

BUDGET ANALYSIS

FISCAL YEAR 2023

Submitted to the 2022 Kansas Legislature

KLRD

*Providing objective research and fiscal
analysis for the Kansas Legislature*

Volume I

*Governor's Budget Report Overview
General Government*

Kansas Legislative Research Department
February 2022

BUDGET ANALYSIS

FISCAL YEAR 2023

Volume I

*Governor's Budget Report Overview
General Government*

KLRD

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FOREWORD

The *Fiscal Year 2023 Budget Analysis* is provided to assist the Legislature in the review of agency budget requests and the Governor's budget recommendations for fiscal years 2022 and 2023.

Function of Government

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This report contains the individual analyses of state agency budgets, including the agency budget requests and the Governor's recommendations. The Legislative Research Department's analysis pertains to the Governor's recommendations as originally reported in Volumes 1 and 2 of the Governor's Budget Report as submitted to the Legislature.

This document groups agencies by the function of government into which each agency is classified. There are six functions of government into which agencies are grouped, with similar agencies grouped that share similar basic purposes.

Volume I of this publication contains the Overview of the FY 2023 Governor's Budget Report and agencies in General Government.

Volume II of this publication contains agencies in Agriculture and Natural Resources, Education, Human Services, Public Safety, and Transportation.

LEGISLATIVE FISCAL ANALYST ASSIGNMENTS—FY 2023

Abstracters' Board of Examiners **SHEIKH, HARRIS** (785-296-7878)
Adjutant General's Department **RIEDEL, MURL** (785-296-3184)
Behavioral Sciences Regulatory Board **DE BOER, MARTIN** (785-296-4439)
Board of Accountancy **LaMUNYON, DAYTON** (785-296-4405)
Board of Barbering **SHEIKH, HARRIS** (785-296-7878)
Board of Cosmetology **SHEIKH, HARRIS** (785-296-7878)
Board of Examiners in Optometry **LaMUNYON, DAYTON** (785-296-4405)
Board of Indigents' Defense Services **DE BOER, MARTIN** (785-296-4439)
Board of Nursing **LEOPOLD, MEGAN** (785-296-4419)
Board of Tax Appeals **LaMUNYON, DAYTON** (785-296-4405)
Board of Technical Professions **SHEIKH, HARRIS** (785-296-7878)
Board of Veterinary Examiners **POTTS, VICTORIA** (785-296-7250)
Citizens' Utility Ratepayer Board **POTTS, VICTORIA** (785-296-7250)
Department for Children and Families **CAINE, CHARDAE** (785-296-3183)
Department of Administration **WU, STEVEN** (785-296-4447)
Emergency Medical Services Board **MORROW, SHIRLEY** (785-296-3542)
Emporia State University **MORROW, SHIRLEY** (785-296-3542)
Fort Hays State University **MORROW, SHIRLEY** (785-296-3542)
Governmental Ethics Commission **CAINE, CHARDAE** (785-296-3183)
Health Care Stabilization Fund Board of Governors **DE BOER, MARTIN** (785-296-4439)
Judicial Branch **WU, STEVEN** (785-296-4447)
Judicial Council **WU, STEVEN** (785-296-4447)
Kansas Board of Hearing Aid Examiners **LaMUNYON, DAYTON** (785-296-4405)
Kansas Board of Pharmacy **MORROW, SHIRLEY** (785-296-3542)
Kansas Bureau of Investigation **CAINE, CHARDAE** (785-296-3183)
Kansas Commission on Peace Officers' Standards and Training **RIEDEL, MURL** (785-296-3184)
Kansas Commission on Veterans Affairs Office **DE BOER, MARTIN** (785-296-4439)
Kansas Corporation Commission **POTTS, VICTORIA** (785-296-7250)
Kansas Dental Board **LEOPOLD, MEGAN** (785-296-4419)
Kansas Department for Aging and Disability Services **MOORE, MATTHEW** (785-296-6684)
Kansas Department of Agriculture **POTTS, VICTORIA** (785-296-7250)
Kansas Department of Commerce **DEAR, DYLAN** (785-296-0665)
Kansas Department of Corrections **RIEDEL, MURL** (785-296-3184)
Kansas Department of Credit Unions **MOORE, MATTHEW** (785-296-6684)
Kansas Department of Health and Environment **LEOPOLD, MEGAN** (785-296-4419)
Kansas Department of Labor **POTTS, VICTORIA** (785-296-7250)
Kansas Department of Revenue **DEAR, DYLAN** (785-296-0665)
Kansas Department of Transportation **DEAR, DYLAN** (785-296-0665)
Kansas Department of Wildlife and Parks **POTTS, VICTORIA** (785-296-7250)
Kansas Guardianship Program **LaMUNYON, DAYTON** (785-296-4405)
Kansas Highway Patrol **LEOPOLD, MEGAN** (785-296-4419)
Kansas Human Rights Commission **SHEIKH, HARRIS** (785-296-7878)
Kansas Insurance Department **DE BOER, MARTIN** (785-296-4439)
Kansas Lottery **LaMUNYON, DAYTON** (785-296-4405)
Kansas Neurological Institute **MOORE, MATTHEW** (785-296-6684)
Kansas Public Employees Retirement System **WU, STEVEN** (785-296-4447)
Kansas Racing and Gaming Commission **LaMUNYON, DAYTON** (785-296-4405)
Kansas Sentencing Commission **RIEDEL, MURL** (785-296-3184)
Kansas State Board of Healing Arts **MORROW, SHIRLEY** (785-296-3542)
Kansas State Board of Mortuary Arts **LaMUNYON, DAYTON** (785-296-4405)
Kansas State Department of Education **HULL, GABRIELLE** (785-296-7879)
Kansas State Fair **POTTS, VICTORIA** (785-296-7250)
Kansas State School for the Blind **HULL, GABRIELLE** (785-296-7879)
Kansas State School for the Deaf **HULL, GABRIELLE** (785-296-7879)
Kansas State University **MORROW, SHIRLEY** (785-296-3542)
KSU-Agricultural Extension **MORROW, SHIRLEY** (785-296-3542)
KSU-Veterinary Medical Center **MORROW, SHIRLEY** (785-296-3542)
Kansas Water Office **POTTS, VICTORIA** (785-296-7250)
Larned State Hospital **MOORE, MATTHEW** (785-296-6684)
Legislative Coordinating Council **DECKARD, AMY** (785-296-4429)
Legislative Division of Post Audit **DECKARD, AMY** (785-296-4429)
Legislative Research Department **DECKARD, AMY** (785-296-4429)
Legislature **DECKARD, AMY** (785-296-4429)
Office of Administrative Hearings **SHEIKH, HARRIS** (785-296-7878)
Office of Information and Technology Services **FISHER, JAMES** (785-296-6490)
Office of the Attorney General **WU, STEVEN** (785-296-4447)
Office of the Governor **DEAR, DYLAN** (785-296-0665)
Office of the Revisor of Statutes **DECKARD, AMY** (785-296-4429)
Office of the Secretary of State **DEAR, DYLAN** (785-296-0665)
Office of the State Bank Commissioner **MOORE, MATTHEW** (785-296-6684)
Office of the State Treasurer **LaMUNYON, DAYTON** (785-296-4405)
Osawatimie State Hospital **MOORE, MATTHEW** (785-296-6684)
Parsons State Hospital **MOORE, MATTHEW** (785-296-6684)
Pittsburg State University **MORROW, SHIRLEY** (785-296-3542)
Pooled Money Investment Board **LaMUNYON, DAYTON** (785-296-4405)
Postsecondary Education Systemwide **MORROW, SHIRLEY** (785-296-3542)
Real Estate Appraisal Board **DE BOER, MARTIN** (785-296-4439)
Real Estate Commission **DE BOER, MARTIN** (785-296-4439)
State Fire Marshal **MORROW, SHIRLEY** (785-296-3542)
State Historical Society **DE BOER, MARTIN** (785-296-4439)
State Institutions for Intellectual Disabilities **MOORE, MATTHEW** (785-296-6684)
State Institutions for Mental Health **MOORE, MATTHEW** (785-296-6684)
State Library **HULL, GABRIELLE** (785-296-7879)
University of Kansas **MORROW, SHIRLEY** (785-296-3542)
University of Kansas Medical Center **MORROW, SHIRLEY** (785-296-3542)
Wichita State University **MORROW, SHIRLEY** (785-296-3542)

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OVERVIEW OF THE FISCAL YEAR 2023

GOVERNOR'S BUDGET REPORT

In this budget overview, various summaries of state expenditures and the plan for their financing are reviewed. The summary data was obtained from *The FY 2023 Governor's Budget Report*. The Legislative Research Department utilizes the classification of expenditures by function of government and by major purpose of expenditure to coincide with the Division of the Budget and the Division of Accounts and Reports. The Department has made some changes in the classification of expenditures in order to be consistent with its prior reports to the Legislature.

The summary data in this overview compares FY 2021 actual expenditures and the Governor's FY 2022 and FY 2023 recommendations.

SUMMARY OF CHANGES TO ESTIMATED FY 2022 EXPENDITURES

The FY 2022 budget approved by the 2021 Legislature totals \$20.7 billion, including \$8.3 billion from the State General Fund (SGF) in FY 2022. The approved budget includes \$193.5 million in SGF reappropriations from FY 2021.

The Governor's recommendation totals \$23.0 billion from all funding sources, with \$9.3 billion financed from the SGF, for FY 2022. The recommendation increases total expenditures by \$1.2 billion, and increases SGF expenditures by \$2.1 billion, above the FY 2021 actual expenditures.

The Governor's recommendation for FY 2022 is an all funds increase of \$2.3 billion, or 11.1 percent, and an SGF increase of \$994.0 million, or 11.9 percent, above the FY 2022 approved budget. The increase is primarily attributable to:

- Adding \$460.0 million, all SGF, for the Residential Tax Rebate;
- Adding \$332.2 million, all SGF, for early debt retirement in the Department of Administration;
- Adding \$20.0 million, all SGF, in the Department of Commerce to expand the Moderate Income Housing Program;
- Adding \$731.9 million, including \$375.4 million SGF, to the Department of Education, including:
 - Adding \$199.5 million, all SGF, to eliminate delayed state aid payments;
 - Adding \$253.9 million, all SGF, to eliminate the Kansas Public Employees Retirement System (KPERs) layering payments, and
 - Adding \$336.5 million, all from federal funds, for Emergency School Relief.
- Adding \$64.9 million, including \$48.5 million SGF, to the Department of Corrections, including:
 - Adding \$18.3 million, all from federal American Rescue Plan Act (ARPA) funds, for the 24/7 pay plan;

- Adding \$21.1 million, all SGF, to restore Evidence Based Initiatives funding; and
- Adding \$6.7 million, all SGF, for Pathways to Success.
- Adding \$18.1 million, all SGF, for Highway Patrol Aircraft;
- Deleting \$184.7 million, all from the State Highway Fund, largely related to the delayed construction of State Highway 69; and
- Deleting \$72.5 million, including \$173.2 million SGF, to implement revised human services caseloads estimates, largely related to the extension of the enhanced Federal Medical Assistance Percentage (FMAP) match.

TOTAL STATE EXPENDITURES FOR FY 2023

Summary of Expenditures from All Funds

The Governor's recommendation for FY 2023 totals \$22.6 billion, including \$8.9 billion SGF. The FY 2023 recommendation is an all funds decrease of \$405.3 million, or 1.8 percent, and an SGF decrease of \$423.2 million, or 4.5 percent, below the FY 2022 Governor's recommendation.

Expenditures by Major Purpose

State Operations—Agency operating costs for salaries and wages, contractual services, commodities, debt service interest, and capital outlay. The Governor's FY 2023 recommendation for state operations is \$6.7 billion, which is an increase of \$84.8 million, or 1.3 percent, above the FY 2022 revised estimate. The increase is primarily attributable to the Department of Commerce grant programs and enhancements (\$197.2 million), state employee pay adjustments (\$145.5 million), Department of Corrections 24/7 pay plan and enhancements (\$16.1 million), partially offset by considerable reductions due to one-time expenditures in FY 2022 and reductions in federal funding.

Local Units of Government—Aid payments to counties, cities, school districts, and other local government entities; may be from state or federal funds. The Governor's FY 2023 recommendation for aid to local units of government is \$7.1 billion, a decrease of \$207.5 million, or 2.9 percent, below the FY 2022 revised estimate. The reduction is primarily attributable to reduced education state aid (\$195.9 million), and COVID-19 pandemic relief funding in the Kansas Department of Health and Environment (KDHE). The reductions are partially offset by an increase in the Board of Regents student financial assistance (\$80.6 million), and \$13.0 million for the State Treasurer to implement the proposed food sales tax elimination.

Other Assistance, Grants, and Benefits—Payments made to or on behalf of individuals as aid, including public assistance benefits, unemployment benefits, and tuition grants. The Governor's FY 2023 recommendation for other assistance, grants, and benefits is \$7.1 billion, which is a decrease of \$128.2 million, or 1.8 percent, below the FY 2022 revised estimate. The decrease is primarily attributable to the resident tax rebate (\$460.0 million), unemployment benefits (\$48.2 million), and Department for Children and Families funding for the Low Income Energy Assistance Program (LIEAP), Water Assistance and Child Care Providers (\$42.0 million). The decreases are partially offset by an increase in KDHE-Health for Medicaid expansion (\$448.7 million).

Capital Improvements—Cash or debt service payments for projects involving new construction, remodeling and additions, rehabilitation and repair, razing, and the principal portion of debt service for a capital expenditure. The Governor's FY 2023 recommendation for capital improvements is \$1.8 billion, which is a decrease of \$154.4 million, or 8.0 percent, below the FY 2022 revised estimate. The decrease is primarily attributable to accelerated debt retirement in FY 2022.

EXPENDITURES FROM ALL FUNDS BY MAJOR PURPOSE
(Dollars in Millions)

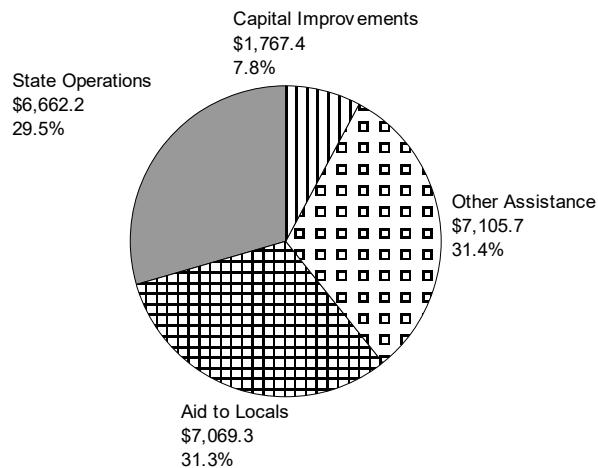
	Actual FY 2021	Gov. Rec. FY 2022	Change \$	%	Gov. Rec. FY 2023	Change \$	%
State Operations	\$ 6,094.6	\$ 6,577.4	\$ 482.8	7.9 %	\$ 6,662.2	\$ 84.8	1.3 %
Aid to Local Units	6,706.3	7,276.8	570.5	8.5	7,069.3	(207.5)	(2.9)
Other Assistance	7,803.7	7,233.9	(569.8)	(7.3)	7,105.7	(128.2)	(1.8)
<i>Subtotal - Operations</i>	<i>\$ 20,604.7</i>	<i>\$ 21,088.2</i>	<i>\$ 483.5</i>	<i>2.3 %</i>	<i>\$ 20,837.2</i>	<i>\$ (251.0)</i>	<i>(1.2)%</i>
Capital Improvements	1,215.6	1,921.7	706.1	58.1	1,767.4	(154.3)	(8.0)
TOTAL	\$ 21,820.3	\$ 23,009.9	\$ 1,189.6	5.5 %	\$ 22,604.6	\$ (405.3)	(1.8)%

Note: Totals may not add due to rounding.

Of the total budget recommendation in FY 2022, 28.6 percent is for state operations; 31.6 percent is for state aid to local units of government; 31.4 percent is for other assistance, grants, and benefits; and 8.4 percent is for capital improvements. For FY 2023, 29.5 percent is for state operations; 31.3 percent is for state aid to local units of government; 31.4 percent is for other assistance, grants, and benefits; and 7.8 percent is for capital improvements. The following pie chart displays the major categories of all funds expenditures for FY 2023.

**FY 2023 EXPENDITURES FROM ALL FUNDS
BY MAJOR PURPOSE**
Governor's Recommendation
(Dollars in Millions)

Total: \$22,604.6



Expenditures by Function of Government

The following table and pie chart summarize expenditures from all funds by function of government. Functions of government reflect the six classifications into which similar agencies are grouped that share similar basic purposes of state government. The functions include General Government, Human Services, Education, Public Safety, Agriculture and Natural Resources, and Transportation. The Education function is the largest component, with 43.3 percent of the total expenditures in FY 2022 and 43.1 percent of the total expenditures for FY 2023. The two largest functions of government—Education and Human Services—comprise 75.9 percent of the recommended expenditures in FY 2022 and 77.3 percent for FY 2023. The Governor's proposals to adjust KPERs for public safety personnel and increase state employee pay by 5.0 percent are included in the Other category, as they impact all functions of government.

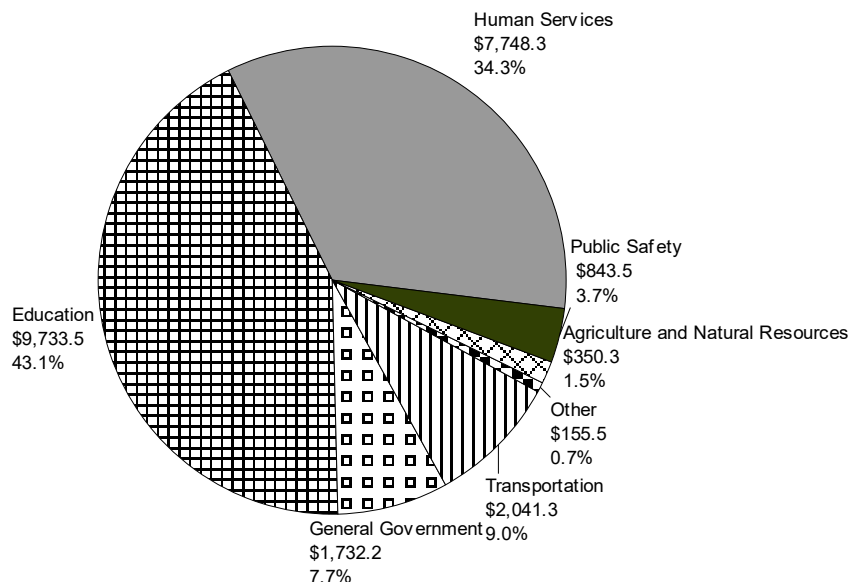
EXPENDITURES FROM ALL FUNDS BY FUNCTION OF GOVERNMENT (Dollars in Millions)

Purpose	Actual	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2021	FY 2022	\$	%	FY 2023	\$	%
General Government	\$ 1,852.9	\$ 2,207.5	\$ 354.6	19.1 %	\$ 1,732.2	\$ (475.3)	(21.5)%
Human Services	8,242.5	7,490.8	(751.7)	(9.1)	7,748.3	257.5	3.4
Education	8,789.9	9,974.7	1,184.8	13.5	9,733.5	(241.2)	(2.4)
Public Safety	763.2	884.5	121.3	15.9	843.5	(41.0)	(4.6)
Agriculture & Nat. Res.	374.2	374.7	0.5	0.1	350.3	(24.4)	(6.5)
Transportation	1,797.6	2,077.8	280.2	15.6	2,041.3	(36.5)	(1.8)
Other	-	-	-	--	155.5	155.5	100.0
TOTAL	\$ 21,820.3	\$ 23,009.9	\$ 1,189.6	5.5 %	\$ 22,604.6	\$ (405.3)	(1.8)%

Note: Totals may not add due to rounding.

FY 2023 EXPENDITURES FROM ALL FUNDS BY FUNCTION OF GOVERNMENT Governor's Recommendation (Dollars in Millions)

Total: \$22,604.6



Summary Plan for Financing

Total state expenditures are financed by the resources contained in approximately 1,300 distinct funds. The following table summarizes total state expenditures. The table separates the plan for financing into operating purposes and capital improvements. The SGF operating amount shown in the table for FY 2022 is based on current resources of the fund. The net increase in SGF operating expenditures from FY 2021 to FY 2022 is \$1.7 billion, or 24.2 percent, and from FY 2022 to FY 2023, the change is a decrease of \$339.7 million, or 3.8 percent. The Governor's recommendations do, however, include both increases and decreases for individual agencies.

SUMMARY OF THE PLAN FOR FINANCING STATE EXPENDITURES (Dollars in Millions)

	Actual FY 2021	Gov. Rec. FY 2022	Change		Gov. Rec. FY 2023	Change	
			\$	%		\$	%
Operating Expenditures:							
State General Fund	\$ 7,215.3	\$ 8,963.3	\$ 1,748.0	24.2 %	\$ 8,623.6	\$ (339.7)	(3.8)%
All Other Funds	13,389.4	12,124.8	(1,264.6)	(9.4)	12,213.6	88.8	0.7
Subtotal	\$ 20,604.7	\$ 21,088.1	\$ 483.4	2.3 %	\$ 20,837.2	\$ (250.9)	(1.2)%
Capital Improvements:							
State General Fund	\$ 52.5	367.3	\$ 314.8	599.6 %	\$ 283.9	\$ (83.4)	(22.7)%
All Other Funds	1,163.1	1,554.4	391.3	33.6	1,483.5	(70.9)	(4.6)
Subtotal	\$ 1,215.6	\$ 1,921.7	\$ 706.1	58.1 %	\$ 1,767.4	\$ (154.3)	(8.0)%
TOTAL	\$ 21,820.3	\$ 23,009.9	\$ 1,189.6	5.5 %	\$ 22,604.6	\$ (405.3)	(1.8)%

Note: Totals may not add due to rounding.

The SGF, to which most state tax receipts are credited, is the predominant source of financing for state expenditures. The SGF finances 40.6 percent of estimated FY 2022 expenditures. For FY 2023, the SGF finances 39.4 percent of the recommended expenditures.

Schedule 7 in *The Governor's Budget Report (Volume 1)* summarizes actual and estimated receipts of federal funds. Estimated FY 2022 receipts are \$7.3 billion, which is an increase of \$1.9 billion, or 35.8 percent, above FY 2021 actual receipts. The FY 2023 estimate of \$5.8 billion is \$1.4 billion, or 19.7 percent, below FY 2022 estimated receipts. The increase in FY 2022 is primarily attributable to human services caseloads in KDHE-Health. The decrease in federal receipts for FY 2023 is attributable to COVID-19 pandemic relief funds in the Adjutant General's Department and KDHE-Environment.

Federal receipts for FY 2022 and FY 2023 are dependent on future actions of the federal government. Past experience indicates the final outcome of those actions will not be known prior to adjournment of the 2022 Legislature.

Expenditures for State Operations

Expenditures for state operations (*i.e.*, for purposes other than local aid, other assistance, and capital improvements) comprise 28.6 percent of total recommended expenditures in FY 2022 and 29.5 percent for FY 2023. The following table divides state operations expenditures into the following components: salaries and wages; contractual services (*e.g.*, communications, rent, and travel); commodities (*e.g.*, food, supplies, and stationery); capital outlay (*e.g.*, equipment and furniture, but not building and highway construction projects); and debt service interest payments.

SUMMARY OF EXPENDITURES FROM ALL FUNDS STATE OPERATIONS BY MAJOR COMPONENT (Dollars in Millions)

Function	Actual	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2021	FY 2022	\$	%	FY 2023	\$	%
Salaries and Wages	\$ 3,063.1	\$ 3,285.7	\$ 222.6	7.3 %	\$ 3,493.3	\$ 207.6	6.3 %
Contractual Services	2,327.1	2,551.6	224.5	9.6	2,562.6	11.0	0.4
Commodities	271.4	277.3	5.9	2.2	239.6	(37.7)	(13.6)
Capital Outlay	217.5	240.2	22.7	10.4	184.0	(56.2)	(23.4)
Debt Service Interest	215.5	222.6	7.1	3.3	182.7	(39.9)	(17.9)
TOTAL	\$ 6,094.6	\$ 6,577.4	\$ 482.8	7.9 %	\$ 6,662.2	\$ 84.8	1.3 %

Note: Totals may not add due to rounding.

Salaries and wages expenditures, including fringe benefits, comprise 49.9 percent of the recommended state operations budget in FY 2022, and salaries and wages expenditures comprise 52.4 percent of the state operations budget for FY 2023.

The Governor's budget includes additional resources for a general, broad-based salary increase for FY 2023. The Governor's recommendation for FY 2023 appropriates \$145.5 million, including \$56.8 million SGF, for a 5.0 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials, teachers at the Schools for the Blind and Deaf, and Kansas Highway Patrol Troopers would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved.

In addition to the 5.0 percent base pay adjustment, the recommendation includes \$56.0 million, all SGF, to extend the salary adjustments for 24/7 facilities where staffing shortages due to the COVID-19 pandemic have necessitated temporary pay increases.

In FY 2022 and for FY 2023, 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 FY 2023 is \$2.9 million, including \$1.1 million SGF.

The Governor's proposed salary expenditures in agency budgets are based on fringe benefit rates established by law or certified by agencies to the Division of the Budget for the budget instructions, which are used by agencies to prepare their budgets.

GOVERNOR'S FY 2023 STATE EMPLOYEE SALARY ADJUSTMENTS

	Dollars in Millions	
	State General Fund	All Funds
5.0 Percent Base Pay Increase	\$ 56.8	\$ 145.5
24/7 Pay Plan	56.0	56.0
Office of Administrative Hearings (\$51,166)	-	0.1
Board of Indigents' Defense Services	4.0	4.0
Government Ethics Commission (\$48,423)	-	-
Kansas Department of Transportation (Maintenance Division, ED 20-539)	-	2.83
Kansas Department of Labor (CS Representatives, Adjudicators)	0.4	0.4
State Hospitals - Direct Care Staff	7.0	7.0
Department for Children and Families - Protection Specialists	3.6	3.7
School for the Deaf - Dorm and Paraprofessional staff (\$112,820)	0.1	0.1
Schools for the Blind and Deaf (Statutory Adjustment)	0.2	0.2
Lansing and Winfield Correctional Facility - Substance Abuse Treatment	9.6	9.6
State Fire Marshal (\$249,730)	-	0.4
Kansas Highway Patrol - Career Progression Plan	-	3.6
Sentencing Commission (\$91,082)	-	0.1
TOTAL	\$ 137.7	\$ 233.5

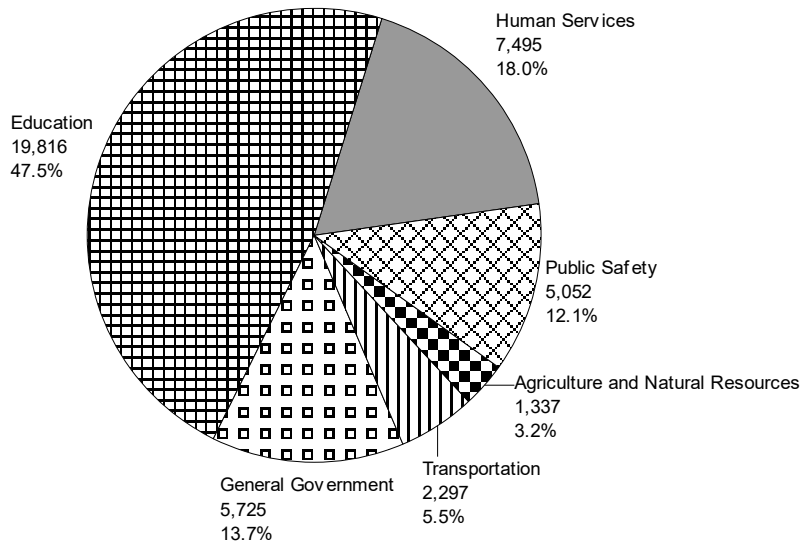
Authorized FTE Employees by Function of Government

Expenditures for salaries and wages are affected by policy recommendations that change the size of the State's workforce. The FY 2022 Governor's budget recommendations include 41,367.6 FTE positions, which is an increase of 639.4 FTE positions above the FY 2021 actual FTE position number. For FY 2023, the Governor recommends 41,721.9 FTE positions, which is an increase of 354.3 FTE positions above the FY 2022 recommendation. The FY 2022 increase is due to vacant FTE positions not being counted in the FY 2021 actuals.

The FY 2023 increase from the FY 2022 revised estimate is primarily attributable the addition of 104.1 FTE positions at Winfield and Lansing Correctional Facilities related to assisted living needs and substance abuse treatment, 62.0 FTE position in the Judicial Branch, 26.0 FTE positions in the Department of Labor, 58.0 FTE positions at Wichita State University, and 65.0 FTE positions at the state hospitals.

**FY 2023 FULL-TIME EQUIVALENT (FTE) POSITIONS
by Function of Government
Governor's Recommendations**

Total: 41,721.9



Program or Agency Components of FY 2023 All Funds Budget

To this point, this overview has dealt primarily with measuring year-to-year changes proposed in *The Governor's Budget Report*. The following tables pertain to FY 2023 only and measure major program or agency expenditures in dollar terms and as a percent of the total budget. The budgets of the Department of Education, the Board of Regents and the Regents institutions, KDHE-Health, the Department for Aging and Disability Services and the state hospitals, and the Kansas Department of Transportation account for 80.8 percent of total spending for FY 2023.

**GOVERNOR'S RECOMMENDED
EXPENDITURES FROM ALL FUNDS, FY 2023
By Agency or Program**

	Amount (Thousands)	Percent of total	Cumulative Percent	Percent Change from FY 2022
Department of Education	\$ 6,350,664.5	28.1 %	28.1 %	(2.7) %
Department of Health and Environment –Health	3,982,796.8	17.6	45.7	10.7
Board of Regents and Institutions	3,348,581.3	14.8	60.5	(1.8)
Department for Aging and Disability Services and State Hospitals	2,548,745.0	11.3	71.8	3.4
Department of Transportation	2,041,300.1	9.0	80.8	(1.8)
Department for Children and Families	972,544.4	4.3	85.1	(12.1)
Department of Corrections and Facilities	518,869.8	2.3	87.4	(3.0)
Kansas Lottery	376,233.6	1.7	89.1	0.2
Department of Commerce	339,568.5	1.5	90.6	149.3
Department of Administration	290,604.0	1.3	91.9	(71.2)
Department of Labor	217,276.0	1.0	92.8	(25.5)
Department of Health and Environment - Environment	178,145.9	0.8	93.6	(11.6)
Judicial Branch	177,650.2	0.8	94.4	7.3
Adjutant General	157,376.3	0.7	95.1	(6.5)
Highway Patrol and KBI	147,067.5	0.7	95.8	(9.0)
Department of Revenue	108,591.9	0.5	96.2	0.7
Department of Wildlife and Parks	97,779.1	0.4	96.7	3.0
Insurance Department and Health Care Stabilization Fund	74,108.8	0.3	97.0	(0.1)
Kansas Public Employee Retirement System (KPERs)	67,680.4	0.3	97.3	7.2
Office of the Governor	56,216.2	0.2	97.6	12.1
Department of Agriculture	54,284.0	0.2	97.8	(1.5)
Board of Indigents' Defense Services	46,333.4	0.2	98.0	18.5
State Treasurer	45,527.2	0.2	98.2	41.4
Legislative Branch	36,196.1	0.2	98.4	(4.0)
Attorney General	26,908.8	0.1	98.5	(13.8)
State Employee Pay	145,539.1	0.6	99.1	100.0
All Other	198,041.4	0.9	100.0	1.1
TOTAL	\$ 22,604,630.3	100.0 %		(1.8) %

Note: Each agency's expenditures include state and federal aid, if any, to local units of government.

CHANGE IN EXPENDITURES FROM ALL FUNDS
FY 2022 to FY 2023
Governor's Recommendation

	Amount (Thousands)	Comments concerning Major Adjustments
Total Increase		
KDHE Health	\$ 384,997.4	Medicaid Expansion
Department of Commerce	203,337.4	Regents grant programs
State Employee Pay	145,539.1	
Aging and Disability Services	79,003.2	Medicaid Caseloads
State Treasurer	13,320.7	
Judicial Branch	12,152.3	Surcharge, Judges Salaries, New staff
KP&F KPERS Conversion	10,000.0	
Highway Patrol	(13,189.9)	FY 2022 Aircraft Purchase
Corrections and Facilities	(15,821.6)	
KDHE - Environment	(23,277.5)	
Department of Transportation	(36,524.2)	
Regents and Institutions	(61,527.8)	FY 2022 Capital Improvements and Enhancements
Department of Labor	(74,540.6)	
Department for Children and Families	(133,735.6)	LIEAP, Child Care Provider Grants
Department of Education	(176,965.7)	State Aid and KPERS layering payments
Department of Administration	(718,762.4)	Tax Rebate, FY 2022 Debt Payments
All Other	692.7	
TOTAL	\$ (405,302.7)	

Note: Totals may not add due to rounding.

EXPENDITURES AND STATUS OF THE STATE GENERAL FUND

Program and Agency Components of the FY 2023 State General Fund Budget

The following table provides an overview of the program or agency components of the Governor's recommended FY 2023 expenditures from the SGF. The Education function of government accounts for 58.8 percent of all SGF expenditures for FY 2023.

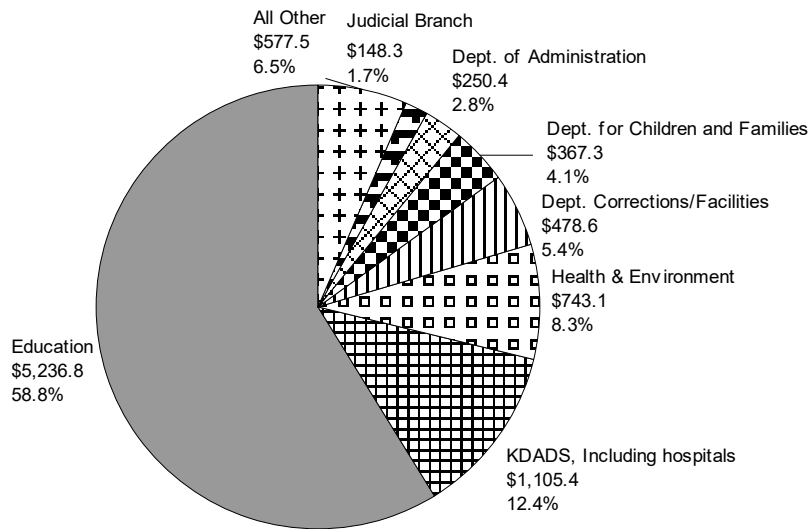
STATE GENERAL FUND EXPENDITURES BY PROGRAM OR AGENCY Governor's Recommendations for FY 2023

	Amount (Thousands)	Percent of Total	Cumulative Percent	Increase over FY 2022	
				Amount (Thousands)	Percent
Education					
Department of Education	\$ 4,209,268	47.3 %	47.3 %	\$ (358,484)	(8.5)%
Bd. of Regents/Institutions	1,003,093	11.3	58.5	97,993	9.8
Other Education*	24,432	0.3	58.8	728	3.0
<i>Subtotal - Education</i>	<i>\$ 5,236,793</i>	<i>58.8 %</i>	<i>58.8 %</i>	<i>\$ (259,763)</i>	<i>(5.0)%</i>
 KDADS and Hospitals	 \$ 1,105,429	 12.4 %	 71.2 %	 \$ 155,391	 14.1 %
KDHE - Health	743,146	8.3	79.5	(7,452)	(1.0)
Dept. of Corrections/Facilities	478,576	5.4	84.9	22,931	4.8
Dept. for Children and Families	367,347	4.1	89.0	19,293	5.3
All Other	283,174	3.2	92.2	216,823	76.6
Department of Administration	250,425	2.8	95.0	(697,396)	(278.5)
Judicial Branch	148,297	1.7	96.7	10,298	6.9
State Employee Pay	56,801	0.6	97.3	56,801	100.0
Adjutant General	52,295	0.6	97.9	38,776	74.1
Board of Indigents' Defense Services	45,727	0.5	98.4	7,237	15.8
Legislative Branch	36,196	0.4	98.8	(1,501)	(4.1)
Kansas Bureau of Investigation	28,759	0.3	99.2	679	2.4
Department of Revenue	15,326	0.2	99.3	239	1.6
Commission on Veterans Affairs	10,443	0.1	99.5	3,924	37.6
Department of Agriculture	10,128	0.1	99.6	1,134	11.2
KPERS Policy Change	10,000	0.1	99.7	10,000	100.0
Sentencing Commission	9,872	0.1	99.8	90	0.9
Office of the Governor	8,209	0.1	99.9	(323)	(3.9)
Attorney General	6,317	0.1	100.0	(353)	(5.6)
Information Technology Services	4,250	--	100.0	-	--
TOTAL	\$ 8,907,512	100.0 %		\$ (423,174)	(4.8)%

(Note: Totals may not add due to rounding.)

**FY 2023 State General Fund Expenditures
by Major Program or Agency
Governor's Recommendation
(Dollars in Millions)**

Total: \$8,907.5



State General Fund Expenditures by Function of Government

The next table summarizes SGF expenditures by function of government. The Education function accounts for the largest portion of the SGF budget (58.9 percent in FY 2022 and 58.8 percent for FY 2023). Two functions—Education and Human Services—account for 81.1 percent of all SGF expenditures in FY 2022 and 83.8 percent for FY 2023.

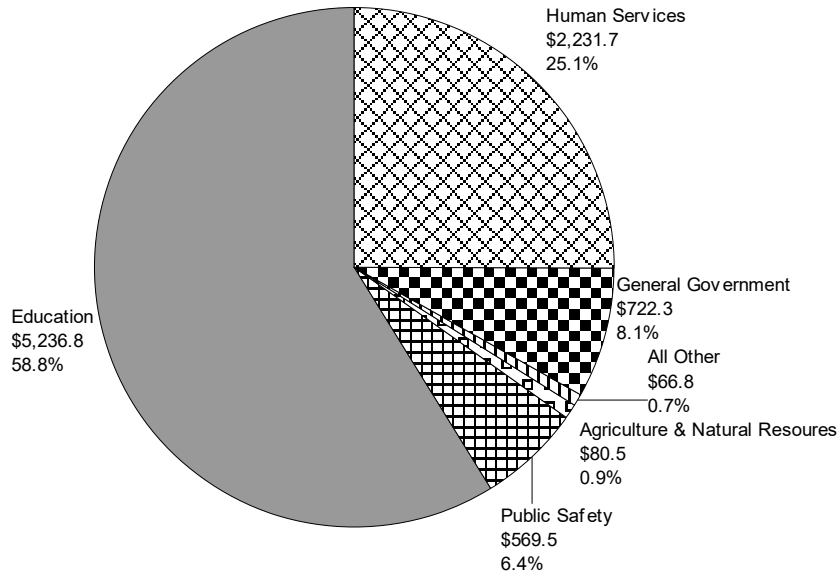
**STATE GENERAL FUND EXPENDITURES
BY FUNCTION OF GOVERNMENT
Governor's Recommendation
(Dollars in Millions)**

Function	Actual FY 2021	Gov. Rec. FY 2022	Change		Gov. Rec. FY 2023	Change	
			\$	%		\$	%
General Government	\$ 359.9	\$ 1,225.4	\$ 865.5	240.5 %	\$ 722.3	\$ (503.1)	(41.1)%
Human Services	1,678.2	2,067.7	389.5	23.2	2,231.7	164.0	7.9
Education	4,779.4	5,496.6	717.2	15.0	5,236.8	(259.8)	(4.7)
Public Safety	432.8	525.1	92.3	21.3	569.5	44.4	8.5
Agriculture/Natural Resources	17.5	15.9	(1.6)	(9.1)	80.5	64.6	406.3
Transportation	-	-	-	--	-	--	--
Other	-	-	-	--	66.8	66.8	100.0
TOTAL	\$ 7,267.8	\$ 9,330.7	\$ 2,062.9	28.4 %	\$ 8,907.5	\$ (423.2)	(4.5)%

Note: Totals may not add due to rounding.

**FY 2023 STATE GENERAL FUND EXPENDITURES
BY FUNCTION OF GOVERNMENT
Governor's Recommendation
(Dollars in Millions)**

Total: \$8,907.5



Expenditures by Major Purpose

Approximately \$4.9 billion (52.5 percent) of recommended FY 2022 expenditures from the SGF is paid to local units of government; 23.5 percent is for other assistance, grants, and benefits expenditures; 20.0 percent represents the costs of state operations; and 3.9 percent is for capital improvements.

Approximately \$4.6 billion (51.9 percent) of recommended FY 2023 expenditures from the SGF is paid to local units of government; 20.5 percent is for other assistance, grants, and benefits expenditures; 24.4 percent represents the costs of state operations; and 3.2 percent is for capital improvements.

The following table reflects expenditures for the SGF by major purpose.

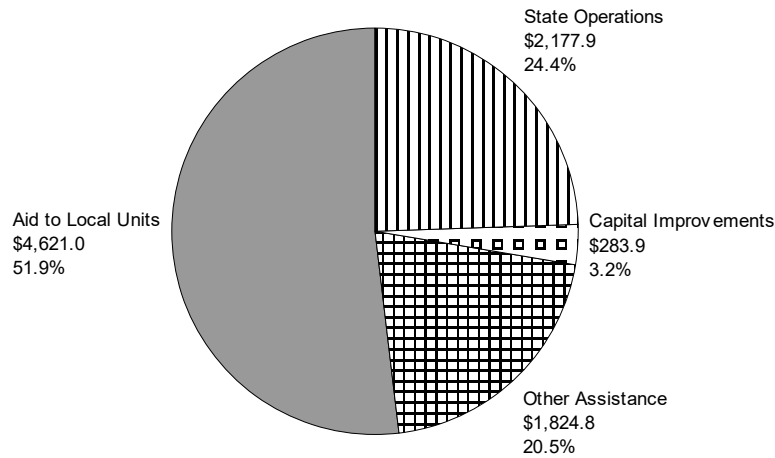
**STATE GENERAL FUND EXPENDITURES
BY MAJOR PURPOSE
(Dollars in Millions)**

	Actual	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2021	FY 2022	\$	%	FY 2023	\$	%
State Operations	\$ 1,638.1	\$ 1,869.7	\$ 231.6	14.1 %	\$ 2,177.9	\$ 308.2	16.5 %
Aid to Local Units	4,189.0	4,897.0	708.0	16.9	4,621.0	(276.0)	(5.6)
Other Assistance	1,388.2	2,196.5	808.3	58.2	1,824.8	(371.7)	(16.9)
Subtotal - Operations	\$ 7,215.3	\$ 8,963.3	\$ 1,748.0	24.2 %	\$ 8,623.6	\$ (339.7)	(3.8)%
Capital Improvements	52.5	367.3	314.8	599.6	283.9	(83.4)	(22.7)
TOTAL	\$ 7,267.8	\$ 9,330.7	\$ 2,062.9	28.4 %	\$ 8,907.5	\$ (423.2)	(4.5)%

Note: Totals may not add due to rounding.

**FY 2023 STATE GENERAL FUND EXPENDITURES
BY MAJOR PURPOSE
Governor's Recommendation
(Dollars in Millions)**

Total: \$8,907.5



**STATE GENERAL FUND FOR STATE OPERATIONS
BY FUNCTION OF GOVERNMENT
(Dollars in Millions)**

Function	Actual FY 2021	Gov. Rec. FY 2022	Change		Gov. Rec. FY 2023	Change	
			\$	%		\$	%
General Government	\$ 302.8	\$ 376.6	\$ 73.8	24.4 %	\$ 558.9	\$ 182.3	48.4 %
Human Services	301.1	371.6	70.5	23.4	422.3	50.7	13.6
Education	641.9	669.5	27.6	4.3	662.3	(7.2)	(1.1)
Public Safety	376.4	436.1	59.7	15.9	452.0	15.9	3.6
Agriculture/Natural Resources	15.9	15.9	-	0.0	15.5	(0.4)	(2.5)
Transportation	-	-	-	--	-	-	--
All Other	-	-	-	--	66.8	66.8	100.0
TOTAL	\$ 1,638.1	\$ 1,869.7	\$ 231.6	14.1 %	\$ 2,177.8	\$ 308.1	16.5 %

Note: Totals may not add due to rounding.

STATE GENERAL FUND STATE AID TO LOCAL UNITS OF GOVERNMENT
(Dollars in Thousands)

	Actual FY 2021	Gov. Rec. FY 2022	Gov. Rec. FY 2023	Change FY 2022 - 2023	
				Amount	Percent
State Foundation Aid	\$ 2,261,165	\$ 2,543,805	\$ 2,457,805	\$ (86,000)	(3.4)%
Supplemental State Aid	513,400	572,229	550,000	(22,229)	(3.9)
Special Education State Aid	505,416	513,031	520,381	7,350	1.4
Capital Outlay State Aid	72,776	79,000	82,000	3,000	3.8
KPERS–USDs	\$ 485,620	\$ 508,558	\$ 520,781	\$ 12,223	2.4 %
<i>Subtotal–Major Categories</i>	<i>\$ 3,838,377</i>	<i>\$ 4,216,623</i>	<i>\$ 4,130,967</i>	<i>\$ (85,656)</i>	<i>(2.0) %</i>
KPERS–Non-USDs	32,124	36,104	37,714	1,610	4.5 %
KPERS Layering Payment (FY 2017)	6,400	260,266	-	(260,266)	(100.0)
KPERS Layering Payment (FY 2019)	19,400	19,400	-	(19,400)	(100.0)
Mental Health Pilot Program	7,202	7,535	10,535	3,000	39.8
Juvenile Detention Grants	3,738	6,383	5,061	(1,323)	(20.7)
School Safety & Security Grants	-	-	-	-	--
School Food Assistance	2,331	2,391	2,391	-	--
Professional Development	1,700	-	1,770	1,770	100.0
Mentor Teacher Program	1,300	1,300	1,300	-	--
Technical Ed. Transportation	-	-	1,482	1,482	--
Governor's Teaching Excellence	203	-	361	361	100.0
Education SuperHighway	47	179	-	(179)	(100.0)
Juvenile Transitional Crisis Center Pilot	-	300	300	-	--
Deaf-Blind Program Aid	108	110	110	-	--
Discretionary Grants	64	-	-	-	--
<i>Subtotal–State Aid to USDs</i>	<i>\$ 3,912,994</i>	<i>\$ 4,550,591</i>	<i>\$ 4,191,991</i>	<i>\$ (358,601)</i>	<i>(7.9) %</i>
Adult Basic Education	\$ 1,420	\$ 1,420	\$ 1,420	\$ -	-- %
Community College MOE	-	5,000	-	(5,000)	(100.0)
Washburn University	12,446	13,111	14,000	889	6.8
Non-Tiered Course Credit	79,990	79,995	83,995	4,000	5.0
Nursing Facility and Supplies	794	1,212	1,212	-	--
Post Secondary Tiered	60,967	60,967	62,967	2,000	3.3
Post Secondary Operating	-	-	45,700	45,700	--
Teachers Scholarships	37	-	-	-	--
Technical Education Tuition	30,117	38,487	39,850	1,363	3.5
Technical Equipment Washburn	399	398	398	-	--
Technical Colleges Capital Outlay	-	4,335	-	(4,335)	(100.0)
2 Year Colleges Special Project	-	-	15,000	15,000	--
University IT and Infrastructure	-	-	20,000	20,000	--
Vocational Ed. Capital Outlay	72	72	1,072	1,000	1,396.9
<i>Subtotal–Other Education</i>	<i>\$ 186,241</i>	<i>\$ 204,998</i>	<i>\$ 285,615</i>	<i>\$ 80,617</i>	<i>39.3 %</i>
Community Corrections	\$ 42,360	\$ 63,936	\$ 58,964	\$ (4,973)	-- %
KDHE Aid Programs	6,414	8,414	7,388	(1,026)	--
KDADS Aid Programs	39,033	62,574	72,324	9,750	15.6
State Library	1,307	1,313	1,351	38	2.9
Adjutant General Aid Programs (Disaster Relief)	655	5,223	3,332	(1,891)	(36.2)
SGF TOTAL	\$ 4,189,004	\$ 4,897,047	\$ 4,620,963	\$ (276,084)	(5.6)%

Note: Totals may not add due to rounding.

SELECTED EDUCATION STATE AID FROM OTHER FUNDS
(Dollars in Thousands)

	Actual FY 2021	Gov. Est. FY 2022	Gov. Rec. FY 2023	Change	
				\$	%
20 Mill Local Property Tax	\$ 736,318	\$ 760,000	\$ 789,500	\$ 29,500	3.9 %
School District Finance Fund	58,402	58,000	58,000	-	--
KPERS-ELARF	41,640	41,144	41,390	246	0.6
Capital Improvement State Aid	194,603	202,000	205,000	3,000	1.5
Mineral Production Fund	8,576	4,557	8,639	4,082	89.6
Communities in Schools	50	50	50	-	--
Driver Education Aid	942	1,536	1,736	200	13.0
USD Checkoff Fund	42	50	50	-	--
Private Gifts and Grants	-	28	23	(5)	--
Children's Cabinet-Family & Children Investment Fund	-	564	-	(564)	(100.0)
TOTAL	\$ 1,040,573	\$ 1,067,929	\$ 1,104,388	\$ 36,459	3.4 %

(Note: Totals may not add due to rounding.)

