purchasing. The Division includes human resources, fiscal,

informational, technical, organizational and facilities management services. Day to day responsibilities include consumer assistance, auditing of premium tax returns and the collection of premium tax receipts for deposit into the State General Fund.

**GENERAL ADMINISTRATION  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	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
<b>Expenditures:</b>							
Salaries and Wages	\$ 4,394,941	\$ 4,603,645	\$ 4,560,320	\$ 5,063,094	\$ 5,009,278	\$ 5,293,986	\$ 5,239,027
Contractual Services	1,273,766	605,000	605,000	1,302,435	1,302,435	1,349,022	1,349,022
Commodities	56,091	52,000	52,000	53,560	53,560	55,168	55,168
Capital Outlay	39,807	94,200	94,200	97,026	97,026	99,940	99,940
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 5,764,605	\$ 5,354,845	\$ 5,311,520	\$ 6,516,115	\$ 6,462,299	\$ 6,798,116	\$ 6,743,157
Aid to Local Units	(66,893)	0	0	0	0	0	0
Other Assistance	15,437	0	0	0	0	0	0
TOTAL	<u>\$ 5,713,149</u>	<u>\$ 5,354,845</u>	<u>\$ 5,311,520</u>	<u>\$ 6,516,115</u>	<u>\$ 6,462,299</u>	<u>\$ 6,798,116</u>	<u>\$ 6,743,157</u>
<b>Financing:</b>							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	5,713,149	5,354,845	5,311,520	6,516,115	6,462,299	6,798,116	6,743,157
TOTAL	<u>\$ 5,713,149</u>	<u>\$ 5,354,845</u>	<u>\$ 5,311,520</u>	<u>\$ 6,516,115</u>	<u>\$ 6,462,299</u>	<u>\$ 6,798,116</u>	<u>\$ 6,743,157</u>
FTE Positions	66.1	66.1	66.1	73.4	73.4	73.4	73.4
Non-FTE Uncl. Perm. Pos.	3.6	3.6	3.6	3.6	3.6	3.6	3.6
TOTAL	<u>69.7</u>	<u>69.7</u>	<u>69.7</u>	<u>77.0</u>	<u>77.0</u>	<u>77.0</u>	<u>77.0</u>

The **agency** requests \$6.5 million, all from special revenue funds, for FY 2016. This is an increase of \$1.2 million, or 21.7 percent, above the agency's approved budget in FY 2015. The agency requests 73.4 FTE positions, which is 7.3 positions above the number in the revised FY 2015 request.

The request is detailed by category of expenditure.

- **Salaries and Wages:** The agency requests \$5.1 million, all from special revenue funds, for salaries and wages for FY 2016. This is an increase of \$459,449, or 10.0 percent, above the amount in the revised FY 2015 estimate and is attributable to an increases in salaries and wages and associated fringe benefit expenditures,

primarily due to shifting 7.3 FTE positions in from other programs.

- **Contractual Services:** The agency requests \$1.3 million, all from special revenue funds, for contractual services for FY 2016. This is an increase of \$697,435, or 115.3 percent, above the amount in the revised FY 2015 request and attributable to additional legal expenses, utilities, computer software expenditures, and postage.
- **Commodities.** The agency requests \$53,560, all from special revenue funds, for commodities for FY 2016. This is an increase of \$1,560, or 3.0 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in office supplies and data processing supplies.
- **Capital Outlay.** The agency requests \$97,026, all from special revenue funds, for capital outlay for FY 2017. This is an all funds increase of \$2,826, or 3.0 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$6.5 million, all from special revenue funds, for FY 2017. This is an all funds decrease of \$53,816, or 0.8 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

The **agency** requests \$6.8 million, all from special revenue funds, for FY 2017. This is an increase of \$282,001, or 4.3 percent, above the amount requested for FY 2017. The request

includes 73.4 FTE positions, which is the same number in the FY 2016 request.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$5.3 million, all from special revenue funds, for salaries and wages for FY 2017. This is an increase of \$230,892, or 4.6 percent, above the amount requested for FY 2016 and is attributable to an increase in salaries and wages and associated fringe benefit costs, due to payment of the 27<sup>th</sup> payroll period in the fiscal year.
- **Contractual Services.** The agency requests \$1.3 million, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$46,587, or 3.6 percent, above the amount requested for FY 2016 and is attributable to additional legal expenses, utilities, computer software expenditures, and postage.
- **Commodities.** The agency requests \$55,168, all from special revenue funds, for commodities for FY 2017. This is an increase of \$1,608, or 3.0 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in office supplies and data processing supplies.
- **Capital Outlay.** The agency requests \$99,940, all from special revenue funds, for capital outlay for FY 2017. This is an increase of \$2,914, or 3.0 percent, above the FY 2016 request. The

increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$6.7 million, all from special revenue funds, for FY 2017. This is a decrease of \$54,959, or 0.8 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

### ***C. Producers Division***

The Producers Division assists the Commissioner of Insurance in protecting the consumers of Kansas by ensuring that all individuals selling, soliciting and negotiating insurance

contracts in Kansas are knowledgeable, competent, properly licensed, and certified by insurance companies.

**PRODUCERS DIVISION  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	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
<b>Expenditures:</b>							
Salaries and Wages	\$ 517,966	\$ 509,365	\$ 504,699	\$ 536,168	\$ 529,574	\$ 560,060	\$ 553,334
Contractual Services	4,518	58,050	58,050	59,908	59,908	61,792	61,792
Commodities	0	3,300	3,300	3,400	3,400	3,502	3,502
Capital Outlay	0	8,000	8,000	8,390	8,390	8,647	8,647
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 522,484	\$ 578,715	\$ 574,049	\$ 607,866	\$ 601,272	\$ 634,001	\$ 627,275
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 522,484</b>	<b>\$ 578,715</b>	<b>\$ 574,049</b>	<b>\$ 607,866</b>	<b>\$ 601,272</b>	<b>\$ 634,001</b>	<b>\$ 627,275</b>
<b>Financing:</b>							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	522,484	578,715	574,049	607,866	601,272	634,001	627,275
<b>TOTAL</b>	<b>\$ 522,484</b>	<b>\$ 578,715</b>	<b>\$ 574,049</b>	<b>\$ 607,866</b>	<b>\$ 601,272</b>	<b>\$ 634,001</b>	<b>\$ 627,275</b>
FTE Positions	8.8	8.8	8.8	9.0	9.0	9.0	9.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>

The **agency** requests \$607,866, all from special revenue funds, for FY 2016. This is an increase of \$29,151, or 5.0 percent, above the agency's approved budget in FY 2015. The agency requests 9.0 FTE positions, which is 0.2 positions above the amount in the revised FY 2015 request.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$536,168, all from special revenue funds, for salaries and wages for FY 2016. This is an increase of \$26,803, or 5.3 percent, above the amount in the revised FY 2015 estimate and is attributable to an increase in salaries and wages and associated fringe benefit expenditures.

- **Contractual Services.** The agency requests \$59,908, all from special revenue funds, for contractual services for FY 2016. This is an increase of \$1,858, or 3.2 percent, above the amount in the revised FY 2015 estimate and is attributable to additional computer software and utilities expenditures.
- **Commodities.** The agency requests \$3,400, all from special revenue funds, for commodities for FY 2016. This is an increase of \$100, or 3.0 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in office supplies and data processing supplies.
- **Capital Outlay.** The agency requests \$8,390, all from special revenue funds, for capital outlay for FY 2016. This is an increase of \$390, or 4.9 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$601,272, all from special revenue funds, for FY 2016. This is an all funds decrease of \$6,594, or 1.1 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

The **agency** requests \$634,001, all from special revenue funds, for FY 2017. This is an increase of \$26,135, or 4.3 percent, above the amount requested for FY 2016. The agency requests 9.0 FTE positions, which is the same number as the FY 2016 request.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$560,060, all from special revenue funds, for salaries and wages for FY 2017. This is an increase of \$23,892, or 4.5 percent, above the amount in the FY 2016 request and is primarily attributable to an increase in salaries and wages expenditures and associated fringe benefit costs, due to payment of the 27<sup>th</sup> payroll period in the fiscal year.
- **Contractual Services.** The agency requests \$61,792, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$1,884, or 3.1 percent, above the amount in the FY 2016 request and is attributable to additional utilities and computer software expenditures.
- **Commodities.** The agency requests \$3,502, all from special revenue funds, for commodities for FY 2017. This is an increase of \$102, or 3.0 percent, above the FY 2016 request. The increase is primarily attributable to an increase in office supplies and data processing supplies.
- **Capital Outlay.** The agency requests \$8,647, all from special revenue funds, for capital outlay for FY 2017. This is an increase of \$257, or 3.1 percent, above the FY 2016 request. The increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$627,275, all from special revenue funds, for FY 2017. This is an all funds decrease of \$6,726, or 1.1 percent, below the agency's request.