SELECTED NON-EDUCATION STATE AID FROM OTHER FUNDS
(Dollars in Thousands)

	Actual FY 2021	Gov. Est. FY 2022	Gov. Rec. FY 2023	Change	
				\$	%
KDOT-CCHF and County	\$ 155,790	\$ 157,408	\$ 158,248	\$ 840	0.5 %
Equalization					
COVID-19 Transactions**	450,267	12,576	10,322	(2,254)	(17.9)
KDOT-Aviation	4,891	8,938	7,000	(1,938)	(21.7)
Insurance Department-Firefighters Relief	14,615	14,500	14,500	-	--
Commerce-CDBG	30,379	16,000	16,000	-	--
Lottery-Expanded Lottery Aid to Locals	10,237	10,764	11,967	1,203	11.2
Dept. of Corrections	2,816	15,211	4,885	(10,326)	(67.9)
KDOR-Oil and Gas Mineral Production	1,994	2,663	3,491	828	31.1
KDHE-Environmental Enforcement	2,436	2,642	3,932	1,290	48.8
Dept. of Ag.-SWPF Aid to Local Districts	2,193	2,223	2,473	250	11.2
TOTAL	\$ 675,617	\$ 242,925	\$ 232,819	\$ (10,106)	(4.2)%

Note: Totals may not add due to rounding.

**Includes (Office of the Governor, Department for Children and Families, Department of Commerce, KDHE-Health, Adjutant General's Department, the Judiciary, Kansas Department for Aging and Disability Services, Kansas Department of Transportation, and Office of the Secretary of State)

INCREASE IN STATE GENERAL FUND EXPENDITURES
Governor's Recommendation
FY 2022 - FY 2023

	Amount (Thousands)	Percent of Total Increase
Commerce - Community and Business Development	\$ 178,541	42.2 %
KDADS - Medicaid Caseloads and Waivers	139,725	33.0
Regents - MOE	112,373	26.6
KDHE - State Laboratory	64,893	15.3
State Employee Pay Increase	56,801	13.4
Adjutant General - Armories and State Defense Building	38,776	9.2
KDOC - 24/7 Pay Plan	24,487	5.8
Dept. for Children and Families - Enhancements	19,293	4.6
Judiciary - Surcharge, New Judges and Staff	10,298	2.4
KP&F - KPERS Policy Change	10,000	2.4
Highway Patrol - FY 2022 Aircraft Purchases	(18,100)	(4.3)
Dept. of Education - KPERS Layering, Delayed Payment	(358,484)	(84.7)
Dept. of Administration - Docking, Rebate, Debt Service	(697,396)	(164.8)
All Other Adjustments	(4,380)	(1.0)
TOTAL	\$ (423,174)	

DEMAND/REVENUE TRANSFERS FROM THE STATE GENERAL FUND

Demand transfers are certain expenditures specified by statute. Since FY 2002, the demand transfers to the Local *Ad Valorem* Tax Reduction Fund (LAVTRF), the County and City Revenue Sharing Fund (CCRSF), and the Special City and County Highway Fund (SCCHF) have been treated as revenue transfers. By changing these demand transfers to revenue transfers, these funds were no longer considered SGF expenditures and thus, no longer subject to the SGF ending balance law. In FY 2003, the Governor recommended changing the State Water Plan Fund and the School District Capital Improvements Fund to revenue transfers as well. Since FY 2004, the remaining demand transfers, with the exception of the School District Capital Outlay Fund, are also treated as revenue transfers.

FY 2023 DEMAND/REVENUE TRANSFERS
FROM STATE GENERAL FUND TO OTHER STATE FUNDS
(Dollars in Thousands)

	FY 2023		
	No Law Change	Governor's Proposed	Difference
School District Capital Improvement Fund	\$ (205,000)	\$ (205,000)	\$ -
School District Capital Outlay Fund	(80,900)	(82,000)	(1,100)
Regents Faculty of Distinction	(300)	(300)	-
TOTAL	\$ (286,200)	\$ (287,300)	\$ (1,100)

Status of the State General Fund

The Governor's recommendations for FY 2022 and FY 2023 would result in an ending balance of \$1.04 billion at the end of FY 2022 and \$671.2 million at the end of FY 2023. Recommended receipts for FY 2022 and FY 2022 are equal to the consensus revenue estimates with the exception of certain transfers, adjustments, and revenue proposals recommended by the Governor, which decrease projected SGF receipts by \$596.2 million in FY 2022 and \$507.1 million for FY 2023.

The Governor's proposed revenue adjustments include the following changes:

FY 2022:

- Transferring \$600.0 million SGF to the Budget Stabilization Fund;
- Transferring \$5.0 million SGF to the Job Creation Program Fund; and
- Reducing the transfer to the Adjutant General State Emergency Fund by \$8.6 million SGF.

FY 2023:

- Reducing revenue by \$462.0 million SGF to eliminate the state food sales tax;
- Transferring an additional \$31.5 million SGF to the Job Creation Program Fund;
- Reducing revenue by \$10.0 million SGF to provide tax credits for the Creative Industries;
- Eliminating the transfer from the Securities Act Fee Fund of the Kansas Insurance Department, reducing revenue by \$5.1 million SGF; and
- Adding \$1.5 million in other various SGF adjustments.

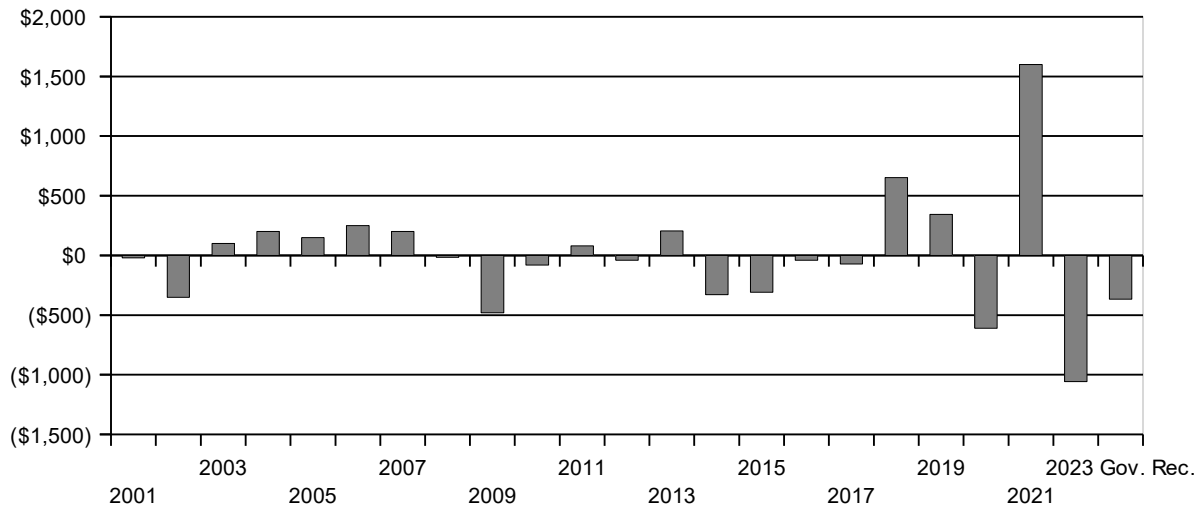
STATE GENERAL FUND RECEIPTS, EXPENDITURES, AND BALANCES (Dollars in Millions)

	Actual FY 2021	Gov. Rec. FY 2022	Change	Gov. Rec. FY 2023	Change
Beginning Unencumbered	\$	\$	\$	\$	\$
Cash	495.0	2,094.8	1,599.8	1,037.9	(1,056.9)
Receipts	8,865.9	8,870.0	4.1	9,047.9	177.9
Gov. Rec. Adjustments	1.7	(596.2)	(597.9)	(507.1)	89.1
Adjusted Receipts	8,867.6	8,273.8	(593.8)	8,540.8	267.0
<i>Total Resources</i>	\$ 9,362.6	\$ 10,368.6	\$ 1,006.0	\$ 9,578.7	\$ (789.9)
Less: Expenditures	7,267.8	9,330.7	2,062.9	8,907.5	(423.2)
Ending Unencumbered Cash Balance	\$ 2,094.8	\$ 1,037.9	\$ (1,056.9)	\$ 671.2	\$ (366.7)

Ending Balance as a Percentage of Expenditures	28.8 %	11.1 %	7.9 %
Adj. Receipts in Excess of Expenditures	\$ 1,600	\$ (1,057)	\$ (367)

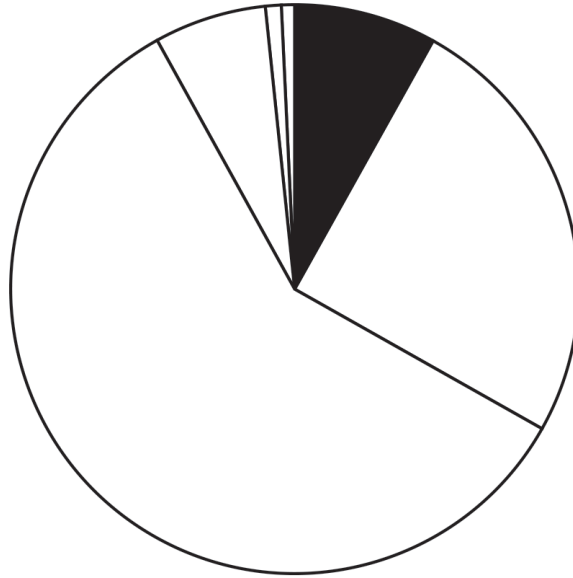
Note: Totals may not add due to rounding.

**RECEIPTS IN EXCESS OF EXPENDITURES
GOVERNOR'S RECOMMENDATION – STATE GENERAL FUND
(Dollars in Millions)**

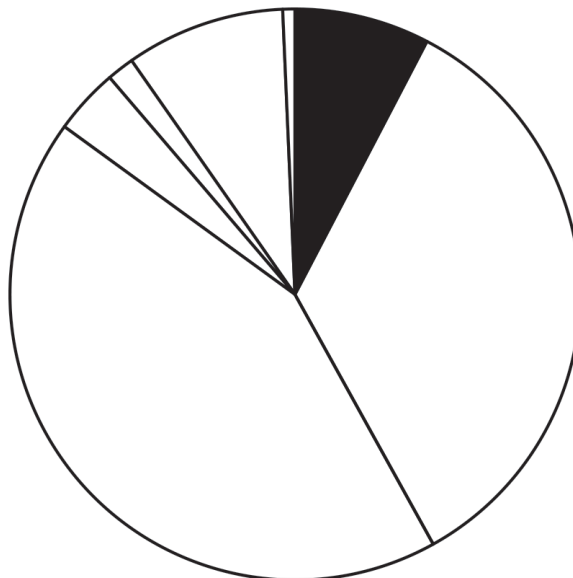


GENERAL GOVERNMENT

State General Fund



All Funds



General Government is the administrative and regulatory function of state government and includes elected officials, regulatory agencies, the Legislature, the Judiciary, and general administrative agencies.

The Governor's FY 2023 recommendation for the General Government function totals \$1.7 billion from all funding sources, including \$722.3 million from the State General Fund.

The FY 2023 recommendation represents a State General Fund decrease of 41.1 percent, or \$503.1 million, below the FY 2022 amount. Expenditures from all funds decrease by 21.5 percent, or \$475.4 million, below the FY 2022 amount.

Agencies in this Function:

<i>Legislative Coordinating Council</i>	25
<i>Legislature</i>	33
<i>Legislative Research Department</i>	41
<i>Office of the Revisor of Statutes</i>	50
<i>Legislative Division of Post Audit</i>	59
<i>Office of the Governor</i>	67
<i>Office of the Secretary of State</i>	88
<i>Office of the State Treasurer</i>	105
<i>Kansas Insurance Department</i>	128
<i>Office of the Attorney General</i>	150
<i>Kansas Human Rights Commission</i>	184
<i>Health Care Stabilization Fund Board of Governors</i>	197
<i>Judicial Branch</i>	209
<i>Judicial Council</i>	236
<i>Board of Indigents' Defense Services</i>	250
<i>Department of Administration</i>	279
<i>Office of Information and Technology Services</i>	323
<i>Kansas Public Employees Retirement System</i>	358
<i>Kansas Lottery</i>	376
<i>Kansas Racing and Gaming Commission</i>	400
<i>Kansas Department of Revenue</i>	415
<i>Board of Tax Appeals</i>	440
<i>Kansas Department of Commerce</i>	457
<i>Kansas Corporation Commission</i>	487
<i>Citizens' Utility Ratepayer Board</i>	508
<i>Office of Administrative Hearings</i>	519
<i>Abstracters' Board of Examiners</i>	528
<i>Board of Accountancy</i>	537
<i>Office of the State Bank Commissioner</i>	547
<i>Board of Barbering</i>	569
<i>Behavioral Sciences Regulatory Board</i>	582
<i>Board of Cosmetology</i>	596
<i>Kansas Department of Credit Unions</i>	607
<i>Kansas Dental Board</i>	617
<i>Governmental Ethics Commission</i>	627
<i>Kansas State Board of Healing Arts</i>	640
<i>Kansas Board of Hearing Aid Examiners</i>	649
<i>Kansas State Board of Mortuary Arts</i>	660
<i>Board of Nursing</i>	672
<i>Board of Examiners in Optometry</i>	685
<i>Kansas Board of Pharmacy</i>	696
<i>Real Estate Appraisal Board</i>	707
<i>Real Estate Commission</i>	717
<i>Board of Technical Professions</i>	729
<i>Pooled Money Investment Board</i>	741
<i>Board of Veterinary Examiners</i>	752

A total of 5,724.6 FTE positions are recommended by the Governor for the General Government function for FY 2023, which is an increase of 91.2 FTE positions above the FY 2022 number. Of all state FTE positions, 13.7 percent are in this function.

Agencies in this function comprise 8.1 percent of the total State General Fund budget for FY 2023, which is a decrease of 5.0 percent below the FY 2022 percentage. The agencies comprise 7.7 percent of expenditures from all funding sources for FY 2023, which is a decrease of 1.9 percent below the FY 2022 percentage.

LEGISLATIVE COORDINATING COUNCIL

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 666,006	\$ 779,439	\$ 779,439	\$ 752,441	\$ 752,441
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 666,006</i>	<i>\$ 779,439</i>	<i>\$ 779,439</i>	<i>\$ 752,441</i>	<i>\$ 752,441</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 666,006	\$ 779,439	\$ 779,439	\$ 752,441	\$ 752,441
Percentage Change:					
State General Fund	2.9 %	17.0 %	17.0 %	(3.5) %	(3.5) %
All Funds	2.9 %	17.0 %	17.0 %	(3.5) %	(3.5) %
FTE Positions	8.0	8.0	8.0	8.0	8.0

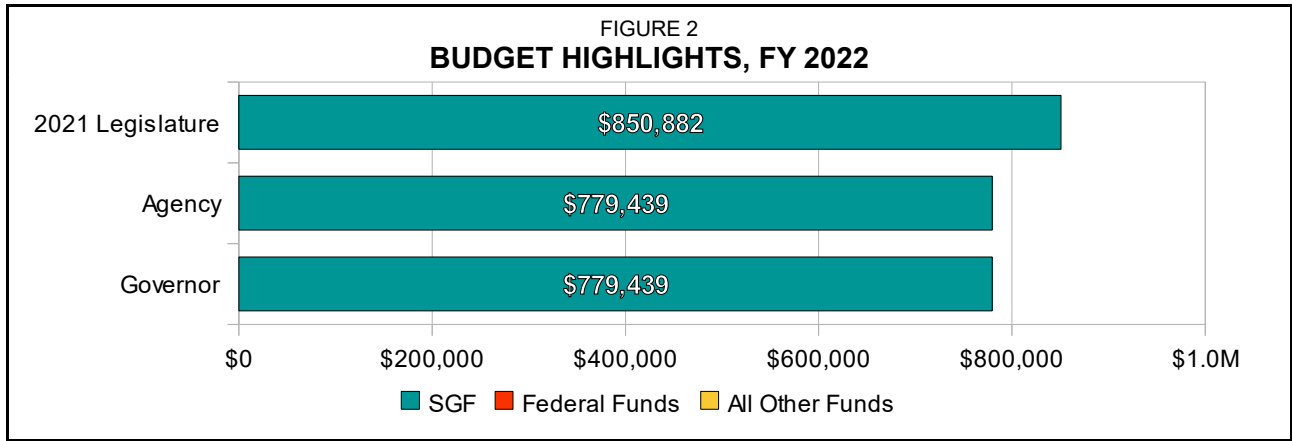
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Legislative Coordinating Council is responsible for coordinating the delivery of legislative services. The Council consists of the President of the Senate, the Vice President of the Senate, the Speaker of the House, the Speaker Pro Tem of the House, and the Majority and Minority leaders of each chamber. The budget includes the compensation and expenses associated with Council meetings and the salaries and wages and travel expenditures of the staff of the Division of Legislative Administrative Services.

EXECUTIVE SUMMARY

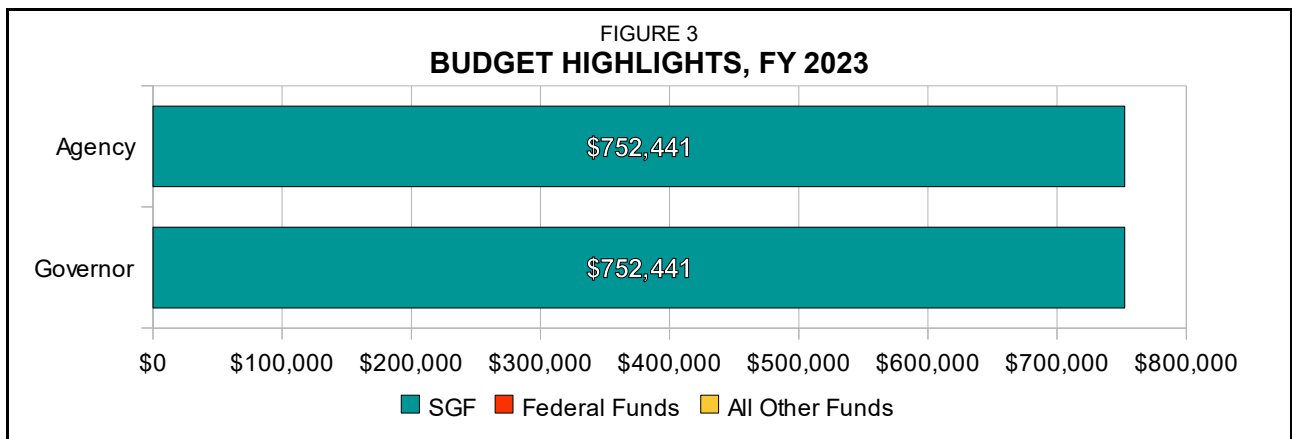
The 2021 Legislature approved a budget of \$757,225, all from the State General Fund (SGF), for the Legislative Coordinating Council for FY 2022. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The adjustment for this agency includes the following:

- **SGF REAPPROPRIATION.** An increase of \$93,657 SGF due to unspent funds in FY 2021 that reappropriated into FY 2022.



The **agency** submits an FY 2022 revised estimate totaling \$779,439, all SGF. The revised estimate is a decrease of \$71,443, or 8.4 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2021. The majority of expenditures for this agency are in salaries and wages for the 8.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests \$752,441, all SGF, for FY 2023. The request is a decrease of \$26,998, or 3.5 percent, below the FY 2022 revised estimate. The majority of the decrease is due to the lack of reappropriated funds, partially offset by increases in salaries and wages fringe benefit expenditures. The agency request also includes funding for 8.0 FTE positions, the same number as the FY 2022 revised estimate.

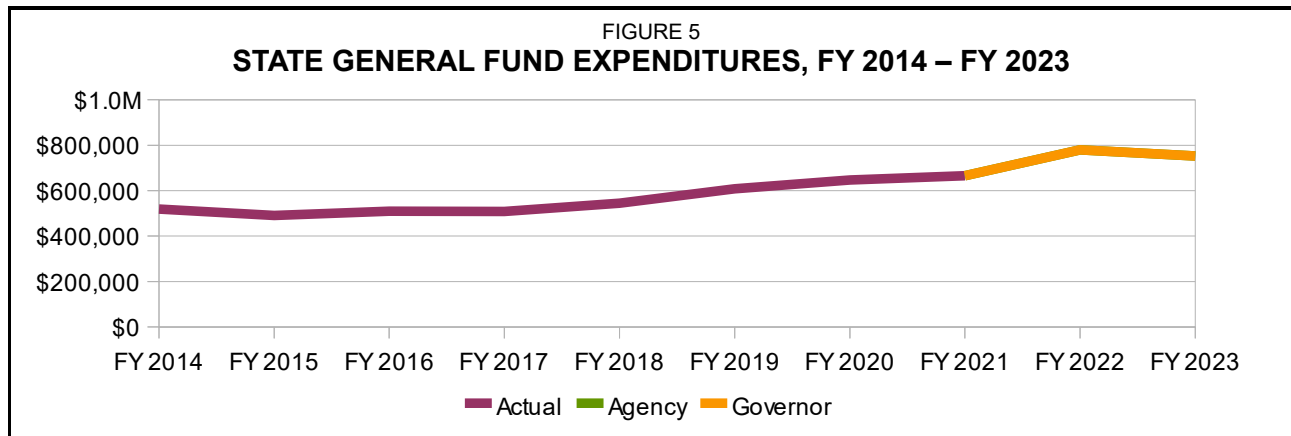
The **Governor** concurs with the agency's FY 2023 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 663,290	\$ 734,999	\$ 734,999	\$ 735,507	\$ 735,507
Contractual Services	2,716	44,440	44,440	16,934	16,934
Commodities	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 666,006</i>	<i>\$ 779,439</i>	<i>\$ 779,439</i>	<i>\$ 752,441</i>	<i>\$ 752,441</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 666,006</i>	<i>\$ 779,439</i>	<i>\$ 779,439</i>	<i>\$ 752,441</i>	<i>\$ 752,441</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 666,006	\$ 779,439	\$ 779,439	\$ 752,441	\$ 752,441
Financing:					
State General Fund	\$ 666,006	\$ 779,439	\$ 779,439	\$ 752,441	\$ 752,441
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 666,006	\$ 779,439	\$ 779,439	\$ 752,441	\$ 752,441
FTE Positions	8.0	8.0	8.0	8.0	8.0

STATE GENERAL FUND



For the Legislative Coordinating Council, the SGF is the only funding source.

FY 2022 ANALYSIS

FIGURE 6 SUMMARY OF BUDGET REQUEST, FY 2022					
	SGF	Special Revenue Funds	All Funds	FTE	
Legislative Approved:					
Amount Approved by 2021 Legislature	\$ 757,225	\$ -	\$ 757,225	8.0	
1. SGF Reappropriations	93,657	-	93,657	--	
<i>Subtotal—Legislative Approved</i>	<i>\$ 850,882</i>	<i>\$ -</i>	<i>\$ 850,882</i>	<i>8.0</i>	
Agency Revised Estimate:					
2. Lapse SGF Reappropriation	\$ (71,443)	\$ -	\$ (71,443)	--	
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 779,439</i>	<i>\$ -</i>	<i>\$ 779,439</i>	<i>8.0</i>	
Governor's Recommendation:					
3. No changes	\$ -	\$ -	\$ -	--	
TOTAL	\$ 779,439	\$ -	\$ 779,439	8.0	

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the \$757,225 appropriated to the Legislative Coordinating Council for FY 2022. This adjustment changes the current year approved amount without any legislative action required and include the following:

1. **SGF REAPPROPRIATION.** An increase of \$93,657 SGF due to unspent funds in FY 2021 that reappropriated into FY 2022.

AGENCY ESTIMATE

The **agency** submits an FY 2022 revised estimate totaling \$779,439, all SGF. The revised estimate is a decrease of \$71,443, or 8.4 percent, below the approved amount. The decrease is attributable to lapsing a portion of the SGF reappropriations from FY 2021. The majority of expenditures for this agency are in salaries and wages for the 8.0 FTE positions, which is the same as the approved number.

The **agency** estimate includes the following adjustments:

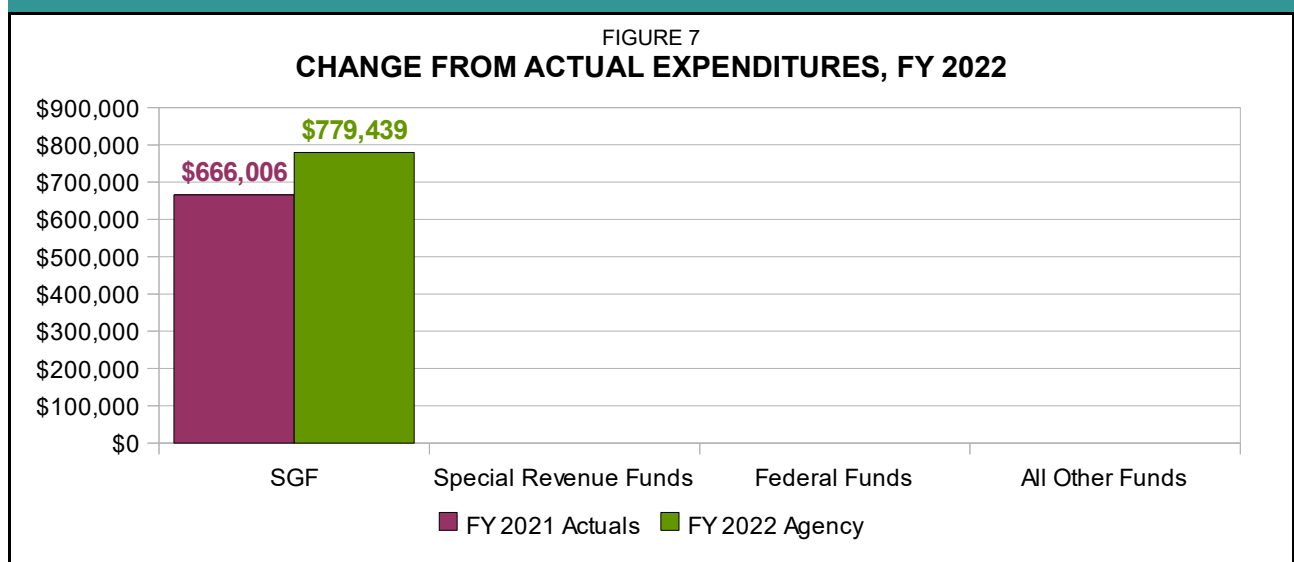
2. **SGF REAPPROPRIATIONS.** The agency requests the lapse of \$71,443 of the unspent FY 2021 SGF moneys that reappropriated into FY 2021.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2022 revised estimate.

3. **NO CHANGES.** The Governor does not recommend any adjustments.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency submits an FY 2022 revised estimate totaling \$779,439, all SGF. The revised estimate is an increase of \$113,433, or 17.0 percent, above the FY 2021 actual expenditures. Of this increase, \$71,709 is in salaries and wages and \$41,724 is in contractual services. The salaries and wages increase includes annualized amounts for salary increases from FY 2021 as well as funding to cover an anticipated retirement without a finalized date. The contractual services estimate includes funding for consulting services that may be required.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 779,439	\$ -	\$ 779,439	8.0
Agency Request:				
1. All Other Adjustments	(26,998)	-	(26,998)	--
<i>Subtotal—Agency Estimate</i>	\$ 752,441	\$ -	\$ 752,441	8.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 752,441	\$ -	\$ 752,441	8.0

AGENCY REQUEST

The **agency** requests \$752,441, all SGF, for FY 2022. The request is a decrease of \$26,998, or 3.5 percent, below the FY 2022 revised estimate. The majority of the decrease is due to the lack of reappropriated funds, partially offset by increases in salaries and wages fringe benefit expenditures. The agency request also includes funding for 8.0 FTE positions, the same number as the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

1. **ALL OTHER ADJUSTMENTS.** The absence of reappropriated SGF moneys from the previous year account for the decrease.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency request for FY 2023.

2. **NO CHANGES.** The Governor does not recommend any adjustments.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

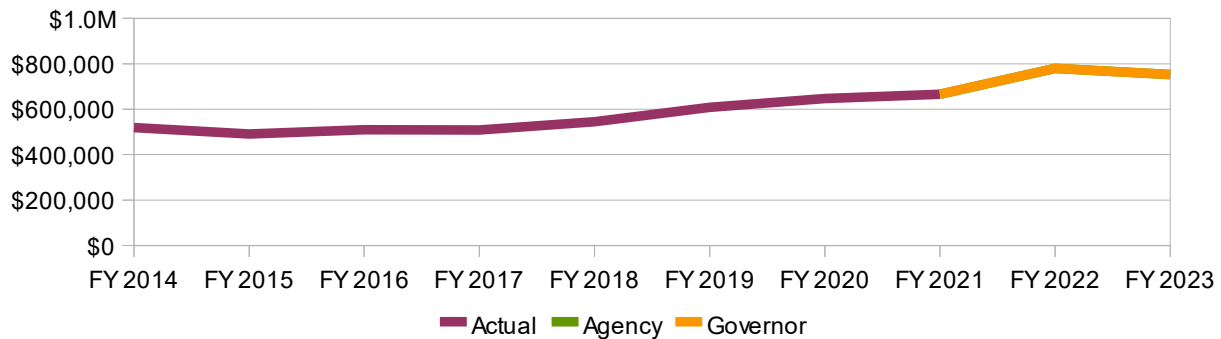
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 666,006	\$ 779,439	\$ 779,439	\$ 752,441	\$ 752,441
FTE Positions:					
Administration	8.0	8.0	8.0	8.0	8.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 10
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 46-1201, *et seq.*

PROGRAM GOALS: • Ensure continuous administrative operations of the Legislature through the Legislative Research Department, Office of Revisor of Statutes, and Division of Legislative Administrative Services.
• Ensure the governance and procedure of all legislative committee work and activities continues throughout the calendar year.

FIGURE 11
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Interim Meeting Days Authorized	92	73	89	109	90
2. Legislative Agency Budgets Authorized	5	5	5	5	5
Output Measure:					
3. Salary and Expenses paid for 165 Legislators	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
4. Out of State Travel Reimbursement Requests Entered into Payables System After Received from Legislator	99.0 %	100.0 %	100.0 %	100.0 %	100.0 %
5. Accounts Payables Processed Within Statutory Kansas Prompt Payment Act	98.0 %	99.0 %	97.0 %	100.0 %	100.0 %
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 646,991	\$ 666,006		\$ 779,439	\$ 752,441
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 646,991	\$ 666,006		\$ 779,439	\$ 752,441
Percentage Change:					
SGF	6.4 %	2.9 %		17.0 %	(3.5) %
All Funds	6.4 %	2.9 %		17.0 %	(3.5) %
FTE Positions	8.0	8.0		8.0	8.0

LEGISLATURE

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 18,566,385	\$ 24,337,699	\$ 24,337,699	\$ 23,172,441	\$ 23,172,441
Federal Funds	4,654,653	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 23,221,038</u>	<u>\$ 24,337,699</u>	<u>\$ 24,337,699</u>	<u>\$ 23,172,441</u>	<u>\$ 23,172,441</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 23,221,038</u>	<u>\$ 24,337,699</u>	<u>\$ 24,337,699</u>	<u>\$ 23,172,441</u>	<u>\$ 23,172,441</u>
Percentage Change:					
State General Fund	4.3 %	31.1 %	31.1 %	(4.8) %	(4.8) %
All Funds	30.4 %	4.8 %	4.8 %	(4.8) %	(4.8) %
FTE Positions	48.0	50.0	50.0	50.0	50.0

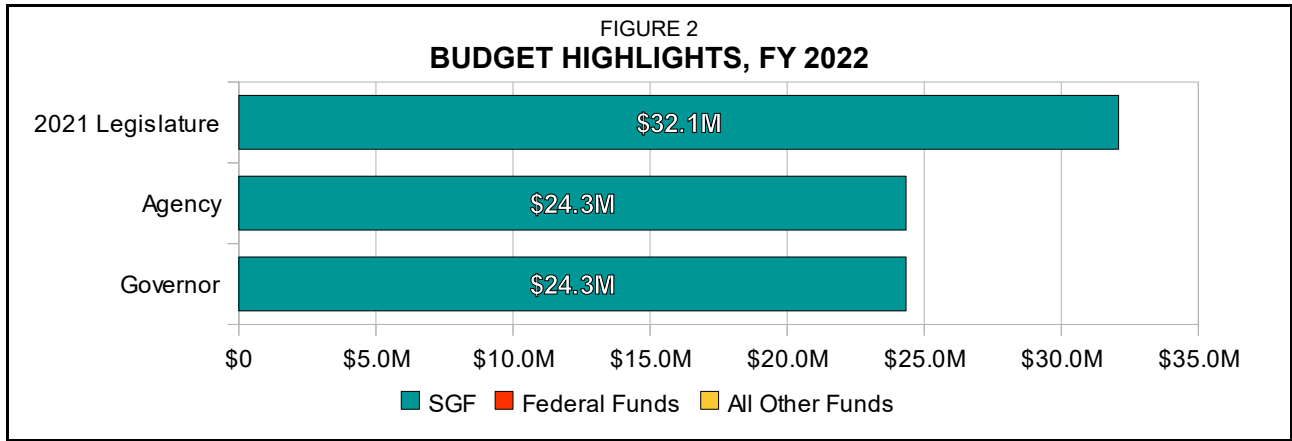
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The legislative power of the State of Kansas is vested in a House of Representatives (125 members) and a Senate (40 members). The budget for the Legislature finances the operations of the House and the Senate, joint expenses, legislative claims, special maintenance and repair expenses, special expenses, Legislative Branch information systems authorized by the Legislative Coordinating Council, and the retirement program for session-only employees of the Legislature.

EXECUTIVE SUMMARY

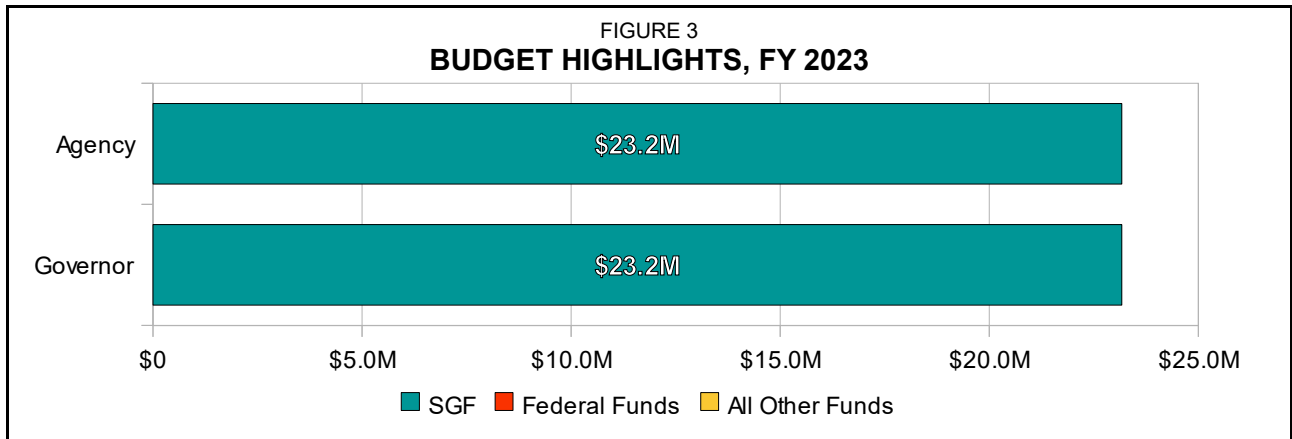
The 2021 Legislature approved a budget of \$23.8 million, all from the State General Fund (SGF), for the Legislature for FY 2022. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. Adjustments for this agency include the following:

- **SGF REAPPROPRIATION.** An increase of \$8.3 million SGF due to unspent funds in FY 2021 that reappropriated into FY 2022.



The **agency** submits an FY 2022 revised estimate totaling \$24.3 million, all SGF. The revised estimate is a decrease of \$7.8 million, or 24.2 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2021. The agency's FY 2022 revised estimate includes 50.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$23.2 million, all SGF, for FY 2023. The request is a decrease of \$1.2 million, or 4.8 percent, below the FY 2022 revised estimate. The majority of the decrease is due to the lack of reappropriated funds, partially offset by increases in salaries and wages fringe benefit expenditures. The agency request also includes 50.0 FTE positions, which is the same number as the FY 2022 revised estimate.

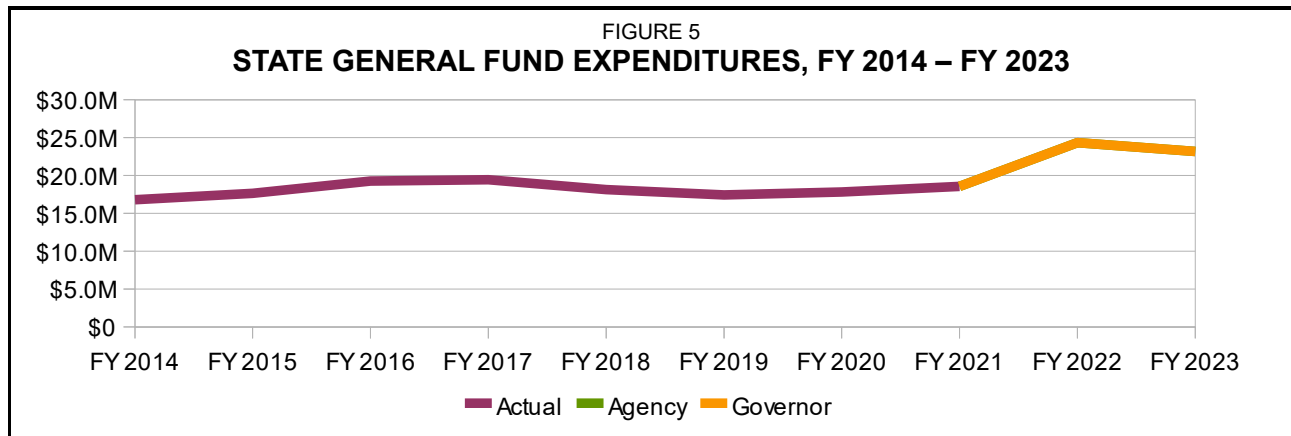
The **Governor** concurs with the agency's request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 10,972,418	\$ 12,712,351	\$ 12,712,351	\$ 12,741,155	\$ 12,741,155
Contractual Services	7,711,060	9,040,801	9,040,801	8,432,738	8,432,738
Commodities	82,131	129,139	129,139	111,085	111,085
Capital Outlay	4,424,097	2,427,640	2,427,640	1,887,463	1,887,463
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 23,189,706</i>	<i>\$ 24,309,931</i>	<i>\$ 24,309,931</i>	<i>\$ 23,172,441</i>	<i>\$ 23,172,441</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	31,332	27,768	27,768	-	-
<i>Subtotal—Operating</i>	<i>\$ 23,221,038</i>	<i>\$ 24,337,699</i>	<i>\$ 24,337,699</i>	<i>\$ 23,172,441</i>	<i>\$ 23,172,441</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 23,221,038	\$ 24,337,699	\$ 24,337,699	\$ 23,172,441	\$ 23,172,441
Financing:					
State General Fund	\$ 18,566,385	\$ 24,337,699	\$ 24,337,699	\$ 23,172,441	\$ 23,172,441
Federal Funds	4,654,653	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 23,221,038	\$ 24,337,699	\$ 24,337,699	\$ 23,172,441	\$ 23,172,441
FTE Positions	48.0	50.0	50.0	50.0	50.0

STATE GENERAL FUND



For the Legislature, the SGF generally provides the majority of the agency's funding.

FY 2022 ANALYSIS

FIGURE 6 SUMMARY OF BUDGET REQUEST, FY 2022					
	SGF	Special Revenue Funds	All Funds	FTE	
Legislative Approved:					
Amount Approved by 2021 Legislature	\$ 23,765,494	\$ -	\$ 23,765,494	50.0	
1. SGF Reappropriations	8,335,060	-	8,335,060	--	
<i>Subtotal—Legislative Approved</i>	<i>\$ 32,100,554</i>	<i>\$ -</i>	<i>\$ 32,100,554</i>	<i>50.0</i>	
Agency Revised Estimate:					
2. Lapse SGF Reappropriation	\$ (7,762,855)	\$ -	\$ (7,762,855)	--	
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 24,337,699</i>	<i>\$ -</i>	<i>\$ 24,337,699</i>	<i>50.0</i>	
Governor's Recommendation:					
3. No Changes	\$ -	\$ -	\$ -	--	
TOTAL	\$ 24,337,699	\$ -	\$ 24,337,699	50.0	

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the \$23.8 million appropriated to the Legislature for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** An increase of \$8.3 million SGF due to unspent funds in FY 2021 that reappropriated into FY 2022.

AGENCY ESTIMATE

The **agency** submits a revised FY 2022 estimate totaling \$24.3 million, all SGF. The revised estimate is a decrease of \$7.8 million, or 24.2 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2021. The agency's FY 2022 revised estimate includes 50.0 FTE positions, which is the same as the approved number.

The **agency** estimate includes the following adjustments:

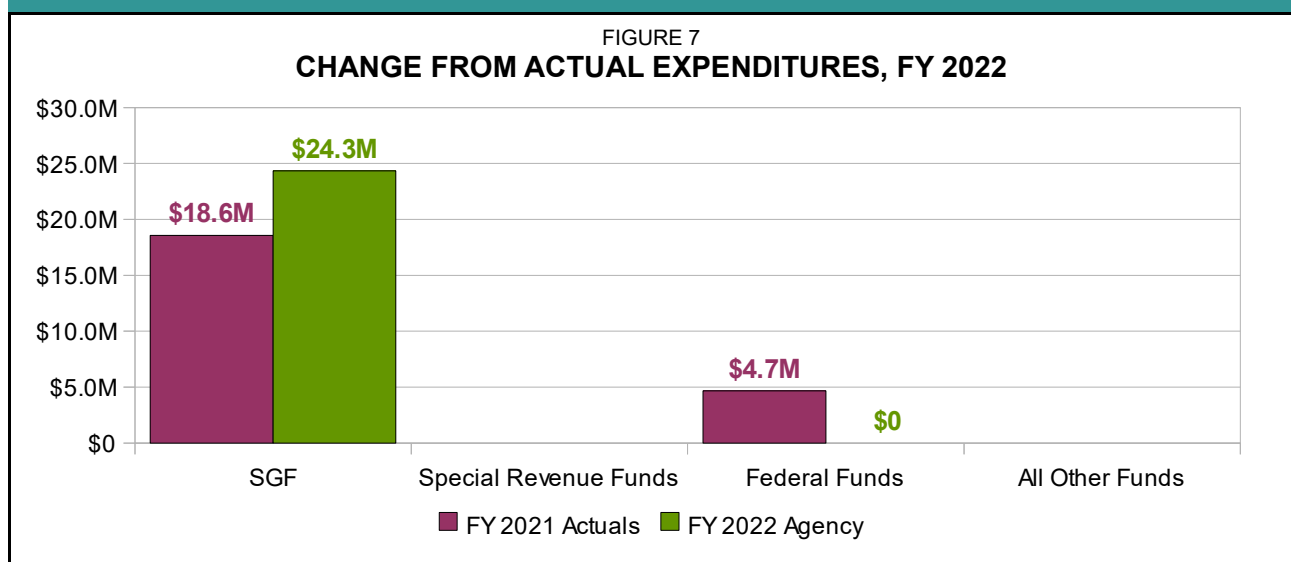
2. **SGF REAPPROPRIATIONS.** A decrease totaling \$7.8 million due to lapsing a portion of SGF reappropriations.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2023.

3. **NO CHANGES.** The Governor does not recommend any changes.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency submits an FY 2022 revised estimate totaling \$24.3 million, all SGF. The revised estimate is an increase of \$1.1 million, or 4.8 percent, above the FY 2021 actual expenditures. Of this increase, \$1.7 million is in salaries and wages and \$1.3 million is in contractual services, partially offset by a decrease of \$2.0 million in capital outlay. The increases in salaries and wages were impacted due to reduced staffing levels during the 2021 Session associated with the COVID-19 pandemic. Additionally, the salary levels for temporary Session staff were adjusted prior to the start of Session. Due to the inability to fill all positions, an increase in temporary staff is anticipated to increase contractual services expenditures. In addition to these items, the 2021 Session was completed in 86 days, which is less than the number budgeted for. The majority of the decreases in capital outlay are associated with the Virtual Statehouse project, which occurred in FY 2021.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 24,337,699	\$ -	\$ 24,337,699	50.0
Agency Request:				
1. All Other Adjustments	\$ (1,165,258)	\$ -	\$ (1,165,258)	--
<i>Subtotal—Agency Estimate</i>	\$ 23,172,441	\$ -	\$ 23,172,441	50.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 23,172,441	\$ -	\$ 23,172,441	50.0

AGENCY REQUEST

The **agency** requests \$23.2 million, all SGF, for FY 2023. The request is a decrease of \$1.2 million, or 4.8 percent, below the FY 2022 revised estimate. The majority of the decrease is due to the lack of reappropriated funds, partially offset by increases in salaries and wages fringe benefit expenditures. The agency request also includes 50.0 FTE positions, which is the same number as the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

1. **ALL OTHER ADJUSTMENTS.** The absence of reappropriated SGF moneys from the previous year accounts for the decrease.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2023.

2. **NO CHANGES.** The Governor does not recommend any changes.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

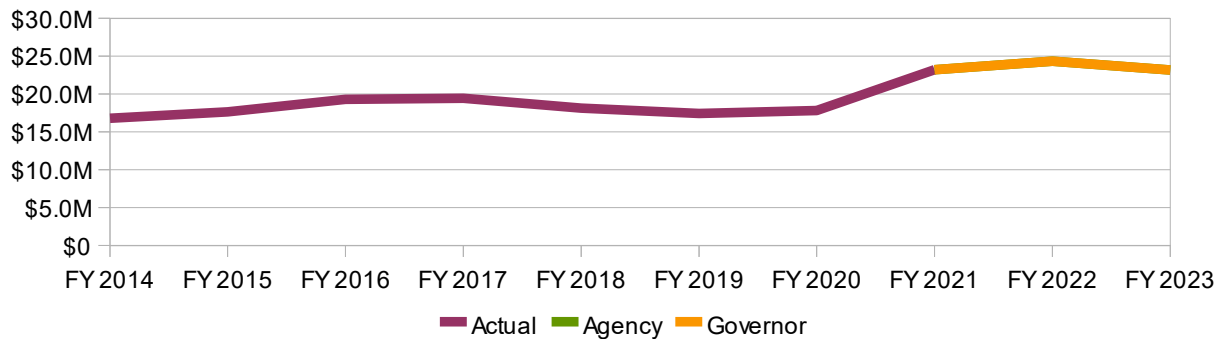
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 23,221,038	\$ 24,337,699	\$ 24,337,699	\$ 23,172,441	\$ 23,172,441
FTE Positions:					
Administration	48.0	50.0	50.0	50.0	50.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 10
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • *Kansas Constitution*, Article 2; KSA 75-7208

PROGRAM GOALS: • Operate as a representative form of government, utilizing a committee system for participation in the legislative process.
• Appropriate funds and sufficient revenues to operate Kansas state government.
• Ensure continuous operation of all Information Systems and Services.
• Ensure information technology system operates in a secure and efficient manner.

FIGURE 11
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of bills introduced	589	769	673	675	675
2.Number of bills submitted to the Governor	17	122	70	116	99
3.Number of bills signed into law	13	115	65	111	94
4.Legislative Session Days Halted Due to IS** Issues	-	-	-	-	-
5.Legislative Committee Meetings Canceled due to IS Issues	-	-	-	-	-
Output Measure:					
6.Website page cache ratio	N/A	66.0 %	--	75.0 %	75.0 %
7.Number of Virtual Meetings Conducted	N/A	2,274	--	2,500	2,800
8.Number of email viruses and malware detected and blocked	N/A	13,899,590	--	14,000,000	14,000,000
9.Percent of App Services Support Issues Resolved	N/A	83.0 %	--	90.0 %	90.0 %
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 17,809,158	\$ 18,566,385		\$ 24,337,699	\$ 23,172,441
Federal Funds	-	4,654,653		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 17,809,158	\$ 23,221,038		\$ 24,337,699	\$ 23,172,441
Percentage Change:					
SGF	2.1 %	4.3 %		31.1 %	(4.8) %
All Funds	2.1 %	30.4 %		4.8 %	(4.8) %
FTE Positions	48.0	48.0		50.0	50.0

** Information Systems

LEGISLATIVE RESEARCH DEPARTMENT

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 4,067,073	\$ 4,825,403	\$ 4,825,403	\$ 4,661,008	\$ 4,661,008
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 4,067,073</u>	<u>\$ 4,825,403</u>	<u>\$ 4,825,403</u>	<u>\$ 4,661,008</u>	<u>\$ 4,661,008</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 4,067,073</u>	<u>\$ 4,825,403</u>	<u>\$ 4,825,403</u>	<u>\$ 4,661,008</u>	<u>\$ 4,661,008</u>
Percentage Change:					
State General Fund	7.6 %	18.6 %	18.6 %	(3.4) %	(3.4) %
All Funds	7.6 %	18.6 %	18.6 %	(3.4) %	(3.4) %
FTE Positions	40.0	40.0	40.0	40.0	40.0

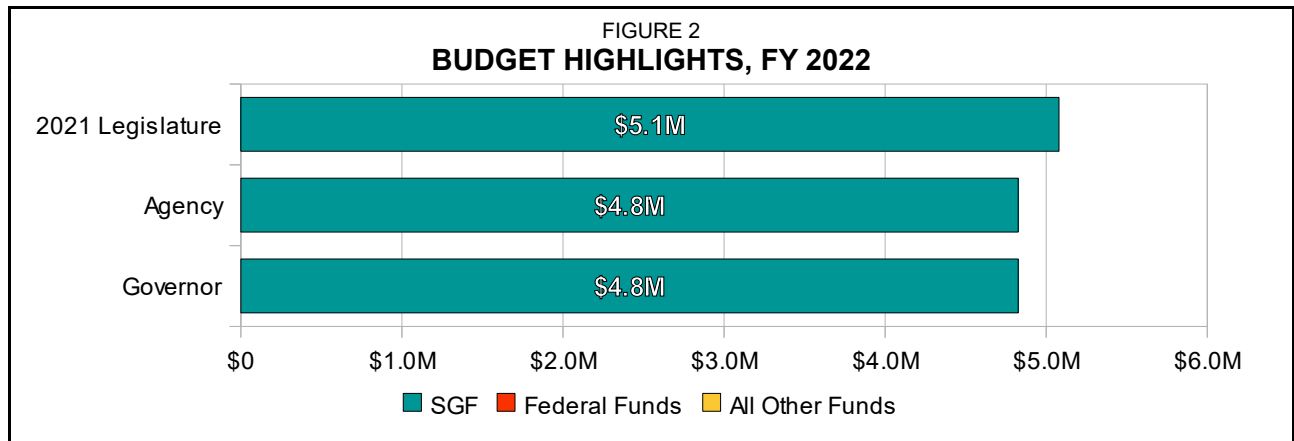
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Legislative Research Department provides nonpartisan, objective research and fiscal analysis for the Legislature, its committees, and individual legislators. The Department provides staff for all legislative committees during both the Session and the Interim, including statutorily created committees (e.g., the Legislative Budget Committee, the Joint Committee on State Building Construction, and others). The Legislative Coordinating Council appoints the Director of Legislative Research, approves the budget proposed for its operation, and generally establishes the broad policies under which the Department operates.