The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

**D. Property and Casualty**

The Property and Casualty Division verifies that the regulated rates, rules, and policy forms used by property and casualty insurance companies comply with statutes and

regulations and to administer and regulate numerous other related insurance functions to ensure compliance with Kansas statutes and regulations.

<b>PROPERTY AND CASUALTY SUMMARY OF EXPENDITURES FY 2014 – 2017</b>							
Item	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
<b>Expenditures:</b>							
Salaries and Wages	\$ 797,233	\$ 648,043	\$ 641,875	\$ 770,114	\$ 760,650	\$ 805,450	\$ 795,796
Contractual Services	9,779	84,670	84,670	87,211	87,211	89,812	89,812
Commodities	0	3,900	3,900	4,017	4,017	4,138	4,138
Capital Outlay	0	12,500	12,500	12,875	12,875	13,258	13,258
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 807,012	\$ 749,113	\$ 742,945	\$ 874,217	\$ 864,753	\$ 912,658	\$ 903,004
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 807,012</u>	<u>\$ 749,113</u>	<u>\$ 742,945</u>	<u>\$ 874,217</u>	<u>\$ 864,753</u>	<u>\$ 912,658</u>	<u>\$ 903,004</u>
<b>Financing:</b>							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	807,012	749,113	742,945	874,217	864,753	912,658	903,004
TOTAL	<u>\$ 807,012</u>	<u>\$ 749,113</u>	<u>\$ 742,945</u>	<u>\$ 874,217</u>	<u>\$ 864,753</u>	<u>\$ 912,658</u>	<u>\$ 903,004</u>
FTE Positions	11.7	11.7	11.7	13.0	13.0	13.0	13.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>11.7</u>	<u>11.7</u>	<u>11.7</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>

The **agency** requests \$874,217, all from special revenue funds, for FY 2016. This is an increase of \$125,104, or 16.7 percent, above the agency's approved budget in FY 2015. The agency also requests 13.0 FTE positions, which is 1.3 FTE positions above the amount in the revised FY 2015 request.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$770,114, all from special revenue funds, for salaries and wages for FY 2016. This is an increase of \$122,071, or 18.8 percent, above the amount in the revised FY 2015 estimate and is attributable to an increase in salaries and wages expenditures and associated fringe benefits.
- **Contractual Services.** The agency requests \$87,211, all from special revenue funds, for contractual services for FY 2016. This is an increase of \$2,541, or 3.0 percent, above the amount in the revised FY 2015 estimate and is attributable to additional computer software and utilities expenditures.
- **Commodities.** The agency requests \$4,017, all from special revenue funds, for commodities for FY 2016. This is an increase of \$117, or 3.0 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in office supplies and data processing supplies.
- **Capital Outlay.** The agency requests \$12,875, all from special revenue funds, for capital outlay for FY 2016. This is an increase of \$375, or 3.0

percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$864,753, all from special revenue funds, for FY 2016. This is a decrease of \$9,464, or 1.1 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

The **agency** requests \$912,658, all from special revenue funds, for FY 2017. This is an increase of \$38,441, or 4.4 percent, above the amount requested for FY 2017. The agency requests 13.0 FTE positions, which is the same amount as the FY 2016 request.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$805,450, all from special revenue funds, for FY 2017. This is an increase of \$35,336, or 4.6 percent, above the amount in the FY 2016 request and is attributable to an increase in salaries and wages and associated fringe benefit costs, due to payment of the 27<sup>th</sup> payroll period in the fiscal year.
- **Contractual Services.** The agency requests \$89,812, all from special revenue funds, for FY 2017. This is an increase of \$2,601, or 3.0 percent, above the amount in the FY 2016 request and is attributable to additional computer software and utilities expenditures.
- **Commodities.** The agency requests \$4.138, all from special revenue funds, for commodities for

FY 2017. This is an increase of \$121, or 3.0 percent, above the FY 2016 request. The increase is primarily attributable to an increase in office supplies and data processing supplies.