EXECUTIVE SUMMARY

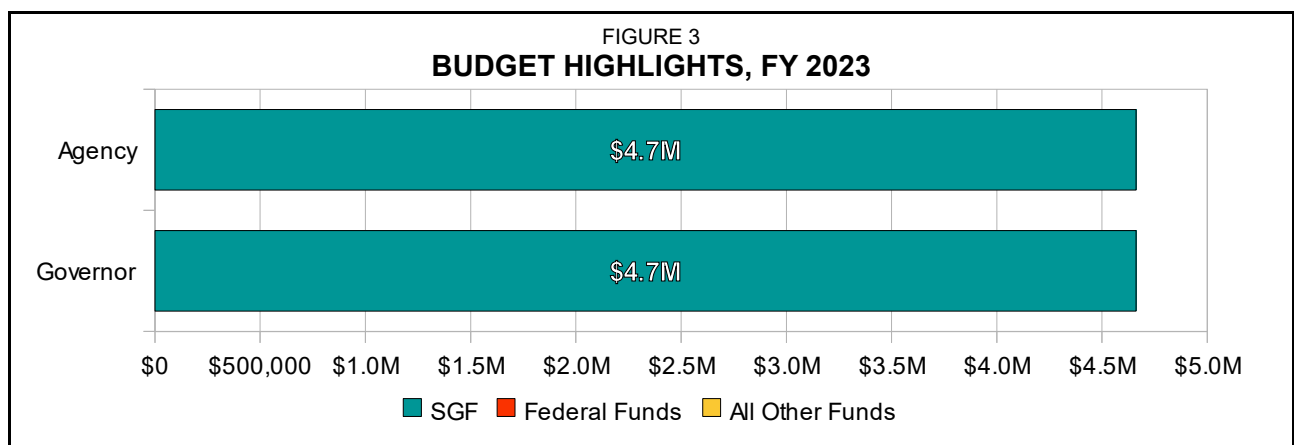
The 2021 Legislature approved a budget of \$4.5 million, all from the State General Fund (SGF), for the Legislative Research Department for FY 2022. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The adjustment for this agency include the following:

- **SGF REAPPROPRIATION.** An increase of \$532,995 SGF due to unspent funds in FY 2021 that reappropriated into FY 2022.



The **agency** submits an FY 2022 revised estimate totaling \$4.8 million, all SGF. The revised estimate is a decrease of \$254,390, or 5.0 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2021. The majority of FY 2022 expenditures for this agency are in salaries and wages for the 40.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$4.7 million, all SGF, for FY 2023. The request is a decrease of \$164,395, or 3.4 percent, below the FY 2022 revised estimate. The decrease attributable to the lack of reappropriated funds. The agency request also includes funding for 40.0 FTE positions, which is the same number as the FY 2022 revised estimate.

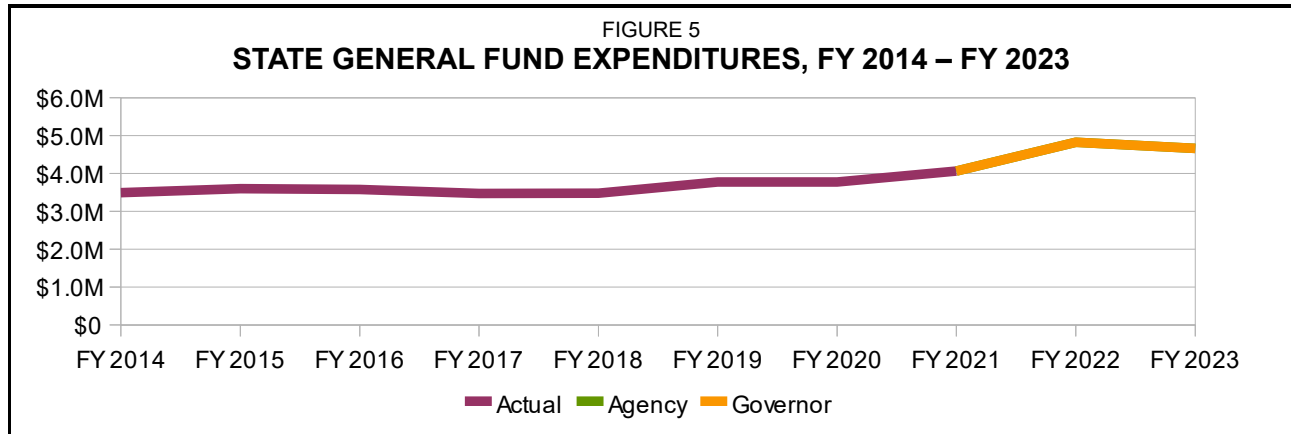
The **Governor** concurs with the agency's request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 3,876,365	\$ 4,483,802	\$ 4,483,802	\$ 4,367,395	\$ 4,367,395
Contractual Services	113,714	262,420	262,420	226,851	226,851
Commodities	11,081	16,884	16,884	16,884	16,884
Capital Outlay	65,913	62,297	62,297	49,878	49,878
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 4,067,073</i>	<i>\$ 4,825,403</i>	<i>\$ 4,825,403</i>	<i>\$ 4,661,008</i>	<i>\$ 4,661,008</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 4,067,073</i>	<i>\$ 4,825,403</i>	<i>\$ 4,825,403</i>	<i>\$ 4,661,008</i>	<i>\$ 4,661,008</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 4,067,073	\$ 4,825,403	\$ 4,825,403	\$ 4,661,008	\$ 4,661,008
Financing:					
State General Fund	\$ 4,067,073	\$ 4,825,403	\$ 4,825,403	\$ 4,661,008	\$ 4,661,008
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 4,067,073	\$ 4,825,403	\$ 4,825,403	\$ 4,661,008	\$ 4,661,008
FTE Positions	40.0	40.0	40.0	40.0	40.0

STATE GENERAL FUND



For the Legislative Research Department, the SGF is the only funding source.

FY 2022 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 4,546,798	\$ -	\$ 4,546,798	40.0
1. SGF Reappropriations	532,995	-	532,995	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 5,079,793</i>	<i>\$ -</i>	<i>\$ 5,079,793</i>	<i>40.0</i>
Agency Revised Estimate:				
2. SGF Reappropriation Lapse	\$ (254,390)	\$ -	\$ (254,390)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 4,825,403</i>	<i>\$ -</i>	<i>\$ 4,825,403</i>	<i>40.0</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 4,825,403	\$ -	\$ 4,825,403	40.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustments was made to the \$4,546,798 appropriated to the Legislative Research Department for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATIONS.** An increase of \$532,995 SGF due to unspent funds in FY 2021 that reappropriated into FY 2022.

AGENCY ESTIMATE

The **agency** submits a revised estimate totaling \$4.8 million, all SGF, in FY 2022. The revised estimate is a decrease of \$254,390 SGF, or 5.0 percent, below the amount approved by the 2021 Legislature.

The **agency** estimate includes the following adjustment:

2. **SGF REAPPROPRIATIONS.** A decrease totaling \$254,390 due to lapsing a portion of the SGF reappropriations.

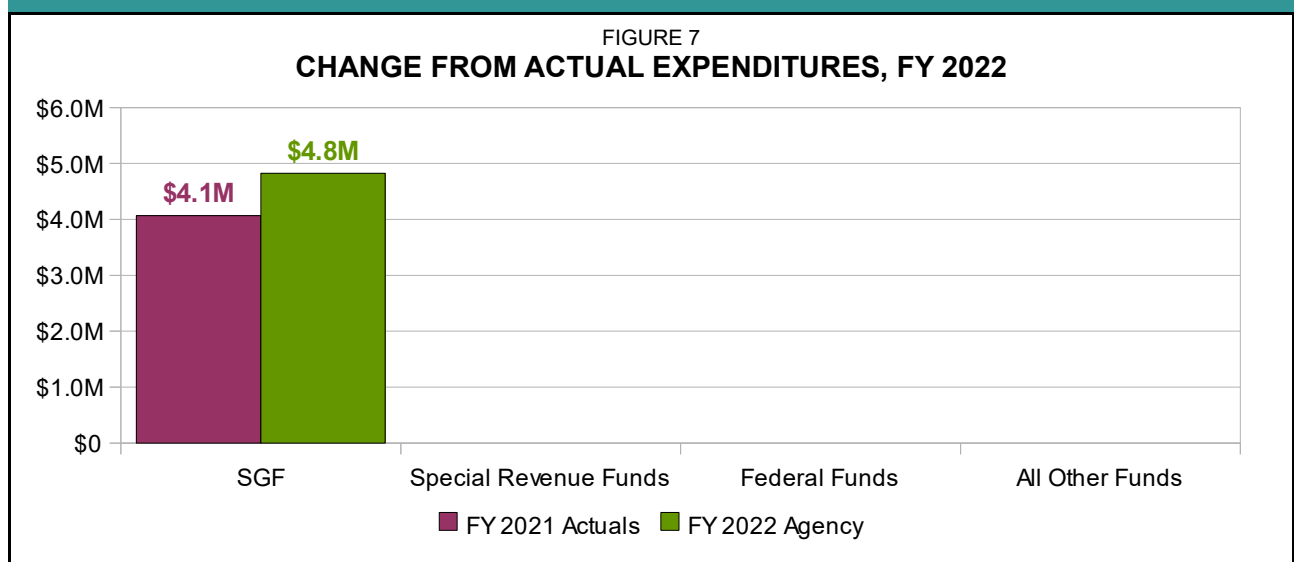
The **agency's** revised estimate includes 40.0 FTE positions in FY 2022, which is the same as the approved number. The revised estimate also includes the funding necessary to implement the constitutional requirement to redraw districts for the House of Representatives, Senate, State Board of Education, and Congress based on the new federal census. The redistricting expenditures include three temporary staff as well as equipment and supplies.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2022.

3. **NO CHANGES.** The Governor does not recommend any changes.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency submits an FY 2022 revised estimate totaling \$4.8 million, all SGF. The revised estimate is an increase of \$758,330, or 18.6 percent, above the FY 2021 actual expenditures. Of this increase, \$607,437, or 15.7 percent, is in salaries and wages. The increase from FY 2021 also includes increased expenditures of \$148,706 in contractual services and other minor adjustments. The FY 2022 revised estimate includes funding for temporary positions associated with the redistricting process, which was delayed and did not begin in FY 2021 as anticipated, as well as other redistricting expenditures not included in FY 2021.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 4,825,403	\$ -	\$ 4,825,403	40.0
Agency Request:				
1. All Other Adjustments	\$ (164,395)	\$ -	\$ (164,395)	--
<i>Subtotal—Agency Estimate</i>	\$ 4,661,008	\$ -	\$ 4,661,008	40.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 4,661,008	\$ -	\$ 4,661,008	40.0

AGENCY REQUEST

The **agency** requests \$4.7 million, all SGF, for FY 2023. The request is a decrease of \$164,395, or 3.4 percent, below the FY 2022 revised estimate. The decrease is attributable to the lack of reappropriated funds. The agency request also includes funding for 40.0 FTE positions, which is the same number as the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

1. **ALL OTHER ADJUSTMENTS.** The absence of reappropriated SGF moneys from FY 2022 account for the decrease. In addition, the redistricting efforts will be less extensive during FY 2023, with temporary staff only required for a portion of the year.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2023.

2. **NO CHANGES.** The Governor's does not recommend any changes.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

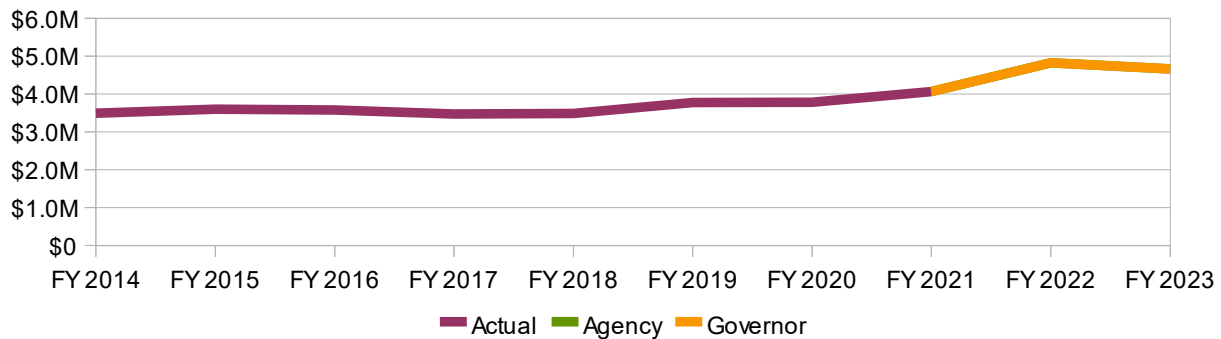
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 4,067,073	\$ 4,825,403	\$ 4,825,403	\$ 4,661,008	\$ 4,661,008
FTE Positions:					
Administration	40.0	40.0	40.0	40.0	40.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 10
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 46-1210; KSA 75-6701

PROGRAM GOALS:

- Perform legislative research functions and other such duties as are directed by the Legislative Coordinating Council or by statute.
- Provide staff services to all special committees, select committees, and standing committees when the Legislature is not in session.
- Collaborate with the Division of the Budget in the development of biannual consensus revenue estimates.
- Facilitate information sharing with the general public and others with interest in the legislative process, legislative matters, and the state budget.
- Coordinate, maintain, and report agency data and information as directed by committees or statute.

FIGURE 11
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Legislator satisfaction regarding the quality of committee support. **	4.8	4.8	4.8	4.9	4.9
2.Legislator satisfaction regarding preparation of staff to respond to questions in committee.**	4.8	4.9	4.9	4.9	4.9
3.Legislator satisfaction regarding timely, accurate, and complete responses to questions.**	4.7	4.7	4.8	4.9	4.9
4.Legislator satisfaction regarding whether agency Supp Notes and CCRBs are timely, accurate, and easy to understand.**	4.7	4.6	4.8	4.9	4.9
5.Legislator general satisfaction with the Department.**	4.8	4.8	4.8	4.9	4.9
6.Percent variation between actual and consensus revenue estimates.	1.1 %	9.5 %	4.2 %	4.5 %	1.5 %
Financing					
SGF	\$3,780,077	\$ 4,067,073		\$ 4,825,403	\$ 4,661,008
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
TOTAL	<u>\$3,780,077</u>	<u>\$ 4,067,073</u>		<u>\$ 4,825,403</u>	<u>\$ 4,661,008</u>

Percentage Change:					
SGF	0.1 %	7.6 %		18.6 %	(3.4) %
All Funds	0.1 %	7.6 %		18.6 %	(3.4) %
FTE Positions	40.0	40.0		40.0	40.0

**** Staff Note:** Measure includes 5 possible responses that are allocated 5-1 points, with 5 being the best and 1 being the worst. Measures are reported as an average of responses to annual survey data.

OFFICE OF THE REVISOR OF STATUTES

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 3,726,613	\$ 4,241,111	\$ 4,241,111	\$ 4,132,662	\$ 4,132,662
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 3,726,613</u>	<u>\$ 4,241,111</u>	<u>\$ 4,241,111</u>	<u>\$ 4,132,662</u>	<u>\$ 4,132,662</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 3,726,613</u>	<u>\$ 4,241,111</u>	<u>\$ 4,241,111</u>	<u>\$ 4,132,662</u>	<u>\$ 4,132,662</u>
Percentage Change:					
State General Fund	6.8 %	13.8 %	13.8 %	(2.6) %	(2.6) %
All Funds	6.8 %	13.8 %	13.8 %	(2.6) %	(2.6) %
FTE Positions	31.5	31.5	31.5	31.5	31.5

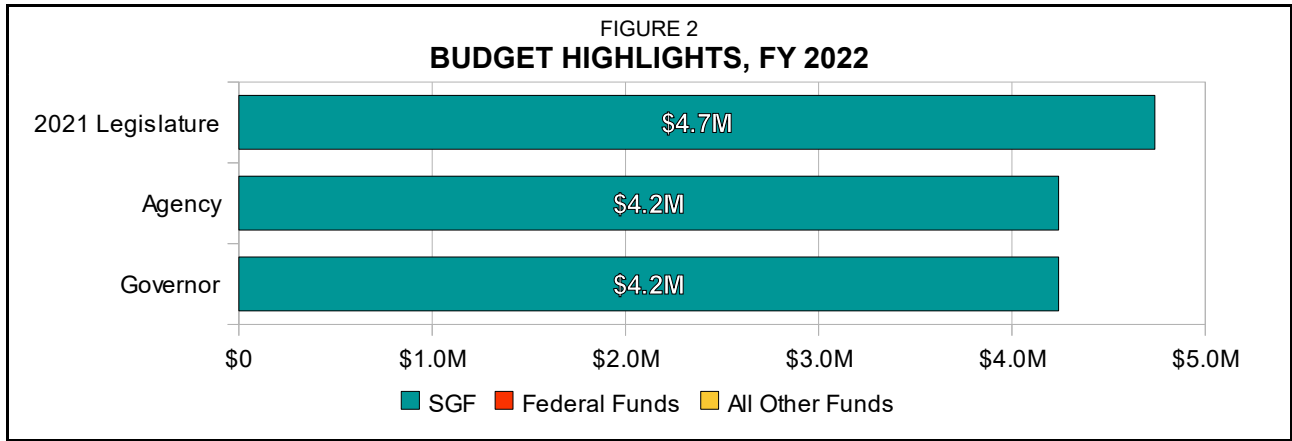
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Office of the Revisor of Statutes provides, for all legislators and legislative committees: the drafting of bills, resolutions, committee reports, conference committee reports and other legal documents; legal research; legal consultation; and assistance in legislative procedural matters. The Revisor's Office assigns staff to serve all standing legislative committees during the legislative session and all statutory and special committees during the interim. The agency is responsible for continuous statutory revision that includes revising, compiling, editing, indexing, and publishing the general laws of the State of Kansas into volumes of the *Kansas Statutes Annotated* and annual supplements thereto and supervising the computerized legislative information system. The Revisor of Statutes serves as secretary and legal counsel to the Legislative Coordinating Council (LCC) and the Kansas Interstate Cooperation Commission. The Office of Revisor of Statutes operates under the supervision of the LCC. The LCC appoints the Revisor of Statutes, approves the agency budget, and sets broad agency policies.

EXECUTIVE SUMMARY

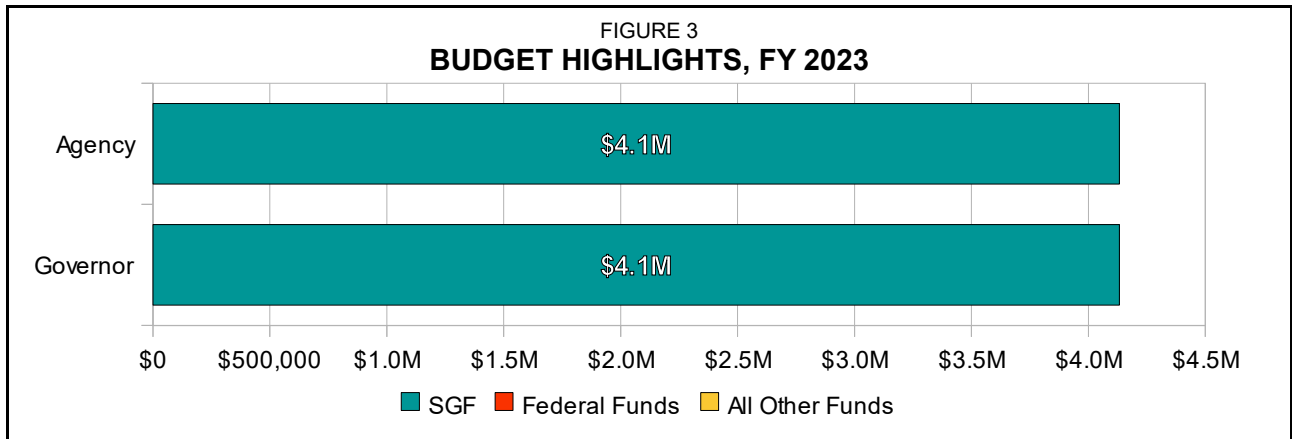
The 2021 Legislature approved a budget of \$4.2 million, all from the State General Fund (SGF), for the Office of the Revisor of Statutes for FY 2022. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The adjustment for this agency includes the following:

- **SGF REAPPROPRIATION.** An increase of \$498,193 SGF due to unspent funds in FY 2021 that reappropriated into FY 2022.



The **agency** submits an FY 2022 revised estimate totaling \$4.2 million, all SGF. The revised estimate is a decrease of \$498,193, or 10.5 percent, below the approved amount. The decrease is attributable to lapsing all of the SGF reappropriations from FY 2021. The agency's FY 2022 revised estimate includes 31.5 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$4.1 million, all SGF, for FY 2023. The request is a decrease of \$108,449, or 2.6 percent, below the FY 2022 revised estimate. The majority of the decrease is attributable to a reduction in contractual services associated with a projected decrease in publication expenditures. The decrease is partially offset by minor increases in salaries and wages fringe benefit expenditures. The agency request also includes funding for 31.5 FTE positions, the same number as the FY 2022 revised estimate.

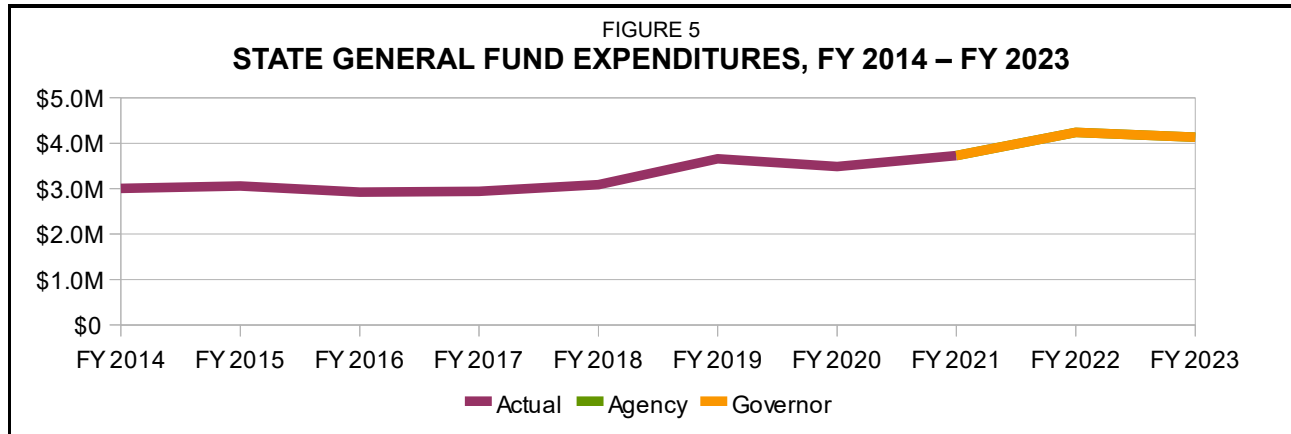
The **Governor** concurs with the agency's request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 3,055,328	\$ 3,460,065	\$ 3,460,065	\$ 3,460,661	\$ 3,460,661
Contractual Services	665,020	771,315	771,315	662,221	662,221
Commodities	3,054	4,281	4,281	4,280	4,280
Capital Outlay	3,211	5,450	5,450	5,500	5,500
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 3,726,613</i>	<i>\$ 4,241,111</i>	<i>\$ 4,241,111</i>	<i>\$ 4,132,662</i>	<i>\$ 4,132,662</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 3,726,613</i>	<i>\$ 4,241,111</i>	<i>\$ 4,241,111</i>	<i>\$ 4,132,662</i>	<i>\$ 4,132,662</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 3,726,613	\$ 4,241,111	\$ 4,241,111	\$ 4,132,662	\$ 4,132,662
Financing:					
State General Fund	\$ 3,726,613	\$ 4,241,111	\$ 4,241,111	\$ 4,132,662	\$ 4,132,662
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 3,726,613	\$ 4,241,111	\$ 4,241,111	\$ 4,132,662	\$ 4,132,662
FTE Positions	31.5	31.5	31.5	31.5	31.5

STATE GENERAL FUND



For the Office of the Revisor of Statutes, the SGF is the only funding source.

FY 2022 ANALYSIS

FIGURE 6 SUMMARY OF BUDGET REQUEST, FY 2022					
	SGF	Special Revenue Funds	All Funds	FTE	
Legislative Approved:					
Amount Approved by 2021 Legislature	\$ 4,241,111	\$ -	\$ 4,241,111	31.5	
1. SGF Reappropriations	498,193	-	498,193	--	
<i>Subtotal—Legislative Approved</i>	<i>\$ 4,739,304</i>	<i>\$ -</i>	<i>\$ 4,739,304</i>	<i>31.5</i>	
Agency Revised Estimate:					
2. Lapsed SGF Reappropriation	\$ (498,193)	\$ -	\$ (498,193)	--	
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 4,241,111</i>	<i>\$ -</i>	<i>\$ 4,241,111</i>	<i>31.5</i>	
Governor's Recommendation:					
3. No Changes	\$ -	\$ -	\$ -	--	
TOTAL	\$ 4,241,111	\$ -	\$ 4,241,111	31.5	

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the \$4.2 million appropriated to the Office of the Revisor of Statutes for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** An increase of \$498,193 SGF due to unspent funds in FY 2021 that reappropriated into FY 2022.

AGENCY ESTIMATE

The **agency** submits an FY 2022 revised estimate totaling \$4.2 million, all SGF. The revised estimate is a decrease of \$498,193, or 10.5 percent, below the approved amount. The decrease is attributable to lapsing all of the SGF reappropriations from FY 2021. The agency's FY 2022 revised estimate includes 31.5 FTE positions, which is the same as the approved number.

The **agency** estimate includes the following adjustments:

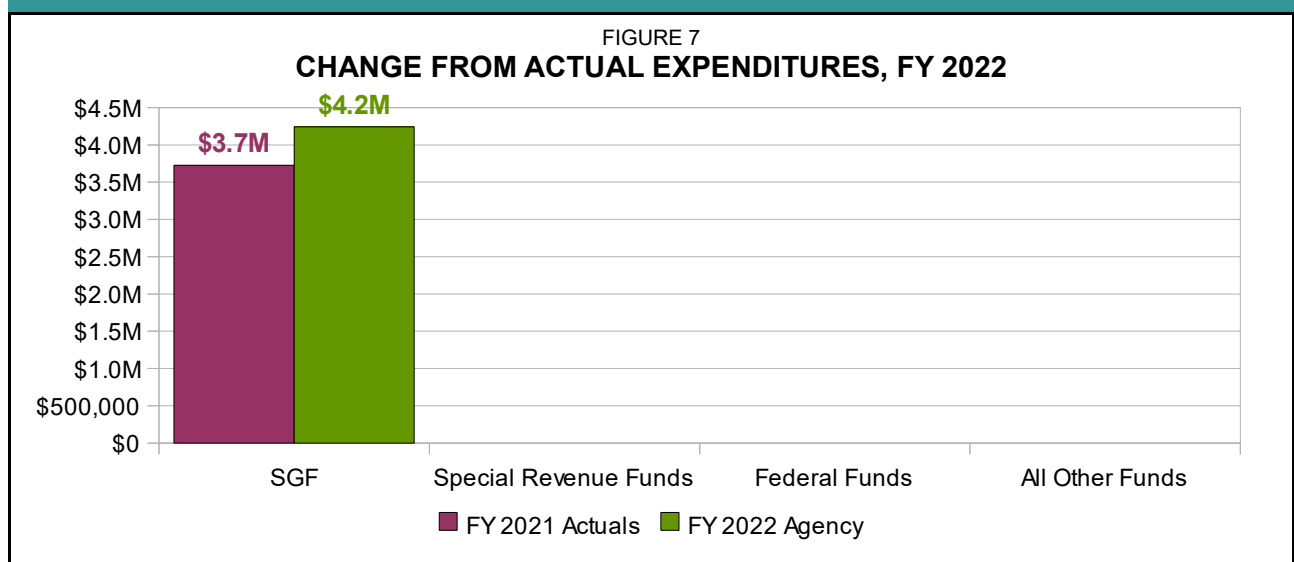
2. **LAPSED SGF REAPPROPRIATIONS.** The agency requests the lapse of \$498,193 of the unspent FY 2021 SGF moneys that reappropriated into FY 2021.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate for FY 2022.

3. **NO CHANGES.** The Governor does not recommend any changes.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency submits an FY 2022 revised estimate totaling \$4.2 million, all SGF. The revised estimate is an increase of \$514,498, or 13.8 percent, above the FY 2021 actual expenditures. Of this increase, \$404,737 is in salaries and wages, \$106,295 is in contractual services, and there are minor adjustments in other categories. A major contributing factor in the salaries and wages difference is staff turnover related to the planned filling of certain positions during FY 2022 that were vacant in FY 2021 and increased salary and wage expenditures for planned promotions. The largest increased expenditure in contractual services is publication and printing costs for the *Kansas Statutes Annotated* supplements and bound volumes, which are estimated to increase.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 4,241,111	\$ -	\$ 4,241,111	31.5
Agency Request:				
1. All Other Adjustments	\$ (108,449)	\$ -	\$ (108,449)	--
<i>Subtotal—Agency Request</i>	\$ 4,132,662	\$ -	\$ 4,132,662	31.5
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 4,132,662	\$ -	\$ 4,132,662	31.5

AGENCY REQUEST

The **agency** requests \$4.1 million, all SGF, for FY 2023. The request is a decrease of \$108,449, or 2.6 percent, below the FY 2022 revised estimate. The majority of the decrease is attributable to a reduction in contractual services associated with a projected decrease in publication expenditures. The decrease is partially offset by minor increases in salaries and wages fringe benefit expenditures. The agency request also includes 31.5 FTE positions, which is the same number as the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

1. **ALL OTHER ADJUSTMENTS.** Reductions in publication expenditures, partially offset by minor increases in salaries and wages.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2023.

2. **NO CHANGES.** The Governor does not recommend any changes.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

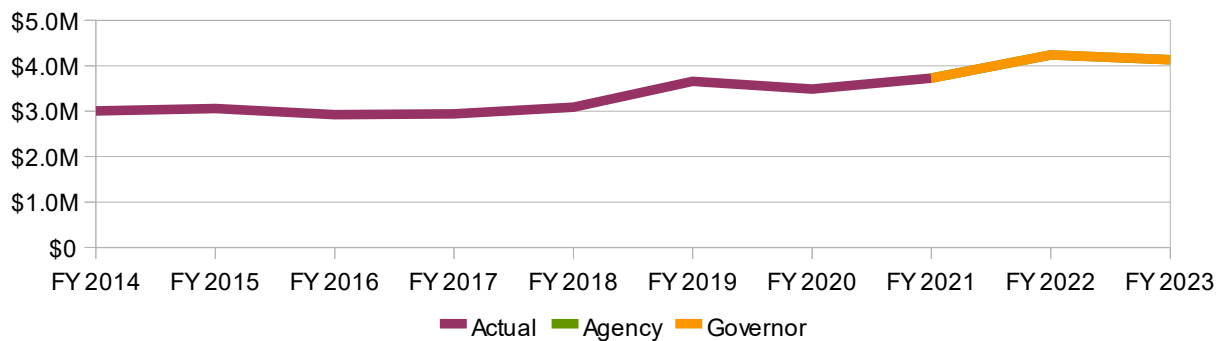
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 3,726,613	\$ 4,241,111	\$ 4,241,111	\$ 4,132,662	\$ 4,132,662
FTE Positions:					
Administration	31.5	31.5	31.5	31.5	31.5

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 10
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 46-1211, KSA 77-137; LCC KSA 77-151, KSA 77-163 *et seq.*

PROGRAM GOALS: • Draft bills, amendments, committee reports, resolutions and other legislative documents; staff legislative committees; and provide legal advice and consultation, and research legal questions and issues on legislative matters pursuant to statute, or as directed by members of the Legislature or the Legislative Coordinating Council.

- Compile, edit, index and publish *Kansas Statutes Annotated* and annual supplements.

FIGURE 11
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Meeting legislative deadline for introduction of bills*	100 %	100 %	100 %	N/A	N/A
2.Meeting legislator deadline for committee reports*	100 %	100 %	100 %	N/A	N/A
3.Meeting legislator deadline for floor amendments*	98.6 %	99.0 %	99.0 %	N/A	N/A
4.Meeting legislative expectation regarding conference committee reports*	100 %	100 %	100 %	N/A	N/A
5.Timely publication of statute books and supplements*	100 %	100 %	100 %	N/A	N/A
6.Number of bills and resolutions drafted	1,007	1,184	1,065	N/A	N/A
7.Number of floor amendments, committee reports and conference committee reports drafted	560	997	751	N/A	N/A
8.Number of statute books and supplements published	12	10	12	13	N/A
Financing					
SGF	\$ 3,488,636	\$ 3,726,613		\$ 4,241,111	\$ 4,132,662
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 3,488,636	\$ 3,726,613		\$ 4,241,111	\$ 4,132,662

Percentage Change:					
SGF	(4.5) %	6.8 %		13.8 %	(2.6) %
All Funds	(4.5) %	6.8 %		13.8 %	(2.6) %
FTE Positions	31.5	31.5		31.5	31.5

*The Governor's Office does not utilize this measure for evaluation purposes.

LEGISLATIVE DIVISION OF POST AUDIT

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 3,007,164	\$ 3,513,700	\$ 3,513,700	\$ 3,477,553	\$ 3,477,553
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 3,007,164</i>	<i>\$ 3,513,700</i>	<i>\$ 3,513,700</i>	<i>\$ 3,477,553</i>	<i>\$ 3,477,553</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 3,007,164	\$ 3,513,700	\$ 3,513,700	\$ 3,477,553	\$ 3,477,553
Percentage Change:					
State General Fund	13.3 %	16.8 %	16.8 %	(1.0) %	(1.0) %
All Funds	13.3 %	16.8 %	16.8 %	(1.0) %	(1.0) %
FTE Positions	26.0	27.0	27.0	27.0	27.0

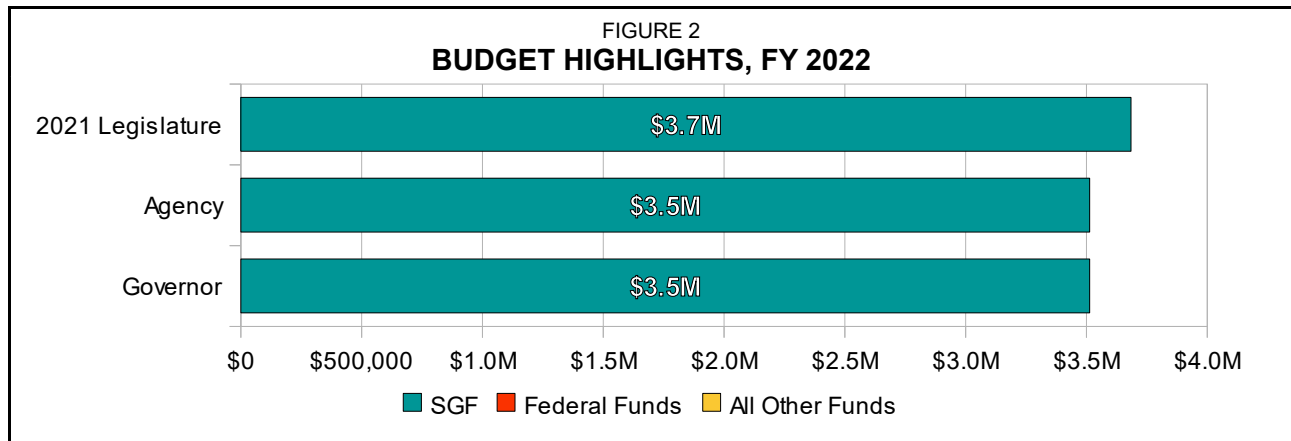
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Legislative Division of Post Audit is the audit arm of the Kansas Legislature. The Division is responsible for the performance audits of state agencies and programs, information technology (IT) security audits, and evaluations of the state's economic development incentives. The Division's audit work is conducted in accordance with generally accepted governmental auditing standards as set forth by the U.S. Government Accountability Office. The agency operates under the supervision of the ten-member Legislative Post Audit Committee.

EXECUTIVE SUMMARY

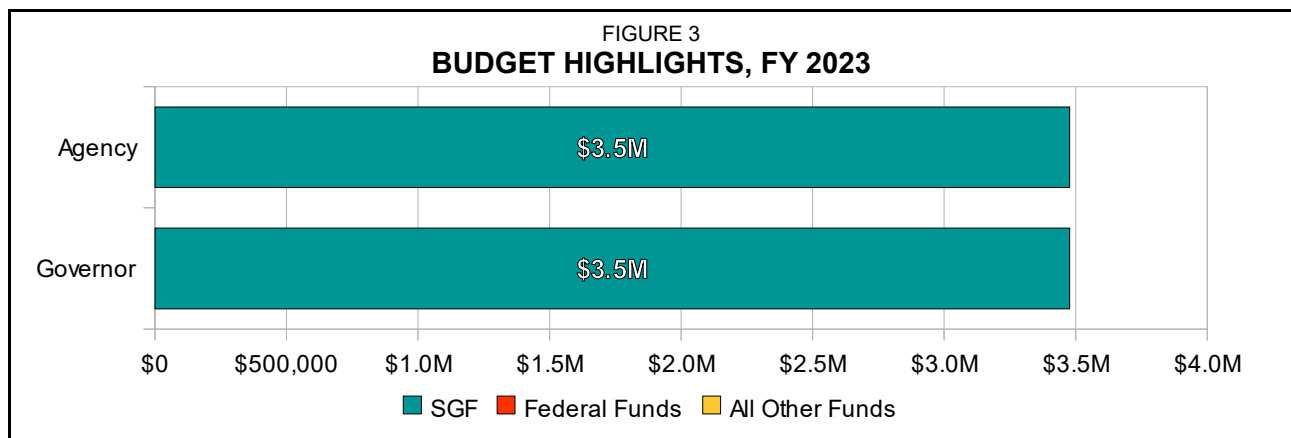
The 2021 Legislature approved a budget of \$3,356,162, all from the State General Fund (SGF), for the Legislative Division of Post Audit for FY 2022. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The adjustment for this agency includes the following:

- **SGF REAPPROPRIATION.** An increase of \$328,701 SGF due to unspent funds in FY 2021 that reappropriated into FY 2022.



The **agency** submits an FY 2022 revised estimate totaling \$3.5 million, all SGF. The revised estimate is a decrease of \$171,163, or 4.6 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2021. The majority of FY 2022 expenditures for this agency are in salaries and wages for the 27.0 FTE positions, which is the same as the approved number. Contractual services expenditures in FY 2022 include a \$150,000 contingency for hiring outside contractors for both economic development tax incentives evaluation and contracted performance audits.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$3.5 million, all SGF, for FY 2023. The request is a decrease of \$36,147, or 1.0 percent, below the FY 2022 revised estimate. The majority of the decrease is due to the lack of reappropriated funds, partially offset by increases in salaries and wages fringe benefit expenditures. The agency request also includes 27.0 FTE positions, which is the same number as the FY 2022 revised estimate. One of the major contractual services expenditures is contracts for assistance with selected performance audits and evaluations of economic development tax incentives.

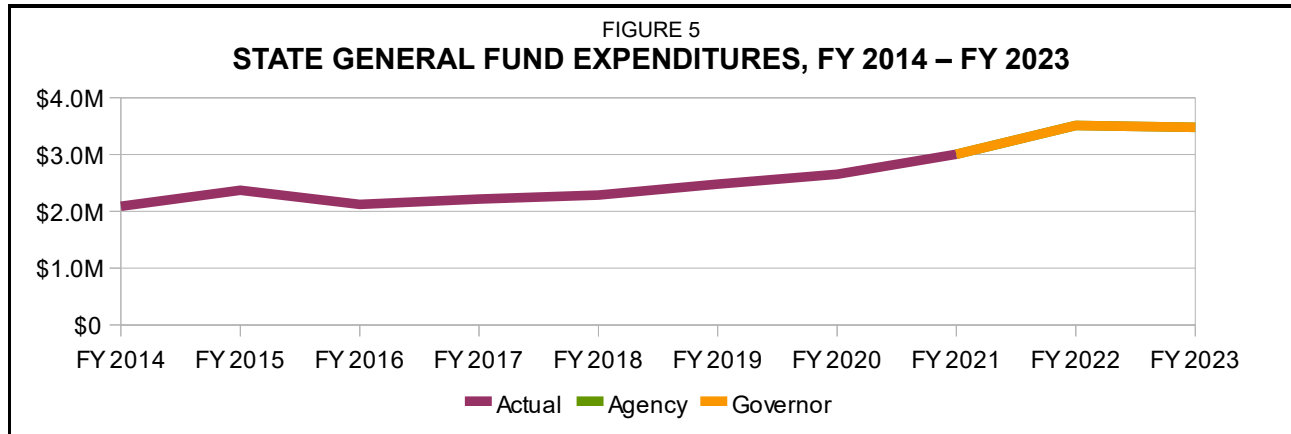
The **Governor** concurs with the agency's request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 2,839,206	\$ 3,093,450	\$ 3,093,450	\$ 3,092,303	\$ 3,092,303
Contractual Services	140,640	400,250	400,250	365,250	365,250
Commodities	11,114	10,000	10,000	10,000	10,000
Capital Outlay	16,204	10,000	10,000	10,000	10,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 3,007,164</i>	<i>\$ 3,513,700</i>	<i>\$ 3,513,700</i>	<i>\$ 3,477,553</i>	<i>\$ 3,477,553</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 3,007,164</i>	<i>\$ 3,513,700</i>	<i>\$ 3,513,700</i>	<i>\$ 3,477,553</i>	<i>\$ 3,477,553</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 3,007,164	\$ 3,513,700	\$ 3,513,700	\$ 3,477,553	\$ 3,477,553
Financing:					
State General Fund	\$ 3,007,164	\$ 3,513,700	\$ 3,513,700	\$ 3,477,553	\$ 3,477,553
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 3,007,164	\$ 3,513,700	\$ 3,513,700	\$ 3,477,553	\$ 3,477,553
FTE Positions	26.0	27.0	27.0	27.0	27.0

STATE GENERAL FUND



For the Legislative Division of Post Audit, the SGF is the only funding source.

FY 2022 ANALYSIS

FIGURE 6 SUMMARY OF BUDGET REQUEST, FY 2022					
	SGF	Special Revenue Funds	All Funds	FTE	
Legislative Approved:					
Amount Approved by 2021 Legislature	\$ 3,356,162	\$ -	\$ 3,356,162	26.0	
1. SGF Reappropriation	328,701	-	328,701	--	
<i>Subtotal—Legislative Approved</i>	<i>\$ 3,684,863</i>	<i>\$ -</i>	<i>\$ 3,684,863</i>	<i>26.0</i>	
Agency Revised Estimate:					
2. Lapse SGF Reappropriation	\$ (171,163)	\$ -	\$ (171,163)	--	
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 3,513,700</i>	<i>\$ -</i>	<i>\$ 3,513,700</i>	<i>26.0</i>	
Governor's Recommendation:					
3. No Changes	\$ -	\$ -	\$ -	--	
TOTAL	\$ 3,513,700	\$ -	\$ 3,513,700	26.0	

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the \$3,684,863 appropriated to the Legislative Division of Post Audit for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** An increase of \$328,701 SGF due to unspent funds in FY 2021 that reappropriated into FY 2022.

AGENCY ESTIMATE

The **agency** submits an FY 2022 revised estimate totaling \$3.5 million, all SGF. The revised estimate is a decrease of \$171,163, or 4.6 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2021. The majority of FY 2022 expenditures for this agency are in salaries and wages for the 27.0 FTE positions, which is the same as the approved number. Contractual services expenditures in FY 2022 include a \$150,000 contingency for hiring outside contractors for both economic development tax incentives evaluation and contracted performance audits.

The **agency** estimate includes the following adjustments:

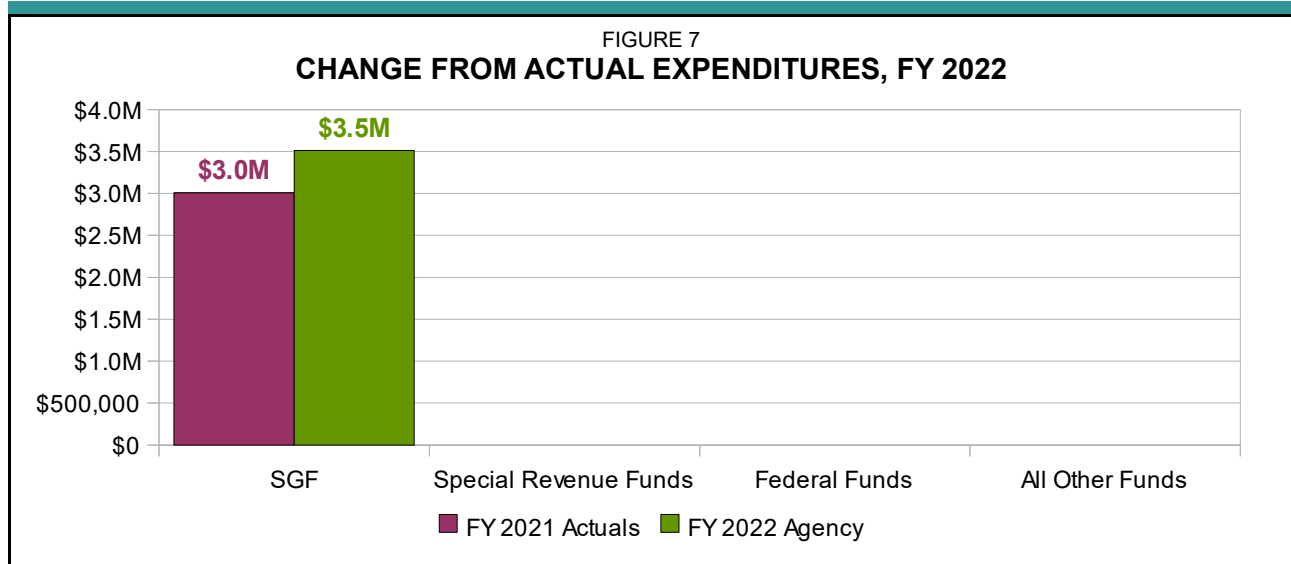
2. **SGF REAPPROPRIATIONS.** The agency requests the lapse of \$171,163 of the unspent FY 2021 SGF moneys that reappropriated into FY 2021.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2022.

3. **NO CHANGES.** The Governor does not recommend any changes.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency submits an FY 2022 revised estimate totaling \$3.5 million, all SGF. The revised estimate is an increase of \$506,536, or 16.8 percent, above the FY 2021 actual expenditures. Of this increase, \$254,244 is in salaries and wages, due in part to vacancies during FY 2021, and \$259,610 is in contractual services, partially offset by minimal decreases in commodities and capital outlay. The agency expended less than expected in travel expenditures in FY 2021 due to the COVID-19 pandemic. In addition, the agency only made minimal expenditures for outside contractors in FY 2021, which resulted in savings of unexpended contingency audit funds which reappropriated from FY 2021 into FY 2022. This FY 2022 budget includes funding for outside contractors to assist with performance audits and evaluations of economic development tax incentives as necessary.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 3,513,700	\$ -	\$ 3,513,700	26.0
Agency Request:				
1. All Other Adjustments	(36,147)	-	(36,147)	--
<i>Subtotal—Agency Request</i>	\$ 3,477,553	\$ -	\$ 3,477,553	26.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 3,477,553	\$ -	\$ 3,477,553	26.0

AGENCY REQUEST

The **agency** requests \$3.5 million, all SGF, for FY 2023. The request is a decrease of \$36,147, or 1.0 percent, below the FY 2022 revised estimate. The majority of the decrease is due to the lack of reappropriated funds, partially offset by increases in salaries and wages fringe benefit expenditures. The agency request also includes 27.0 FTE positions, which is the same number as the FY 2022 revised estimate. One of the major contractual services expenditures is contracts for assistance with selected performance audits and evaluations of economic development tax incentives.