- **Capital Outlay.** The agency requests \$13,258, all from special revenue funds, for capital outlay for FY 2017. This is an increase of \$383, or 3.0

percent, above the FY 2016 request. The increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$903,004, all from special revenue funds, for FY 2017. This is a decrease of \$9,654, or 1.1 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

### ***E. Firefighters Relief***

The Firefighters' Relief Fund Division administers the Firefighters' Relief Act as it applies to all insurance companies, corporations, firms or associations transacting business of fire insurance in the state. KSA 40-1703 requires every insurance company that writes fire and lightning insurance to pay 2.0

percent of the total amount of annual premiums written in Kansas to the Insurance Department. The amounts collected are credited to the Firefighters' Relief Fund and distributed to cities, townships, fire districts and county firefighters' relief associations.

**FIREFIGHTERS RELIEF  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	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
<b>Expenditures:</b>							
Salaries and Wages	\$ 119,850	\$ 116,543	\$ 115,356	\$ 130,402	\$ 128,697	\$ 136,194	\$ 134,455
Contractual Services	6,834	18,000	18,000	19,165	19,165	19,246	19,246
Commodities	0	900	900	926	926	952	952
Capital Outlay	0	1,300	1,300	1,324	1,324	1,346	1,346
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 126,684	\$ 136,743	\$ 135,556	\$ 151,817	\$ 150,112	\$ 157,738	\$ 155,999
Aid to Local Units	12,524,705	10,250,000	10,250,000	10,250,000	10,250,000	10,250,000	10,250,000
Other Assistance	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 12,651,389</b>	<b>\$ 10,386,743</b>	<b>\$ 10,385,556</b>	<b>\$ 10,401,817</b>	<b>\$ 10,400,112</b>	<b>\$ 10,407,738</b>	<b>\$ 10,405,999</b>
<b>Financing:</b>							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	12,651,389	10,386,743	10,385,556	10,401,817	10,400,112	10,407,738	10,405,999
<b>TOTAL</b>	<b>\$ 12,651,389</b>	<b>\$ 10,386,743</b>	<b>\$ 10,385,556</b>	<b>\$ 10,401,817</b>	<b>\$ 10,400,112</b>	<b>\$ 10,407,738</b>	<b>\$ 10,405,999</b>
FTE Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

The **agency** requests \$10.4 million, all from special revenue funds, for FY 2016. This is an increase of \$15,074, or 0.1 percent, above the agency's approved budget in FY 2015. The agency requests 2.0 FTE positions, which is the same number as the revised FY 2015 request.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$130,402, all from special revenue funds, for salaries and wages for FY 2016. This is an increase of \$13,859, or 11.9 percent, above the amount in the revised FY 2015 request and is attributable to an increase in an increase in fringe benefit expenditures.

- **Contractual Services.** The agency requests \$19,165, all from special revenue funds, for contractual services for FY 2016. This is an increase of \$1,165, or 6.5 percent, above the amount in the revised FY 2015 estimate and is attributable to additional computer software and utilities expenditures.
- **Commodities.** The agency requests \$926, all from special revenue funds, for commodities for FY 2016. This is an increase of \$26, or 2.9 percent, above the revised FY 2015 estimate. The increase is attributable to an increase in office supplies.
- **Capital Outlay.** The agency requests \$1,324, all from special revenue funds, for capital outlay for FY 2016. This is an increase of \$24, or 1.8 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in computer equipment.
- **Aid to Local Units for Government.** The agency requests \$10.3 million, all from special revenue funds, for aid to local units of government for FY 2016. This is the same amount as the revised FY 2015 estimate.

The **Governor** recommends expenditures of \$10.4 million, all from special revenue funds, for FY 2016. This is a decrease of \$1,705, or less than 0.1 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

The **agency** requests \$10.4 million, all from special revenue funds, for FY 2017. This is an increase of \$5,921, or 0.1 percent, above the amount requested for FY 2016. The agency requests 2.0 FTE positions, which is the same number as the FY 2016 request.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$136,194, all from special revenue funds, for salaries and wages for FY 2017. This is an increase of \$5,792, or 4.4 percent, above the amount in the FY 2016 request and is primarily attributable to an increase in salaries and wages and associated fringe benefit costs due to payment of the 27<sup>th</sup> payroll period in the fiscal year.
- **Contractual Services.** The agency requests \$19,246, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$81, or 0.4 percent, above the amount in the FY 2016 request.
- **Commodities.** The agency requests \$952, all from special revenue funds, for commodities for FY 2017. This is an increase of \$26, or 2.8 percent, above the FY 2016 request. The increase is primarily attributable to an increase in office supplies.
- **Capital Outlay.** The agency requests \$1,346, all from special revenue funds, for capital outlay for FY 2017. This is an increase of \$22, or 1.7 percent, above the FY 2016 request. The

increase is primarily attributable to an increase in computer equipment.