The **agency** request includes the following adjustments:

1. **ALL OTHER ADJUSTMENTS.** The absence of reappropriated SGF moneys from the FY 2022 account for the decrease.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2023.

2. **NO CHANGES.** The Governor does not recommend any changes.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

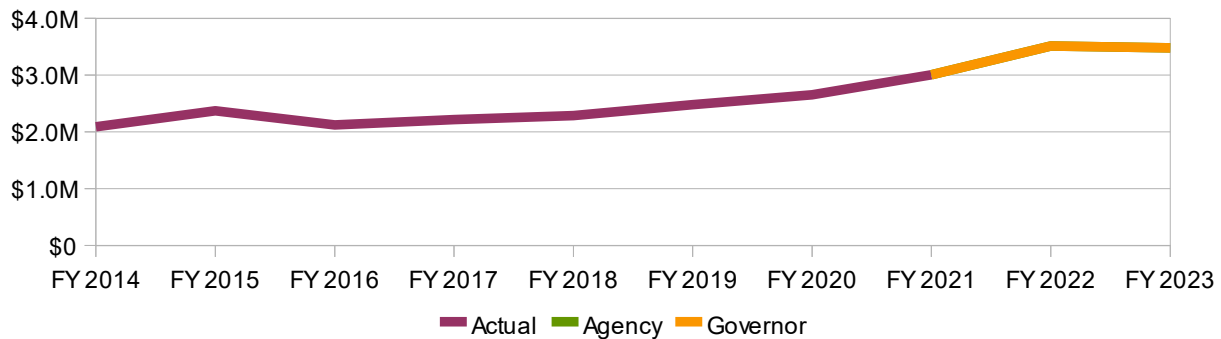
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 3,007,164	\$ 3,513,700	\$ 3,513,700	\$ 3,477,553	\$ 3,477,553
FTE Positions:					
Administration	26.0	27.0	27.0	27.0	27.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 10
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 46-1101 *et seq.*

PROGRAM GOALS:

- Conduct and issue audits that are responsive to the needs and mandates of the Legislature.
- Conduct audits that promote improved efficiency, effectiveness, and financial management practices in Kansas government.
- The agency will conduct audits in accordance with all applicable government auditing standards.

FIGURE 11
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of recommendations implemented by auditees (standard audits)	90.9 %	100.0 %	94.4 %	90.0 %	90.0 %
2. Percent of unique state agencies audited annually (standard, limited-scope, and IT security audits and IT monitoring)	30.5 %	20.4 %	25.5 %	25.5 %	25.5 %
3. Average cost per audit (standard and IT security audits)	\$ 147,530	\$ 143,190	\$ 155,916	\$ 150,000	\$ 150,000
Financing					
	Actual FY 2021	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 2,655,284	\$ 3,007,164		\$ 3,513,700	\$ 3,477,553
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 2,655,284	\$ 3,007,164		\$ 3,513,700	\$ 3,477,553
Percentage Change:					
SGF	7.1 %	13.3 %		16.8 %	(1.0) %
All Funds	7.1 %	13.3 %		16.8 %	(1.0) %
FTE Positions	25.0	26.0		27.0	27.0

OFFICE OF THE GOVERNOR

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

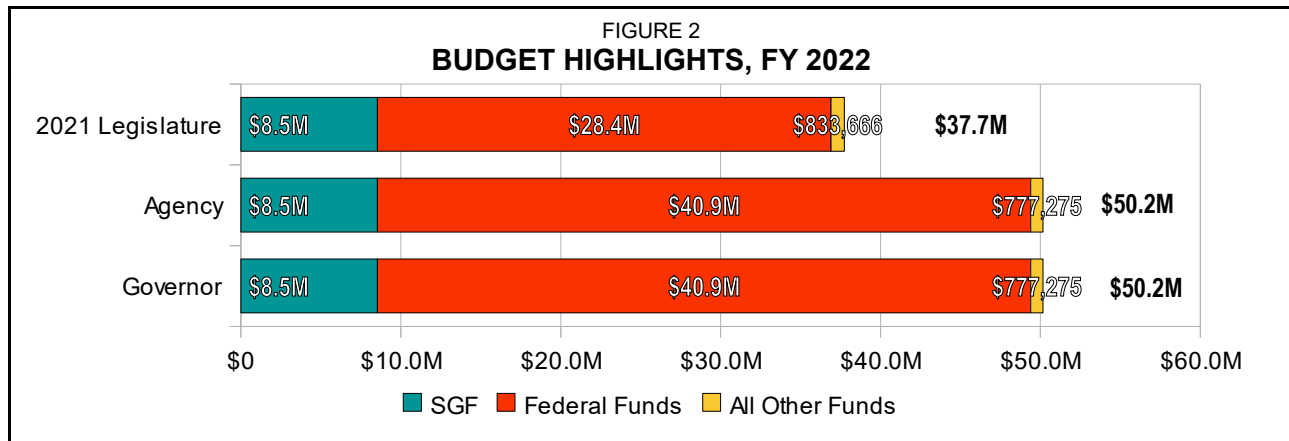
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 7,995,477	\$ 8,532,004	\$ 8,532,004	\$ 8,209,228	\$ 8,209,228
Federal Funds	-	-	-	-	-
All Other Funds	438,167,487	41,638,524	41,638,524	48,006,951	48,006,951
<i>Subtotal</i>	<u>\$ 446,162,964</u>	<u>\$ 50,170,528</u>	<u>\$ 50,170,528</u>	<u>\$ 56,216,179</u>	<u>\$ 56,216,179</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 446,162,964</u>	<u>\$ 50,170,528</u>	<u>\$ 50,170,528</u>	<u>\$ 56,216,179</u>	<u>\$ 56,216,179</u>
Percentage Change:					
State General Fund	(6.0) %	6.7 %	6.7 %	(3.8) %	(3.8) %
All Funds	3,582.0 %	(88.8) %	(88.8) %	12.1 %	12.1 %
FTE Positions	60.6	68.8	68.8	68.8	68.8

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The *Kansas Constitution* provides that the Governor shall be the Chief Executive Officer of the State. The Governor is elected to a four-year term of office on a ticket that also includes the Lieutenant Governor. Among the constitutional powers and duties exercised by the Governor are signing and vetoing acts of the Legislature, presenting an annual message to the Legislature on the condition of the State, submitting to the Legislature an annual state budget recommendation, and considering pardon of those convicted of criminal acts. The Governor also serves as chairperson of the State Finance Council and is, by virtue of the Office, the Commander-in-Chief of the Kansas National Guard.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$37.4 million, including \$8.2 million from the State General Fund (SGF), for the Office of the Governor for FY 2022. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The agency received an increase of \$327,316 SGF due to unspent funds in FY 2021 that reappropriated to FY 2022.

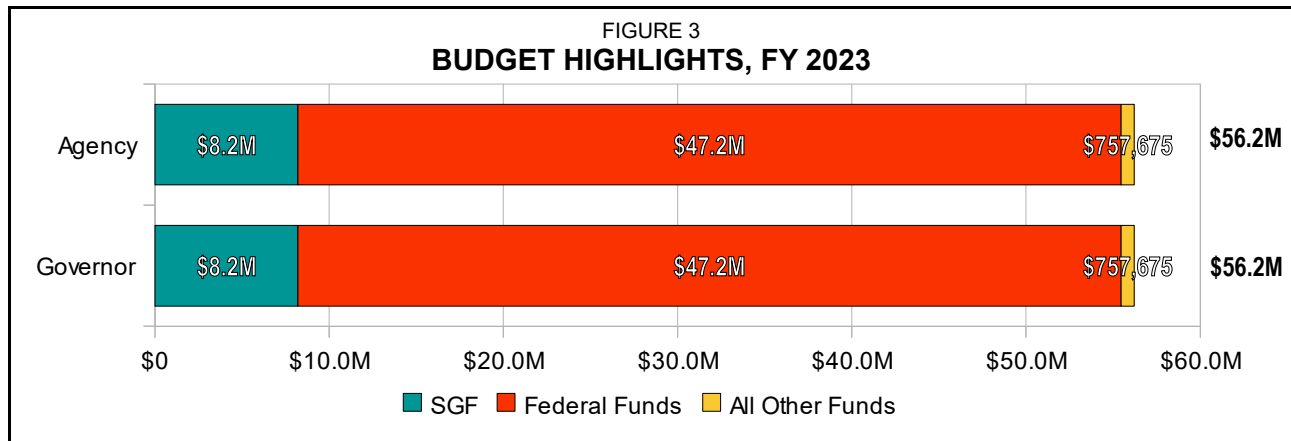


The **agency** requests a revised estimate of \$50.2 million, including \$8.5 million SGF, in FY 2022. This is an increase of \$12.4 million above the FY 2022 approved amount. The agency's revised estimate includes expenditures of \$7.0 million in federal Coronavirus Relief Fund (CRF) moneys. The CRF is the largest source of state funding provided in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The agency was allocated a total of \$1.0 billion in discretionary moneys from the CRF, which must be used for expenditures related to the COVID-19 public health emergency. The agency's revised estimate includes \$3.5 million from the State Fiscal Recovery Fund provided in the federal American Rescue Plan Act. These expenditures are for operating costs for the Office of Recovery in FY 2022. These expenditures include \$8.0 million for outside auditors and accountants for the distribution of funding and expenditures (\$1.9 million) for salaries and wages. The agency's revised estimate also includes a decrease of \$16,571 in Coronavirus Emergency Supplemental Funding (CESF) expenditures. The CESF, authorized through the CARES Act, provides funding to prevent, prepare for, and respond to the COVID-19 pandemic, specifically for state and local units of government and federally recognized Indian Tribal governments performing law enforcement functions.

The Governor's Grant Office anticipates an increase of \$696,657 in federal Family Violence Prevention and Services Act (FVPSA) grant expenditures in FY 2022. The FVPSA is a federal program to prevent incidents of family violence, domestic violence, and dating violence; provide immediate shelter, supportive services, and access to community-based programs for victims of family violence, domestic violence, or dating violence, and their dependents; and provide specialized services for children exposed to family violence, domestic violence, or dating violence, including victims who are members of underserved populations. The U.S. Department of Health and Human Services provides funding for this grant. The Governor's Grant Office also anticipates an increase of \$1.3 million in federal Victims of Crime Act (VOCA) grant expenditures in FY 2022.

All other adjustments include an increase of \$1,319 SGF due to an increase in operating expenditures for the Office of the Governor and Lieutenant Governor, which includes a corresponding decrease in special revenue funds of \$41,941. The agency also estimates additional federal funding decreases of \$17,280.

The **Governor** concurs with the agency's request in FY 2022.



The **agency** requests \$56.2 million, including \$8.2 million SGF, for FY 2023. This is an increase of \$6.0 million above the FY 2022 revised estimate. The American Rescue Plan (ARPA) was enacted on March 11, 2021, and provides \$1.9 trillion in federal spending to assist in the response to and recovery from the COVID-19 pandemic. It is the sixth in a series of federal legislation providing COVID-19 relief totaling \$5.2 trillion. Entities in Kansas are estimated to be allocated over \$4.9 billion in COVID-19 federal relief as part of ARPA. Federal agencies continue to determine allocations and guidance and, in some instances, allocations are dependent on application or opt-in requirements. The agency estimates \$19.6 million in ARPA expenditures for FY 2023. This is an increase of \$16.1 million above the FY 2022 revised estimate. The agency estimates decreases in federal Coronavirus Relief Fund moneys and Coronavirus Emergency Supplemental Fund moneys for FY 2023.

Additionally, the agency estimates a decrease in Victims of Crime Act (VOCA) Victim Assistance Grant expenditures, Family Violence Prevention and Services Act expenditures, and expenditures for Project Safe Neighborhoods grant program. The agency requests additional adjustments including a decrease of \$322,776 in SGF expenditures. The agency decreased the request for SGF moneys for other assistance for Domestic Violence Prevention Grants and Child Advocacy Center grants due to a lack of reappropriated funding for FY 2023. In addition to the reduction in SGF expenditures, the agency estimates a decrease of \$340,414 in other expenditures for FY 2023. This includes a decrease of \$19,600 for expenditures related to training and conferences. Other reductions in federal funding are for Paul Coverdell Forensic Science Improvement Grants, Sexual Assault Services, and the Violence Against Women Act Grant expenditures.

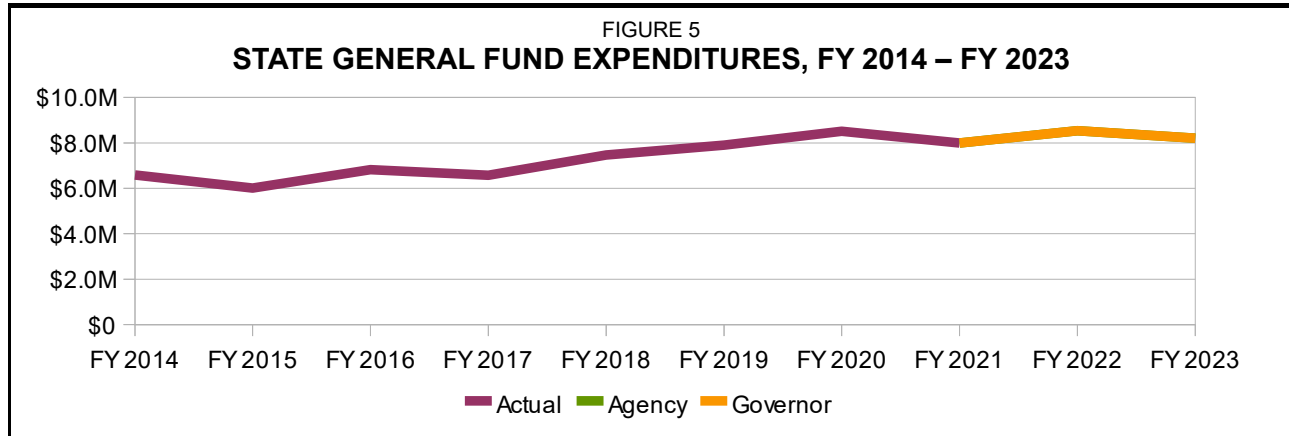
The **Governor** concurs with the agency's request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 4,265,673	\$ 5,918,502	\$ 5,918,502	\$ 6,061,615	\$ 6,061,615
Contractual Services	11,547,369	9,183,813	9,183,813	17,547,805	17,547,805
Commodities	21,525	27,603	27,603	37,175	37,175
Capital Outlay	46,601	12,238	12,238	49,415	49,415
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 15,881,168</i>	<i>\$ 15,142,156</i>	<i>\$ 15,142,156</i>	<i>\$ 23,696,010</i>	<i>\$ 23,696,010</i>
Aid to Local Units	403,901,996	3,780,809	3,780,809	2,906,012	2,906,012
Other Assistance	26,379,800	31,247,563	31,247,563	29,614,157	29,614,157
<i>Subtotal—Operating</i>	<i>\$ 446,162,964</i>	<i>\$ 50,170,528</i>	<i>\$ 50,170,528</i>	<i>\$ 56,216,179</i>	<i>\$ 56,216,179</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 446,162,964	\$ 50,170,528	\$ 50,170,528	\$ 56,216,179	\$ 56,216,179
Financing:					
State General Fund	\$ 7,995,477	\$ 8,532,004	\$ 8,532,004	\$ 8,209,228	\$ 8,209,228
Federal Funds	437,388,738	40,861,249	40,861,249	47,249,276	47,249,276
Domestic Violence Prevention Grant	550,000	550,000	550,000	550,000	550,000
Child Advocacy Center Grant	150,000	150,000	150,000	150,000	150,000
All Other Funds	78,749	77,275	77,275	57,675	57,675
TOTAL	\$ 446,162,964	\$ 50,170,528	\$ 50,170,528	\$ 56,216,179	\$ 56,216,179
FTE Positions	60.6	68.8	68.8	68.8	68.8

STATE GENERAL FUND



For the Office of the Governor, SGF expenditures are for the operation of the Governor and Lieutenant Governor's offices, and for certain grant programs in the Governor's Grant Office such as Domestic Violence Prevention Grants and Child Advocacy Centers. Other expenditures include operating expenses for the Governor's residence in Topeka, Kansas.

FY 2022 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 8,203,369	\$ 29,211,642	\$ 37,415,011	43.8
1. SGF Reappropriation	327,316	-	327,316	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 8,530,685</i>	<i>\$ 29,211,642</i>	<i>\$ 37,742,327</i>	<i>43.8</i>
Agency Revised Estimate:				
2. Coronavirus Relief Fund (CRF)	\$ -	\$ 7,000,000	\$ 7,000,000	--
3. Office of Recovery	-	3,524,569	3,524,569	25.0
4. Coronavirus Emergency Supplemental Funding (CESF)	-	(16,571)	(16,571)	--
5. Family Violence Prevention and Services Act (FVPSA)	-	696,657	696,657	--
6. Victims of Crime Act (VOCA) Victim Assistance Grant	-	1,281,448	1,281,448	--
7. All Other Adjustments	1,319	(59,221)	(57,902)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 8,532,004</i>	<i>\$ 41,638,524</i>	<i>\$ 50,170,528</i>	<i>68.8</i>
Governor's Recommendation:				
8. No changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 8,532,004	\$ 41,638,524	\$ 50,170,528	68.8

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment has been made to the \$37.4 million appropriated to the Office of the Governor for FY 2022. This adjustment changes the current year approved amount without any legislative action required.

1. **SGF REAPPROPRIATION.** The agency received an increase of \$327,316, SGF due to to unspent funds in FY 2021 that reappropriated to FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$50.2 million, including \$8.5 million SGF, in FY 2022. This is an increase of \$12.4 million, or 32.9 percent, above the FY 2022 approved amount. The increase is primarily attributable to expenditures from federal COVID-19 relief funds.

The **agency** estimate includes the following adjustments:

2. **CORONAVIRUS RELIEF FUND (CRF).** The agency's revised estimate includes expenditures of \$7.0 million in federal CRF moneys. The CRF is the largest source of state funding provided in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The agency was allocated a total of \$1.0 billion in discretionary moneys from the CRF, which must be used for expenditures related to the COVID-19 public health emergency. These funds were to be expended by December 2020 pursuant to the CARES Act; however, subsequent federal legislation extended this to December 2021.
3. **OFFICE OF RECOVERY.** The agency's revised estimate includes expenditures of \$3.5 million from the State Fiscal Recovery Funds provided in ARPA. These expenditures are for operating costs for the Office of Recovery in FY 2022. These expenditures include \$8.0 million for outside auditors and accountants for the distribution of funding and

expenditures (\$1.9 million) for salaries and wages. The agency requests 25.0 FTE positions to continue the Office of Recovery for FY 2023.

4. **CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING (CESF).** The agency's revised estimates includes a decrease of \$16,571 in CESF expenditures. The CESF, authorized through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides funding to prevent, prepare for, and respond to the COVID-19 pandemic, specifically for state and local units of government and federally recognized Indian Tribal governments performing law enforcement functions. This funding is provided through the U.S. Department of Justice and administered by the Governor's Grants Office.
5. **FAMILY VIOLENCE PREVENTION AND SERVICES ACT (FVPSA).** The Governor's Grant Office anticipates an increase of \$696,657 in federal FVPSA grant expenditures in FY 2022. The FVPSA is a federal program to prevent incidents of family violence, domestic violence, and dating violence; provide immediate shelter, supportive services, and access to community-based programs for victims of family violence, domestic violence, or dating violence, and their dependents; and provide specialized services for children exposed to family violence, domestic violence, or dating violence, including victims who are members of underserved populations. The U.S. Department of Health and Human Services provides funding for this grant.
6. **VICTIMS OF CRIME ACT (VOCA) VICTIM ASSISTANCE GRANT.** The Governor's Grant Office anticipates an increase of \$1.3 million in federal VOCA grant expenditures in FY 2022. The federal VOCA program provides direct services to crime victims to respond to their emotional and physical needs, assists primary and secondary crime victims in stabilizing their lives after victimization, assists victims in understanding and participating in the criminal justice system, and provides crime victims with a measure of safety. Priority is given to victims of sexual assault, domestic violence, child abuse, and underserved victims crimes. The U.S. Department of Justice Office for Victims of Crime provides funding for this grant.
7. **ALL OTHER ADJUSTMENTS.** All other adjustments include an increase of \$1,319 SGF due to an increase in operating expenditures for the Office of the Governor and Lieutenant Governor which includes a corresponding decrease in special revenue funds of \$41,941. The agency also estimates federal funds decreases of \$17,280.

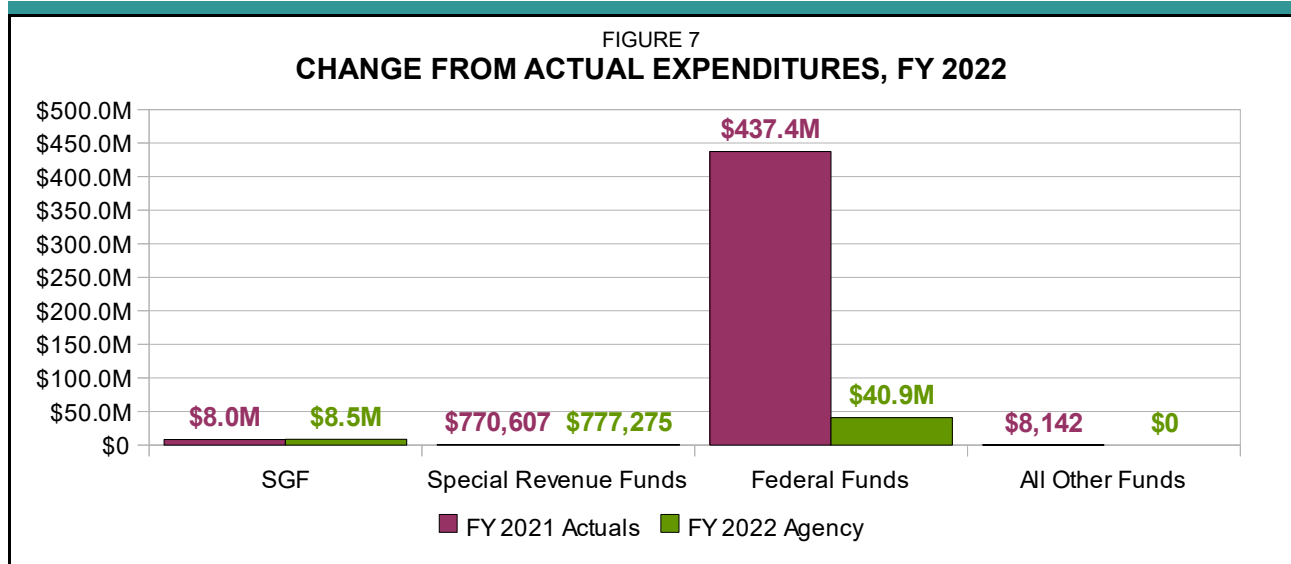
The **agency** estimate includes 68.8 FTE positions, which is an increase of 25.0 FTE positions above the FY 2022 approved amount. This increase is attributable to the continuation of Office of Recovery staff that were not anticipated to continue through FY 2022. However, due to enactment of ARPA, the Office of the Governor has continued to provide support and COVID-19 federal funds distribution through the Office of Recovery and requests the continuation of its staff.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request in FY 2022.

8. **NO CHANGES.** The Governor does not recommend any changes in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency requests a revised estimate of \$50.2 million, including \$8.5 million SGF, in FY 2022. This is a decrease of \$396.0 million below the FY 2021 actual amount. This decrease is due to COVID-19 relief funds that flowed through the Office of the Governor in FY 2021 that will decrease in FY 2022.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 8,532,004	\$ 41,638,524	\$ 50,170,528	68.8
Agency Request:				
1. American Rescue Plan Act	\$ -	\$ 16,064,450	\$ 16,064,450	--
2. Coronavirus Relief Fund (CRF)	-	(7,000,000)	(7,000,000)	--
3. Coronavirus Emergency Supplemental Funds (CESF)	-	(476,577)	(476,577)	--
4. Victims of Crime Act (VOCA) Victim Assistance Grant	-	(1,407,401)	(1,407,401)	--
5. Family Violence Prevention and Services Act	-	(259,412)	(259,412)	--
6. Project Safe Neighborhoods	-	(212,489)	(212,489)	--
7. All Other Adjustments	(322,776)	(340,144)	(662,920)	--
<i>Subtotal—Agency Estimate</i>	\$ 8,209,228	\$ 48,006,951	\$ 56,216,179	68.8
Governor's Recommendation:				
8. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 8,209,228	\$ 48,006,951	\$ 56,216,179	68.8

AGENCY REQUEST

The **agency** requests \$56.2 million, including \$8.2 million SGF, for FY 2023. This is a decrease of \$6.0 million, or 12.1 percent, below the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

- AMERICAN RESCUE PLAN ACT.** The American Rescue Plan Act (ARPA) was enacted on March 11, 2021, and provides \$1.9 trillion in federal spending to assist in the response to and recovery from the COVID-19 pandemic. It is the sixth in a series of federal legislation providing COVID-19 relief totaling \$5.2 trillion. Entities in Kansas are estimated to be allocated over \$4.9 billion in COVID-19 federal relief as part of ARPA. Federal agencies continue to determine allocations and guidance and, in some instances, allocations are dependent on application or opt-in requirements. The agency estimates \$19.6 million in ARPA expenditures for FY 2023. This is an increase of \$16.1 million above the FY 2022 revised estimate. The agency intends to use ARPA funds to support the Office of Recovery, including \$8.4 million for consulting services to assist in administering the \$1.6 million provided through ARPA as discretionary funds.
- CORONAVIRUS RELIEF FUND (CRF).** The agency estimates a decrease of \$7.0 million due to federal CRF expenditures in FY 2022 that do not occur for FY 2023. Per federal guidance, moneys from this fund must be expended by December 2021.
- CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDS (CESF).** The agency estimates a decrease of \$476,577 due to CESF expenditures in FY 2022 that do not occur for FY 2023.
- VICTIMS OF CRIME ACT (VOCA) VICTIM ASSISTANCE GRANT.** The agency estimates a decrease of \$1.4 million in VOCA grant expenditures for FY 2023. The federal VOCA program provides direct services to crime victims to respond to their emotional and physical needs, assists primary and secondary crime victims in

stabilizing their lives after victimization, assists victims in understanding and participating in the criminal justice system, and provides crime victims with a measure of safety. Priority is given to victims of sexual assault, domestic violence, child abuse, and underserved victims crimes. The U.S. Department of Justice Office for Victims of Crime provides funding for this grant.

5. **FAMILY VIOLENCE PREVENTION AND SERVICES ACT (FVPSA).** The agency anticipates a decrease of \$259,412 in FVPSA expenditures for FY 2023. The FVPSA is a federal program to prevent incidents of family violence, domestic violence, and dating violence; provide immediate shelter, supportive services, and access to community-based programs for victims of family violence, domestic violence, or dating violence, and their dependents; and provide specialized services for children exposed to family violence, domestic violence, or dating violence, including victims who are members of underserved populations. The U.S. Department of Health and Human Services provides funding for this grant.
6. **PROJECT SAFE NEIGHBORHOODS.** The federal Project Safe Neighborhoods (PSN) provides critical funding, resources, and training to combat violent crime and make communities safer through a comprehensive approach to public safety targeting law enforcement efforts with community engagement, prevention, and reentry efforts. The PSN grant program is designed to create and foster safer neighborhoods through a sustained reduction in violent crime, including but not limited to, addressing criminal gangs and the felonious possession and use of firearms. The Governor's Grants Program provides administrative oversight for grant award in partnership with the U.S. Attorney's Office for the District of Kansas. The agency anticipates a decrease of \$212,489 in expenditures for the Project Safe Neighborhoods grant program for FY 2023.
7. **ALL OTHER ADJUSTMENTS.** The agency requests additional adjustments including a decrease of \$322,776 in SGF expenditures. The agency decreased the request for SGF primarily for other assistance for Domestic Violence Prevention Grants and Child Advocacy Center grants due to a lack of reappropriated funding for FY 2023. In addition to the reduction in SGF expenditures, the agency estimates a decrease of \$340,144 in other expenditures for FY 2023. This includes a decrease of \$19,600 for expenditures related to training and conferences. Other reductions in federal funding are for Paul Coverdell Forensic Science Improvement Grants, Sexual Assault Services, and the Violence Against Women Act Grant expenditures.

The **agency** request also includes 68.8 FTE positions, which is unchanged from the FY 2022 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2023.

8. **NO CHANGES.** The Governor does not recommend any changes for FY 2023.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

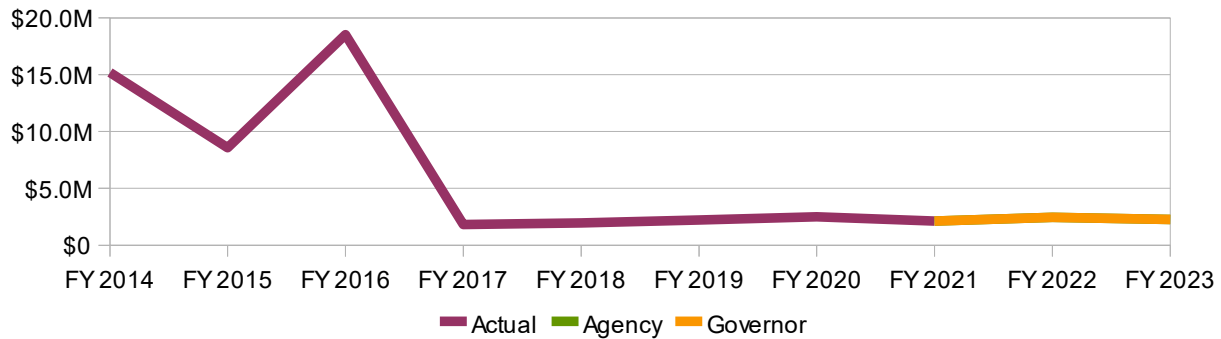
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Office of the Governor and Lieutenant Governor	\$ 2,124,397	\$ 2,440,162	\$ 2,440,162	\$ 2,251,680	\$ 2,251,680
Office of Recovery	412,501,427	10,524,569	10,524,569	19,589,019	19,589,019
Governor's Grants Program	31,087,180	36,692,954	36,692,954	33,863,110	33,863,110
Commissions on Disability and Minority Affairs	449,960	512,843	512,843	512,370	512,370
TOTAL	\$ 446,162,964	\$ 50,170,528	\$ 50,170,528	\$ 56,216,179	\$ 56,216,179
FTE Positions:					
Office of the Governor and Lieutenant Governor	26.6	23.8	23.8	23.8	23.8
Office of Recovery	16.1	27.0	27.0	27.0	27.0
Federal Grants Office	13.0	13.0	13.0	13.0	13.0
Commissions on Disability and Minority Affairs	5.0	5.0	5.0	5.0	5.0
TOTAL	60.6	68.8	68.8	68.8	68.8

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

OFFICE OF THE GOVERNOR AND LIEUTENANT GOVERNOR

FIGURE 10
OFFICE OF THE GOVERNOR AND LIEUTENANT GOVERNOR EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • The responsibilities of the Governor are in the *Kansas Constitution*.

PROGRAM GOALS: • No program goals were submitted for this program.

The *Kansas Constitution* provides that the Governor shall be the Chief Executive Officer of the State. The Governor is elected to a four-year term of office on a ticket that also includes the Lieutenant Governor. Among the constitutional powers and duties exercised by the Governor are signing and vetoing acts of the Legislature, presenting an annual message to the Legislature on the condition of the State, submitting to the Legislature an annual state budget recommendation, and considering pardon of those convicted of criminal acts. The Governor also serves as chairperson of the State Finance Council and is, by virtue of the Office, the Commander-in-Chief of the Kansas

National Guard. The Office of the Governor provides staff and technical assistance to the Governor in administering the Executive Branch.

The duties of the Lieutenant Governor are found in KSA 75-301, and their membership on the State Election Board is specified in KSA 25-2203. One goal is to carry out the executive functions of the State entrusted to the Office of the Governor in an honest, efficient, and equitable manner through providing leadership and direction to the Executive Branch of government and being accessible to the people of Kansas.

FIGURE 11					
OFFICE OF THE GOVERNOR AND LIEUTENANT GOVERNOR, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
No Performance Measures were submitted for this Program.					
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 2,134,346	\$ 2,102,205		\$ 2,440,162	\$ 2,251,680
Federal Funds	-	-		-	-
All Other Funds	373,176	22,192		-	-
TOTAL	\$ 2,507,522	\$ 2,124,397		\$ 2,440,162	\$ 2,251,680
Percentage Change:					
SGF	(99.0) %	(1.5) %		16.1 %	(7.7) %
All Funds	(99.0) %	(15.3) %		14.9 %	(7.7) %
FTE Positions	24.6	26.6		23.8	23.8

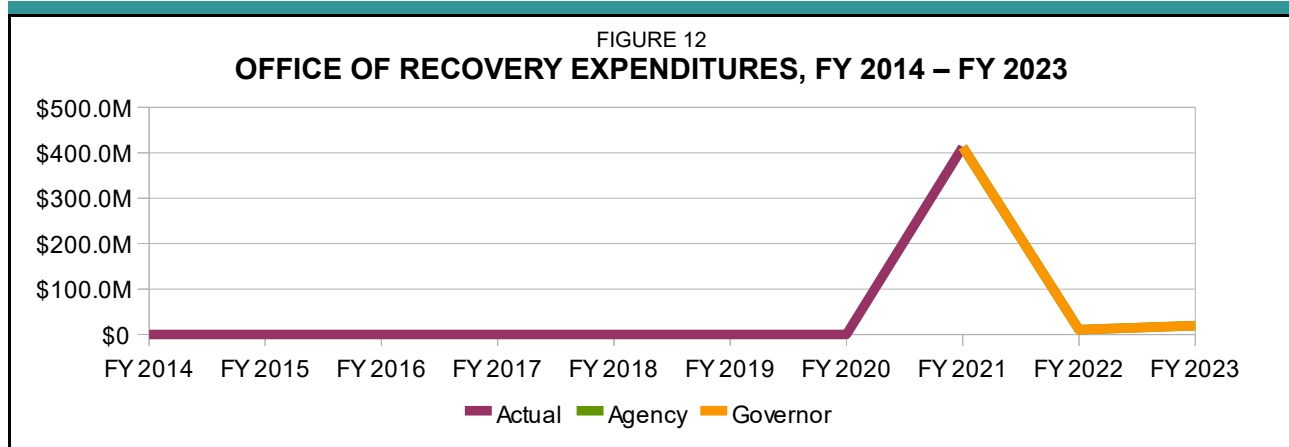
BUDGET ANALYSIS

The **agency** requests \$2.3 million, all SGF, for the Office of the Governor and Lieutenant Governor for FY 2023. This is a decrease of \$188,482 below the FY 2022 revised estimate. This decrease is partially attributable to a decrease in contractual services expenditures (\$156,190) due to a decrease in fees for professional services. The remaining decrease

is attributable to a decrease in salaries and wages expenditures, including employer contributions to employee fringe benefits such as deferred compensation plans.

The **Governor** concurs with the agency request for the Administration program in FY 2022 and FY 2023.

OFFICE OF RECOVERY



The Office of Recovery was not established until FY 2020

STATUTORY BASIS: • None Submitted.

PROGRAM GOALS: • No Program Goals were submitted for this Program.

The Governor established the Office of Recovery within the Office of the Governor in May 2020 for the purpose of managing the State's economic recovery from the effects of the COVID-19 pandemic. The Office of Recovery provides policy assistance to the

Governor's Strengthening People and Revitalizing Kansas (SPARK) Task Force, technical assistance to local governments, and administers the distribution of COVID-19 federal relief funds.

FIGURE 13

OFFICE OF RECOVERY, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
No Performance Measures were submitted for this Program.					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ 63,617	\$ 6		\$ -	\$ -
Federal Funds	130,309	412,502,356		10,524,569	19,589,019
All Other Funds	-	(935)		-	-
TOTAL	\$ 193,926	\$ 412,501,427		\$ 10,524,569	\$ 19,589,019
Percentage Change:					
SGF	(99.0) %	(100.0) %		(100.0) %	-- %
All Funds	(99.0) %	212,610.7 %		(97.4) %	86.1 %
FTE Positions	15.0	16.1		27.0	27.0

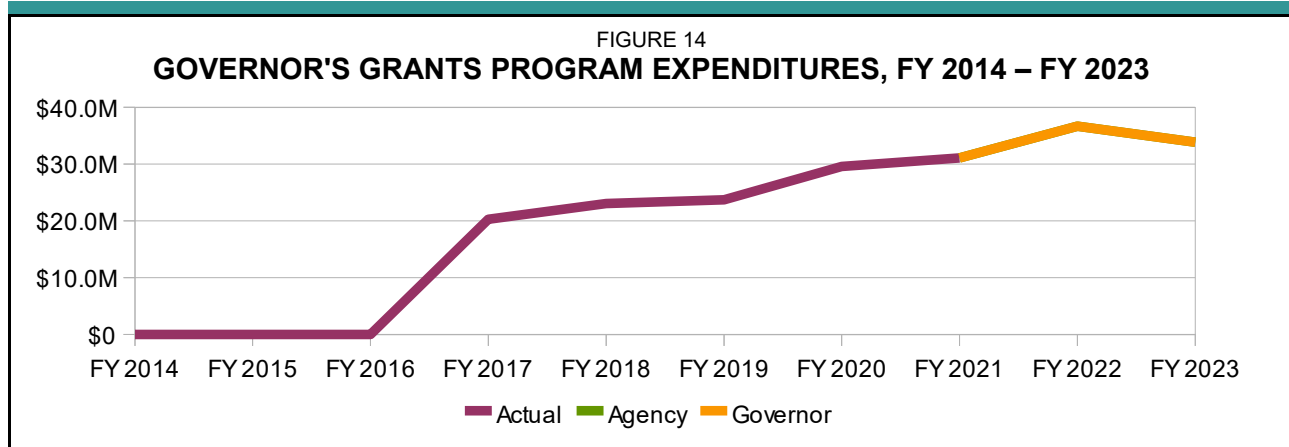
PERFORMANCE AND BUDGET ANALYSIS

The agency requests Office of Recovery expenditures of \$19.6 million, all from federal funds, for FY 2023. This is an increase of \$9.1 million above the FY 2022 revised estimate. This increase is primarily attributable to an increase in contractual services expenditures (\$8.8 million) for FY 2023 to compensate the private sector auditors and accountants overseeing the distribution of discretionary moneys from the State and Local Fiscal

Recovery Funds provided in ARPA. The remaining increase includes expenditures for office supplies and equipment and an increase for employer contributions to employee fringe benefits.

The **Governor** concurs with the agency request for the Office of Recovery program in FY 2022 and FY 2023.

GOVERNOR'S GRANTS PROGRAM



The Governor's Grant Program was included in the Governor and Lieutenant Governor program until FY 2017.

STATUTORY BASIS: • KSA 75-107

PROGRAM GOALS: • The KGGP strategic goal is to prioritize funding to applicants demonstrating the guiding principle of a criminal justice system and victim centered "whole community" approach to services that enhances accountability across systems. The whole community approach centers on developing accessible, evidence-based trauma-informed, culturally effective, and equitable services. The KGGP meets this goal by providing grant management, reporting, technical assistance, and compliance training to subrecipients receiving grant funds.

- Leverage service through coordination and collaboration among agencies.
- Enhance services within the agency.
- Engage and empower through training and awareness.

The Governor's Grants Office manages state and federal grants provided to state agencies, local units of government, and individual nonprofit, community, and faith-based organizations in Kansas. In FY 2020, the Grants Office distributed \$2.1 million to state agencies, \$3.5 million to local units of government, and \$24.8 million to other non-state entities. In FY 2021, the Grants Office distributed \$3.2 million to local units of government, and \$26.2 million to other non-state entities.

STATE GENERAL FUND GRANT PROGRAMS

Domestic Violence Prevention Grants. Funds are available to support community-based nonprofit organizations whose primary purposes are to operate programs and shelters for victims of sexual and domestic violence. Program accreditation is reviewed by the Grants Office; however, programs are no longer required to be accredited by the Kansas Coalition Against Sexual and Domestic Violence.

Child Advocacy Center Grants. The purpose of these grants is to initiate, enhance, or expand grant projects that establish comprehensive Children's Advocacy Centers (CACs). CACs are child-focused, community-oriented programs that coordinate investigation and intervention services for abused children by bringing together professionals and agencies in a comprehensive, multidisciplinary model. Eligible applicants include nonprofit organizations and units of state and local government.

FEDERAL DISCRETIONARY GRANT PROGRAM

Federal Improving Criminal Justice Responses (ICJR) to Sexual Assault, Domestic Violence, Dating Violence and Stalking. The goal of the ICJR project is to develop policies, protocols, best practices, and training curricula for all professions within the criminal justice system to enable a consistent response to victims of domestic and sexual violence. (*Staff Note:* the ICJR Program was formerly known as the Grants to Encourage

Arrests by Police (GTEAP) program, but is substantially similar in function.)

This uniform domestic and sexual violence training is for victim and offender services from the time of a 911 call reporting an incident through the investigation, arrest, prosecution, probation or parole, and release of an offender.

FEDERAL FORMULA GRANT PROGRAMS

STOP Violence Against Women Act (VAWA) Grant. The U.S. Department of Justice Office on Violence Against Women (OVW) currently administers 24 grant programs authorized by the VAWA of 1994 and subsequent legislation. These grant programs are designed to develop the nation's capacity to reduce domestic violence, dating violence, sexual assault, and stalking by strengthening services to victims and holding offenders accountable.

The VAWA grant program supports law enforcement and prosecution strategies to combat violent crimes against women and to develop and enhance victim services in cases involving violent crimes against women. Law enforcement agencies receive 25.0 percent of the grant funds, prosecution receives 25.0 percent, courts receive 5.0 percent, nonprofit victims service organizations receive 30.0 percent, and 15.0 percent can be used for discretionary purposes.

Sexual Assault Services Program (SASP). SASP funds are used to provide intervention, advocacy, accompaniment (e.g., accompanying victims to court, medical facilities, police departments), support services, and related assistance to adult, youth, and child victims of sexual assault; family and household members of sexual assault victims; and those collaterally affected by the sexual assault victimization. The U.S. Department of Justice Office on Violence Against Women provides funding for this program.

Victims of Crime Act (VOCA) Victim Assistance Grant. The federal VOCA program provides direct services to crime victims to respond to their emotional and physical needs, assists primary and secondary crime victims in stabilizing their lives after victimization, assists victims in understanding and participating in the criminal justice system, and provides crime

victims with a measure of safety. Priority is given to victims of sexual assault, domestic violence, child abuse, and underserved victims crimes. The U.S. Department of Justice Office for Victims of Crime provides funding for this grant.

Justice Assistance Grant (JAG). The Byrne Formula JAG funding addresses eight purpose areas: law enforcement; prosecution and courts; crime prevention and education; corrections and community corrections; drug treatment and enforcement; planning, evaluation, and technology improvement; crime victim and witness programs; and mental health programs and related law enforcement and corrections behavioral programs and crisis intervention teams.

JAG funding is awarded to states and territories by a formula based on population and Part I violent crimes. Approximately 66.0 percent of a state's total allocation flows to the state's criminal justice planning agency, the State Administering Agency (SAA). The SAA, in turn, passes a designated percentage (called the Variable Pass Through) to local governments and, through them, to nonprofit service providers. The remaining 34.0 percent flows directly from the Bureau of Justice Assistance (BJA) to local governments based on Part I violent crimes as reported to the Federal Bureau of Investigation (FBI).

Residential Substance Abuse Treatment (RSAT) Initiative. Through the RSAT initiative, the BJA provides financial assistance, training, program guidance, evaluation, and leadership to states and local communities interested in administering substance abuse treatment programs in its correctional facilities. Funds are distributed based on the following formula: Each state is allocated a base amount of 0.4 percent of the total funds available for the program. The remaining funds are divided based on the same ratio of each participating state's prison population to the total prison population of all states.

National Criminal History Improvement Program (NCHIP). The goal of the federal NCHIP Grant program is to improve the nation's safety and security by enhancing the quality, completeness, and accessibility of criminal history record information and by ensuring the

nationwide implementation of criminal justice and noncriminal justice background check systems. NCHIP serves as an umbrella for various record improvement activities and funding streams, each of which has unique goals and objectives.

National Forensic Sciences Improvement Act. The Paul Coverdell Forensic Science Improvement Grants Program awards grants to states and units of local government to help improve the quality and timeliness of forensic science and medical examiner services. Among other things, funds may be used to eliminate a backlog in the analysis of forensic evidence and to train and employ forensic laboratory personnel, as needed, to eliminate such a backlog. SAAs may apply for both “base” (formula) and competitive funds. Units of local government may apply for competitive funds.

Prison Rape Elimination Act Grant (PREA). The federal funds are used to enable states to adopt and achieve full compliance with the National PREA Standards, establishing cultures of “zero tolerance” related to sexual abuse and sexual harassment in confinement facilities.

Bulletproof Vest Partnership (BVP). The BVP is a federal program to purchase bulletproof vests. JAG funds or other federal funding sources may not be used to pay for that portion of the bulletproof vest (50.0 percent) not covered by BVP funds.

John R. Justice (JRJ) Grant. The JRJ Grant program provides student loan repayment assistance for local, state, and federal government public defenders and local and state government prosecutors who commit to serving as public defenders and prosecutors for at least three years. JRJ is administrated by the U.S. Department of Justice Bureau of Justice Assistance.

Project Safe Neighborhoods (PSN) Grant Program. The federal PSN provides critical funding, resources, and training to combat violent crime and make communities safer

through a comprehensive approach to public safety targeting law enforcement efforts with community engagement, prevention, and reentry efforts. The PSN grant program is designed to create and foster safer neighborhoods through a sustained reduction in violent crime, including but not limited to, addressing criminal gangs and the felonious possession and use of firearms. The Governor's Grants Program provides administrative oversight for grant awards in partnership with the Kansas U.S. Attorney's Office.

State Access Visitation Program (SAVP). The federal SAVP provides supervised child exchange and supervised child visitation services to children and families at risk because of circumstances relating to neglect; substance abuse; emotional, physical, or sexual abuse; or domestic or family violence. The U.S. Department of Health and Human Services provides funding for this grant.

Family Violence Prevention and Services Act (FVPSA). The FVPSA is a federal program to prevent incidents of family violence, domestic violence, and dating violence; provide immediate shelter, supportive services, and access to community-based programs for victims of family violence, domestic violence, or dating violence, and their dependents; and provide specialized services for children exposed to family violence, domestic violence, or dating violence, including victims who are members of underserved populations. The U.S. Department of Health and Human Services provides funding for this grant.

Coronavirus Emergency Supplemental Funding (CESF). The CESF, authorized through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides funding to prevent, prepare for, and respond to the COVID-19 pandemic, specifically for state and local units of government and federally recognized Indian Tribal governments performing law enforcement functions, and nonprofit, community, and faith-based organizations.

FIGURE 15

GOVERNOR'S GRANTS PROGRAM, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. # of Subgrant Awards Issued	227	237	236	225	225
2.# of Subgrant Reports Reviewed	2,980	5,241	3,124	5,000	5,000
3.Dollar amount of Subgrant Awards Issued	\$ 34,029,293	\$ 35,077,203	\$ 35,196,805	\$ 36,000,000	\$ 34,750,000
Output Measure:					
4.# of Monitoring Reviews	273	322	255	240	240
5.# of Grant Trainings Provided	9	14	10	16	16
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 5,968,446	\$ 5,451,448		\$ 5,578,999	\$ 5,445,178
Federal Funds	22,937,601	24,886,382		30,336,680	27,660,257
All Other Funds	700,000	749,350		777,275	757,675
TOTAL	\$ 29,606,047	\$ 31,087,180		\$ 36,692,954	\$ 33,863,110
Percentage Change:					
SGF	10.5 %	(8.7) %		2.3 %	(2.4) %
All Funds	24.8 %	5.0 %		18.0 %	(7.7) %
FTE Positions	12.0	13.0		13.0	13.0

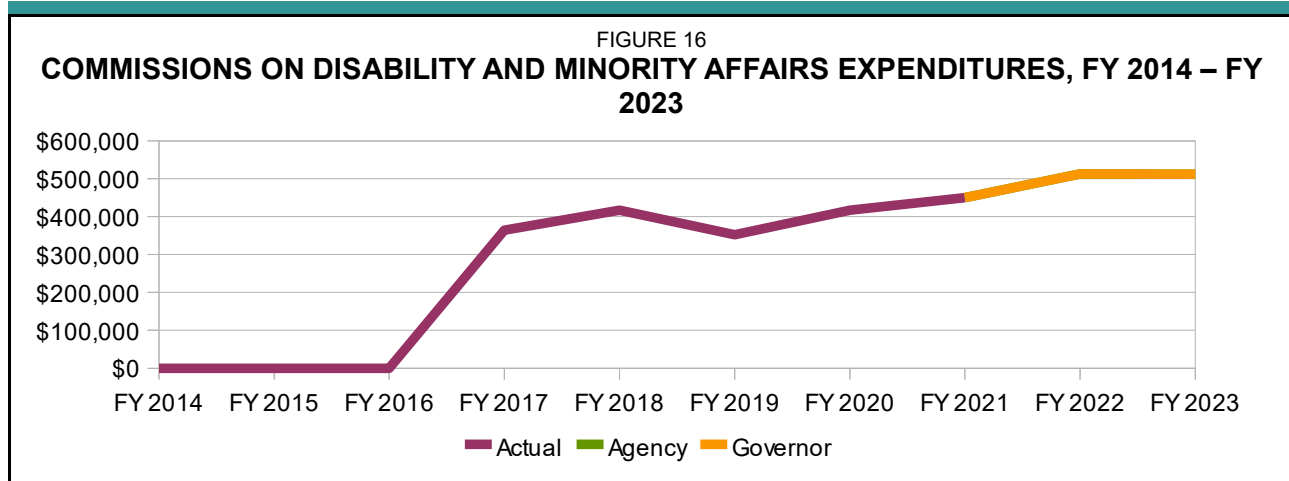
PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests \$33.9 million, including \$5.4 million SGF, for the Governor's Grants Program for FY 2023. This is a decrease of \$2.8 million below the FY 2022 revised estimate. The decrease is due to a decrease in VOCA Grant expenditures (\$1.4 million), Family Violence Prevention Grant Expenditures (\$259,782), and Project Safe Neighborhood Grant expenditures (\$212,584). Other

reductions in federal funding are for Paul Coverdell Forensic Science Improvement Grants, Crime Victims Assistance Grants, and the Violence Against Women Act Grant expenditures.