- **Aid to Local Units of Government.** The agency requests \$10.3 million, all from special revenue funds, for aid to local units of government for FY

### ***F. Workers Compensation***

The Workers Compensation Division works to encourage the employment of persons disabled as a result of specific impairments by relieving employers, wholly or partially, of workers compensation liability resulting from compensable

2017. This is the same amount as the FY 2016 request.

The **Governor** recommends expenditures of \$10.4 million, all from special revenue funds, for FY 2017. This is a decrease of \$1,739, or less than 0.1 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

industrial accidents suffered by these employees and to pay claims of injured workers employed by employers who are insolvent, bankrupt, or cannot be located.

**WORKERS COMPENSATION  
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	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
<b>Expenditures:</b>							
Salaries and Wages	\$ 175,484	\$ 213,777	\$ 211,949	\$ 182,543	\$ 180,751	\$ 190,881	\$ 189,053
Contractual Services	1,632,838	2,091,392	2,091,392	2,153,009	2,153,009	2,217,886	2,217,886
Commodities	194,864	282,093	282,093	292,842	292,842	304,533	304,533
Capital Outlay	0	5,000	5,000	5,150	5,150	5,303	5,303
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 2,003,186	\$ 2,592,262	\$ 2,590,434	\$ 2,633,544	\$ 2,631,752	\$ 2,718,603	\$ 2,716,775
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	4,614,968	7,500,000	7,500,000	7,774,986	7,774,986	8,059,221	8,059,221
<b>TOTAL</b>	<b>\$ 6,618,154</b>	<b>\$ 10,092,262</b>	<b>\$ 10,090,434</b>	<b>\$ 10,408,530</b>	<b>\$ 10,406,738</b>	<b>\$ 10,777,824</b>	<b>\$ 10,775,996</b>
<b>Financing:</b>							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	6,618,154	10,092,262	10,090,434	10,408,530	10,406,738	10,777,824	10,775,996
<b>TOTAL</b>	<b>\$ 6,618,154</b>	<b>\$ 10,092,262</b>	<b>\$ 10,090,434</b>	<b>\$ 10,408,530</b>	<b>\$ 10,406,738</b>	<b>\$ 10,777,824</b>	<b>\$ 10,775,996</b>
FTE Positions	2.7	2.7	2.7	2.5	2.5	2.5	2.5
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>

The **agency** requests \$10.4 million, all from special revenue funds, for FY 2016. This is an increase of \$316,268, or 3.1 percent, above the amount in the revised FY 2015 estimate. The request includes 2.5 FTE positions, which is a decrease of 0.2 positions below the number in the revised FY 2015 estimate.

The request is detailed by category of expenditure.

- **Salaries and Wages:** The agency requests \$182,543, all from special revenue funds, for salaries and wages for FY 2016. This is a decrease of \$31,234, or 14.6 percent, below the amount in the revised FY 2015 estimate and is attributable to a reduction in salaries and wages and associated fringe benefit expenditures.

- **Contractual Services.** The agency requests \$2.2 million, all from special revenue funds, for contractual services for FY 2016. This is an increase of \$61,617, or 2.9 percent, above the amount in the revised FY 2015 estimate and is attributable to additional legal and medical expenditures related to workers compensation claims, and professional fees.
- **Commodities.** The agency requests \$292,842, all from special revenue funds, for commodities for FY 2016. This is an increase of \$10,749, or 3.8 percent, above the amount in the revised FY 2015 estimate and is attributable to additional pharmaceuticals and supplies expenditures.
- **Other Assistance.** The agency requests \$7.8 million, all from special revenue funds, for other assistance for FY 2016. This is an increase of \$274,986, or 3.7 percent, above the amount in the revised FY 2015 estimate and is attributable to an increase in workers compensation and other claims payments.