The **Governor** concurs with the agency request for the Grant's Office in FY 2022 and FY 2023.

COMMISSIONS ON DISABILITY AND MINORITY AFFAIRS



The Commissions on Disability and Minority Affairs was included in the Office of the Governor and Lieutenant Governor program until FY 2017.

STATUTORY BASIS: • No statutes were submitted for this program.

PROGRAM GOALS: • No Performance Measures were submitted for this program.

The Commissions on Disability and Minority Affairs include the Kansas Hispanic and Latino American Affairs Commission (KHLAAC), Kansas African-American Affairs Commission (KAAC), Kansas Commission on Disability Concerns (KCDC), and the Native American Affairs Liaison. The Commissions and the liaison address the concerns of substantial minority populations within Kansas.

The KHLAAC is a seven-member body appointed by the Governor. No more than four members can be from the same political party and each Congressional district shall have at least one appointee. KHLAAC serves as a liaison for the Kansas Hispanic and Latino community and the Office of the Governor; addresses public policy concerns primarily in the areas related to education, health, and business; and works closely with the Kansas Hispanic and Latino American Legislative Caucus as well as other state agencies in order to improve the lives of all Kansans.

Major programs include the following:

- **Interpreter and Translator Task Force.** The Commission is currently developing a handbook of best practices. The goals of the Task Force are to identify the process for state credentialing of qualified interpreters and translators, to find or train qualified individuals to

provide quality interpretation and translation, and to implement the identified process and fund the initiative;

- **Business Outreach.** The Commission works with Hispanic- and Latino-owned businesses to assist in marketing and community outreach;
- **Impresario.** This program validates sole source contracts to Hispanic- and Latino-owned businesses; and
- **Promotores de Salud.** This program provides community assistance and outreach to non-traditional health workers, predominantly family members. The Kansas Department of Health and Environment has been assisting the program.

KAAC is a seven-member commission created during the 1997 Session by former Governor Graves. The purpose of the KAAC is to address issues of equity for African Americans and serve as a conduit for programs, legislation, grants, research, and policy advice for state and local organizations in addressing concerns unique to the African American community in Kansas.

Major programs include the following:

- **Community Advisory Board Training Academy.** The Community Advisory Board Training Academy, in cooperation with the Kansas Law Enforcement Training Center, provides a “Fair and Impartial Policing” seminar to provide diverse communities with the information needed to work along with local agencies to develop community plans that provide guidance for promoting fair and impartial policing in the areas of policy, training, supervision/accountability, leadership, recruitment/hiring, outreach to diverse communities, and measurement. Additionally, the two-day instructional program is designed to generally familiarize participants with contemporary police training approaches and policing practices, and to facilitate an understanding of policing from a law enforcement perspective. The seminar is offered four times a year in Kansas City, Olathe, Topeka, and Wichita; and
- **Teen Civic Leadership Academy.** The Teen Civic Leadership Academy assists youth in developing a familiarity with the legislative process and political involvement by leveraging the current Youth Day at the Capitol and supplementing it with the Congressional Award program. The goal is to involve students in the legislative process at multiple points throughout the year rather than just one day.

The KCDC focuses on partnerships, information, and referral at the state, regional, and local levels for persons with disabilities. KCDC provides policy recommendations to the State of Kansas on changes to laws, regulations, and programs that affect people with disabilities.

KCDC provides information to the public (communities and people) with disabilities on employment (work), school (to work or transition), home, play/community, youth issues, and disability history. KCDC also is an informational and referral resource for people who are not sure where to go for their problem or issue. Major programs include the following:

- **Kansas Employment First Oversight Commission.** The Employment First law (KSA 44-1136-38) sets as the official policy of the State of Kansas that competitive and integrated employment is the first option when serving people with disabilities, establishes definitions of “competitive” and “integrated” employment, and details the requirements of state agencies to conform to the law. This is a five-member commission appointed by leaders of the House and Senate and the Governor;
- **Cooperation with Independent Living Centers.** The KCDC works with independent living centers to establish disability mentoring days and provides a safe harbor for meeting with disabled job applicants. The role of the KCDC is oversight only; and
- The KCDC advocates for policy changes, including service dog laws and updates to the Kansas Act Against Discrimination.

The Governor’s **Native American Affairs Liaison** works to ensure the concerns and needs of the state’s Native American population are addressed in state policymaking decisions, and to coordinate intergovernmental communications between tribal governments and the Governor’s Office, in addition to other state agencies and other Native American organizations.

FIGURE 17

COMMISSIONS ON DISABILITY AND MINORITY AFFAIRS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
No Performance Measures were submitted for this Program.					
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 411,867	\$ 441,818		\$ 512,843	\$ 512,370
Federal Funds	-	-		-	-
All Other Funds	5,089	8,142		-	-
TOTAL	<u>\$ 416,956</u>	<u>\$ 449,960</u>		<u>\$ 512,843</u>	<u>\$ 512,370</u>
Percentage Change:					
SGF	20.0 %	7.3 %		16.1 %	(0.1) %
All Funds	18.4 %	7.9 %		14.0 %	(0.1) %
FTE Positions	4.0	5.0		5.0	5.0

PERFORMANCE AND BUDGET ANALYSIS

The agency requests \$512,370, all SGF, for the Commissions on Disability and Minority Affairs program for FY 2023. This is a decrease of \$473 below the FY 2022 revised estimate. This decrease is due to a decrease in salaries and wages (\$777) due to a decrease in employer contributions to employee fringe benefits including unemployment insurance.

This decrease is partially offset by an increase (\$304) in contractual services including staffing and recruiting services.

The Governor concurs with the agency request for the Offices of Minority Affairs for FY 2022 and FY 2023.

OFFICE OF THE SECRETARY OF STATE

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	6,867,135	1,550,000	1,550,000	1,200,000	1,200,000
All Other Funds	4,056,466	4,422,992	4,422,992	4,428,699	4,428,699
<i>Subtotal</i>	<u>\$ 10,923,601</u>	<u>\$ 5,972,992</u>	<u>\$ 5,972,992</u>	<u>\$ 5,628,699</u>	<u>\$ 5,628,699</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 10,923,601</u>	<u>\$ 5,972,992</u>	<u>\$ 5,972,992</u>	<u>\$ 5,628,699</u>	<u>\$ 5,628,699</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	94.7 %	(45.3) %	(45.3) %	(5.8) %	(5.8) %
FTE Positions	37.0	41.5	41.5	41.5	41.5

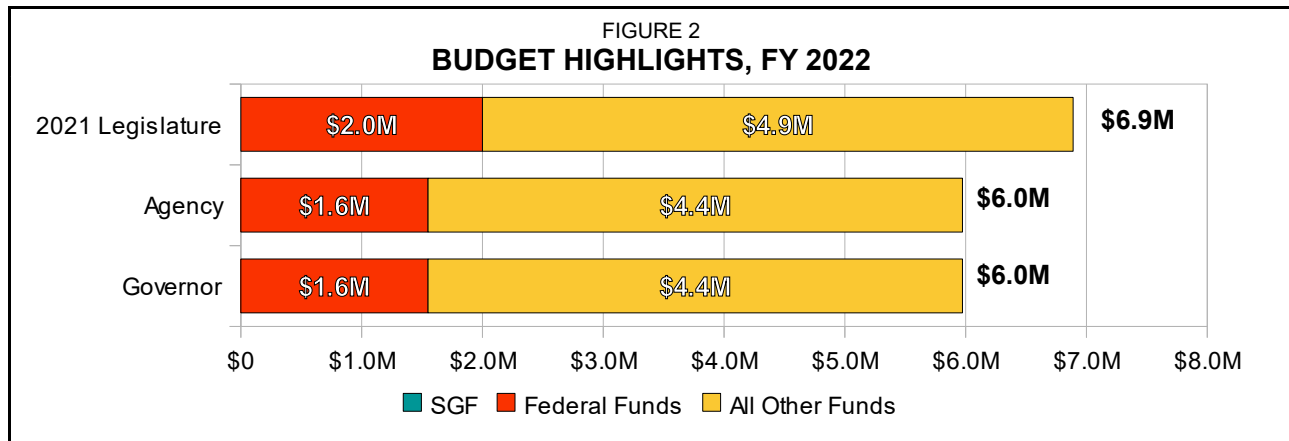
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Secretary of State is an elected official who serves as the custodian of official government documents for the State of Kansas. The Secretary administers the laws relating to business entities, elections and legislative matters, and the Uniform Commercial Code, and performs other executive duties. The *Kansas Constitution* requires the Secretary of State to countersign commissions of the Governor, file declarations of candidacies, file and index charter ordinances, and publish regulations for constitutional amendments. The Secretary of State also is responsible for the distribution of the *Kansas Statutes Annotated* (KSA) and its supplements, *Session Laws of Kansas*, *Kansas Administrative Regulations* (KAR), and the *Kansas Register*.

To carry out its duties, the Office of the Secretary of State is organized into the three following divisions: Administration, Business Services (including the Uniform Commercial Code), and Elections and Legislative Matters. In addition, the Secretary of State is charged with the implementation of the federal Help America Vote Act (HAVA) of 2002.

EXECUTIVE SUMMARY

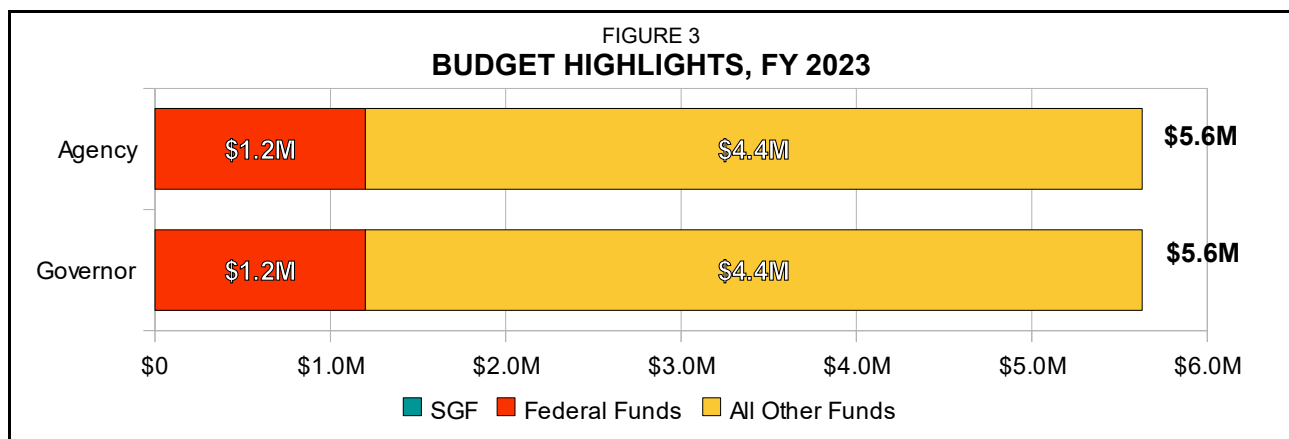
The 2021 Legislature approved a budget of \$6.9 million, including \$2.0 million from federal HAVA funds, for the Office of the Secretary of State for FY 2022.



The **agency** submits a revised estimate totaling \$6.0 million, including \$1.6 million from federal Help America Vote Act (HAVA) funds, in FY 2022. This is a decrease of \$916,699 below the FY 2022 approved amount. During the 2021 Session, the Office of the Secretary of State requested a transfer of \$924,500 from the State General Fund (SGF) to the Democracy Fund to meet state match requirements for supplemental HAVA funds provided through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act in FY 2022. However, the Secretary of State was later notified that such state match requirements could be met with existing resources. The Office of the Secretary of State was able to meet state match requirements in FY 2021, and this additional expenditure is no longer required in FY 2022. The agency requests additional adjustments of \$7,801, all from special revenue funds, in FY 2022. These adjustments comprise an increase in salaries and wages and contractual services, which is partially offset by a decrease in aid to local units of government.

The **agency's** estimate also includes 41.5 FTE positions, which is a decrease of 5.5 FTE positions below the FY 2022 approved number. The agency has been approved for 46.0 FTE positions since FY 2018, and the agency revised this request in FY 2022 to more accurately reflect current staffing levels.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$5.6 million, including \$1.2 million from federal HAVA funds, for FY 2023. This is a decrease of \$344,293 below the FY 2022 revised estimate. The agency requests expenditures of \$1.6 million, all from special revenue funds, for the HAVA Program in FY 2023. This is a decrease of \$353,085 below the FY 2022 revised estimate. This decrease is attributable to a decrease of \$300,000 in expenditures from federal HAVA Title I funds, one-time expenditures for firewall upgrades and computer replacements totaling \$50,000, and HAVA state match

requirements of \$3,085 that occurred in FY 2022 but do not reoccur for FY 2023. The remaining adjustments include an increase of \$8,792 in salaries and wages expenditures for FY 2023. This increase is attributable to an increase in employer contributions for fringe benefits such as group health insurance.

The **agency** request also includes 41.5 FTE positions, which is unchanged from the FY 2022 revised estimate.

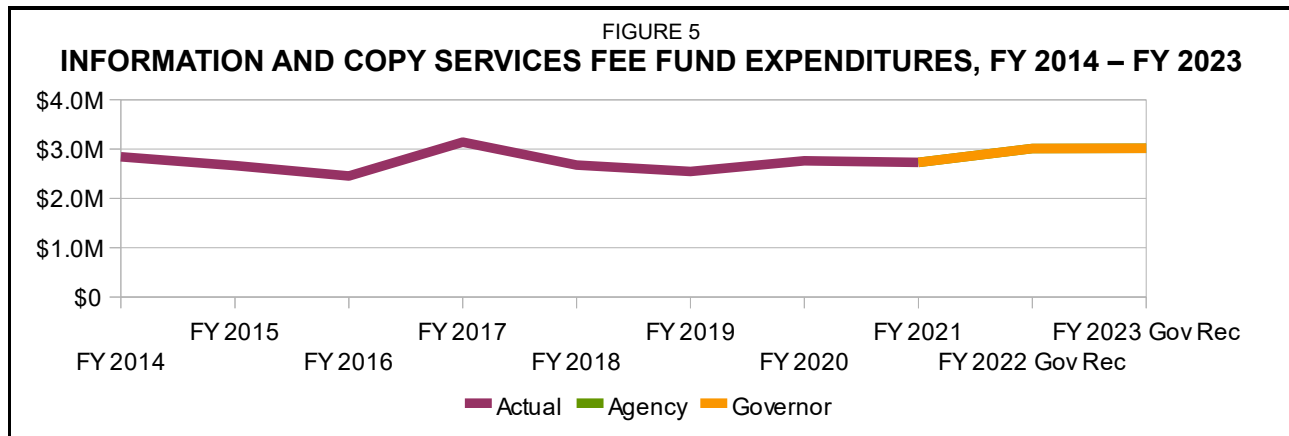
The **Governor** concurs with the agency's request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

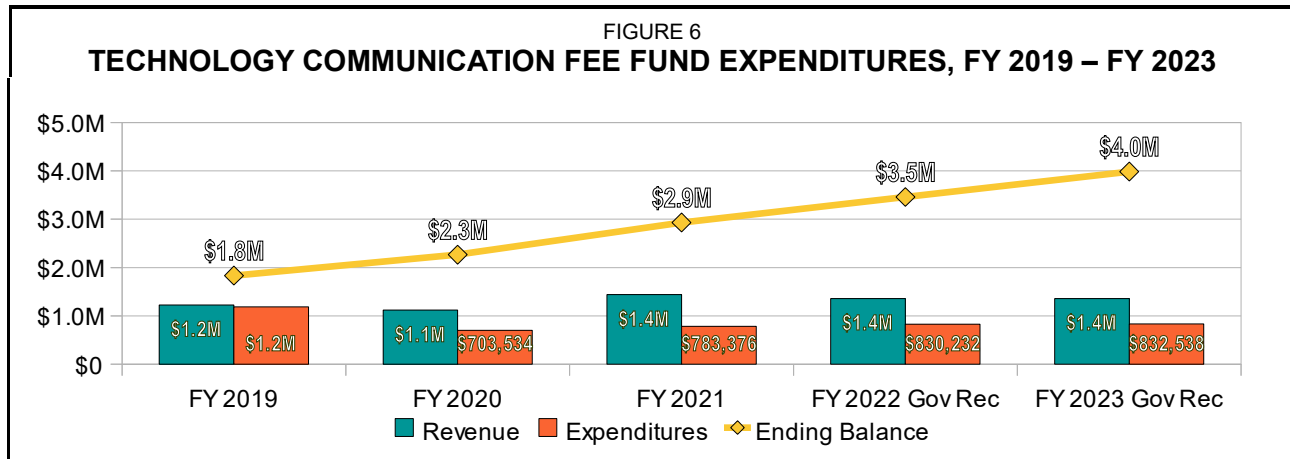
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 2,579,499	\$ 2,910,405	\$ 2,910,405	\$ 2,919,197	\$ 2,919,197
Contractual Services	5,289,454	2,945,224	2,945,224	2,645,224	2,645,224
Commodities	373,088	28,451	28,451	28,451	28,451
Capital Outlay	819,923	85,827	85,827	35,827	35,827
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 9,061,964</i>	<i>\$ 5,969,907</i>	<i>\$ 5,969,907</i>	<i>\$ 5,628,699</i>	<i>\$ 5,628,699</i>
Aid to Local Units	1,861,637	3,085	3,085	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 10,923,601</i>	<i>\$ 5,972,992</i>	<i>\$ 5,972,992</i>	<i>\$ 5,628,699</i>	<i>\$ 5,628,699</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 10,923,601	\$ 5,972,992	\$ 5,972,992	\$ 5,628,699	\$ 5,628,699
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	6,867,135	1,550,000	1,550,000	1,200,000	1,200,000
All Other Funds	4,056,466	4,422,992	4,422,992	4,428,699	4,428,699
TOTAL	\$ 10,923,601	\$ 5,972,992	\$ 5,972,992	\$ 5,628,699	\$ 5,628,699
FTE Positions	37.0	41.5	41.5	41.5	41.5

INFORMATION AND COPY SERVICES FEE FUND



The Information and Copy Services Fee Fund is used to finance agency functions that provide public information when requested. Revenues to the Fund include fees charged for computer access, diskettes, tapes, certified copies, regular copies, Uniform Commercial Code (UCC) copies, listings, and microfilm. Revenue projections are based on receipt trends, the economy, law changes, fee increases and decreases, and the volume of documents filed electronically (in many cases the electronic fee is lower).

TECHNOLOGY COMMUNICATION FEE FUND



* For FY 2023, the lowest month ending balance for the Technology Communication Fee Fund will occur in July, with a balance of \$3.6 million.

The Technology Communication Fee Fund is used to support the continuing development of electronic government and business in the State of Kansas, including the electronic filing of forms for businesses. As specified in KSA 75-444, the Secretary of State shall charge a technology communication fee, not exceeding \$5, to cover the cost of technology systems.

FY 2022 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 6,889,691	\$ 6,889,691	46.0
1. No changes			-	
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 6,889,691</i>	<i>\$ 6,889,691</i>	<i>46.0</i>
Agency Revised Estimate:				
2. HAVA State Match	\$ -	\$ (924,500)	\$ (924,500)	--
3. All Other Adjustments	-	7,801	7,801	(4.5)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 5,972,992</i>	<i>\$ 5,972,992</i>	<i>41.5</i>
Governor's Recommendation:				
4. No changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 5,972,992	\$ 5,972,992	41.5

LEGISLATIVE APPROVED

The 2021 Legislature approved a budget of \$6.9 million, including \$2.0 million from federal HAVA funds, for the Office of the Secretary of State for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$6.9 million appropriated to the Office of the Secretary of State for FY 2022.

AGENCY ESTIMATE

The **agency** requests \$6.0 million, including \$1.6 million from federal Help America Vote Act (HAVA) funds, in FY 2022. This is a decrease of \$916,699 below the FY 2022 approved amount.

The **agency** estimate includes the following adjustments:

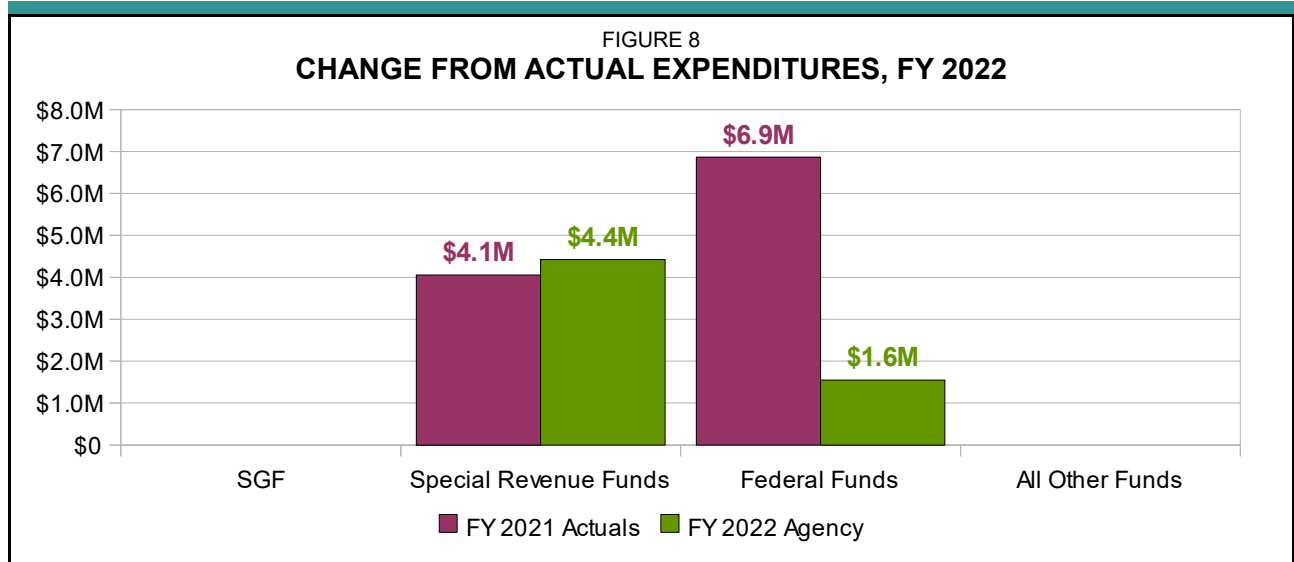
2. **HAVA STATE MATCH.** During the 2021 session, the Office of the Secretary of State requested a transfer of \$924,500 from the SGF to the Democracy Fund to meet state match requirements of supplemental federal HAVA CARES Act funds for FY 2022. However, the Secretary of State was later notified that state match requirements could be met with existing resources. The Office of the Secretary of State met state match requirements in FY 2021, and this additional expenditure is no longer required in FY 2022.
3. **ALL OTHER ADJUSTMENTS.** The agency requests additional adjustments of \$7,801, all from special revenue funds, in FY 2022. These adjustments comprise an increase in salaries and wages and contractual services expenditures, which is partially offset by a decrease in aid to local units of government.

The **agency** estimate also includes 41.5 FTE positions, which is a decrease of 4.5 FTE positions below the FY 2022 approved number. The agency has been approved for 46.0 FTE positions since FY 2018, and the agency revised this request in FY 2022 to more accurately reflect current staffing levels.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency requests \$6.0 million, including \$1.6 million in federal Help America Vote Act (HAVA) funds, in FY 2022. This is a decrease of \$5.0 million below the FY 2021 actual amount. This decrease is partially attributable to expenditures of \$2.6 million from supplemental HAVA CARES Act funds that occurred in FY 2021, and do not reoccur in FY 2022.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 5,972,992	\$ 5,972,992	41.5
Agency Request:				
1. HAVA Program Adjustments	\$ -	\$ (353,085)	\$ (353,085)	--
2. All Other Adjustments	-	8,792	8,792	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 5,628,699	\$ 5,628,699	41.5
Governor's Recommendation:				
3. No changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 5,628,699	\$ 5,628,699	41.5

AGENCY REQUEST

The **agency** requests \$5.6 million, including \$1.2 million from federal HAVA funds, for FY 2023. This is a decrease of \$344,293 below the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

- HAVA PROGRAM ADJUSTMENTS.** The agency requests expenditures of \$1.6 million, all from special revenue funds, for the HAVA Program for FY 2023. This is a decrease of \$353,085 below the FY 2022 revised estimate. This decrease is attributable to a decrease of \$300,000 from federal HAVA Title I funds, one-time expenditures for firewall upgrades and computer replacements totaling \$50,000, and HAVA state match requirements of \$3,085 that occurred in FY 2022 but do not reoccur for FY 2023.
- ALL OTHER ADJUSTMENTS.** The remaining adjustments includes an increase of \$8,792 in salaries and wages expenditures for FY 2023. This increase is attributable to an increase in employer contributions for fringe benefits such as group health insurance.

The **agency** request also includes 41.5 FTE positions, which is unchanged from the FY 2022 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2023.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

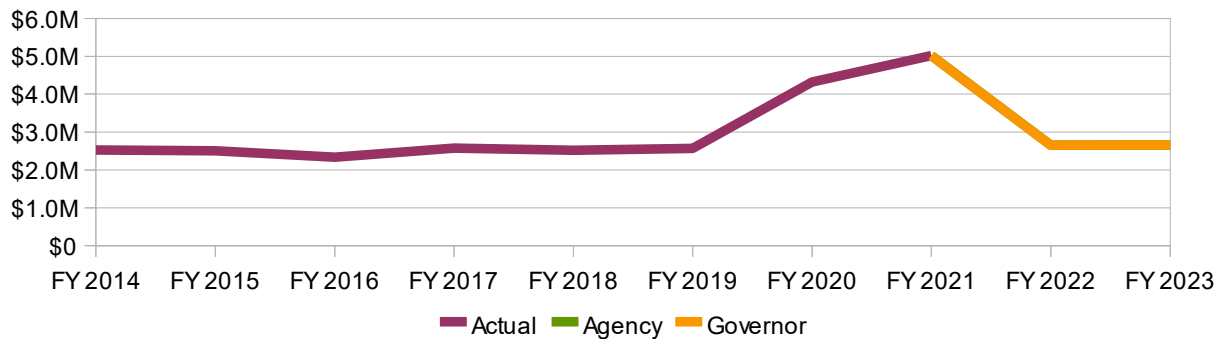
FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 5,015,402	\$ 2,654,670	\$ 2,654,670	\$ 2,658,400	\$ 2,658,400
Business Services	916,808	833,928	833,928	838,369	838,369
Elections and Legislative Matters	480,838	520,681	520,681	521,302	521,302
Help America Vote Act	4,510,553	1,963,713	1,963,713	1,610,628	1,610,628
TOTAL	\$ 10,923,601	\$ 5,972,992	\$ 5,972,992	\$ 5,628,699	\$ 5,628,699
FTE Positions:					
Administration	20.3	23.7	23.7	23.7	23.7
Business Services	11.8	12.7	12.7	12.7	12.7
Elections and Legislative Matters	5.0	5.0	5.0	5.0	5.0
Help America Vote Act	-	-	-	-	-
TOTAL	37.0	41.5	41.5	41.5	41.5

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 11
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 45-106 through 45-107; 77-430; 75-430; 45-401; 45-414; 45-408; 75-438; and 75-444

- PROGRAM GOALS:**
- Document retention updates to ensure records are accurately and appropriately filed and to improve record modernization and maintenance.
 - Reduce reliance on storing physical documents within the publications division and transitioning to a digital storage system.
 - Establish an online ordering and payment portal on the official agency website for individuals to order publications, Kansas flags, complete filings, pay fees, and more.
 - Modernize delivery of official state publications to accommodate shifts in consumer preferences for digital publications.
 - Produce a full set of Kansas Administrative Rules and Regulations in FY 2022.
 - Migrate off the AS400 legacy operating system by FY 2023.

The Administration Division provides services for other divisions within the agency, including management, legal, financial, communication, human resources, and information technology services. In addition, it is responsible for the preparation of office publications and forms,

including the *Kansas Register* (the official state newspaper), the *Session Laws of Kansas*, and the *Kansas Administrative Regulations* (KARs). In addition, the program is responsible for promoting efficiencies in the agency's imaging and electronic records systems.

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of Document Retention Improvement Project Completed*	N/A	90.0 %	--	100.0 %	N/A
2. Percent of Record Filing Modernization/Digital Record Retention Project Completed*	N/A	N/A	--	20.0 %	50.0 %
3. Percent of Online Store Project Completed*	N/A	20.0 %	--	30.0 %	65.0 %
4. Percent of Publications Available in Digital Form	N/A	25.0 %	--	40.0 %	70.0 %
5. Percent of Kansas Administrative Rules and Regulation Full-Set Publication Completed*	N/A	80.0 %	--	100.0 %	N/A

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
6. Percent of Agency IT System Upgrades Completed*	N/A	20.0 %	--	65.0 %	95.0 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	1,901,387	2,614,584		-	-
All Other Funds	2,421,698	2,400,818		2,654,670	2,658,400
TOTAL	\$ 4,323,085	\$ 5,015,402		\$ 2,654,670	\$ 2,658,400
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	68.5 %	16.0 %		(47.1) %	0.1 %
FTE Positions	19.0	20.3		23.7	23.7

*The Governor's Office does not utilize this measure for evaluation purposes.

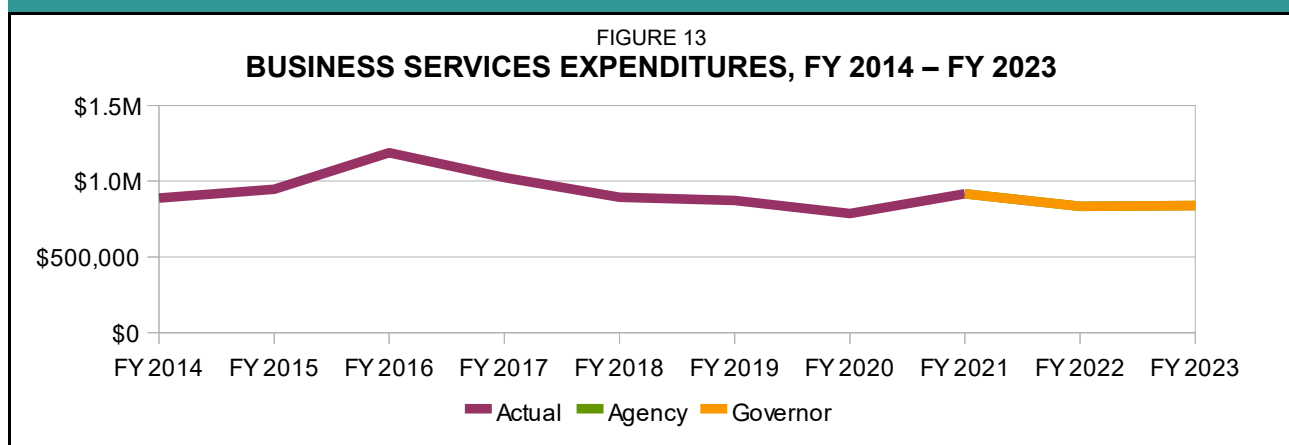
BUDGET ANALYSIS

The agency requests \$2.7 million, all from special revenue funds, for the Administration program for FY 2023. This is an increase of \$3,730 above the FY 2022 revised estimate. This increase is primarily attributable to an increase in salaries and wages expenditures for

employer contributions for fringe benefits such as group health insurance.

The **Governor** concurs with the agency's request for the Administration Program for FY 2023.

BUSINESS SERVICES



STATUTORY BASIS: • KSA 17-7903 through 17-7906

PROGRAM GOALS: • Streamline all filing documents.
• Increase customer use of the online business services filing system.

The Business Services Division administers the Kansas General Corporations Code, the Kansas Limited Liability Company Act, the Kansas Uniform Limited Partnership Act, the Kansas Uniform Commercial Code (UCC), and related laws. This division ensures customers have forms and procedures to follow in forming and maintaining business entities and in gaining easy access to business records that date to

the beginning of the state. The number of annual reports processed each year by the Division exceeds 180,000. In FY 1995, the Kansas UCC program became the first in the nation to accept electronic filings of UCC financing statements. The Office of the Secretary of State currently receives more than 90.0 percent of its nearly 100,000 annual UCC transactions electronically.

FIGURE 14
BUSINESS SERVICES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of Document Filing Improvement Project Completed*	45.0 %	89.0 %	67.0 %	100.0 %	N/A
2. Percent of Annual Reports Filed Online*	74.0 %	81.0 %	76.0 %	83.0 %	85.0 %
3. Percent of Business Formation Documents Filed Online*	76.0 %	79.0 %	76.0 %	81.0 %	83.0 %
4. Percent of Documents Available for Online Filing*	25.0 %	32.0 %	29.0 %	40.0 %	80.0 %
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	110,385		-	-
All Other Funds	784,959	806,423		833,928	838,369
TOTAL	\$ 784,959	\$ 916,808		\$ 833,928	\$ 838,369
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(10.1) %	16.8 %		(9.0) %	0.5 %
FTE Positions	12.0	11.8		12.7	12.7

*The Governor's Office does not utilize this measure for evaluation purposes.

PERFORMANCE AND BUDGET ANALYSIS

The agency requests \$838,369, all from special revenue funds, for the Business Services Division for FY 2023. This is an increase of \$4,441 above the FY 2022 revised estimate. This increase is attributable to an increase in salaries and wages expenditures for employer contributions to fringe benefits such as group health insurance.

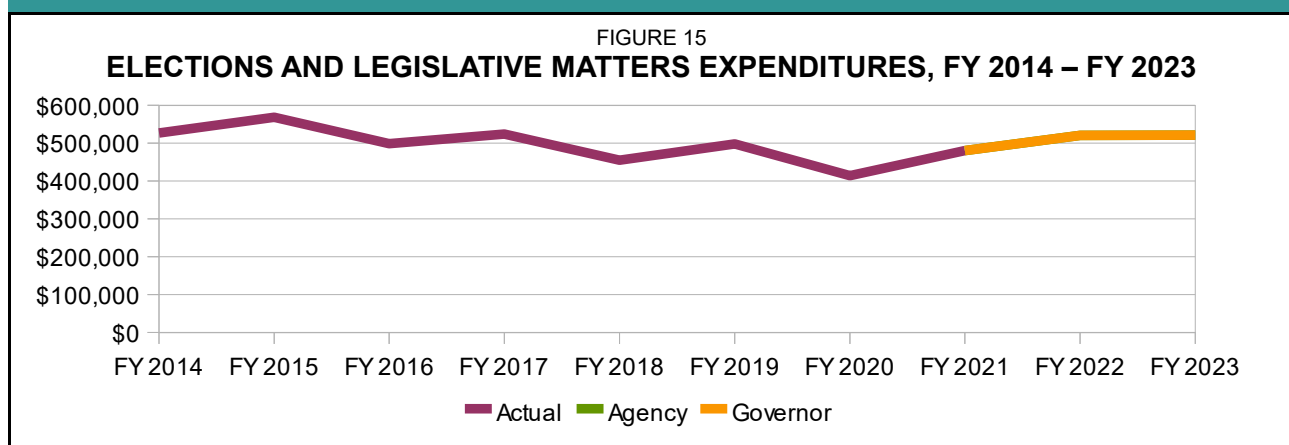
DOCUMENT FILING IMPROVEMENT

The agency has a goal to streamline the filing of all documents. At the beginning of FY 2019, the Business Services Division maintained 96 documents for various business filings. Many of

these documents are similar in nature and can be combined to make it easier for customers to identify the filing document they must complete. The agency's document filing project had a goal to reduce the number of filing documents by 30.0 percent by the end of FY 2021; however, this goal was extended. Currently, the number of filing documents has been reduced by 23.0 percent and the agency aims to meet the goal of the 30.0 percent reduction in FY 2022.

The **Governor** concurs with budget request for the Business Services Division for FY 2023.

ELECTIONS AND LEGISLATIVE MATTERS



STATUTORY BASIS: • KSA 25-2504; 25-124

PROGRAM GOALS: • Increase electronic filings of statement of substantial interest (SSI) forms.
• Increase electronic filing of campaign finance reports for state officeholders and candidates for state office.

The Elections and Legislative Matters Division performs statutory functions related to elections and the Legislature and provides the public with information on these issues. This division oversees and administers the electoral process in Kansas; promotes public participation in the electoral process; maintains

files of public records; responds to inquiries and informational requests; and distributes publications, including the KSAs, *Session Laws of Kansas*, Senate and House journals, and the KARs. In addition, the Division registers lobbyists, issues lobbyist badges, and files lobbyist expenditure reports.

FIGURE 16
ELECTIONS AND LEGISLATIVE MATTERS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of Statements of Substantial Interest Forms Filed Electronically	89.0 %	90.0 %	90.0 %	95.0 %	100.0 %
2. Percent of Campaign Finance Reports Filed Electronically	40.0 %	40.0 %	40.0 %	55.0 %	75.0 %
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	414,373	480,838		520,681	521,302
TOTAL	\$ 414,373	\$ 480,838		\$ 520,681	\$ 521,302
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(16.8) %	16.0 %		8.3 %	0.1 %
FTE Positions	5.0	5.0		5.0	5.0

PERFORMANCE AND BUDGET ANALYSIS

The agency requests \$521,302, all from special revenue funds, for the Elections and

Legislative Matters Division for FY 2023. This is an increase of \$621 above the FY 2022 revised

estimate. This increase is attributable to an increase in salaries and wages expenditures for employer contributions for fringe benefits such as group health insurance.

STATEMENT OF SUBSTANTIAL INTEREST

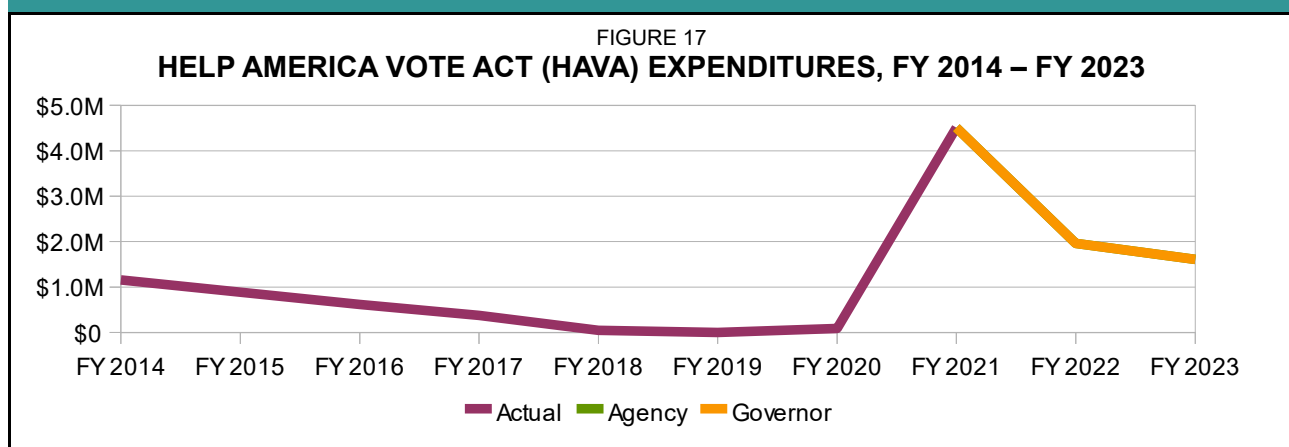
The agency has a goal to increase electronic filings of statement of substantial interest (SSI) forms. Current law does not require individuals to file SSIs electronically; however, electronic filing streamlines the process and allows for efficient public access of these documents. In FY 2021, approximately 90.0 percent of SSIs were filed electronically. The agency anticipates a 95.0 percent electronic filing rate by the end of FY 2022 and a 100.0 percent filing rate by the end of FY 2023.

CAMPAIGN FINANCE

The agency has a goal to increase electronic filing of campaign finance reports for state officeholders and candidates for state office. Current law only requires candidates for state-wide office to file electronically. Electronic filing of campaign finance reports reduces the amount of time and resources required to provide services to the public and modernizes the process. In FY 2021, 40.0 percent of all candidates filed these reports electronically, and the agency has a goal to increase this electronic filing to 55.0 percent by the end of FY 2022 and to 75.0 percent by the end of FY 2023.

The **Governor** concurs with the agency request for the Elections and Legislative Matters Division for FY 2023.

HELP AMERICA VOTE ACT (HAVA)



STATUTORY BASIS: • PL 107-252; KSA 25-2504; KSA 25-124

PROGRAM GOALS:

- Purchase cybersecurity services within the HAVA program for counties statewide.
- Ensure the security of voting equipment across the state within the HAVA program.
- Continue coordination with the National Guard and U.S. Department of Homeland Security to provide virtual statewide security training to all county election officials.
- Implement a new training program for all 105 county election officers, specifically for the administration of elections.

The Help America Vote Act (HAVA) Division is charged with implementing the federal Help America Vote Act of 2002 and administers the Help America Vote Program. HAVA requires each state to develop a single, uniform, official, centralized, interactive, and computerized statewide voter registration list defined,

maintained, and administered at the state level. The Division also is responsible for coordinating the state plan provided to the Federal Election Commission. The Kansas plan was developed by an advisory council. In addition, the Division is to apply for federal grants and oversee the distribution of any grants that are obtained.

FIGURE 18
HELP AMERICA VOTE ACT (HAVA), PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of Cybersecurity Services for Kansas Counties Completed	N/A	50.0 %	--	100.0 %	N/A
2. Percent of Voting Equipment Updates Completed*	N/A	99.0 %	--	100.0 %	N/A
3. Percent of Virtual Security Trainings for Kansas County Election Officials*	N/A	98.0 %	--	100.0 %	N/A
4. Local Election Official Certification Program Completion*	N/A	N/A	--	25.0 %	50.0 %
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	19,800	368,387		1,550,000	1,200,000
All Other Funds	68,228	4,142,166		413,713	410,628
TOTAL	\$ 88,028	\$ 4,510,553		\$ 1,963,713	\$ 1,610,628

FIGURE 18 HELP AMERICA VOTE ACT (HAVA), PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(169.8) %	5,024.0 %		(56.5) %	(18.0) %
FTE Positions	--	--		--	--

*The Governor's Office does not utilize this measure for evaluation purposes.

PERFORMANCE AND BUDGET ANALYSIS

The agency requests \$1.6 million, including \$1.2 million from federal HAVA funds, for the HAVA Division for FY 2023. This is a decrease of \$353,085 below the FY 2022 revised estimate. This decrease is attributable to a decrease in contractual services (\$300,000) due to a decrease in federal HAVA Title I grant expenditures and a decrease (\$50,000) in capital outlay expenditures due to one-time expenditures for employee laptops and docking station replacements to enhance remote work capabilities in FY 2022 that do not reoccur for FY 2023. The agency also has a decrease of \$3,085 in aid to local units of government due to a one-time expenditure for state-match requirements of HAVA Election Security in FY 2022 that does not reoccur for FY 2023.

CYBERSECURITY SERVICES AND TRAINING TO KANSAS COUNTIES

The agency has a goal to purchase cybersecurity services within the HAVA program for counties statewide. The state, in coordination with a private vendor, worked with counties to enhance existing security profiles and network security. Due to the COVID-19 pandemic, the agency had to delay implementation of this goal in FY 2020. The agency had a 50.0 percent completion goal in FY 2021 and have plans to meet 100.0 percent completion in FY 2022.

The agency also has a goal to continue its coordination with the National Guard and Department of Homeland Security to provide virtual statewide security training to all county

election officials. Approximately 98.0 percent of county election officials participated in FY 2021, and the agency has a goal to continue training and reach 100.0 completion in FY 2022.

VOTING EQUIPMENT

The agency has a goal to ensure the security of voting equipment across the state within the HAVA program and to work with counties to ensure paper trail ballots for voting equipment in the state. The agency had a 99.0 percent completion goal in FY 2021 and has a goal of 100.0 percent completion for FY 2022.

LOCAL ELECTION OFFICIAL CERTIFICATION

The agency has a new goal to implement a training program for all 105 county election officers, specifically for the administration of elections. KSA 25-2504 defines the chief state election official as the Secretary of State. KSA 25-124 requires the Secretary of State to provide instruction to county election officers in a method determined by the Secretary of State. This program is in addition to other mandated annual training for local election offices. The program will include hourly sessions delivered in a variety of methods. The goal is to have one certified election official in every county prior to the 2024 federal general election. The agency has a completion goal of 25.0 percent by the end of FY 2022 and 50.0 percent by the end of FY 2023.

The **Governor** concurs with the agency's request for the HAVA Division for FY 2023.

OFFICE OF THE STATE TREASURER

FY 2021 – FY 2023 BUDGET ANALYSIS

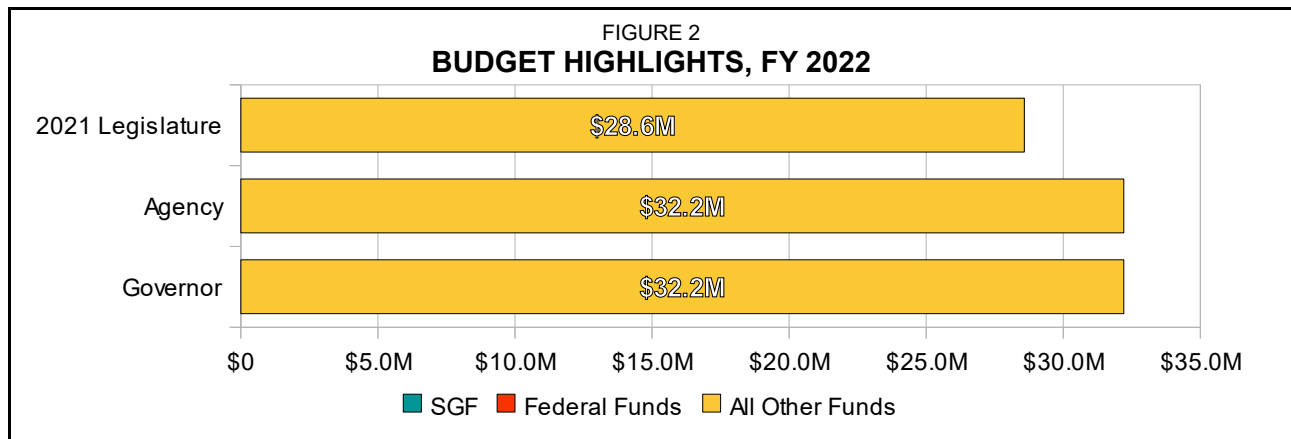
FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	21,815,752	32,206,544	32,206,544	32,527,205	45,527,205
<i>Subtotal</i>	<u>\$ 21,815,752</u>	<u>\$ 32,206,544</u>	<u>\$ 32,206,544</u>	<u>\$ 32,527,205</u>	<u>\$ 45,527,205</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 21,815,752</u>	<u>\$ 32,206,544</u>	<u>\$ 32,206,544</u>	<u>\$ 32,527,205</u>	<u>\$ 45,527,205</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(9.3) %	47.6 %	47.6 %	1.0 %	41.4 %
FTE Positions	39.0	40.0	40.0	40.0	40.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Office of the State Treasurer is the designated fiscal agent for the State of Kansas and is responsible for the timely receipt and deposit of all receipts and revenues into the State Treasury. The State Treasurer administers several deposit loan programs and manages the Kansas Postsecondary Education Program (Learning Quest). The State Treasurer is the paying agent for state and municipal bonds and also is tasked with the disposition of unclaimed property. The State Treasurer is an ex officio member of the Kansas Public Employees Retirement System (KPERs) Board of Trustees. The State Treasurer is one of six state officials elected every four years and also serves as a member of the Pooled Money Investment Board (PMIB), which invests state funds to provide optimum levels of safety, liquidity, and yield.

EXECUTIVE SUMMARY

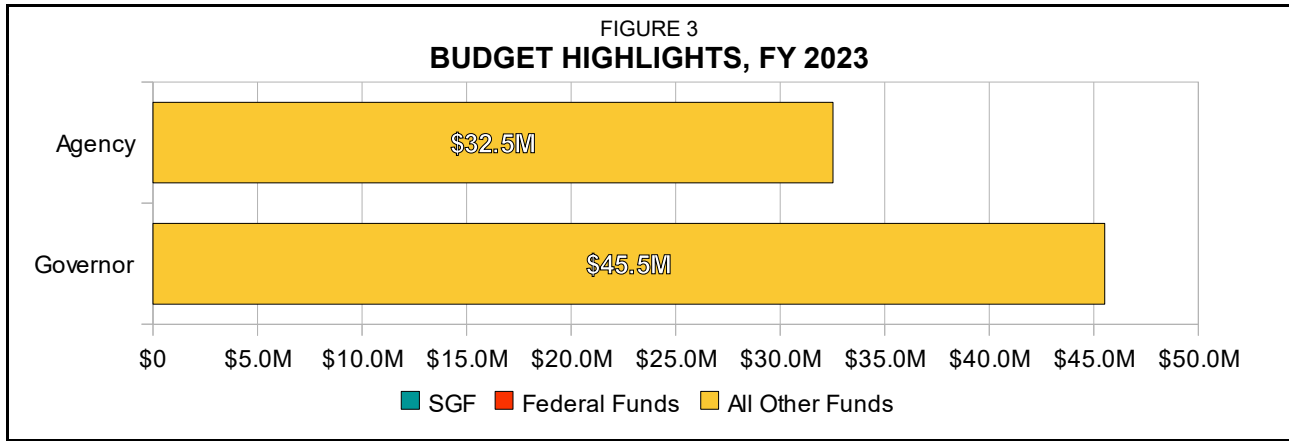
The 2021 Legislature approved a budget of \$28.6 million, all from special revenue funds, for the Office of the State Treasurer for FY 2022. No adjustments have been made to the approved amount subsequent to the 2021 Legislative Session.