The **Governor** recommends expenditures of \$10.4 million, all from special revenue funds, for FY 2016. This is a decrease of \$1,792, or less than 0.1 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

The **agency** requests \$10.8 million, all from special revenue funds, for FY 2017. This is an increase of \$369,294, or 3.5 percent, above the amount requested for FY 2016. The request includes 2.5 FTE positions, which is the same number as the FY 2016 request.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$190,881, all from special revenue funds, for salaries and wages for FY 2017. This is an increase of \$8,338, or 4.6 percent, above the amount in the FY 2016 request and is attributable to an increase in salaries and wages and associated fringe benefit costs, due to payment of the 27<sup>th</sup> payroll period in the fiscal year.
- **Contractual Services.** The agency requests \$2.2 million, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$64,877, or 3.0 percent, above the amount in the FY 2016 request and is primarily attributable to additional legal and medical expenditures related to workers compensation claims, and professional fees.
- **Commodities.** The agency requests \$304,533, all from special revenue funds, for commodities for FY 2017. This is an increase of \$11,691, or 4.0 percent, above the amount in the FY 2016 request and is primarily attributable to additional pharmaceuticals and supplies expenditures.
- **Other Assistance.** The agency requests \$8.1 million, all from special revenue funds, for other assistance for FY 2017. This is an increase of \$284,235, or 3.7 percent, above the amount in the FY 2016 request and is primarily attributable to an increase in workers compensation and other claims payments.

The **Governor** recommends expenditures of \$10.8 million, all from special revenue funds, for FY 2017. This is a decrease of \$1,828, or less than 0.1 percent, below the agency's request.

The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

**G. Accident and Health**

The Accident and Health Division protects insurance consumers by monitoring and regulating all matters relating to the writing of accident and health insurance in Kansas by

ensuring that policy forms and rates comply with applicable and laws and regulations.

<b>ACCIDENT AND HEALTH SUMMARY OF EXPENDITURES FY 2014 – 2017</b>							
Item	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
<b>Expenditures:</b>							
Salaries and Wages	\$ 422,017	\$ 527,137	\$ 522,368	\$ 485,173	\$ 478,849	\$ 506,690	\$ 500,239
Contractual Services	882,662	170,685	170,685	180,927	180,927	191,785	191,785
Commodities	60	7,400	7,400	7,844	7,844	8,316	8,316
Capital Outlay	0	8,200	8,200	8,692	8,692	9,214	9,214
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 1,304,739	\$ 713,422	\$ 708,653	\$ 682,636	\$ 676,312	\$ 716,005	\$ 709,554
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 1,304,739</u>	<u>\$ 713,422</u>	<u>\$ 708,653</u>	<u>\$ 682,636</u>	<u>\$ 676,312</u>	<u>\$ 716,005</u>	<u>\$ 709,554</u>
<b>Financing:</b>							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,304,739	713,422	708,653	682,636	676,312	716,005	709,554
TOTAL	<u>\$ 1,304,739</u>	<u>\$ 713,422</u>	<u>\$ 708,653</u>	<u>\$ 682,636</u>	<u>\$ 676,312</u>	<u>\$ 716,005</u>	<u>\$ 709,554</u>
FTE Positions	7.7	7.7	7.7	8.5	8.5	8.5	8.5
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>7.7</u>	<u>7.7</u>	<u>7.7</u>	<u>8.5</u>	<u>8.5</u>	<u>8.5</u>	<u>8.5</u>

The **agency** requests \$682,636, all from special revenue funds, for FY 2016. This is a decrease of \$30,786, or 4.3 percent, below the agency's approved budget in FY 2015.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$485,173, all from special revenue funds, for salaries and wages for FY 2016. This is a decrease of \$41,964, or 8.0 percent, below the revised FY 2015 estimate. The decrease is primarily attributable to a reduction in salary and wage expenditures.
- **Contractual Services.** The agency requests \$180,927, all from special revenue funds, for contractual services for FY 2016. This is an increase of \$10,242, or 6.0 percent, above the revised FY 2015 estimate and is primarily attributable to additional computer software and consulting expenditures.
- **Commodities.** The agency requests \$7,844, all from special revenue funds, for FY 2016. This is an increase of \$444, or 6.0 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in professional supplies.
- **Capital Outlay.** The agency requests \$8,692, all from special revenue funds, for FY 2016. This is an increase of \$492, or 6.0 percent, above the revised FY 2015 estimate. The increase is

primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$676,312, all from special revenue funds, for FY 2016. This is a decrease of \$6,324, or 0.9 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

The **agency** requests \$716,005, all from special revenue funds, for FY 2017. This is an increase of \$33,369, or 4.9 percent, above the amount requested for FY 2016.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$506,690, all from special revenue funds, for salaries and wages for FY 2017. This is an increase of \$21,517, or 4.4 percent, above the amount in the FY 2016 request and is primarily attributable to an increase in salaries and wages and associated fringe benefit costs, due to payment of the 27<sup>th</sup> payroll period in the fiscal year.
- **Contractual Services.** The agency requests \$191,785, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$10,858, or 6.0 percent, above the amount in the FY 2016 request and is primarily attributable to additional computer software and consulting expenditures.

- **Commodities.** The agency requests \$8,316, all from special revenue funds, for FY 2017. This is an increase of \$472, or 6.0 percent, above the FY 2016 request. The increase is primarily attributable to an increase in professional supplies.
- **Capital Outlay.** The agency requests \$9,214, all from special revenue funds, for FY 2017. This is

an increase of \$522, or 6.0 percent, above the FY 2016 request. The increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$709,554, all from special revenue funds, for FY 2017. This is a decrease of \$6,451, or 0.9 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

### ***H. Life Division***

The Life Division assists the Commissioner by ensuring life insurance products are offered in a fair and equitable manner according to applicable laws and regulations.

**LIFE DIVISION**  
**SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	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
<b>Expenditures:</b>							
Salaries and Wages	\$ 353,966	\$ 326,238	\$ 323,193	\$ 307,794	\$ 304,341	\$ 321,586	\$ 318,063
Contractual Services	3,581	35,000	35,000	36,399	36,399	37,856	37,856
Commodities	0	2,000	2,000	2,080	2,080	2,164	2,164
Capital Outlay	0	4,000	4,000	4,160	4,160	4,327	4,327
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 357,547	\$ 367,238	\$ 364,193	\$ 350,433	\$ 346,980	\$ 365,933	\$ 362,410
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 357,547</u>	<u>\$ 367,238</u>	<u>\$ 364,193</u>	<u>\$ 350,433</u>	<u>\$ 346,980</u>	<u>\$ 365,933</u>	<u>\$ 362,410</u>
<b>Financing:</b>							
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	357,547	367,258	364,193	350,433	346,980	365,933	362,410
TOTAL	<u>\$ 357,547</u>	<u>\$ 367,258</u>	<u>\$ 364,193</u>	<u>\$ 350,433</u>	<u>\$ 346,980</u>	<u>\$ 365,933</u>	<u>\$ 362,410</u>
FTE Positions	4.7	4.7	4.7	5.0	5.0	5.0	5.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>4.7</u>	<u>4.7</u>	<u>4.7</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>

The **agency** requests \$350,433, all from special revenue funds, for FY 2016. This is a decrease of \$16,825, or 4.6 percent, below the agency's approved budget in FY 2015. The agency is also requested an increase of 0.3 FTE positions.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$307,794, all from special revenue funds, for salaries and wages for FY 2016. This is a decrease of \$18,464, or 5.7 percent, below the revised FY 2015 estimate and is primarily attributable to a reduction in salaries and wages and fringe benefit costs, due to salaries returning to a normalized amount absent the \$250 bonus

for state employees in 2015, as well as the shifting of a 0.3 FTE position to another program.

- **Contractual Services.** The agency requests \$36,399, all from special revenue funds, for contractual services for FY 2016. This is an increase of \$1,399, or 4.0 percent, above the revised FY 2015 estimate and is primarily attributable to additional computer software expenditures.
- **Commodities.** The agency requests \$2,080, all from special revenue funds, for FY 2016. This is an increase of \$80, or 4.0 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in office supplies.
- **Capital Outlay.** The agency requests \$4,160, all from special revenue funds, for FY 2016. This is an increase of \$160, or 4.0 percent, above the revised FY 2015 estimate. The increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$346,980, all from special revenue funds, for FY 2016. This is a decrease of \$3,463, or 1.0 percent, below the agency's request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

The **agency** requests \$365,933, all from special revenue funds, for FY 2017. This is an increase of \$15,500, or 4.4 percent, above the amount requested for FY 2016.

The request is detailed by category of expenditure.