The **agency** estimates revised expenditures of \$32.2 million, all from special revenue funds, in FY 2022. This is an increase of \$3.6 million, or 12.7 percent, above the FY 2022 approved amount. The agency estimates unclaimed property claim payments of \$27.2 million in FY 2022. This is an increase of \$9.4 million in claims above the FY 2021 actual amount. The agency reported a decrease in unclaimed property claim payments during the COVID-19 pandemic and anticipates claims to increase in FY 2022. The agency requests an additional \$3.6 million, all from the Unclaimed Property Claims Fund, in FY 2022 to make these additional claim payments. The agency's revised estimate includes other adjustments of \$10,478. Other adjustments include anticipated expenditures for the agency's computer replacement plan and anticipated increases in salaries and wages expenditures for employer contributions to employee fringe benefits such as group health insurance.

The agency also requests 40.0 FTE positions, which is 0.5 FTE positions below the FY 2022 approved number. The 2021 Legislature approved an additional 1.5 FTE positions in FY 2021 and FY 2022 for the administration of the Kansas Economic Recovery Loan Deposit Program created pursuant to 2021 SB 86 and the City Utility Low-Interest Loan Program created pursuant to 2021 SB 88. The agency filled 1.0 FTE position in FY 2021, and a 0.5 FTE position remains vacant.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$32.5 million, all from special revenue funds, for FY 2023. This is an increase of \$320,661, or 1.0 percent, above the FY 2022 revised estimate. The agency estimates unclaimed property claim payments of \$27.4 million, which is an increase of \$200,000 above the FY 2022 revised estimate. The agency anticipates an increase in unclaimed property claims and payouts for FY 2023. The agency requests \$2.7 million for salaries and wages for FY 2023, which is an increase of \$116,444 above the FY 2022 revised estimate. This increase is primarily attributable to anticipated increases in employer contributions to employee fringe benefits such as group health insurance. The remaining increase is attributable to an anticipated increase in Kansas Investments Development Scholars (KIDS) Matching Grant Program matching funds. This increase is partially offset by a decrease (\$20,783) in contractual services for FY 2023.

The agency also requests 40.0 FTE positions, which is unchanged from the FY 2022 revised estimate.

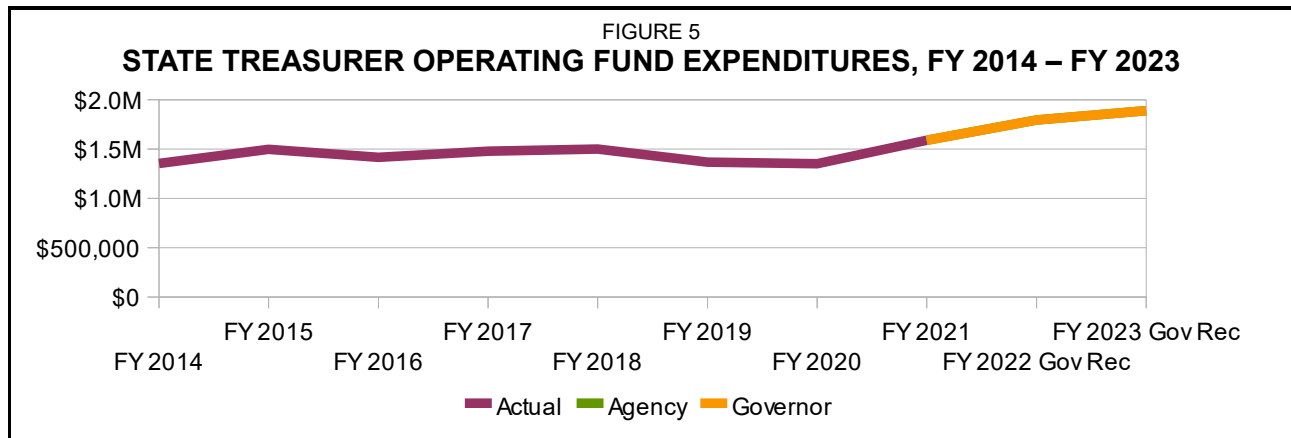
The **Governor** recommends expenditures of \$45.5 million, all from special revenue funds, for FY 2023. This is an increase of \$13.0 million, or 28.6 percent, above the agency's FY 2023 request. The increase is a SGF transfer, occurring on a quarterly basis, to the Sales Tax and Revenue (STAR) Bonds Food Sales Tax Revenue Replacement Fund. The funds would be used to hold STAR bond districts harmless from the elimination of the sales tax on food and food ingredients, as proposed by the Governor.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

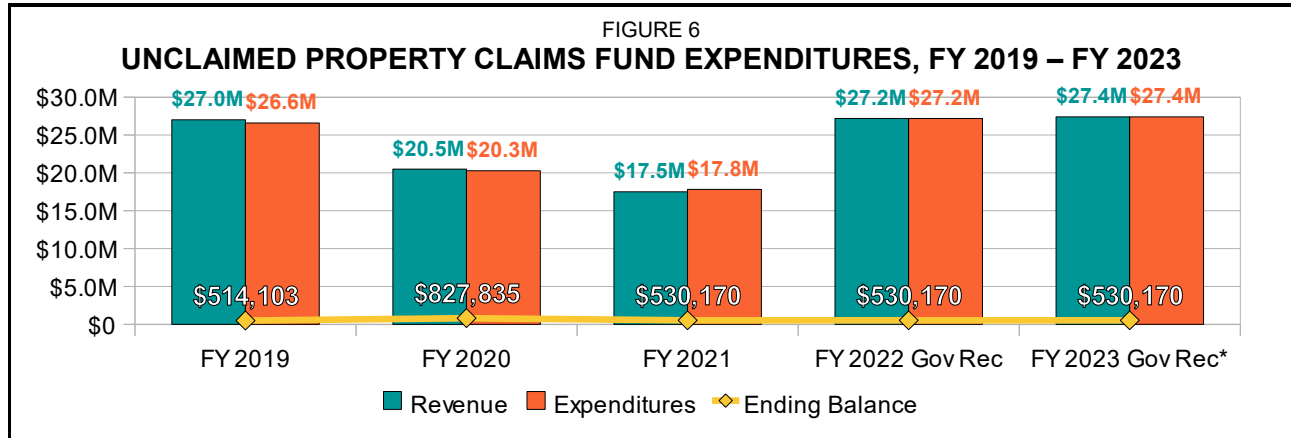
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 2,190,630	\$ 2,626,895	\$ 2,626,895	\$ 2,743,339	\$ 2,743,339
Contractual Services	1,333,481	1,876,389	1,876,389	1,855,606	1,855,606
Commodities	22,492	19,260	19,260	19,260	19,260
Capital Outlay	51,980	59,000	59,000	59,000	59,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 3,598,583</i>	<i>\$ 4,581,544</i>	<i>\$ 4,581,544</i>	<i>\$ 4,677,205</i>	<i>\$ 4,677,205</i>
Aid to Local Units	-	-	-	-	13,000,000
Other Assistance	18,217,169	27,625,000	27,625,000	27,850,000	27,850,000
<i>Subtotal—Operating</i>	<i>\$ 21,815,752</i>	<i>\$ 32,206,544</i>	<i>\$ 32,206,544</i>	<i>\$ 32,527,205</i>	<i>\$ 45,527,205</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 21,815,752	\$ 32,206,544	\$ 32,206,544	\$ 32,527,205	\$ 45,527,205
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
State Treasurer	1,589,312	1,795,618	1,795,618	1,890,376	1,890,376
Operating Fund	-	-	-	-	-
Unclaimed Property	17,809,528	27,200,000	27,200,000	27,400,000	27,400,000
Claims Fund	-	-	-	-	-
Unclaimed Property	1,123,504	1,695,980	1,695,980	1,667,457	1,667,457
Expense Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	1,293,408	1,514,946	1,514,946	1,569,372	14,569,372
TOTAL	\$ 21,815,752	\$ 32,206,544	\$ 32,206,544	\$ 32,527,205	\$ 45,527,205
FTE Positions	39.0	40.0	40.0	40.0	40.0

STATE TREASURER OPERATING FUND



Beginning with FY 2008, the general operations of the Office of the State Treasurer were funded through a transfer from receipts of unclaimed property that normally would be deposited into the State General Fund (SGF). This funding is transferred to the agency's State Treasurer Operating Fund. The State Treasurer also pays operating expenses from the Bonds Services Fee Fund, Postsecondary Education Savings Trust Fund, and the Unclaimed Property Expense Fund.

UNCLAIMED PROPERTY CLAIMS FUND



* For FY 2023, the lowest month ending balance for the Unclaimed Property Claims Fund will occur in June, with a balance of approximately \$300,000.

The Unclaimed Property Claims Fund is established under KSA 58-3956. In accordance with the Uniform Unclaimed Property Act, the State Treasurer deposits amounts received under the act to the State Treasury to the credit of the SGF, except for amounts credited to the Unclaimed Property Claims Fund for payment of claims. SGF transfers to pay claims totaled \$20.3 million in FY 2020 and \$17.8 million in FY 2021. The fund has a carry-forward balance of \$530,170 in unspent funds from FY 2021 into FY 2022. The agency estimates unclaimed property claim payments of \$27.2 million in FY 2022 and \$27.4 million for FY 2023.

FY 2022 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 28,586,066	\$ 28,586,066	40.5
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 28,586,066	\$ 28,586,066	40.5
Agency Revised Estimate:				
2. Unclaimed Property Claims	\$ -	\$ 3,610,000	\$ 3,610,000	--
3. All Other Adjustments	-	10,478	10,478	(0.5)
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 32,206,544	\$ 32,206,544	40.0
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 32,206,544	\$ 32,206,544	40.0

LEGISLATIVE APPROVED

The 2021 Legislature approved a budget of \$28.6 million, all from special revenue funds, for the Office of the State Treasurer for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Legislative Session, no adjustments were made to this amount.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$32.2 million, all from special revenue funds, in FY 2022. This is an increase of \$3.6 million, or 12.7 percent, above the FY 2022 approved budget.

The **agency** estimate includes the following adjustments:

2. **UNCLAIMED PROPERTY CLAIMS.** The agency estimates unclaimed property claim payments of \$27.2 million in FY 2022. This is an increase of \$9.4 million in claims above the FY 2021 actual amount. The agency reported a decrease in unclaimed property claims during the COVID-19 pandemic and anticipates claims to increase in FY 2022. The agency requests an additional \$3.6 million, all from the Unclaimed Property Claims Fund, in FY 2022 to make these additional claim payments.
3. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes other adjustments of \$10,478. Other adjustments include anticipated expenditures for the agency's computer replacement plan and anticipated increases in salaries and wages expenditures for employer contributions to employee fringe benefits such as group health insurance.

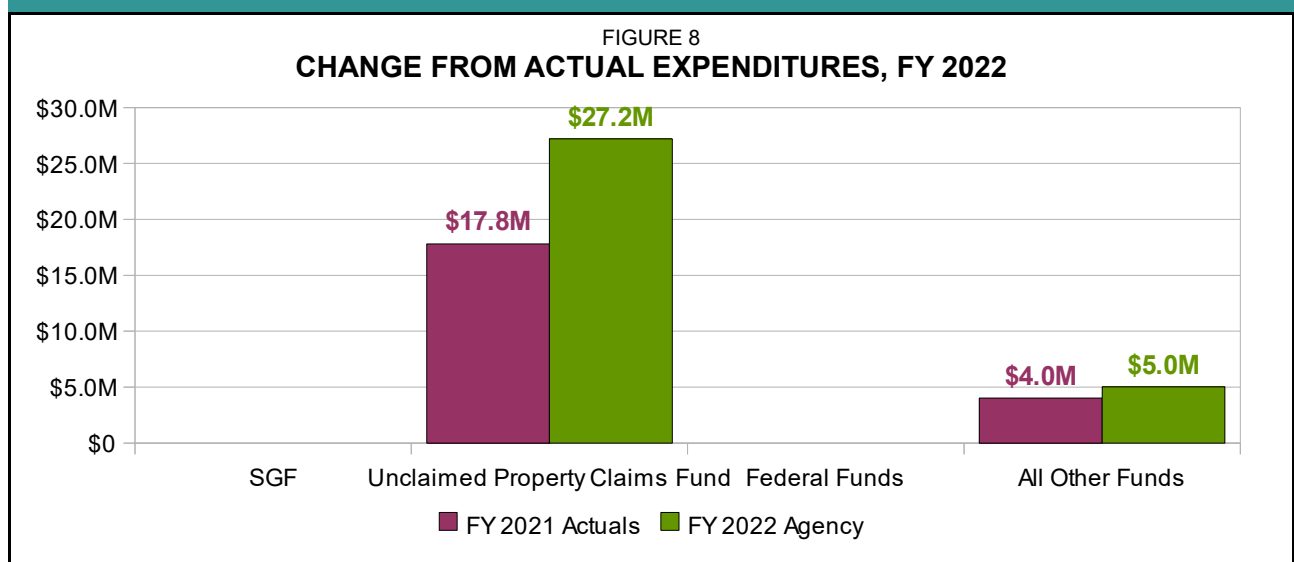
The **agency** estimate also includes 40.0 FTE positions, which is 0.5 positions below the FY 2022 approved number. The 2021 Legislature approved an additional 1.5 FTE positions in FY 2021 and FY 2022 for the administration of the Kansas Economic Recovery Loan Deposit Program created pursuant to 2021 SB 86 and the City Utility Low-Interest Loan Program created pursuant to 2021 SB 88. The agency filled 1.0 FTE position in FY 2021, and a 0.5 FTE position remains vacant.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2022.

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency requests a revised estimate of \$32.2 million in FY 2022. This is an increase of \$10.4 million above the FY 2021 actual amount. This increase is primarily attributable to an estimated increase of \$9.4 million in unclaimed property claim payments. The agency cites decreased unclaimed property claims during the COVID-19 pandemic and anticipates increases in claims in FY 2022. Other adjustments include the agency's computer replacement program and expenditures for licensing and maintenance fees for software. The agency also anticipates increases in expenditures for employer contributions to employee fringe benefits such as group health insurance in FY 2022.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 32,206,544	\$ 32,206,544	40.0
Agency Request:				
1. Unclaimed Property Claims	\$ -	\$ 200,000	\$ 200,000	--
2. All Other Adjustments	-	120,661	120,661	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 32,527,205	\$ 32,527,205	40.0
Governor's Recommendation:				
3. STAR Bond Districts Food Sales Tax Revenue Replacement	\$ -	\$ 13,000,000	\$ 13,000,000	--
TOTAL	\$ -	\$ 45,527,205	\$ 45,527,205	40.0

AGENCY REQUEST

The **agency** requests \$32.5 million, all from special revenue funds, for FY 2023. This is an increase of \$320,661, or 1.0 percent, above the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

The **agency** request also includes 40.0 FTE positions, which is unchanged from the FY 2022 revised estimate.

1. **UNCLAIMED PROPERTY CLAIMS.** The agency anticipates an increase of \$200,000 in unclaimed property claim payments above the FY 2022 revised estimate. Unclaimed property claims decreased in FY 2021 due to the COVID-19 pandemic, and the agency anticipates claims to increase in both FY 2022 and FY 2023.
2. **ALL OTHER ADJUSTMENTS.** The remaining adjustments total \$120,661 and are primarily for salaries and wages expenditures. The agency requests \$2.7 million for salaries and wages for FY 2023, which is an increase of \$116,444 above the FY 2022 revised estimate. This increase is primarily attributable to anticipated increases in employer contributions to employee fringe benefits such as group health insurance. The remaining increase is due to an increase in anticipated Kansas Investments Development Scholars (KIDS) Matching Grant Program grant matching funds. This increase is partially offset by a decrease (\$20,783) in contractual services for FY 2023.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$45.5 million, all from special revenue funds, for FY 2023. This is an increase of \$13.0 million, or 28.6 percent, above the agency's FY 2023 request.

The **Governor's** recommendation includes the following adjustment:

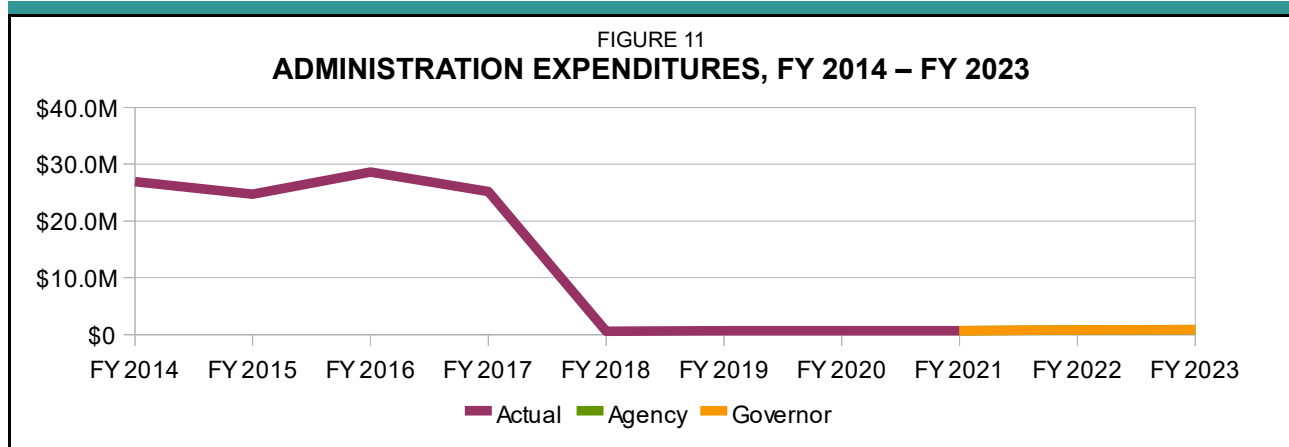
3. **STAR BOND FOOD SALES TAX REVENUE REPLACEMENT.** The Governor recommends an increase of \$13.0 million for new expenditures for FY 2023. The increase is an SGF transfer, occurring on a quarterly basis, to the proposed STAR Bonds Food Sales Tax Revenue Replacement Fund. The funds will be used to hold STAR bond districts harmless from the elimination of the sales tax on food and food ingredients, which is proposed by the Governor to be effective after July 1, 2022.

FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 702,959	\$ 824,841	\$ 824,841	\$ 876,951	\$ 876,951
ABLE Savings	17,623	83,615	83,615	84,999	84,999
Bond Services	500,751	616,671	616,671	631,295	631,295
Cash Management	886,212	970,777	970,777	1,013,425	14,013,425
Education Assistance	774,250	812,660	812,660	851,078	851,078
Unclaimed Property	18,933,957	28,897,980	28,897,980	29,069,457	29,069,457
TOTAL	\$ 21,815,752	\$ 32,206,544	\$ 32,206,544	\$ 32,527,205	\$ 45,527,205
FTE Positions:					
Administration	6.7	10.4	10.4	10.4	10.4
ABLE Savings	0.3	0.4	0.4	0.4	0.4
Bond Services	8.0	7.1	7.1	7.1	7.1
Cash Management	6.5	6.6	6.6	6.6	6.6
Education Assistance	2.7	2.4	2.4	2.4	2.4
Unclaimed Property	14.8	13.1	13.1	13.1	13.1
TOTAL	39.0	40.0	40.0	40.0	40.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



The Administration program previously included expenditures for the Achieving a Better Life Experience (ABLE) savings program, the Bond Services program, Education Assistance program, Unclaimed Property program, and Cash Management program. Expenditures for these purposes were not separate programs until FY 2018.

STATUTORY BASIS: • The Office of State Treasurer was created in Article I of the *Kansas Constitution*.

PROGRAM GOALS:

- Provide leadership to the agency through establishing priorities, properly allocating available resources, and evaluating performance.
- Promote the responsible management of state finances and increase government transparency.
- Increase awareness of office services to the public through digital and traditional marketing efforts, coordination of virtual and in-person events, and participation in community events.
- Provide for efficient, cost-effective data processing for the specific banking functions and programs for the Office of the State Treasurer. Make sure the financial needs of all state agencies can be met. Plan for continuity of operations in the event of a disruption in service.

The Administration program is composed of two subprograms: Administrative Services and the Information Technology Division. Administrative Services is responsible for the overall determination of agency priorities and policies, planning and regulation of operational activities, proper allocation of available resources, and performance of ongoing internal review of operations and procedures. Functions performed or delegated by Administrative Services for the benefit of the agency include human resources, public relations, marketing, budgeting and forecasting, and administrative and fiscal support services along with purchasing, travel, accounts payable, and communications and correspondence.

The Information Technology (IT) Division is responsible for managing information resources

and providing IT support for all areas in the Office of the State Treasurer. The responsibility of IT encompasses computer hardware and software acquisition, installation, training, and maintenance. The local area networks (LANs) are maintained by IT personnel. Additionally, the IT staff develops, designs, codes, implements, and maintains an extensive library of custom computer programs for the Office of the State Treasurer. The staff designed multiple interactive websites, which have streamlined processes for other state agencies. These custom systems include the Kansas Debt Recovery System (KDRS) and Kansas Treasury Offset Program (KTOP) for the Department of Administration and Kansas Municipal Investment Pool (KMIP) for the Pooled Money Investment Board.

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Treasurer attended KPERS Board, PMIB Board, and Learning Quest 529 Treasurer Advisory Committee Meeting*	Yes	Yes	Yes	Yes	Yes
2. Total number of public appearances (virtual or in-person) by the State Treasurer or designee*	No Data	50 (partial year)	N/A	75	80
3. Total number of followers on social media channel at year end*	No Data	26,506	--	27,000	27,000
4. Total impressions for digital and print advertising placement	No Data	5,316,015	--	7,000,000	7,500,000
5. Average new visits on the website*	No Data	37,075	--	37,250	37,250
6. Total number of emails sent*	No Data	24	--	35	40
Output Measure:					
7. Number of help desk requests*	421	164	424	500	500
8. Average help desk response time (minutes)*	16	34	21	13	13
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	687,796	702,959		824,841	876,951
TOTAL	\$ 687,796	\$ 702,959		\$ 824,841	\$ 876,951
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	1.7 %	2.2 %		17.3 %	6.3 %
FTE Positions	6.7	7.0		10.4	10.4

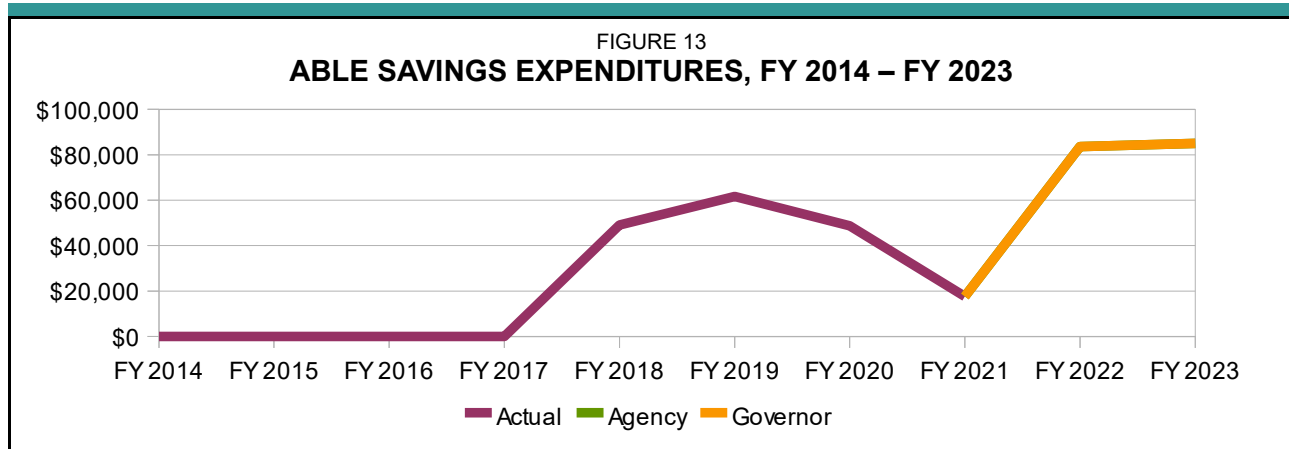
*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests \$876,951, all from special revenue funds, for the Administration program for FY 2023. This is an increase of \$52,110 above the FY 2022 revised estimate. This increase is primarily attributable to an increase in salaries and wages expenditures.

The **Governor** concurs with the agency's request for the Administration program for FY 2023.

ABLE SAVINGS



Expenditures for this purpose were included in the Administration program until FY 2018.

STATUTORY BASIS: • 2015 HB 2216

PROGRAM GOALS:

- Continue partnership with the multistate consortium to expand the Kansas Achieving a Better Life Experience (ABLE) Savings Program.
- Continue to increase awareness of the role an ABLE account can play in the lives of Kansans living with a disability.
- Identify and implement efficiencies that align with the federal treasury regulations to increase accessibility to the program by the disability community and their families.

The 2015 Legislature created the Achieving a Better Life Experience (ABLE) savings program with HB 2216. This program is based on a federal statute that allows individuals diagnosed with a disability before the age of 26 to save private funds in accounts they own with tax-deferred growth and tax-free withdraw of earnings used for qualified expenses related to their disability under section 529A of the Internal Revenue Code. Assets in the accounts are also not counted for Supplemental Security Income and Medicaid asset tests.

The ABLE Savings program accounts are limited to \$15,000 in contributions per year and must be owned by the individual with a disability or their parent, guardian, or custodian. After legislation was passed in Kansas, Congress amended the federal legislation to allow individuals with a disability to open an account in a plan administered by any state rather than just their state of residence in the Protecting Americans from Tax Hikes Act of 2015. The Office of the State Treasurer participates in a multistate consortium, provides investment options, and maintains account records for each account owner.

FIGURE 14					
ABLE SAVINGS, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of educational programs presented or ABLE meetings attended*	26	24	26	30	36
2.Number of new accounts KS ABLE*	285	489	338	513	539
3.Number of KS ABLE accounts (total)*	601	1,041	706	1,343	1,660
4.Number of KS ABLE accounts (funded)*	627	988	670	1,276	1,577
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	48,686	17,623		83,615	84,999
TOTAL	<u>\$ 48,686</u>	<u>\$ 17,623</u>		<u>\$ 83,615</u>	<u>\$ 84,999</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(21.1) %	(63.8) %		374.5 %	1.7 %
FTE Positions	0.3	0.3		0.5	0.5
*The Governor's Office does not utilize this measure for evaluation purposes.					

BUDGET ANALYSIS

The Office of the State Treasurer estimates 513 new Kansas ABLE accounts to be opened in FY 2022 and 539 new accounts in FY 2023. This will result in an estimated 1,343 total Kansas ABLE accounts in FY 2022 and 1,660 total ABLE accounts in FY 2023. Of the total Kansas ABLE accounts open, the agency estimates 1,276 will be funded in FY 2022 and 1,577 funded in FY 2023.

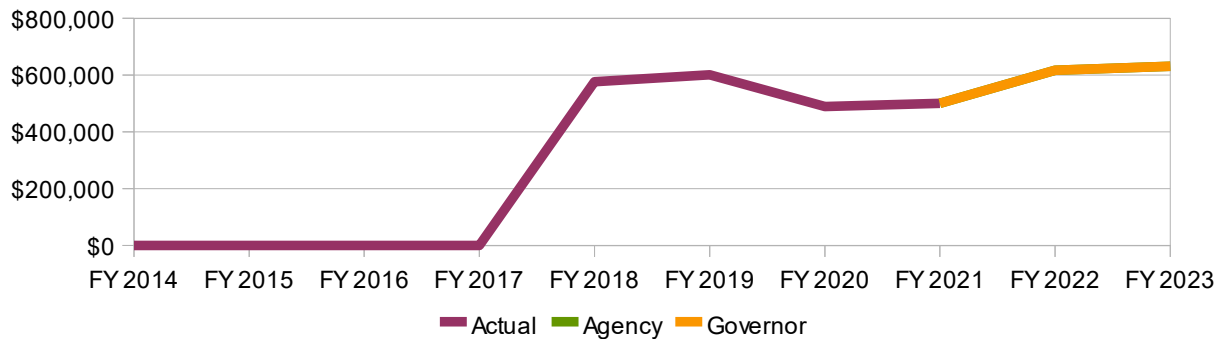
The **agency** requests \$84,999, all from special revenue funds, for the ABLE Savings program for FY 2023. This is an increase of

\$1,384 above the FY 2022 revised estimate. The increase is primarily within salaries and wages and contractual services. This includes anticipated increases in employer contributions to employee fringe benefits such as group health insurance. The contractual service increase is primarily attributable to an increase in advertising costs.

The **Governor** concurs with the agency's request for the ABLE Savings program for FY 2023.

BOND SERVICES

FIGURE 15
BOND SERVICES EXPENDITURES, FY 2014 – FY 2023



Expenditures for this purpose were included in the Administration program until FY 2018.

STATUTORY BASIS: • PL 97-248, KSA 10-103, KSA 10-601

PROGRAM GOALS: • Register all municipal bonds and temporary notes issued in the State of Kansas in a timely and accurate manner per KSA 10-103.
• Compile and have published the annual indebtedness report by September 30, per KSA 10-1007a.
• Perform paying agent services on Kansas municipal bonds and temporary notes.
• Develop employee skills and professional skills for a stronger team.

The Bond Services program is responsible for the registration of all municipal bonds issued in Kansas. This program also provides registrar and paying agent services for the majority of local bond issues as well as state issues. When the State Treasurer is named the fiscal agent

for registered form bonds, a fee is charged to the issuing municipality for provided services. Effective FY 2002, the program is financed entirely from bond service fees. Total fees collected and credited to the Bond Services Fee Fund in FY 2021 were \$1.1 million.

FIGURE 16
BOND SERVICES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of registration numbers issued	305	348	291	275	225
2.Annual indebtedness report published by September 30*	Met	Met	Met	Met	Met
3.Percent of new municipal bonds with State as paying agent	91 %	90 %	91 %	90 %	90 %
4.Percent of new municipal temporary notes with State as paying agent*	78 %	80 %	77 %	73 %	73 %
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	489,181	500,751		616,671	631,295
TOTAL	\$ 489,181	\$ 500,751		\$ 616,671	\$ 631,295
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(18.6) %	2.4 %		23.1 %	2.4 %
FTE Positions	8.0	8.0		7.1	7.1

*The Governor's Office does not utilize this measure for evaluation purposes.

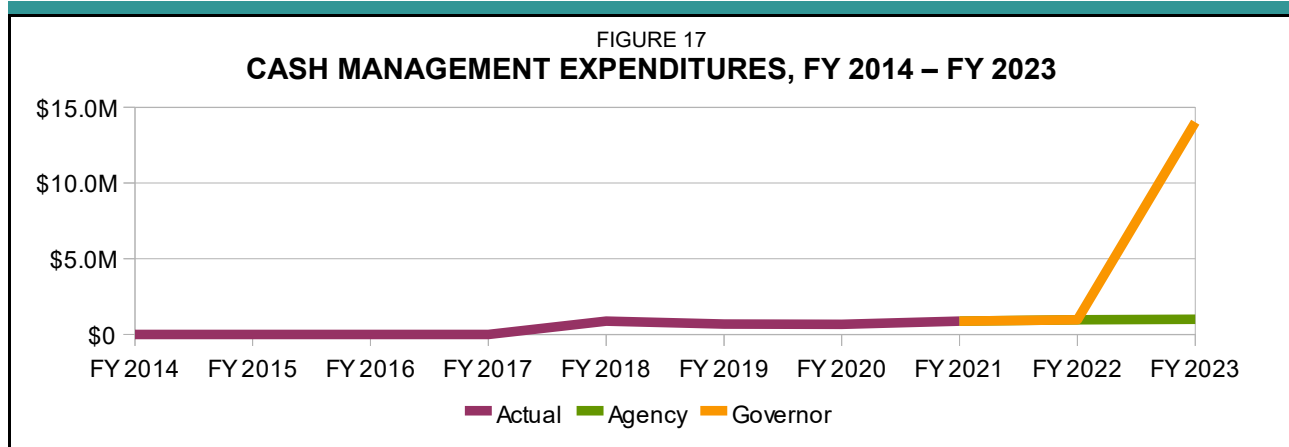
BUDGET ANALYSIS

The State Treasurer's Office estimates 275 registration numbers to be issued in FY 2022 and 225 registration numbers to be issued in FY 2023. The agency estimates the state will be the paying agent on 90.0 percent of new municipal bonds in FY 2022 and be the paying agent on 90.0 percent of new municipal bonds for FY 2023.

The **agency** requests \$631,295, all from special revenue funds, for the Bond Services program for FY 2023. This is an increase of \$14,624 above the FY 2022 revised estimate. This estimate includes annual adjustments for a 3.0 percent increase in the annual maintenance fee for the bond accounting software.

The **Governor** concurs with the agency's request for the Bond Services program for FY 2023.

CASH MANAGEMENT



Expenditures for this purpose were included in the Administration program until FY 2018.

STATUTORY BASIS: • KSA 75-601, KSA 75-603, KSA 75-3732, KSA 12-1775

PROGRAM GOALS: • Record in an accurate and timely manner all receipts and disbursements for the State of Kansas.
• Promote electronic methods of receiving and distributing State moneys.

The Cash Management Program is responsible for several functions, including distributing aid to local units of government and processing the receipt and disbursement of state moneys. In addition, the State Treasurer distributes the amounts due to local units of government from the Special City and County Highway Fund and the County Equalization and Adjustment Fund, which are included in the Department of Transportation budget. The aid to local units of government funds include the following items:

LOCAL AD VALOREM TAX REDUCTION FUND

By statute, these payments are a demand transfer from the SGF. The distribution of local *ad valorem* aid is made on January 15 and July 15 to county governments under the statute. The amount distributed equals 3.63 percent of the total sales and compensating use taxes credited to the SGF in the prior calendar year based on a formula allocating 65.0 percent to the counties by population and 35.0 percent by property valuation. The Legislature has previously placed limitations on the distribution amounts. The Governor and the Legislature eliminated the second-half distribution in FY 2003, and there was not a distribution through FY 2021. Subsequent appropriations bills, including Section 185 of 2021 HB 2007, have suspended transfers through FY 2023.

COUNTY AND CITY REVENUE SHARING FUND

The Office of the State Treasurer distributes payments to local units of government under the law providing for county and city revenue sharing. The payments are demand transfers from the SGF. Under the current statute, county and city revenue sharing is distributed on July 15 and December 10 in an amount equal to 2.823 percent of the total credited to the SGF in the prior calendar year from sales and compensating use taxes. The formula allocates 65.0 percent among the counties by population and 35.0 percent by equalized assessed tangible property valuation. Each county receives 50.0 percent of its entitlement, and the remaining 50.0 percent is distributed to its cities on the basis of population.

The Governor and the Legislature eliminated the second-half distribution in FY 2003. No distributions have been made since FY 2003 and no transfers are currently authorized through FY 2023, pursuant to Section 186 of 2021 HB 2007.

TAX INCREMENT FINANCING REVENUE REPLACEMENT FUND

Created by the 1997 Legislature, this program provides that the State Treasurer is to pay certain local units of government for lost tax revenues due to legislative changes to school

finance property taxation. Cities that have established a redevelopment district prior to July 1, 1996, are entitled to receive from the State the revenues that otherwise would have been collected from the redevelopment district, accounting for legislative changes in the school

district finance formula. The State Treasurer, prior to April 15 of each year, shall pay each city its certified amount. The Legislature did not approve distributions from FY 2018 to FY 2020 and pursuant to Section 171 of 2021 HB 2007, transfers were suspended through FY 2023.

FIGURE 18 CASH MANAGEMENT, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
1.Percent of Dollars Received Electronically	94 %	91 %	93 %	92 %	93 %
2.Percent of Funds Paid Electronically	97 %	96 %	96 %	95 %	95 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	654,216	886,212		970,777	14,013,425
TOTAL	<u>\$ 654,216</u>	<u>\$ 886,212</u>		<u>\$ 970,777</u>	<u>\$14,013,425</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(4.8) %	35.5 %		9.5 %	1,343.5 %
FTE Positions	6.5	6.5		6.6	6.6

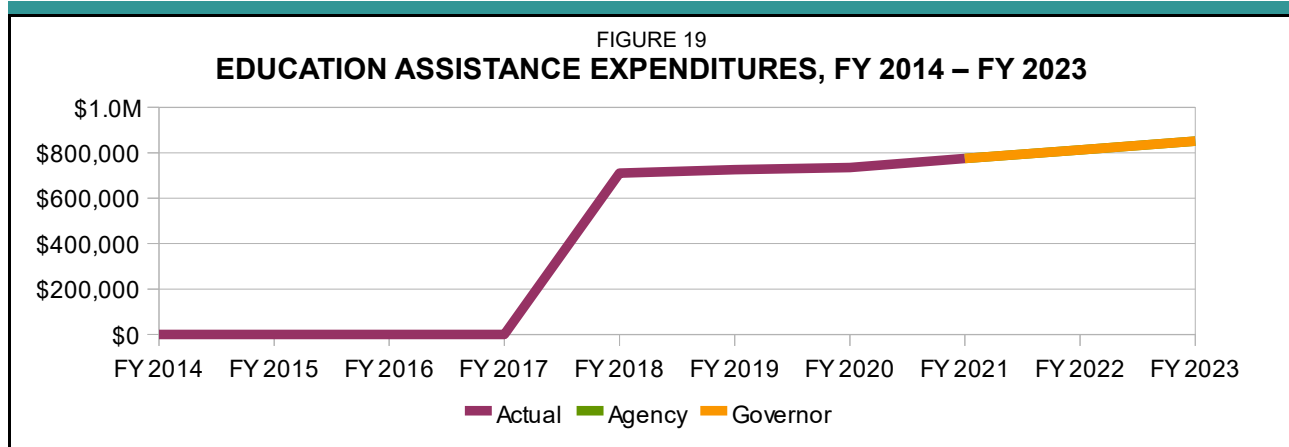
BUDGET ANALYSIS

The **agency** requests requests \$1.0 million for the Cash Management Program for FY 2023. This is an increase of \$42,648 above the FY 2022 revised estimate. The increase is primarily attributable to increases in bank service fees due to the current market condition.

The **Governor** recommends \$14.0 million, all from special revenue funds, for the Cash

Management program for FY 2023. This is an increase of \$13.0 million above the FY 2022 revised estimate. This increase is attributable to an SGF transfer, occurring on a quarterly basis, to the proposed STAR Bonds Food Sales Tax Revenue Replacement Fund. These funds would be used to hold STAR bond districts harmless from the elimination of the sales tax on food and food ingredients, which is proposed by the Governor to be effective after July 1, 2022 .

EDUCATION ASSISTANCE



Expenditures for this purpose were included in the Administration program until FY 2018.

STATUTORY BASIS: • Sec 529 of IRS Code of 1986; KSA 75-640 through 75-650; KAR 3-4

PROGRAM GOALS:

- Allow more children the chance to go to post-secondary school by providing an opportunity for individuals and organizations to save for postsecondary education tuition and expenses.
- Actively market and promote the Kansas Learning Quest Educations Savings Program in all areas of the state.
- Reach Kansans with information on Learning Quest through educational meetings and outreach opportunities.
- Increase the amount of assets transferred to the agency's plan from competitors relative to those transferred out.

The Education Assistance Program includes the following subprograms:

POSTSECONDARY EDUCATION SAVINGS

The Postsecondary Education Savings subprogram (Learning Quest Education Savings Program, Learning Quest Advisor, and Schwab 529 College Savings Plan) was created by the 1999 Legislature to provide an opportunity for individuals and organizations to save for postsecondary education expenses under a qualified tuition savings plan (529 plan). Following a negotiated bid process through the Division of Purchases, the Office of the State Treasurer contracted with American Century Investments as the program manager in December 1999 and renewed the contract in December 2006. The program became operational on July 1, 2000. Effective in FY 2002, the program is financed entirely by service fees. Kansas residents own 282,147 of these accounts with a total number of 73,490 account owners, as of FY 2021.

KANSAS INVESTMENTS DEVELOPMENT SCHOLARS (KIDS)

The Kansas Investments Development Scholars (KIDS) Matching Grant Program is part of the Learning Quest program. The KIDS Matching Grant Program is designed to encourage low-income families to establish postsecondary savings accounts by providing state matches (up to \$600 per participant) for contributions to such accounts.

The KIDS program is statutorily authorized for \$720,000 SGF for 1,200 matching grants. Matching grants are paid as a demand transfer to the Kansas Postsecondary Education Savings Trust Fund, a no-limit fund in the State Treasurer's office. In FY 2021, there were 739 participants in the KIDS matching grant program. These participants deposited a total of \$421,000 in match eligible contributions for FY 2021. The agency estimates an increase to \$425,000 in FY 2022 and \$450,000 for FY 2023.

FINANCIAL LITERACY

In 2020, the State Treasurer launched a new initiative called the Kansas ScholarShop. This initiative is a partnership between the State Treasurer and Sallie Mae, a nationwide consumer banking company specializing in student loans. Kansas ScholarShop connects

Kansas students with educational scholarships through Sallie Mae's search engine. This program does not have any dedicated FTE positions, and expenditures are primarily for advertising and travel costs to promote the program.

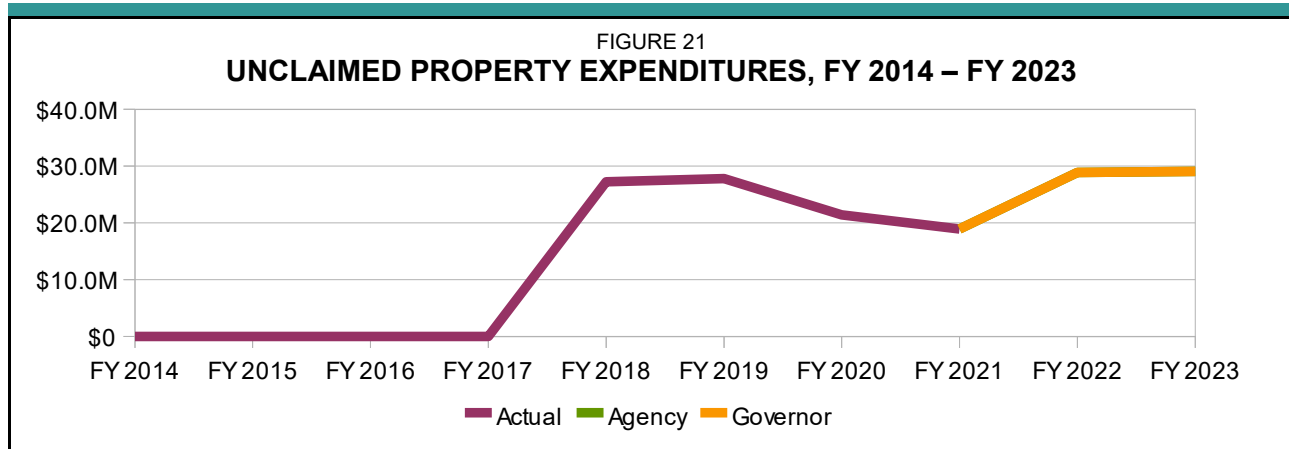
FIGURE 20 EDUCATION ASSISTANCE, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of Kansas Counties reached through marketing (out of 105)*	105	105	105	105	105
2. Dollars spent on marketing by American Century Investments (in millions)*	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0
3. Total number of active accounts (total program, cumulative)*	258,540	282,147	261,030	285,040	290,000
4. Total number of active accounts (Kansas only, cumulative)	71,169	73,490	71,328	77,490	82,490
5. Total plan assets (in billions)*	\$ 7.5	\$ 9.6	\$ 8.0	\$ 10.0	\$ 10.0
6. Total Kansas assets (in billions)*	\$ 1.3	\$ 1.5	\$ 1.3	\$ 1.7	\$ 1.8
7. Accounts opened per year*	14,778	36,429	21,050	21,050	21,050
8. Total purchases (program total, in millions)*	\$ 844.5	\$ 1,061.0	\$ 878.5	\$ 878.5	\$ 878.5
9. New money deposited (Kansas, in millions)	\$ 121.5	\$ 129.9	\$ 122.1	\$ 135.1	\$ 140.6
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF**	\$ 371,030	\$ 407,641		\$ 425,000	\$ 450,000
Federal Funds	-	-		-	-
All Other Funds	363,527	365,609		387,660	401,078
TOTAL	\$ 734,557	\$ 773,250		\$ 812,660	\$ 851,078
Percentage Change:					
SGF	(5.6) %	9.9 %		4.3 %	5.9 %
All Funds	0.6 %	5.3 %		5.1 %	4.7 %
FTE Positions	2.7	2.7		2.4	2.4
*The Governor's Office does not utilize this measure for evaluation purposes.					
**Note: SGF financing is only for KIDS Matching Grants, which are funded through a demand transfer from the SGF to the State Treasurer Postsecondary Education Savings Trust Fund.					

BUDGET ANALYSIS

The **agency** requests \$851,078 for the Education Assistance program for FY 2023. This is an increase of \$36,418 above the FY 2022 revised estimate. This increase is primarily attributable to an increase in KIDS matching contributions for FY 2023.

The **Governor** concurs with the agency's request for the Education Assistance program for FY 2023.

UNCLAIMED PROPERTY



Expenditures for this purpose were included in the Administration program until FY 2018.

STATUTORY BASIS: • KSA 58-3934 through 58-3978

PROGRAM GOALS: • Ensure the accurate and timely reporting and remitting of various types of unclaimed property to the State Treasurer and the identification and return of property to its rightful owner(s) or heir(s).

- Approve or deny 100.0 percent of all claims for abandoned property delivered to the State Treasurer as quickly as possible after the filing of the claim and the receipt of the necessary information to make a legal determination and explore new strategies for identifying potential owners of unclaimed property.

The Unclaimed Property program seeks to return various forms of unclaimed property to the rightful owners or heirs. The Disposition of Unclaimed Property Act (KSA 58-3934, *et seq.*) authorizes the State Treasurer to take possession of specified types of abandoned personal property and become the custodian in perpetuity while reserving the right of the original owner and other persons to claim the property.

After a period of five years of dormancy, abandonment may be declared by the State Treasurer for certain types of personal property, including bank deposits; funds paid toward the purchase of shares in financial organizations; certified checks, drafts, or money orders; contents of safe deposit boxes removed for nonpayment of rent; unclaimed funds held by insurance companies under life insurance policies; utility deposits; stocks and dividends; and miscellaneous intangible property held by one party for another. Those required to report unclaimed property may aggregate amounts under \$100.

When property qualifies, the State Treasurer publishes a notice on the Office of the State Treasurer's website where the property was reported abandoned in an effort to locate the owner of the property. Owners also may locate assets held by the State Treasurer via the agency's website. If the property is not claimed, the State Treasurer is authorized to dispose of the property, with receipts of the sale of the property credited to the SGF, with two exceptions. The exceptions are balances in the Unclaimed Property Claims Fund, which is used for the payment of claims, and balances in the Unclaimed Property Expense Fund, which is used to finance the operations of the Unclaimed Property program.

In accordance with the Uniform Unclaimed Property Act, the State Treasurer deposits amounts received under the Act into the State Treasury to the credit of the SGF, except for amounts credited to the Unclaimed Property Claims Fund for the prompt payment of claims.

FIGURE 22

UNCLAIMED PROPERTY, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Value of unclaimed property receipts to the SGF (In millions)	\$ 41.5	\$ 57.5	\$ 30.0	\$ 58.2	\$ 58.2
2. Number of active holders (businesses)*	--	41,157	--	41,201	41,201
3. Amount returned to rightful owners (in millions)	\$ 20.3	\$ 17.8	\$ 18.0	\$ 27.2	\$ 27.4
4. Number of claims paid	104,893	112,769	112,769	114,000	114,000
5. Inquiries (name searches, in thousands)*	--	800	--	900	900
6. Number of outreach actions recorded (Auto-match claim packets)*	--	33,295	--	34,500	34,500
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,142,330	1,123,728		1,695,980	1,667,457
TOTAL	\$ 1,142,330	\$ 1,123,728		\$ 1,695,980	\$ 1,667,457
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(0.3) %	(1.6) %		50.9 %	(1.7) %
FTE Positions	14.8	14.8		13.1	13.1

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests \$29.1 million for the Unclaimed Property program for FY 2023. This is an increase of \$171,477 above the FY 2022 revised estimate. This attributable to an anticipated increase of \$200,000 in unclaimed property claims. This increase is partially offset by a decrease in contractual services expenditures related to the execution of a

contract for the implementation of Unclaimed Property Management software in FY 2022.

The **Governor** concurs with the agency's request for the Unclaimed Property program for FY 2023.

KANSAS INSURANCE DEPARTMENT

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 976,666	\$ -	\$ -	\$ -	\$ -
Federal Funds	96,424	337,793	337,793	337,793	337,793
All Other Funds	32,447,147	37,204,327	37,204,327	36,766,354	36,766,354
<i>Subtotal</i>	<u>\$ 33,520,237</u>	<u>\$ 37,542,120</u>	<u>\$ 37,542,120</u>	<u>\$ 37,104,147</u>	<u>\$ 37,104,147</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 33,520,237</u>	<u>\$ 37,542,120</u>	<u>\$ 37,542,120</u>	<u>\$ 37,104,147</u>	<u>\$ 37,104,147</u>
Percentage Change:					
State General Fund	100.0 %	(100.0) %	(100.0) %	-- %	-- %
All Funds	2.9 %	12.0 %	12.0 %	(1.2) %	(1.2) %
FTE Positions	136.0	135.5	135.5	135.5	135.5

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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 persons and organizations transacting the business of insurance within the state. This mission will be accomplished by working to obtain an affordable, accessible, and competitive insurance market.

The mission of the Office of the Securities Commissioner, a division of the Insurance Department, is to protect and inform Kansas investors; promote integrity, fairness, and full disclosure in financial services; and foster capital information.

The Commissioner of Insurance is a statewide elected official who supervises all transactions relating to insurance companies in the state. The Commissioner also oversees several programs related to insurance. The agency has five programs: Insurance Company Examination; Insurance Company Regulation; Firefighters Relief; Workers Compensation; and Office of the Securities Commissioner.

The Office of the Kansas Securities Commissioner regulates and monitors the offering of securities and financial services within Kansas by registering securities, broker-dealers and their agents, investment advisers, loan brokers, and certain land subdivisions. Agency staff also investigate potential violations of the laws and ensure registered persons and entities comply with industry, legal, and accounting standards. The staff has the authority to investigate any investment-related activity that has occurred in Kansas, even if companies or individuals from outside of the state are involved.

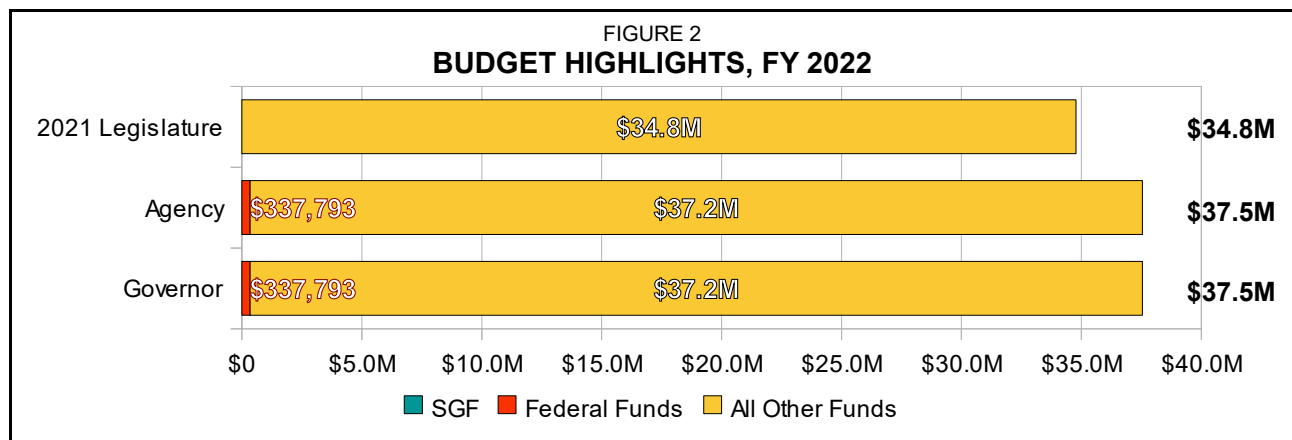
The Securities Commissioner administers the Kansas Uniform Securities Act, the Uniform Land Sales Practices Act, and the Loan Brokers Act. The Securities Commissioner enforces these laws through administrative, civil, and criminal proceedings. As defined by statute, a “security” includes

virtually any type of passive investment, not just stocks and bonds. Companies and individuals offering securities are subject to certain ethical and industry standards and must abide by federal and state laws and regulations.

The Office of the Kansas Securities Commissioner is a division of the Insurance Department funded entirely by industry fees, which fund the Securities Act Fee Fund, and fines and settlements, which fund the Investor Education Fund.

EXECUTIVE SUMMARY

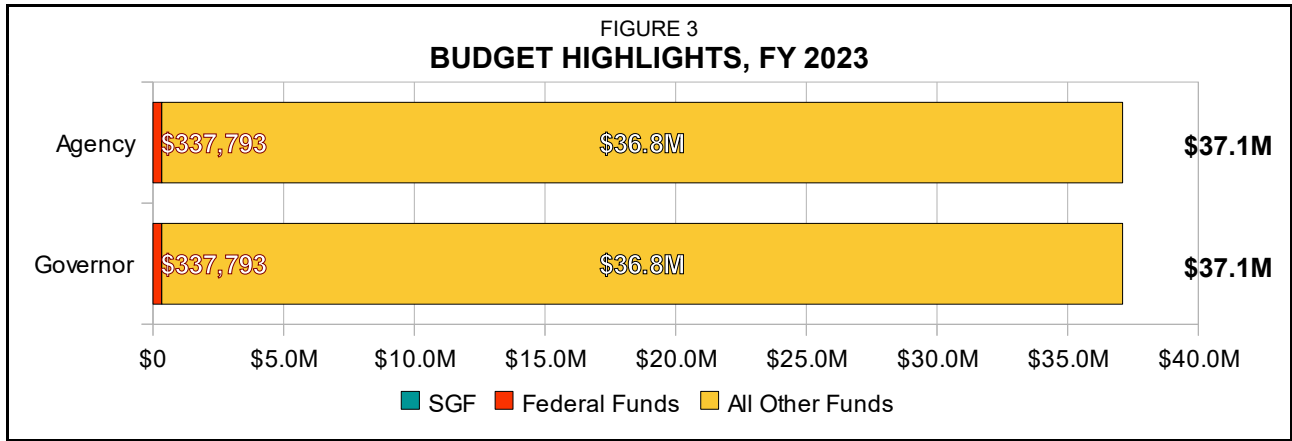
The 2021 Legislature approved a budget of \$34.8 million, all from special revenue funds, for the Kansas Insurance Department in FY 2022. No adjustments have been made subsequently to that amount.



The **agency** requests a revised estimate of \$37.5 million, from all funds, for expenditures in FY 2022. This is an increase of \$2.8 million, or 7.9 percent, above the FY 2022 approved amount. There are increased expenditures in all major categories of expenditure including salaries and wages (\$186,243), contractual services (\$2.4 million), commodities (\$1,750) and capital outlay (39,900). This amount includes a federal grant award of total of \$675,586 from the State Flexibility to Stabilize the Market Cycle II Grant from the federal Centers for Medicare and Medicaid Services (CMS) that will be split between FY 2022 and FY 2023.

The agency estimate also includes 135.5 FTE positions. This is 0.5 FTE position below the FY 2022 approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests FY 2023 expenditures of \$37.1 million, from all funds. This is a decrease of \$437,973, or 1.2 percent, below the FY 2022 revised estimate. The decrease is primarily due to expenditures on contractual services for training, accountants, and auditors. This amount includes a federal grant award of total of \$675,586 from the State Flexibility to Stabilize the Market Cycle II Grant from federal Centers for Medicare and Medicaid Services (CMS) that will be split between FY 2022 and FY 2023.

The agency request also includes 135.5 FTE positions, which is the same as the FY 2022 revised estimate number.

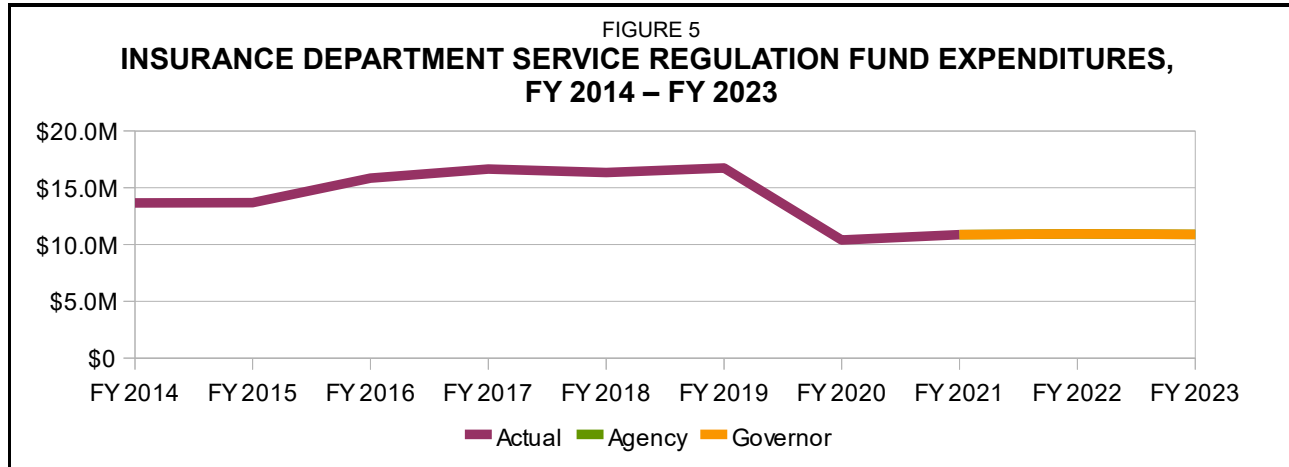
The **Governor** concurs with the agency's FY 2023 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 10,162,017	\$ 11,461,742	\$ 11,461,742	\$ 11,666,344	\$ 11,666,344
Contractual Services	5,417,003	7,088,528	7,088,528	6,348,753	6,348,753
Commodities	173,265	196,850	196,850	197,050	197,050
Capital Outlay	264,907	114,000	114,000	211,000	211,000
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 16,017,192	\$ 18,861,120	\$ 18,861,120	\$ 18,423,147	\$ 18,423,147
Aid to Local Units	14,614,946	14,500,000	14,500,000	14,500,000	14,500,000
Other Assistance	2,888,099	4,181,000	4,181,000	4,181,000	4,181,000
Subtotal—Operating	\$ 33,520,237	\$ 37,542,120	\$ 37,542,120	\$ 37,104,147	\$ 37,104,147
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 33,520,237	\$ 37,542,120	\$ 37,542,120	\$ 37,104,147	\$ 37,104,147
Financing:					
State General Fund	\$ 976,666	\$ -	\$ -	\$ -	\$ -
Securities Act Fee	3,214,363	4,214,596	4,214,596	3,783,327	3,783,327
Fund					
Insurance Dept.	10,673,042	10,748,462	10,748,462	10,702,638	10,702,638
Services					
Regulation Fund					
Federal Funds	96,424	337,793	337,793	337,793	337,793
All Other Funds	18,559,742	22,241,269	22,241,269	22,280,389	22,280,389
TOTAL	\$ 33,520,237	\$ 37,542,120	\$ 37,542,120	\$ 37,104,147	\$ 37,104,147
FTE Positions	136.0	135.5	135.5	135.5	135.5

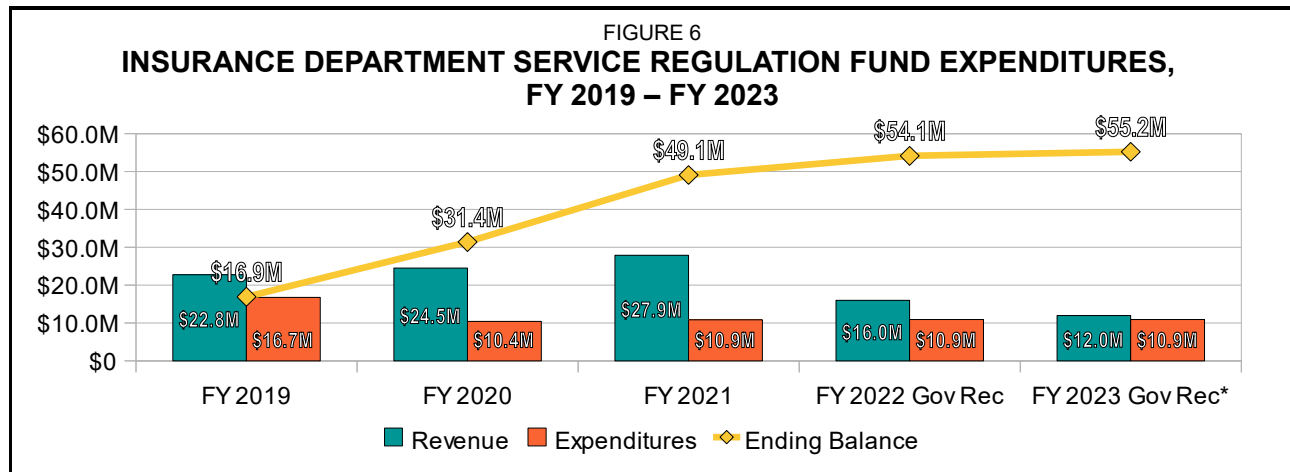
INSURANCE DEPARTMENT SERVICE REGULATION FUND



The Insurance Department Service Regulation Fund was established by KSA 40-112 for the purpose of maintaining the operations of the Kansas Insurance Department. The fund receives 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.

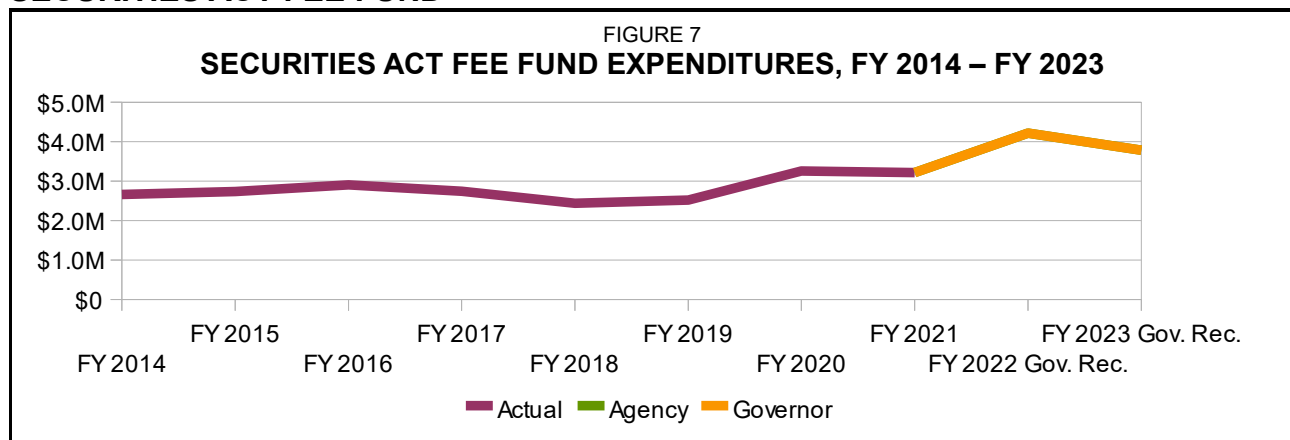
An annual transfer of \$200,000 from the Insurance Department Service Regulation Fee Fund will be used to assist in the funding of the Fraud and Abuse Criminal Prosecution Fund established by the Kansas Attorney General.

INSURANCE DEPARTMENT SERVICE REGULATION FUND



* For FY 2023, the lowest month ending balance for the Insurance Department Service Regulation Fund will occur in July, with a balance of \$55.2 million.

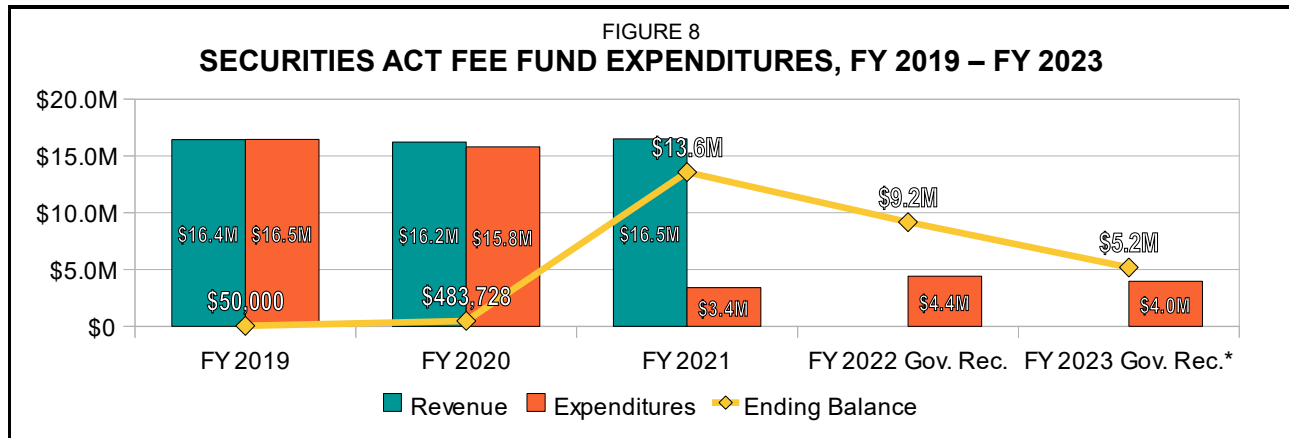
SECURITIES ACT FEE FUND



The Securities Act Fee Fund is financed by fees received from security agents, investor adviser representatives, broker-dealers, investment adviser firms, mutual fund portfolios, and investment trusts. The authority for the Commissioner of Insurance to set rates are specified in KSA 17-12a205, 17-12a302, 17-12a305, and 17-12a410.

KSA 17-12a-601 provides that 90.0 percent of fees received by the Commissioner of Insurance are credited to the Securities Act Fee Fund, and 10.0 percent of receipts are credited to the State General Fund (SGF), up to a maximum of \$100,000. There is an annual transfer of \$200,000 to the Fraud and Abuse Criminal Prosecution Fund for services provided by the Kansas Office of the Attorney General. On the last day of each fiscal year, the Director of Accounts and Reports is required by subsection (a) to transfer any funds in the Securities Act Fee Fund in excess of \$50,000 to the SGF.

SECURITIES ACT FEE FUND

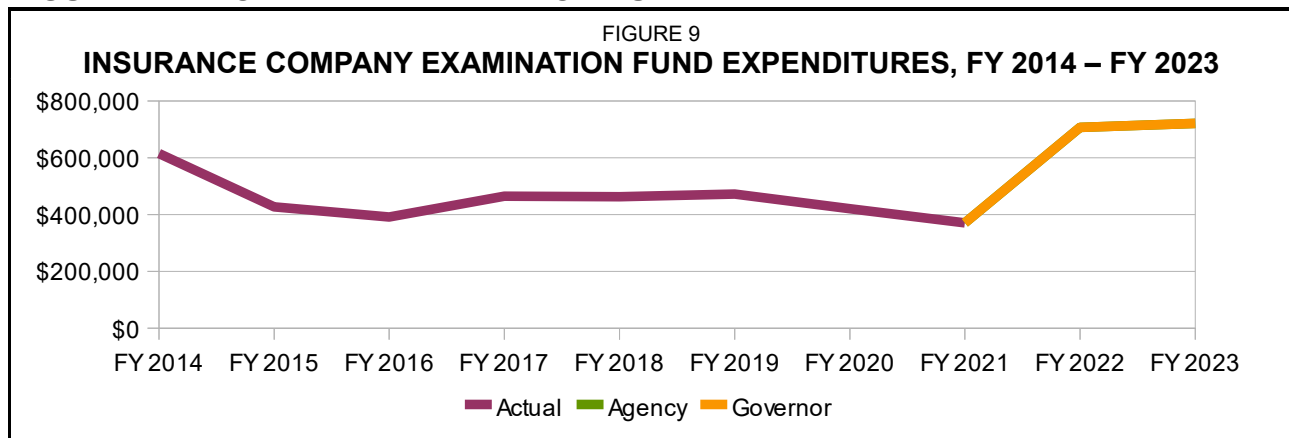


* For FY 2023, the lowest month ending balance for the Securities Act Fee Fund will occur in June, with a balance of \$5.2 million.

A lawsuit was filed against the State of Kansas regarding securities fee fund sweeps to the State General Fund. K.S.A. 17-12a601 creates a securities fee fund, comprised of money paid to the Securities Commissioner for securities licenses each year. Subsection (a)(4) requires that any fee funds in excess of \$50,000 be transferred to State General Fund at the end of each fiscal year. Traditionally there was about \$13.0 million excess each year that was transferred to State General Fund.

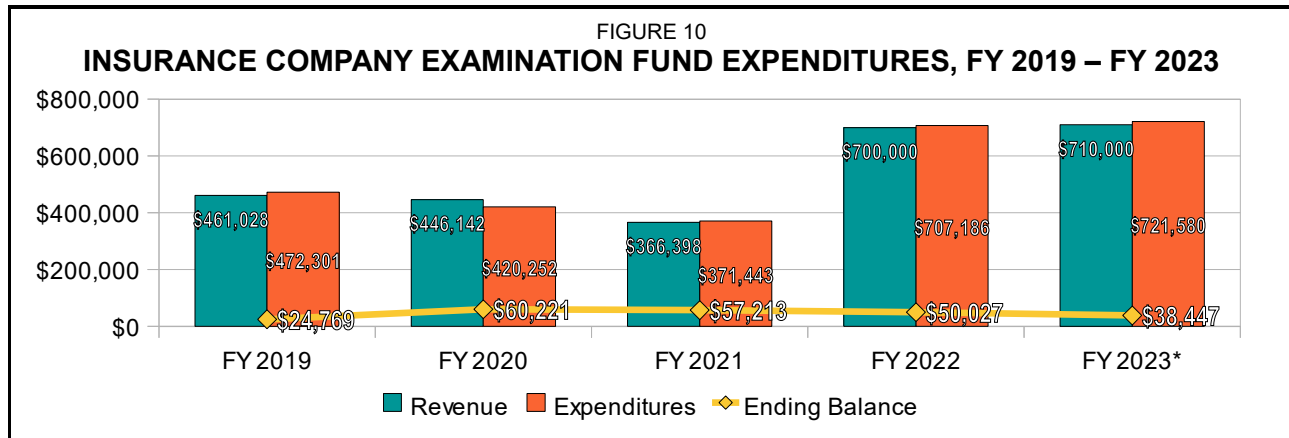
The 2021 Legislature added language stating that no moneys shall be transferred from the Securities Act Fee Fund to the SGF in FY 2021 and FY 2022. However, the Legislature did not repeal the statute authorizing the transfer out of the fund. Therefore, an estimated transfer of \$5.1 million to the SGF is in the agency's estimate.

INSURANCE COMPANY EXAMINATION FUND



The Insurance Company Examination Fund receives its revenue from collections generated during the course of audits and investigations of foreign (non-Kansas) and domestic insurance companies (KSA 40-222a). The funds are used for expenses and salaries incurred for audits and examinations (KSA 40-223). In addition to the Insurance Company Examination Fund, there are several other funds utilized for the examination process, including the Insurance Company Annual Statement Examination Fund, Insurance Company Examiner Training Fund, Municipal Group-Funded Pools Fee Fund, and Group-Funded Workers Compensation Pools Fee Fund.

INSURANCE COMPANY EXAMINATION FUND



* For FY 2023, the lowest month ending balance for the Insurance Company Examination Fund will occur in January, with a balance of \$23,822.

KSA 40-223 requires that the salaries of examiners, along with all necessary and actual expenses incurred in the course of the exam, be remitted by the company examined to the State Treasurer. Upon receipt of such remittance, the State Treasurer shall deposit the entire amount into the Insurance Company Examination Fund. KSA 40-223a sets apart an amount not to exceed \$28,000 to be maintained for the payment of expenses and salaries incurred in the auditing of securities deposited with the Commissioner and examination of the annual statements required by KSA 40-225. An additional amount, not to exceed \$40,000, is authorized by KSA 40-223e to be set apart and maintained from company tax and fee collections to be used for the training of company examiners.

FY 2022 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 34,777,574	\$ 34,777,574	136.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 34,777,574	\$ 34,777,574	136.0
Agency Revised Estimate:				
2. Federal Funds	\$ -	\$ 337,793	\$ 337,793	--
3. All Other Adjustments		2,426,753	2,426,753	(0.5)
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 37,542,120	\$ 37,542,120	135.5
Governor's Recommendation:				
4. Securities Act Fee Fund	-	-	-	--
TOTAL	\$ -	\$ 37,542,120	\$ 37,542,120	135.5

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$34.8 million appropriated to the Kansas Insurance Department in FY 2022.

1. **NO CHANGES.** No adjustments were made to the \$34.8 million appropriated to the Kansas Insurance Department in FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$37.5 million, from all funds, for expenditures in FY 2022. This is an increase of \$2.8 million, or 7.9 percent, above the FY 2022 approved amount.

The agency estimate includes the following adjustments:

2. **FEDERAL FUNDS.** The agency has been awarded a total of \$675,586 from the State Flexibility to Stabilize the Market Cycle II Grant from the federal Centers for Medicare and Medicaid Services (CMS). These funds will be split between FY 2022 and FY 2023. The grant will supplement the agency's efforts to make sure the laws, regulations, and procedures are in line with selected federal market reforms and that the agency is able to effectively regulate its respective health insurance markets through innovative measures that support the selected federal market reforms and consumer protections.
3. **ALL OTHER ADJUSTMENTS.** There are increased expenditures in all major categories of expenditure including salaries and wages (\$186,243), contractual services (\$2.4 million), commodities (\$1,750) and capital outlay (39,900). The increase in contractual services is primarily due to expenditures for accountants and auditors to assist with the regulation of insurance companies. The increase in commodities is primarily due to expenditures for office supplies and upkeep. The increase in capital outlay is primarily due to expenditures for technology upgrades and computer replacement, which are on a three- to four-year rotation.

The **agency** estimate also includes 135.5 FTE positions. This is 0.5 FTE position below the FY 2022 approved number.

GOVERNOR'S RECOMMENDATION

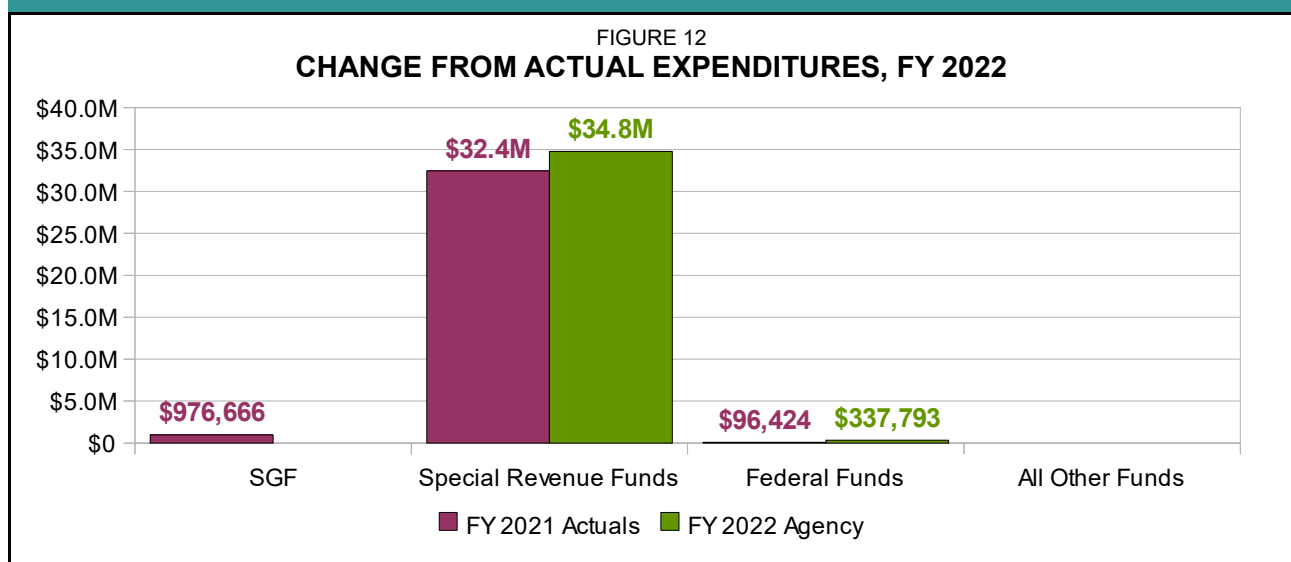
The **Governor** concurs with the agency's FY 2022 revised estimate.

The Governor's recommendation includes the following adjustments:

4. **SECURITIES ACT FEE FUND.** The recommendation includes specifying the Securities Act Fee Fund is a no-limit fund.

The **Governor's** recommendation also includes 135.5 FTE positions, which is the same number as the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised FY 2022 expenditures of \$37.5 million from all funds. This is an increase of \$4.0 million, or 12.0 percent, and an SGF decrease of \$976,666, or 100.0 percent, from the FY 2021 actual expenditures. These changes are due to the following:

- **SGF DECREASE.** The decrease in SGF moneys is due to the one-time expenditure in FY 2021 for the refund of an overpayment of a privilege fee for company that is no longer doing business in Kansas.
- **SPECIAL REVENUE FUNDS.** The agency estimates increased expenditures from its special revenue funds in FY 2022 due to additional workers compensation claims and expenditures on professional services such as actuarial services accountants, auditors, physicians, and attorneys.
- **FEDERAL FUNDS.** The agency estimates increased expenditures of \$241,369, or 250.3 percent, above the FY 2021 actual amount. The FY 2021 amount was from the Coronavirus Relief Fund and was not carried over into FY 2022. The agency has been awarded a total of \$675,586 from the State Flexibility to Stabilize the Market Cycle II Grant from federal Centers for Medicare and Medicaid Services (CMS) and will split the expenditures between FY 2022 and FY 2023.

FY 2023 ANALYSIS

FIGURE 13
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 37,542,120	\$ 37,542,120	135.5
Agency Request:				
1. Federal Funds	\$ -	\$ 337,793	\$ 337,793	--
2. All Other Adjustments	-	(775,766)	(775,766)	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 37,104,147	\$ 37,104,147	135.5
Governor's Recommendation:				
3. Securities Act Fee Fund	-	-	-	--
TOTAL	\$ -	\$ 37,104,147	\$ 37,104,147	135.5

AGENCY REQUEST

The **agency** requests FY 2023 expenditures of \$37.1 million, from all funds. This is a decrease of \$437,973, or 1.2 percent, below the FY 2022 revised estimate.

The agency request includes the following adjustments:

1. **FEDERAL FUNDS.** The agency has been awarded a total of \$675,586 from the State Flexibility to Stabilize the Market Cycle II Grant from federal Centers for Medicare and Medicaid Services (CMS) and will split the expenditures between FY 2022 and FY 2023.
2. **ALL OTHER ADJUSTMENTS.** The decrease is primarily due to expenditures on contractual services for training, accountants, and auditors.

The **agency** request also includes 135.5 FTE positions which is the same number as the FY 2022 revised number.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2023 request.

The Governor's recommendation includes the following adjustments:

3. **SECURITIES ACT FEE FUND.** The recommendation includes specifying the Securities Act Fee Fund is a no-limit fund.

The **Governor's** recommendation also includes 135.5 FTE positions, which is the same number as the agency's FY 2023 request.

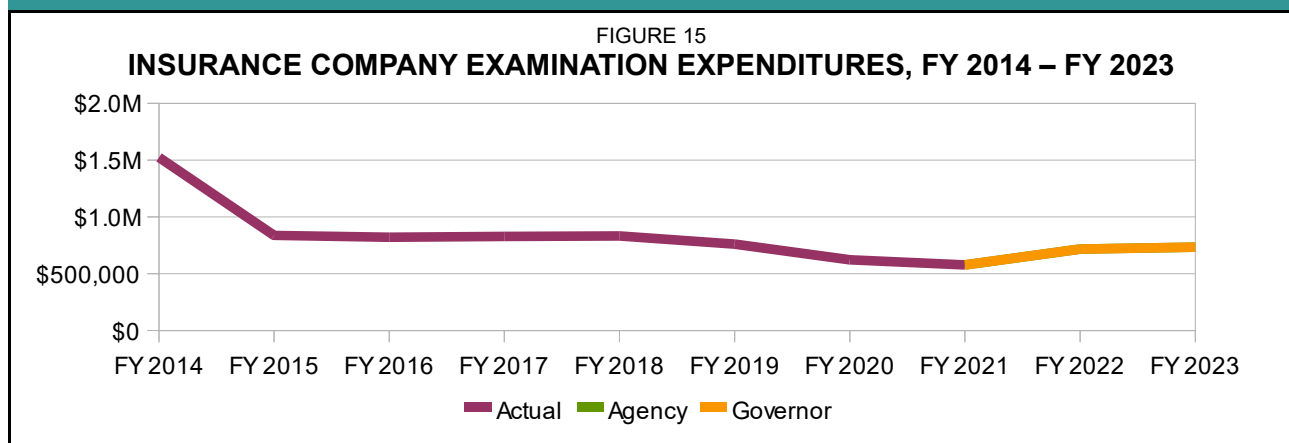
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 14 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Examination	\$ 577,435	\$ 717,186	\$ 717,186	\$ 733,480	\$ 733,480
Firefighter Relief	14,687,343	14,575,607	14,575,607	14,577,141	14,577,141
Insurance Regulation	11,593,695	11,108,739	11,108,739	11,063,362	11,063,362
Securities Regulation	3,327,317	4,913,596	4,913,596	4,498,252	4,498,252
Workers	3,334,447	6,226,992	6,226,992	6,231,912	6,231,912
Compensation					
TOTAL	\$ 33,520,237	\$ 37,542,120	\$ 37,542,120	\$ 37,104,147	\$ 37,104,147
FTE Positions:					
Examination	6.0	6.0	6.0	6.0	6.0
Firefighter Relief	2.0	2.0	2.0	2.0	2.0
Insurance Regulation	95.5	95.2	95.2	95.2	95.2
Securities Regulation	29.8	29.6	29.6	29.6	29.6
Workers	2.7	2.7	2.7	2.7	2.7
Compensation					
TOTAL	136.0	135.5	135.5	135.5	135.5

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

INSURANCE COMPANY EXAMINATION



STATUTORY BASIS: • KSA 40-101 *et seq.*; KSA 44-581 through KSA 44-592; KSA 12-2617

PROGRAM GOALS: • Detect as early as possible, through on-site financial examinations, those companies that are experiencing financial difficulty or those companies that are operating in violation of any Kansas insurance law or regulation.

The Insurance Company Examination program detects, through on-site financial examinations, those companies that are experiencing financial difficulty and those companies that are operating in violation of any Kansas insurance law or regulation. Also, this program performs in-house examinations of all insurance company annual financial statements

and securities deposits held under the custody of the Insurance Department. Salaries and wages for examiners, as well as expenditures for travel and subsistence incurred while working on examination of a company, are billed to and reimbursed by that company. Prior to FY 2018, the title of this program was Financial Surveillance.

FIGURE 16
INSURANCE COMPANY EXAMINATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of financial exams performed per year	8	11	10.7	13	12
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	622,631	577,435		717,186	733,480
TOTAL	<u>\$ 622,631</u>	<u>\$ 577,435</u>		<u>\$ 717,186</u>	<u>\$ 733,480</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(18.1) %	(7.3) %		24.2 %	2.3 %
FTE Positions	6.0	6.0		6.0	6.0

BUDGET ANALYSIS

The **agency** requests Insurance Company Examination program revised expenditures of \$717,186, all from special revenue funds, in FY 2022. This is decrease of \$27,840, or 43.7

percent, below the FY 2022 approved amount. The decrease is due to salaries and wages and salaries and wages fringe benefits expenditure adjustments.

The agency request includes 6.0 FTE positions, which is the same as the FY 2022 approved number,

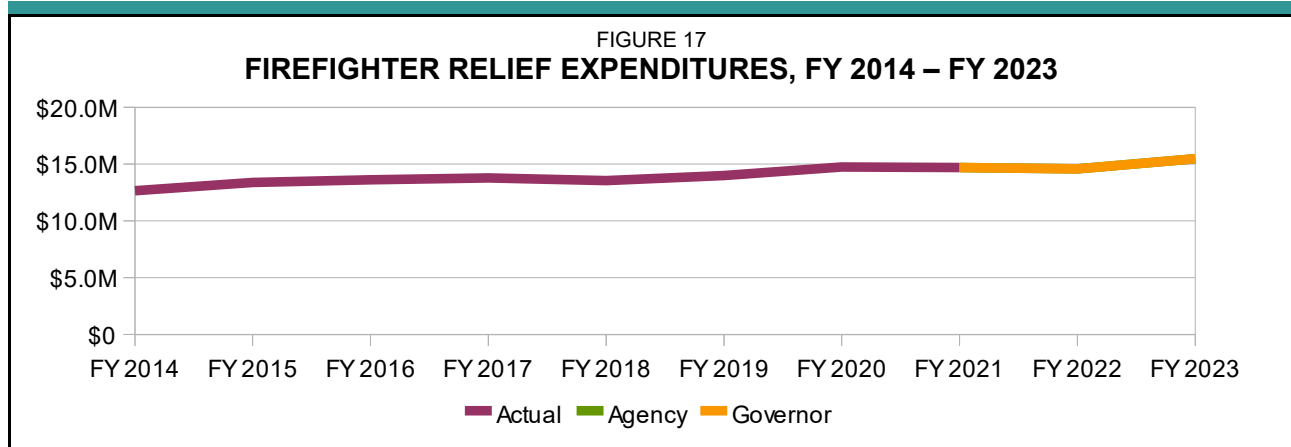
The **Governor** concurs with the agency's FY 2022 revised estimate.

The **agency** requests Insurance Company Examination program expenditures of \$733,480, all from special revenue funds, for FY

2023. This is an increase of \$16,294, or 2.3 percent, above the FY 2022 revised estimate. The increase is primarily due to salaries and wages and salaries and wages fringe benefits expenditure adjustments. The agency request includes 6.0 FTE positions, which is the same as the FY 2022 revised number.

The **Governor** concurs with the agency's FY 2023 request.

FIREFIGHTER RELIEF



STATUTORY BASIS: • KSA 40-1701 *et seq.*

PROGRAM GOALS: • Effectively administer the Firefighters Relief Act to ensure that the two percent premium tax on fire and lightning insurance written in the state of Kansas is collected and distributed in a fair and equitable manner to the firefighter relief associations ("FRA") across the state and the Kansas State Firefighter's Association, Inc.

The Firefighter Relief program 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.

FIGURE 18
FIREFIGHTER RELIEF, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of Firefighter Relief Associations receiving a distribution each year	561	555	560	555	555
2. Number of Firefighter Relief Associations requesting a redetermination hearing each year	9	12	13	10	10
3. Number of Firefighter Relief Association presentations given each year	3	2	--	5	7
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	14,747,525	14,687,343		14,575,607	14,577,141
TOTAL	\$ 14,747,525	\$ 14,687,343		\$ 14,575,607	\$ 14,577,141
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	5.3 %	(0.4) %		(0.8) %	-- %
FTE Positions	2.0	2.0		2.0	2.0

BUDGET ANALYSIS

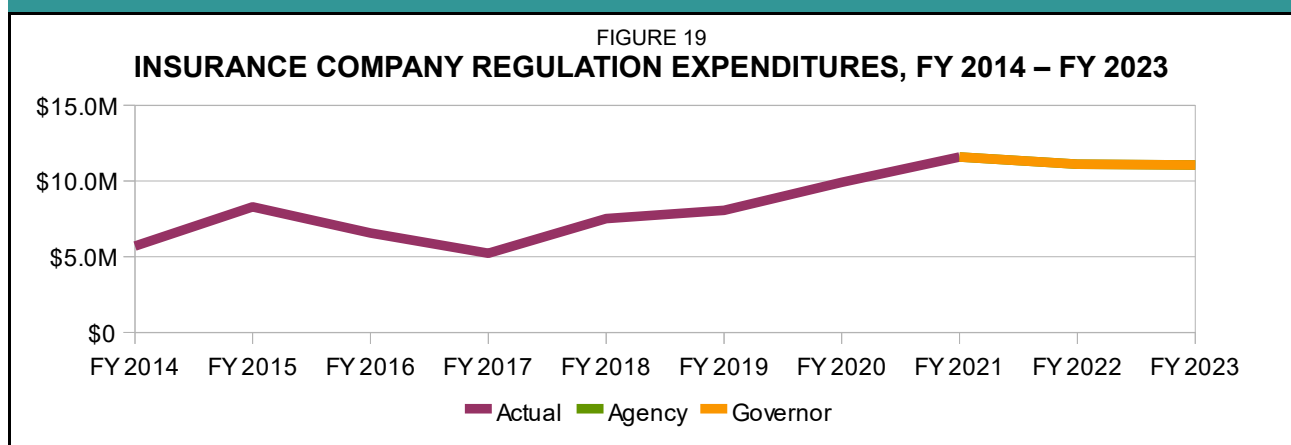
The **agency** requests Firefighter Relief program revised expenditures of \$14.6 million, all from special revenue funds, in FY 2022. This is decrease of \$485, or less than 0.1 percent, below the FY 2022 approved amount. The decrease is due to salaries and wages and fringe benefits expenditure adjustments. The agency request includes 2.0 FTE positions, which is the same as the FY 2022 approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.

The **agency** requests Firefighter Relief program expenditures of \$14.6 million, all from special revenue funds, for FY 2023. This is an increase of \$1,534, or less than 0.1 percent, above the FY 2022 revised estimate. The increase is primarily due to salaries and wages and fringe benefits expenditure adjustments. The agency request includes 2.0 FTE positions, which is the same as the FY 2022 revised number.

The **Governor** concurs with the agency's FY 2023 request.

INSURANCE COMPANY REGULATION



STATUTORY BASIS: • KSA 40-101 *et seq.*; KSA 40-1701 *et seq.*; KSA 44-581 through 592; KSA 12-2617; KSA 44-501 through 580

PROGRAM GOALS: • Protect the insurance consumers of Kansas through supervision, control and regulation of persons and organizations transacting the business of insurance in the state.

- Administer the Firefighter Relief Act.
- Administer the portion of the Workers Compensation Act for claims involving employers who are uninsured and unable to pay claims.

The Insurance Company Regulation program detects insurance companies, which are in or have the potential to be in hazardous financial condition; protects Kansas insurance consumers from insurance fraud; better informs and assists Kansas insurance consumers; educates consumers about insurance products they are purchasing and communicates consumer information, regulatory developments, and other news to the public; provides advice and counsel to the Commissioner of Insurance and various divisions of the Insurance Department; defends the Department in forums; supervises the adoption of rules and regulations; ensures all individuals selling, soliciting, and negotiating insurance contracts in Kansas are

knowledgeable, competent, and properly licensed and certified; monitors and regulates matters relating to the writing of health, life and property, and casualty insurance in Kansas by ensuring that policy forms comply with applicable laws and regulations; and ensures the proper and timely analysis and collection of applicable taxes and fees due from companies.

The program is composed of the following subprograms:

- Insurance Examination;
- Insurance Regulation;
- Firefighter Relief; and
- Workers Compensation.

FIGURE 20
INSURANCE COMPANY REGULATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Amount of money recovered for Kansas consumers	\$ 1,883,718	\$ 2,657,248	\$ 2,930,360	\$ 2,000,000	\$ 2,500,000
2. Number of insurance fraud investigations submitted to Attorney General for criminal disposition	14	9	12	14	14

FIGURE 20

INSURANCE COMPANY REGULATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
3. Average cost per company examination*	\$ Did Not Track	\$ 117,829	\$ 117,829	\$ 120,000	\$ 120,000
Output Measure:					
4. Number of financial exams performed each year*	8	11	11	13	12
5. Number of company license applications approved each year*	10	23	19	25	25
6. Number of active licensed producers, adjusters and agencies each year	168,294	186,998	171,413	205,000	225,000
7. Number of consumer complaint and inquiry files closed each year*	3,589	2,938	3,321	3,500	3,500
8. Number of FRAs receiving a distribution each year*	561	555	560	555	555
9. Number of open work comp cases each year*	1,837	1,628	1,808	1,650	1,500
Financing**					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ 976,666		\$ -	\$ -
Federal Funds	-	96,424		337,793	337,793
All Other Funds	9,922,658	10,520,605		10,770,946	10,725,569
TOTAL	\$ 9,922,658	\$ 11,593,695		\$ 11,108,739	\$ 11,063,362
Percentage Change:					
SGF	-- %	100.0 %		(100.0) %	-- %
All Funds	23.1 %	16.8 %		(4.2) %	(0.4) %
FTE Positions	94.0	95.5		95.2	95.2

*The Governor's Office does not utilize this measure for evaluation purposes.

**Financing is for the Insurance Regulation Program only. It does not include sub-programs.

BUDGET ANALYSIS

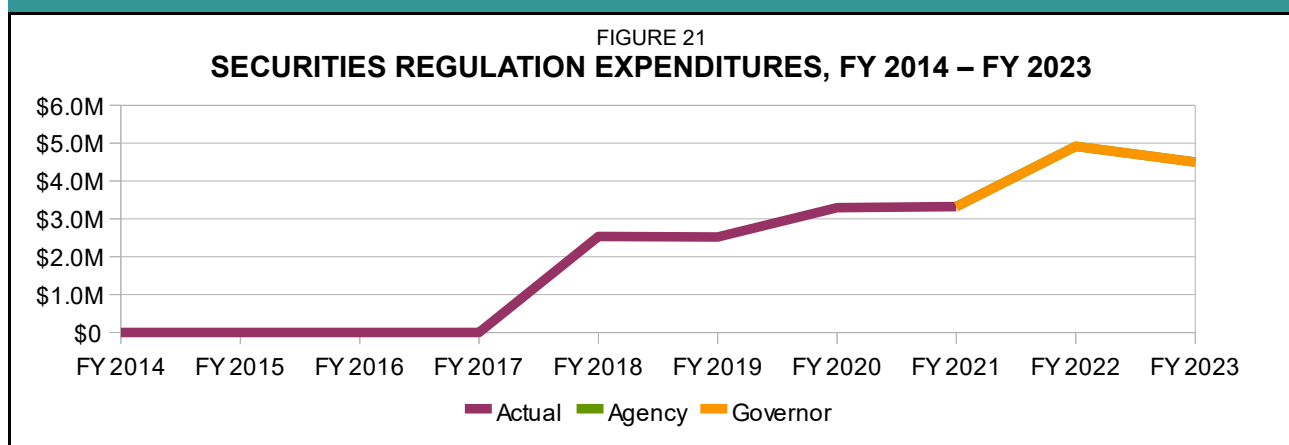
The **agency** requests Insurance Company Regulation program revised expenditures of \$11.1 million in FY 2022. This is an all funds increase of \$1.4 million, or 15.0 percent, above the FY 2022 approved amount. The increase is primarily due to expenditures related to accountants and auditors used to assist with the regulation of insurance companies, and expenditures related to the federal State Flexibility to Stabilize the Market Cycle II Grant. The agency request includes 95.2 FTE positions, which is 0.3 FTE position below the FY 2022 approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.

The **agency** requests Insurance Company Regulation program expenditures of \$11.1 million for FY 2023. This is an all funds decrease of \$45,377, or 0.4 percent, below the FY 2022 revised estimate. The decrease is primarily due to expenditures on contractual services for training, accountants, auditors. The agency request includes 95.2 FTE positions, which is the same as the FY 2022 revised number.

The **Governor** concurs with the agency's FY 2023 request.

SECURITIES REGULATION



STATUTORY BASIS: • KSA 17-12a101 *et seq.*

PROGRAM GOALS: • Administer and enforce the registration and examination provisions of the Kansas Uniform Securities Act.
• Develop and implement investor education and protection initiatives to inform the public about investing in securities and protect the public from violations of the Kansas Uniform Securities Act.

The Securities Regulation program administers the registration and exemption provisions of the Kansas Uniform Securities Act in a timely and professional manner for securities offerings in Kansas to detect and investigate potential violations of the Kansas Uniform Securities Act and the Kansas Loan Brokers Act in a professional and efficient manner to obtain sufficient high-quality

evidence to enable the highest possible rate of success in administrative actions, criminal prosecutions or other remedial actions.

The 2017 Legislature passed 2017 SB 23 and merged the Office of the Securities Commissioner with the Kansas Insurance Department.