- **Salaries and Wages.** The agency requests \$321,586, all from special revenue funds, for salaries and wages for FY 2017. This is an increase of \$13,792, or 4.5 percent, above the amount in the FY 2016 request and is primarily attributable to an increase in salaries and wages and associated fringe benefit costs, due to payment of the 27<sup>th</sup> payroll period in the fiscal year.
- **Contractual Services.** The agency requests \$37,856, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$1,457, or 4.0 percent, above the FY 2016 request and is primarily attributable additional computer software and travel expenditures.
- **Commodities.** The agency requests \$2,164, all from special revenue funds, for commodities for FY 2017. This is an increase of \$84, or 4.0 percent, above the FY 2016 request. The increase is primarily attributable to an increase in office supplies.
- **Capital Outlay.** The agency requests \$4,327, all from special revenue funds, for capital outlay for FY 2017. This is an increase of \$167, or 4.0 percent, above the FY 2016 request. The increase is primarily attributable to an increase in computer equipment.

The **Governor** recommends expenditures of \$362,410, all from special revenue funds, for FY 2017. This is a decrease of \$3,523, or 1.0 percent, below the FY 2016 request. The decrease is attributable to a reduction in the employer contribution rate for state employee health insurance.

# CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS						
	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Rehabilitation and Repair	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000
	0	0	0	0	0	0
<b>TOTAL</b>	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>
<b>Financing:</b>						
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	95,000	95,000	95,000	95,000	95,000	95,000
<b>TOTAL</b>	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>

## Current Year Agency Estimate

**FY 2015 – Current Year.** The agency submits a revised estimate for capital improvement expenditures of \$95,000, all from the Insurance Department Rehabilitation and Repair Fund, for rehabilitation and renovation expenditures in FY 2015. This is the same amount approved by the 2014 Legislature. At the five-year capital improvements presentation, the agency

indicated that the list of rehabilitation and repair projects includes repairs to the stained glass window on the east side of the building, replacement of several other windows, various repairs and painting of several walls, installing vents in the attic, sealing of an alley, and other miscellaneous repairs that may arise over the course of the year.

## Current Year Governor Recommendation

The **Governor** recommends capital improvement expenditures of \$95,000, all from special revenue funds, in FY 2015. This is the same amount as the agency's estimate.

## **Budget Year Agency Request**

**FY 2016 – Budget Year.** The agency requests an estimate for capital improvement expenditures of \$95,000, all from the Insurance Department Rehabilitation and Repair Fund, for rehabilitation and repairs expenditures for FY 2016. At the five-year capital improvements presentation, the agency indicated

that the list of rehabilitation and repair projects includes repairs to a boiler, replacement of several cubicles, repairs or replacement of several windows, repairs to windows and walls, and other miscellaneous repairs that may arise over the course of the year.

## **Budget Year Governor Recommendation**

The **Governor** recommends capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2016. This is the same amount as the agency's request.

## **Budget Year Agency Request**

**FY 2017 – Budget Year.** The agency requests an estimate for capital improvement expenditures of \$95,000, all from the Insurance Department Rehabilitation and Repair Fund, for rehabilitation and repairs expenditures for FY 2017. At the five-year capital improvements presentation, the agency indicated that the list of rehabilitation and repair projects includes repairs

or replacement of several windows and storm windows, repairs to the front steps, replacement of certain flooring, various painting projects, installation of flood light at the front steps for security reasons, and other miscellaneous repairs that may arise over the course of the year.

## **Budget Year Governor Recommendation**

The **Governor** recommends capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2017. This is the same amount as the agency's request.

<b>PERFORMANCE MEASURES</b>					
Measure	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
<b>Firefighters Relief</b>					
Number of applicants for organization received	1	1	2	1	1
Number of applicants for merger of associations received	2	2	2	1	1
Number of associations' financial statements received	570	570	571	571	570
Percent of associations' financial statements received	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Insurance Company Regulation</b>					
Number of licenses issued	--	21,499	20,000	21,000	22,000
Percent of licenses issued within 2 days	--	98.0%	98.0%	98.0%	98.0%
<b>Insurance Company Examination</b>					
Number of domestic insurance company examinations performed	10	8	10	10	9
Number of domestic company annual statements examined	64	64	64	64	65
Number of insurance company insolvencies	4	1	3	3	3
<b>Workers Compensation</b>					
Number of active cases	3,855	3,914	3,865	3,915	3,920
Number of cases opened	115	114	115	117	119
Number of cases closed	70	68	70	72	74