FIGURE 22
SECURITIES REGULATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Court ordered restitution	\$ 230,814	\$ 751,296	\$ 377,370	\$ 500,000	\$ 500,000
2. Number of individual suspects referred to criminal prosecution each year *	7	-	5	6	5
3. Cost of advertising per hit on the website each year*	N/A	8k hits/ \$200K \$25.00/hit	N/A	25k hits/ \$430K \$17.20/hit	20k hits/ \$446K \$22.30/hit
Output Measure:					
4. BD registrations and renewal filings each year	1,463	1,452	1,463	1,447	1,436
5. IA registrations/IA notice filings and renewals each year*	1,491	1,517	1,490	1,545	1,573
6. BD Agent/IA Rep/Agent of issuer registrations & renewals each year*	156,443	161,517	157,587	163,275	164,875
7. Issuer registrations and renewals each year*	67	71	68	73	75

FIGURE 22
SECURITIES REGULATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
8. Number of compliance examinations performed each year*	57	50	42	59	59
9. Number of complaints investigated each year*	12	33	24	25	25
10. Number of enforcement investigations initiated each year	16	21	23	20	20
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	3,301,148	3,327,317		4,913,596	4,498,252
TOTAL	\$ 3,301,148	\$ 3,327,317		\$ 4,913,596	\$ 4,498,252
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	26.2 %	0.8 %		47.7 %	(8.5) %
FTE Positions	30.9	29.8		29.6	29.6

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

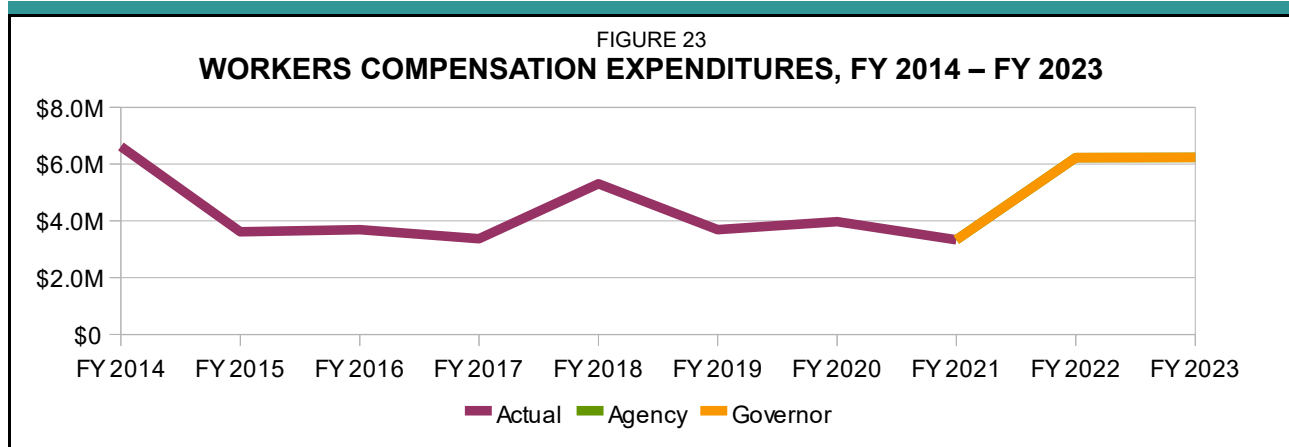
The **agency** requests a Securities Regulation program revised estimate of \$4.9 million, all from special revenue funds, in FY 2022. This is an increase of \$1.3 million, or 37.8 percent, above the FY 2022 approved amount. The increase is primarily due to expenditures related to advertising for the new anti-fraud and investor education campaign, and Office of Information Technology Services (OITS) fees. The agency request includes 29.6 FTE positions, which is the same as the FY 2022 approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.

The **agency** requests Securities Regulation program expenditures of \$4.5 million, all from special revenue funds, for FY 2023. This is a decrease of \$415,344, or 8.5 percent, below the FY 2022 revised estimate. The decrease is primarily due to expenditures on OITS provided services and other professional fees. The agency request includes 29.6 FTE positions, which is the same as the FY 2022 revised number.

The **Governor** concurs with the agency's FY 2023 request.

WORKERS COMPENSATION



STATUTORY BASIS: • KSA 44-501 *et seq.*

PROGRAM GOALS: • Defend claims against the Kansas Workers Compensation Fund, in an effort to minimize Fund expenditures. Make appropriate payments on behalf of the Fund to those carriers, employers or employees entitled to payment pursuant to Kansas statutes.

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

FIGURE 24
WORKERS COMPENSATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Total Number of Open Workers' Compensation Cases	1,837	1,638	1,808	1,650	1,500
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	3,968,649	3,334,447		6,226,992	6,231,912
TOTAL	\$ 3,968,649	\$ 3,334,447		\$ 6,226,992	\$ 6,231,912
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	7.6 %	(16.0) %		86.7 %	0.1 %
FTE Positions	2.7	2.7		2.7	2.7

BUDGET ANALYSIS

The agency requests a Workers Compensation program revised estimate of \$6.2 million, all from special revenue funds, in FY 2022. This is a decrease of \$4,688, or 0.1 percent, below the FY 2022 approved amount. The decrease is due to expenditures related to

fringe benefits and professional scientific supplies. The agency request includes 2.7 FTE positions, which is the same as the FY 2022 approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.

The **agency** requests Workers Compensation program expenditures of \$6.2 million, all from special revenue funds, for FY 2023. This is an increase of \$6,454, or less than 0.1 percent, above the FY 2022 revised estimate.

The increase is primarily due to salaries and wages expenditures. The agency request includes 2.7 FTE positions, which is the same as the FY 2022 revised number.

The **Governor** concurs with the agency's FY 2023 request.

OFFICE OF THE ATTORNEY GENERAL

FY 2021 – FY 2023 BUDGET ANALYSIS

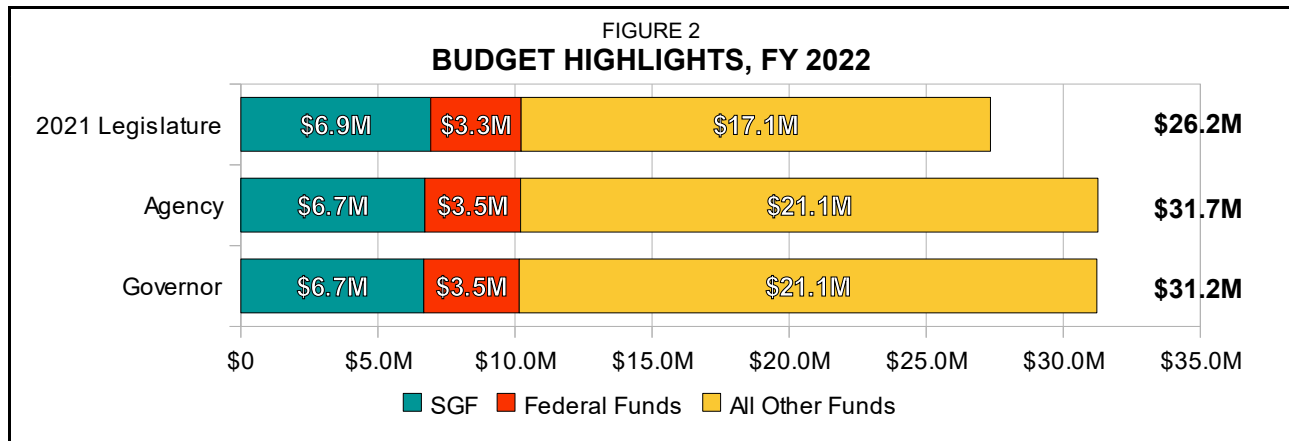
FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 6,102,281	\$ 6,712,584	\$ 6,669,265	\$ 6,316,730	\$ 6,316,730
Federal Funds	3,255,776	3,487,365	3,487,365	3,246,135	3,246,135
All Other Funds	16,451,754	21,072,455	21,072,455	17,345,981	17,345,981
<i>Subtotal</i>	<u>\$ 25,809,811</u>	<u>\$ 31,272,404</u>	<u>\$ 31,229,085</u>	<u>\$ 26,908,846</u>	<u>\$ 26,908,846</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 25,809,811</u>	<u>\$ 31,272,404</u>	<u>\$ 31,229,085</u>	<u>\$ 26,908,846</u>	<u>\$ 26,908,846</u>
Percentage Change:					
State General Fund	2.7 %	10.0 %	9.3 %	(5.9) %	(5.3) %
All Funds	(3.3) %	21.2 %	21.0 %	(14.0) %	(13.8) %
FTE Positions	174.4	177.4	175.4	177.4	177.4

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Attorney General is a constitutional statewide elected official who is the chief legal officer of and advocate for the State and serves as its chief law enforcement officer. The Office of the Attorney General (OAG) is organized into 11 programs: Administration Division, Solicitor Division, Fraud and Abuse Litigation Division, Criminal Litigation Division, Legal Opinions and Government Counsel Division, Consumer Protection Division, Civil Litigation Division, Crime Victims Compensation Division, Victim Services Division, Medicaid Fraud and Abuse Division, and Office of the Medicaid Inspector General. All programs are detailed in this budget analysis.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$26.6 million, including \$6.2 million from the State General Fund (SGF), for the Office of the Attorney General for FY 2022. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The agency received an increase of \$747,036, all SGF, based on the reappropriation of FY 2021 funding that was not spent in FY 2021 and has shifted to FY 2022. This results in an approved budget of \$27.4 million, including \$6.9 million SGF, in FY 2022.

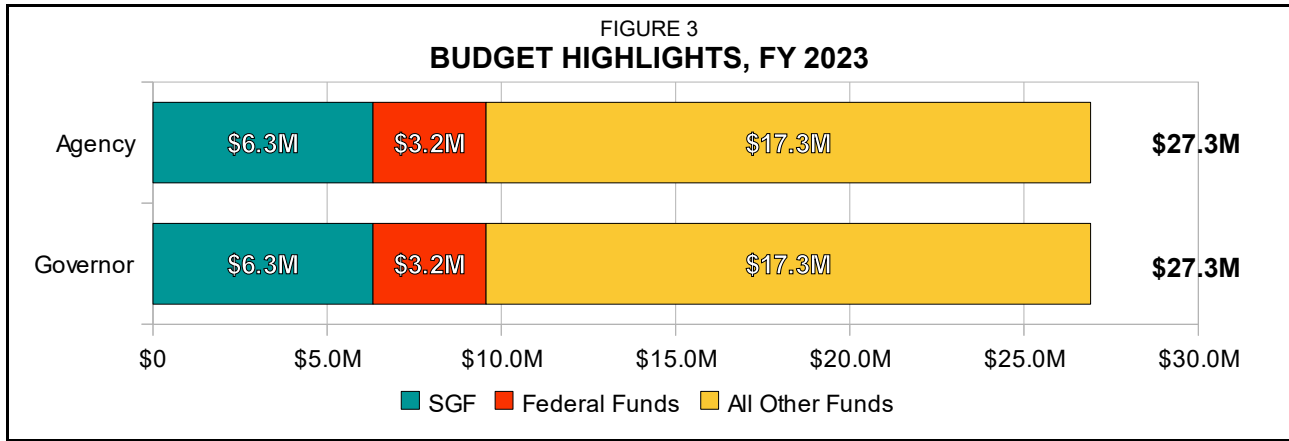


The **agency** requests \$31.3 million, including \$6.7 million SGF, in FY 2022. This is an all funds increase of \$3.9 million, including an SGF decrease of \$211,385, from the FY 2022 approved amount. The all funds increase is primarily attributable to the receipt of opioid litigation settlement funds through the **Kansas Fights Addiction** (KFA) Fund and **Municipalities Fight Addiction** (MFA) Fund.

Both funds were established pursuant to 2021 HB 2079 for the receipt of opioid litigation settlement moneys. The bill requires that 75.0 percent of all moneys received by the State pursuant to opioid litigation in which the Attorney General is involved for the abatement or remediation of substance abuse or addiction be deposited into the KFA Fund and 25.0 percent of all moneys received be deposited into the MFA Fund. The KFA Fund moneys will be used as grants to qualified applicants for projects and activities that reduce, treat, or mitigate the effects of substance abuse and addiction and provide support to the prescription drug monitoring program administered by the State Board of Pharmacy. The agency's revised estimate includes \$2.6 million in expenditures, all from the KFA Fund, for this purpose in FY 2022. The agency's revised estimate also includes \$995,834 in expenditures, all from the MFA Fund, in FY 2022. Moneys in the MFA Fund are to be expended subject to an agreement among the Attorney General, the Kansas Association of Counties, and the League of Kansas Municipalities, for projects and activities that prevent, reduce, treat, or mitigate the effects of substance abuse and addiction, or to reimburse a municipality for expenses related to previous substance abuse mitigation.

The agency request also includes 177.4 FTE positions, which is an increase of 2.1 FTE positions above the FY 2022 approved number. In FY 2022, 2.0 FTE positions are requested for additional auditors in the Office of the Medicaid Inspector General and 0.1 FTE is requested for the Consumer Protection Division.

The **Governor** recommends expenditures of \$31.2 million, including \$6.7 million SGF, in FY 2022. This is an all funds decrease of \$43,319, or 0.1 percent, below the agency's revised estimate, and is due to the Governor's recommendation not to adopt the agency's supplemental request of \$43,319 SGF and 2.0 FTE positions for additional personnel in the Office of the Medicaid Inspector General in FY 2022.



The **agency** requests \$26.9 million, including \$6.3 million SGF, for FY 2023. This is an all funds decrease of \$4.4 million, and an SGF decrease of \$395,854, below the FY 2022 revised estimate. The agency's request includes a decrease of \$2.5 million, all from the KFA Fund, and a decrease of \$944,431, all from the MFA Fund, for FY 2023. This decrease is due to the receipt of federal opioid litigation settlement moneys in FY 2022, the majority of which will be awarded as grants throughout the state, or transferred to Kansas municipalities, in FY 2022 and will not reoccur for FY 2023. The decrease in SGF expenditures is primarily attributable to a decrease in litigation costs (\$102,076), a decrease in operating expenses for the Solicitors Division (\$168,294), and a decrease in state match expenditures (\$135,126) for the Medicaid Fraud and Abuse Division for FY 2023.

The agency request also includes 177.4 FTE positions, which is unchanged from the FY 2022 revised estimate number.

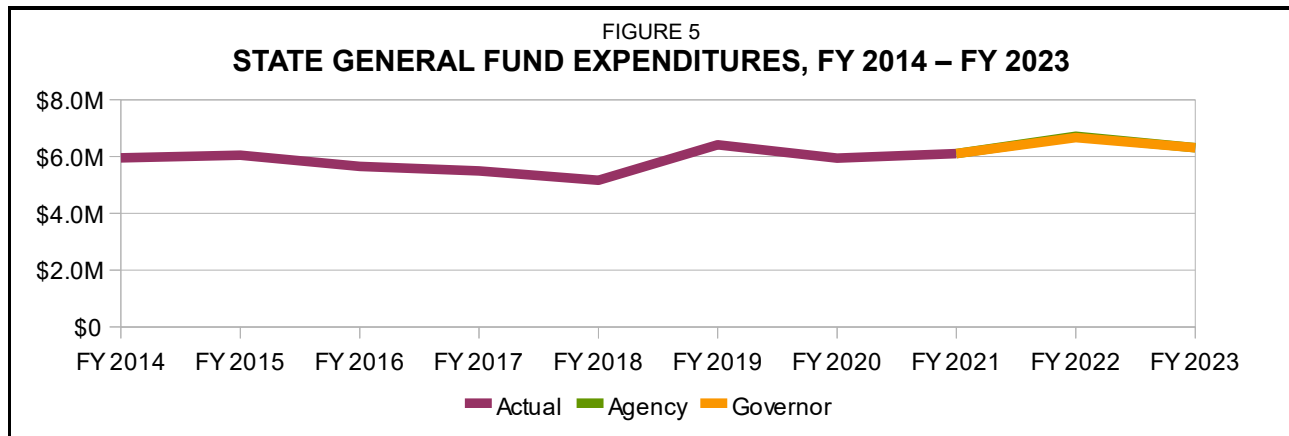
The **Governor** concurs with the agency request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

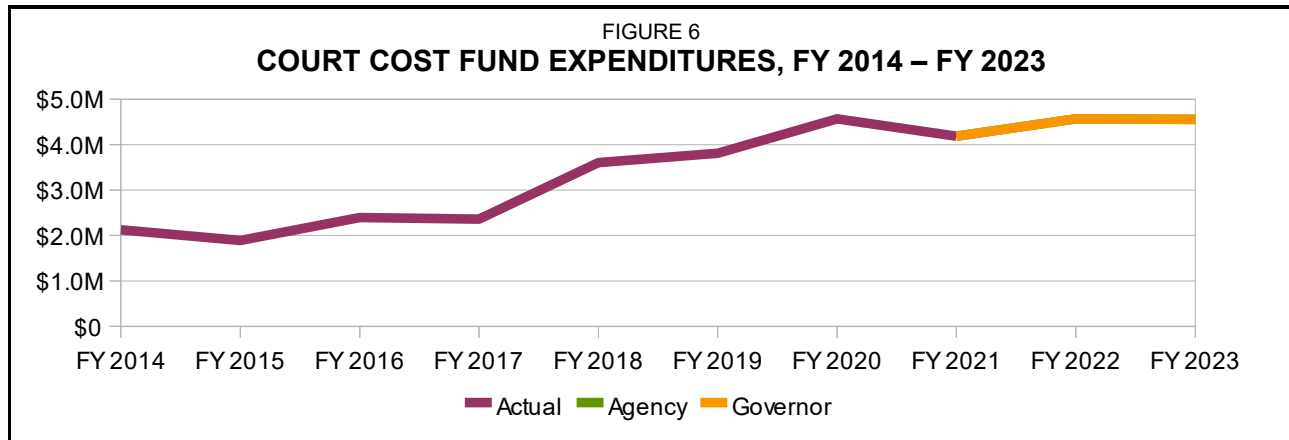
Category of Expenditure:	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Salaries and Wages	\$ 13,642,559	\$ 14,582,750	\$ 14,545,031	\$ 14,774,887	\$ 14,774,887
Contractual Services	4,182,938	5,483,433	5,483,833	4,933,694	4,933,694
Commodities	65,205	127,745	127,745	127,745	127,745
Capital Outlay	568,954	751,214	746,214	497,981	497,981
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 18,459,656</i>	<i>\$ 20,945,142</i>	<i>\$ 20,902,823</i>	<i>\$ 20,334,307</i>	<i>\$ 20,334,307</i>
Aid to Local Units	22,000	1,120,834	1,120,834	126,403	126,403
Other Assistance	7,328,155	9,206,428	9,206,428	6,448,136	6,448,136
<i>Subtotal—Operating</i>	<i>\$ 25,809,811</i>	<i>\$ 31,272,404</i>	<i>\$ 31,230,085</i>	<i>\$ 26,908,846</i>	<i>\$ 26,908,846</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 25,809,811	\$ 31,272,404	\$ 31,230,085	\$ 26,908,846	\$ 26,908,846
Financing:					
State General Fund	\$ 6,102,281	\$ 6,712,584	\$ 6,669,265	\$ 6,316,730	\$ 6,316,730
Court Cost Fee Fund	4,185,585	4,565,075	4,565,075	4,553,829	4,553,829
Federal Funds	3,255,776	3,487,365	3,487,365	3,246,135	3,246,135
All Other Funds	12,266,169	16,507,380	16,507,380	12,792,152	12,792,152
TOTAL	\$ 25,809,811	\$ 31,272,404	\$ 31,229,085	\$ 26,908,846	\$ 26,908,846
FTE Positions	174.4	177.4	175.4	177.4	177.4

STATE GENERAL FUND



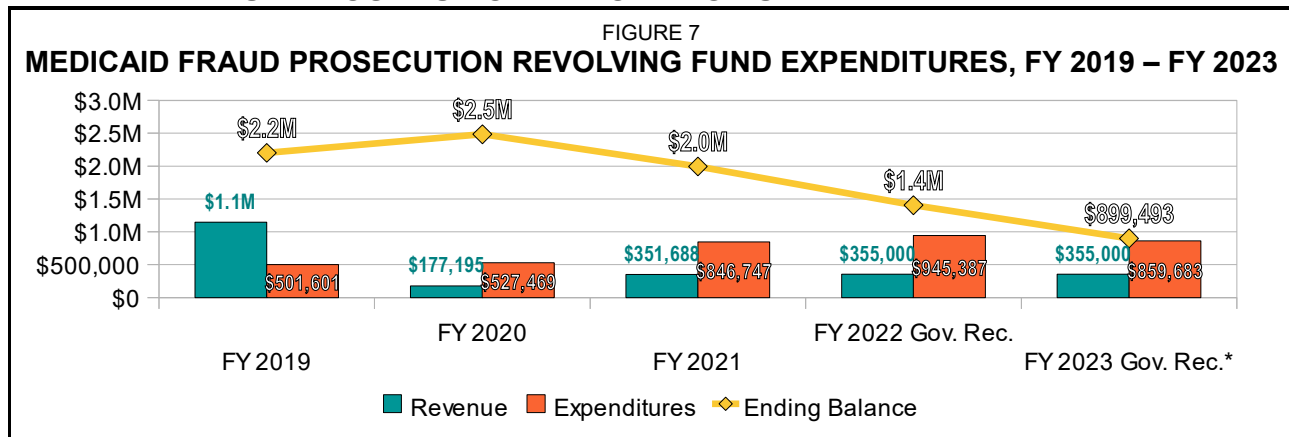
The Office of the Attorney General (OAG) requests \$6.3 million SGF for FY 2023. This is a decrease of \$395,854 below the FY 2022 revised estimate. SGF expenditures in the OAG are primarily for salaries and wages expenditures. The agency's FY 2023 request includes \$154,638, all SGF, for salaries and wages expenditures for 2.0 additional FTE positions for the Office of the Medicaid Inspector General included in the agency's FY 2022 revised estimate. These positions will allow the agency to increase the number of audits and reviews completed each year and would allow for continuity of ongoing audits if an auditor position becomes vacant.

COURT COST FUND



The Court Cost Fund recovers fees and expenses of investigators and attorneys in the Consumer Protection Division. The main source of revenue is from large, multi-state actions. The agency indicates that as a smaller state, Kansas has little control over these cases and must generally depend on other states to take the lead. The agency deposits these receipts consistent with the related court order for use in consumer protection matters. Receipts can vary widely from year to year. The agency uses this fund to support the Consumer Protection Division and for salaries and wages that had previously been paid through SGF moneys.

MEDICAID FRAUD PROSECUTION REVOLVING FUND



* For FY 2023, the lowest month ending balance for the Medicaid Fraud Prosecution Revolving Fund will occur in June with a balance of \$899,493.

The Medicaid Fraud Prosecution Revolving Fund collects awarded fees and prosecution expenses following successful prosecution in Medicaid fraud cases. Expenditures from this account are to meet the required 25.0 percent state match requirement for federal Medicaid Fraud program grants. In the past, the Medicaid Fraud Prosecution Revolving Fund met the 25.0 percent state match requirement through awards from consumer protection judgments regarding prescription drug labels. However, awards from such judgments have ceased, and the OAG requested and received a transfer of \$600,000 from the SGF to the Medicaid Fraud Prosecution Revolving Fund in FY 2019 and FY 2020. The agency did not receive a transfer in FY 2021 and did not ask for funds to be transferred in either FY 2022 or FY 2023 and anticipates the balance in the fund will support expenditures for both years.

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 6,176,933	\$ 20,420,490	\$ 26,597,423	175.3
1. SGF Reappropriation	747,036	-	747,036	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 6,923,969</i>	<i>\$ 20,420,490</i>	<i>\$ 27,344,459</i>	<i>175.3</i>
Agency Revised Estimate:				
2. SGF Lapse—Inspector General	\$ (242,172)	\$ -	\$ (242,172)	--
3. SGF Lapse—Fringe Benefit Adjustment	(12,531)	-	(12,531)	--
4. Supplemental—New Auditor Positions	43,319	-	43,319	2.0
5. Opioid Settlement Distributions	-	3,643,337	3,643,337	--
6. Medicaid Fraud Control Funds	-	223,785	223,785	--
7. Concealed Carry Licensure	-	274,280	274,280	--
8. All Other Adjustments	-	(2,072)	(2,072)	0.1
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 6,712,585</i>	<i>\$ 24,559,820</i>	<i>\$ 31,272,405</i>	<i>177.4</i>
Governor's Recommendation:				
9. Supplemental—Office of the Medicaid Inspector General FTE Positions	\$ (43,319)	\$ -	\$ (43,319)	(2.0)
TOTAL	\$ 6,669,266	\$ 24,559,820	\$ 31,229,086	175.4

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the \$26.6 million appropriated to the Office of the Attorney General for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** The agency received an increase of \$747,036, all SGF, based on the reappropriation of FY 2021 funding that was not spent in FY 2021 and has shifted into FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$31.3 million, including \$6.7 million SGF, in FY 2022. This is an all funds increase of \$3.9 million, and an SGF decrease of \$211,385, from the FY 2022 revised estimate. The estimate includes the following adjustments:

2. **SGF LAPSE—OFFICE OF THE INSPECTOR GENERAL.** The revised estimate includes a lapse of \$242,172 SGF in expenditures from the Office of the Inspector General. The agency does not plan to expend those funds in FY 2022.
3. **SGF LAPSE—FRINGE BENEFIT ADJUSTMENT.** The revised estimate includes a lapse of \$12,531 SGF for fringe benefit expenditures. This adjustment includes a reduction of \$26,131 SGF to reflect revised KPERS employer contribution rates for FY 2022. 2021 SB 159 included language to adjust employer contribution rates based on the issuance of the \$500.0 million in pension obligation bonds authorized by 2021 HB 2405. Accordingly, KPERS employer contribution rates decreased from 15.09 percent to 14.33 percent in FY 2022. The reductions in employer contribution rates are offset by a \$13,600 increase in the unemployment insurance rate, from 0.08 to 0.46 percent.

4. **SUPPLEMENTAL–NEW AUDITOR POSITIONS.** The revised estimate includes an additional \$43,319 SGF and 2.0 FTE positions in the Office of the Medicaid Inspector General in FY 2022 to increase the number of audits and reviews the OAG is able to complete each year and to allow for continuity of ongoing audits if an auditor position becomes vacant.
5. **OPIOID SETTLEMENT DISTRIBUTIONS.** The revised estimate includes \$3.6 million in distributions from opioid litigation settlement moneys. 2021 HB 2079 established the Kansas Fights Addiction Act, which created the **Kansas Fights Addiction Fund** to receive 75.0 percent of all moneys received by the State pursuant to opioid litigation in which the Attorney General is involved for the abatement or remediation of substance abuse or addiction. This fund will be used to grant funds to qualified applicants for projects and activities that reduce, treat, or mitigate the effects of substance abuse and addiction and provide support to the prescription drug monitoring program administered by the State Board of Pharmacy. The agency's revised estimate includes expenditures of \$2.6 million, all from the Kansas Fights Addiction Fund, for this purpose in FY 2022.

The Act also created the **Municipalities Fight Addiction Fund** for receipt of opioid litigation settlement moneys on behalf of the municipalities participating in the litigation. Moneys in the Municipalities Fight Addiction (MFA) Fund are to be expended subject to an agreement among the Attorney General, the Kansas Association of Counties, and the League of Kansas Municipalities, for projects and activities that prevent, reduce, treat, or mitigate the effects of substance abuse and addiction, or to reimburse a municipality for expenses related to previous substance abuse mitigation. Moneys in the MFA Fund could also be used to reimburse municipalities for payment of litigation costs, expenses, or attorney fees related to opioid litigation, after the municipality has first sought payment from applicable outside settlement sources or settlement fee funds. The agency's revised estimate includes expenditures of \$995,834, all from the MFA Fund, for these purposes in FY 2022.

6. **MEDICAID FRAUD CONTROL FUNDS.** The revised estimate includes an increase of \$223,785, all from federal grants received by the Medicaid Fraud and Abuse Division, in FY 2022. This increase is due to an increase in the federal grant award amount. These funds are used to support the federal portion of the Medicaid Fraud and Abuse Division.
7. **CONCEALED CARRY LICENSURE.** The revised estimate includes an increase of \$274,280, all from the Concealed Weapon Licensure Fund, for operating costs related to the Concealed Carry Licensing Unit in the Criminal Litigation Division in FY 2022. This increase is primarily attributable to an increase in contractual services for costs related to litigation including expert witness fees, certified court reporters fees, attorney and other expert services, as well as membership dues for the National Association of Attorneys General.
8. **ALL OTHER ADJUSTMENTS.** The revised estimate also includes a decrease of \$2,072 for a variety of expenditures, including for state agency representation in matters of litigation.

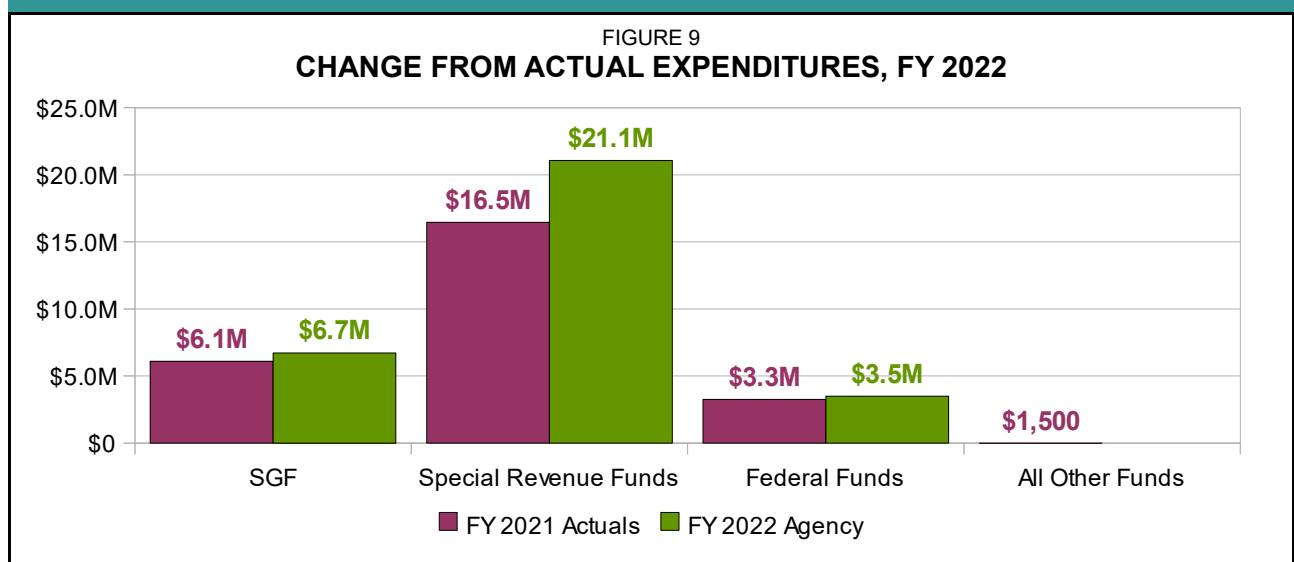
The **agency** estimate also includes 177.4 FTE positions, which is an increase of 2.1 FTE positions above the FY 2022 approved number.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$31.2 million, including \$6.7 million SGF, in FY 2022. This is an all funds decrease of \$43,319, or 0.1 percent, below the agency's revised estimate and includes the following adjustment:

9. **SUPPLEMENTAL-NEW AUDITOR POSITIONS.** The Governor does not recommend adopting the agency's supplemental request of \$43,319 SGF and 2.0 FTE positions for additional personnel in the Office of the Medicaid Inspector General in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The **agency** requests a revised estimate of \$31.3 million, including \$6.7 million SGF, in FY 2022. This is an all funds increase of \$5.5 million, including an SGF increase of \$610,303, above FY 2021 actual expenditures. This increase is primarily attributable to the receipt of opioid litigation settlement moneys in FY 2022, the majority of which will be awarded as grants throughout the state, or transferred to Kansas municipalities, in FY 2022. The increase in SGF expenditures is primarily attributable to an increase in salaries and wages expenditures for 2.0 additional FTE positions in the Office of the Medicaid Inspector General in FY 2022.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 6,712,585	\$ 24,559,820	\$ 31,272,405	177.4
Agency Request:				
1. Enhancement–New Auditor Positions	\$ 154,638	\$ -	\$ 154,638	--
2. Opioid Settlement Distributions	-	(3,437,723)	(3,437,723)	--
3. Scrap Metal Theft Reduction Fund	-	(230,000)	(230,000)	--
4. Solicitors Division Expenditures	(168,294)	-	(168,294)	--
5. Medicaid Fraud Control Funds	(135,126)	(257,019)	(392,145)	--
6. Litigation Costs	(102,076)	-	(102,076)	--
7. All Other Adjustments	(144,996)	(42,962)	(187,958)	--
<i>Subtotal–Agency Request</i>	<i>\$ 6,316,731</i>	<i>\$ 20,592,116</i>	<i>\$ 26,908,847</i>	<i>177.4</i>
Governor’s Recommendation:				
8. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 6,316,731	\$ 20,592,116	\$ 26,908,847	177.4

AGENCY REQUEST

The **agency** requests \$26.9 million, including \$6.3 million SGF, for FY 2023. This is an all funds decrease of \$4.4 million, and an SGF decrease of \$395,854, below the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

- 1. ENHANCEMENT–NEW AUDITOR POSITIONS.** The agency's request includes \$154,638, all SGF, for continued salaries and wages expenditures of two additional FTE positions for the Office of the Medicaid Inspector General included in the agency's FY 2022 revised estimate. These positions will allow the agency to increase the number of audits and reviews completed each year and would allow for continuity of ongoing audits if an auditor position becomes vacant.
- 2. OPIOID SETTLEMENT DISTRIBUTIONS.** The agency's request includes a decrease of \$3.4 million, including \$2.5 million from the Kansas Fights Addiction Fund and \$944,431 from the Municipalities Fight Addiction Fund, for FY 2023. This decrease is due to the receipt of federal opioid litigation settlement moneys in FY 2022, the majority of which will be awarded as grants throughout the state in FY 2022 and will not reoccur for FY 2023.
- 3. SCRAP METAL THEFT REDUCTION FUND.** The agency's request includes a decrease of \$230,000, all from the Scrap Metal Theft Reduction Fund, for FY 2023. Pursuant to 2021 SB 159, the agency reimbursed scrap metal dealers for each year scrap metal dealers paid registration fees under the Scrap Metal Theft Reduction Act while the act was not operative. Additionally, dealers were reimbursed for fingerprinting costs prior to July 1, 2020. These reimbursements will be fully paid in FY 2022 and will not reoccur for FY 2023.
- 4. SOLICITORS DIVISION EXPENDITURES.** The agency's request includes a decrease of \$168,294, all SGF, for the Solicitors Division for FY 2023. The agency decreased SGF expenditures for operating costs and litigation costs and has chosen to increase special revenue fund expenditures for this purpose.

5. **MEDICAID FRAUD CONTROL FUNDS.** The agency's request includes a decrease of \$257,019 in federal Medicaid Fraud Control funds and \$135,126 SGF, due to a decrease in state match requirements, for FY 2023. These funds are used to support the federal portion of the Medicaid Fraud and Abuse Division, and the budgeted amount is based upon the anticipated federal award amount.
6. **LITIGATION COSTS.** The agency's request includes a decrease of \$102,076, all SGF, for a decrease in anticipated litigation costs, for FY 2023. The agency anticipates an increase in one-time litigation costs in FY 2022 for the Medicaid Fraud and Abuse Division and Criminal Litigation Division that do not reoccur for FY 2023. Litigation costs include witness fees, certified court reporter services, attorney, and other expert fees.
7. **ALL OTHER ADJUSTMENTS.** The agency's request includes a decrease of \$187,958, including \$144,996 SGF, for other various adjustments for FY 2023.

The **agency** request also includes 177.4 FTE positions, which is unchanged from the FY 2022 revised estimate number.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$26.9 million, including \$6.3 million SGF, for FY 2023.

8. **NO CHANGES.** The Governor concurs with the agency request for FY 2023.

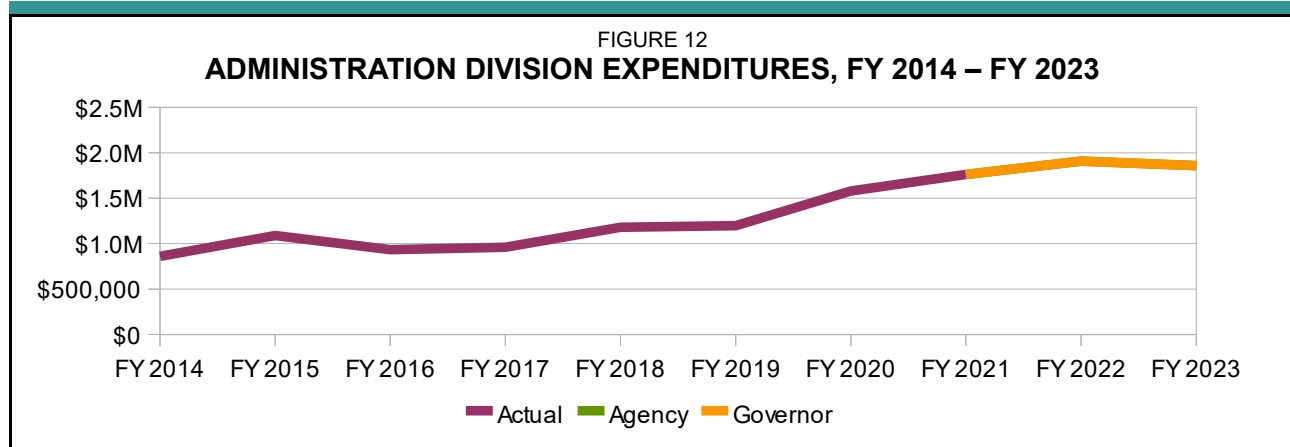
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 1,761,513	\$ 1,908,943	\$ 1,908,943	\$ 1,858,622	\$ 1,858,622
Civil Litigation	5,882,377	5,081,164	5,081,164	5,012,803	5,012,803
Consumer Protection	2,460,238	6,343,453	6,343,453	2,619,279	2,619,279
Crime Victims Comp.	3,054,615	3,453,692	3,453,692	3,454,233	3,454,233
Criminal Litigation	3,850,863	3,896,074	3,896,074	3,889,212	3,889,212
Fraud and Abuse Litigation	1,317,280	1,377,916	1,377,916	1,382,657	1,382,657
Legal Opinions and Gov. Counsel	610,563	736,552	736,552	736,167	736,167
Medicaid Fraud and Abuse Unit	1,943,238	2,571,880	2,571,880	2,229,189	2,229,189
Office of the Medicaid Inspector General	259,731	754,046	710,727	618,920	618,920
Solicitor Division	1,207,703	1,514,936	1,514,936	1,514,040	1,514,040
Victim Services	3,461,690	3,633,748	3,633,748	3,593,724	3,593,724
TOTAL	\$ 25,809,811	\$ 31,272,404	\$ 31,229,085	\$ 26,908,846	\$ 26,908,846
FTE Positions:					
Administration	17.0	17.0	17.0	17.0	17.0
Civil Litigation	22.5	22.5	22.5	22.5	22.5
Consumer Protection	23.8	24.8	24.8	24.8	24.8
Crime Victims Comp.	6.0	6.0	6.0	6.0	6.0
Criminal Litigation	32.3	32.3	32.3	32.3	32.3
Fraud and Abuse Litigation	12.3	12.3	12.3	12.3	12.3
Legal Opinions and Gov. Counsel	6.5	5.5	5.5	5.5	5.5
Medicaid Fraud and Abuse	24.0	24.0	24.0	24.0	24.0
Office of the Medicaid Inspector General	4.0	6.0	4.0	6.0	6.0
Solicitor Division	12.7	12.7	12.7	12.7	12.7
Victim Services	10.6	10.6	10.6	10.6	10.6
Off Budget	2.8	3.8	3.8	3.8	3.8
TOTAL	174.4	177.4	175.4	177.4	177.4

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below.

ADMINISTRATION DIVISION



STATUTORY BASIS: • *Kansas Constitution*, Article 1, Section 1, KSA 75-709, 75-710, 75-3111, 75-3717, 75-3729, 75-3736, 75-4701, and 75-5501

PROGRAM GOALS:

- Provide timely and accurate information to the Legislature and the public on legal matters affecting the state, and provide for the effective servicing of citizen advisory groups.
- Provide skilled and comprehensive administrative support to the Office of the Attorney General.
- Inform and educate the electronic and print news media about the Office of the Attorney General, the actions and activities of the Attorney General as they relate to matters of public interest, and laws of the State of Kansas.
- Discuss and prepare, in a timely manner, accurate information for testimony to, or for, meetings with the Kansas Legislature.
- Prepare and present the annual budget and support it before the Division of the Budget, Governor, and Legislature.

The Administration Division is responsible for the accounting, budgeting, purchasing, information technology, and human resources functions for the agency. This program is also responsible for providing timely and accurate

information to the Legislature and the public on legal matters affecting the state, and providing for the effective servicing of citizen advisory groups.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
1. Number of Formal Releases of Opinions, News, Information, and the Attorney General's Consumer Protection Advice*	298	252	280	275	275
2. Percentage of Fiscal Note Inquiries Responded to in a Timely Manner*	98.0 %	99.0 %	98.0 %	100.0 %	100.0 %
3. Number of Fiscal Note Inquiries Responded to in a Timely Manner*	63	99	80	65	75

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
4. Number of Brochures, Documents, Reports, Media Releases, Videos, and Other Informational Materials Created or Made Available on Agency Website*	7,618	8,512	7,620	9,400	10,250
5. Number of Programs and Subprograms Addressed in The Strategic Plan Through Goals, Objectives, Strategies, Outcome, and Output Measures*	47	48	47	49	49
6. Number of Transactions*	10,948	10,089	11,009	10,250	10,500
7. Number of Openings for which Applications for Employment are Processed*	41	37	41	45	65
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ (2,984)	\$ 4,913		\$ 3,000	\$ 3,000
Federal Funds	-	65,686		-	-
All Other Funds	1,581,507	1,690,914		1,905,943	1,855,622
TOTAL	\$ 1,578,523	\$ 1,761,513		\$ 1,908,943	\$ 1,858,622
Percentage Change:					
SGF	(102.1) %	(264.6) %		(38.9) %	-- %
All Funds	31.7 %	11.6 %		8.4 %	(2.6) %
FTE Positions	12.7	17.0		17.0	17.0

* The Office of the Governor does not utilize this measure for evaluation purposes

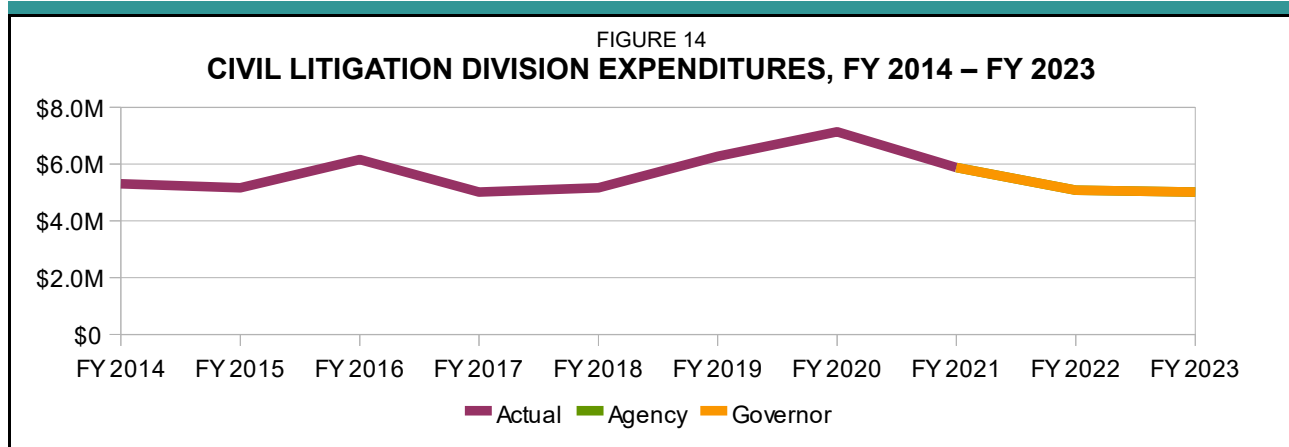
BUDGET ANALYSIS

The **agency** requests \$1.9 million, including \$3,000 SGF, for the Administration Division for FY 2023. This is an all funds decrease of \$50,321 below the FY 2022 revised estimate. This decrease is due to a decrease in contractual services expenditures for recruitment and staffing services as well as a

decrease in expenditures for building services and repairs. The SGF amount is unchanged from the FY 2022 revised estimate.

The **Governor** concurs with the agency request for FY 2023.

CIVIL LITIGATION DIVISION



STATUTORY BASIS: • KSA 60-4109 *et seq.*, 59-29a01 *et seq.*, 75-702, 75-6108, 75-6117, 50-6A01 *et seq.*, 45-215 *et seq.* 45-222, 45-251, 75-4320 *et seq.*

PROGRAM GOALS:

- Through sharing agreements, receive revenues derived from federal forfeiture cases with a state nexus to improve Assistant Attorney General and Appellate Attorney competency, and build the capability to effectively and efficiently present cases to juries through acquisition and use of quality equipment.
- Provide efficient, effective, and ethical legal representation on behalf of the State of Kansas in civil commitment proceeding for the extremely dangerous class of individuals determined to be sexually violent predators.
- In the defense of the State and/or its agencies and employees, ensure that every action or threatened action is responded to in a timely manner.

The Civil Litigation Division is responsible for providing for the defense of the State of Kansas and its agencies and employees in civil matters contested before Kansas or federal courts and before administrative agencies. This division is also responsible for carrying out the Attorney General's administration of the Kansas Tort Claims Fund and for providing or arranging for the defense of civil actions or proceedings against covered persons and entities. This division also acts as counsel for numerous smaller state agencies in disciplinary and licensure matters under the Kansas

Administrative Procedures Act or the Kansas Judicial Review Act. Among other duties assigned to this division are enforcement of the 1999 Tobacco Master Settlement Agreement, providing review and approval of trustee accounting for charitable trusts, providing assistance to state agencies involved in bankruptcy matters to protect against the discharge of debts owed to state government, and reviewing applications for the placement of tribal-owned land into trust with the federal government.

FIGURE 15
CIVIL LITIGATION DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Case files handled by the Civil Litigation Division*	2,506	2,066	2,176	2,100	2,200
2. Cases Using Outside Contract Counsel*	18	21	19	21	21
3. New Appellate Cases Opened Involving Appeals of Civil Litigation Division Cases*	11	12	12	12	12

FIGURE 15
CIVIL LITIGATION DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
4.Administrative Prosecution Cases*	1,083	852	795	900	950
5.Bankruptcy Cases Monitored to Protect the State's Interest*	45	70	44	50	40
Output Measure:					
6.Number of Kansas Open Meetings Act and Kansas Open Records Act Investigations Conducted by the OAG*	158	182	151	175	175
7.Number of Kansas Open Meetings Act and Kansas Open Records Act Complaints Referred to County or District Attorney*	5	17	10	10	10
8.Number of Potential Sexually Violent Predatory Cases Referred to the Prosecutor's Review Committee for Assessment*	295	368	348	300	300
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 1,448,115	\$ 790,086		\$ 633,394	\$ 634,209
Federal Funds	-	-		-	-
All Other Funds	5,691,087	5,092,291		4,447,770	4,378,594
TOTAL	\$ 7,139,202	\$ 5,882,377		\$ 5,081,164	\$ 5,012,803
Percentage Change:					
SGF	(6.2) %	(45.4) %		(19.8) %	0.1 %
All Funds	20.3 %	(17.6) %		(13.6) %	(1.3) %
FTE Positions	25.1	22.5		22.5	22.5

* The Office of the Governor does not utilize this measure for evaluation purposes.

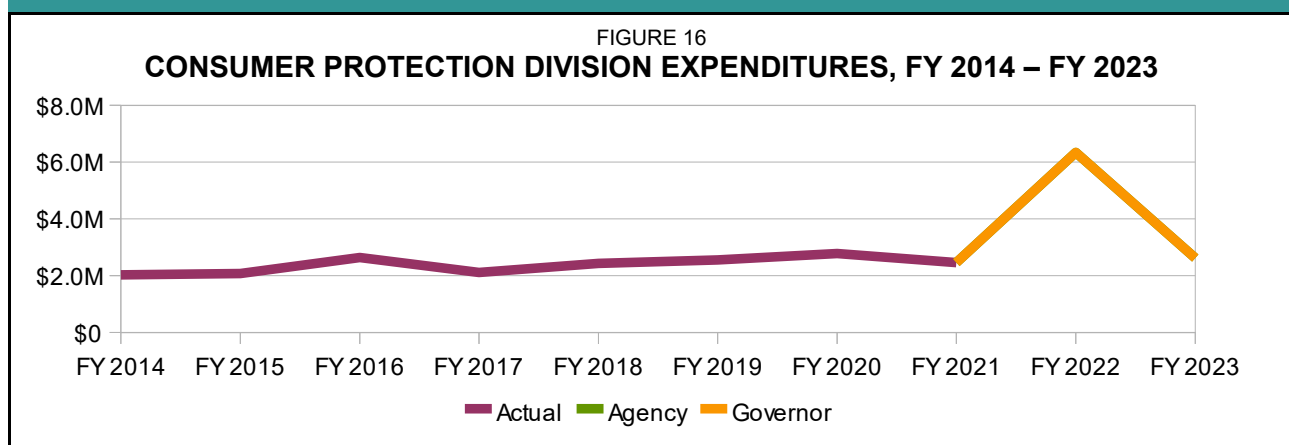
BUDGET ANALYSIS

The **agency** requests \$5.0 million, including \$634,209 SGF, for the Civil Litigation Division for FY 2023. This is an all funds decrease of \$68,361 below the FY 2022 revised estimate and an SGF increase of \$815 above the FY 2022 revised estimate. The decrease is primarily attributable to a decrease in transfers to local units of government for county and

district attorneys in Kansas prosecuting those charged with violating the Kansas Criminal Code.

The **Governor** concurs with the agency request for FY 2023.

CONSUMER PROTECTION DIVISION



STATUTORY BASIS: • KSA 50-623 through 50-643, 50-6,121 *et seq.*, 50-6,109 *et seq.*

PROGRAM GOALS:

- Provide efficient, effective, and ethical enforcement of the Kansas Consumer Protection Act and other state and federal consumer protection laws.
- Provide efficient and effective education of the public, law enforcement officials, legal profession, and providers of goods and services on issues related to consumer protection laws.
- Investigate and recommend for prosecution any violation of the Roofing Registration Act.
- Enforce the Scrap Metal Theft Reduction Act through suspension and revocation of registration certificates.
- Provide efficient, effective, and ethical enforcement of state and federal antitrust laws on antitrust matters referred to the OAG, and ensure each allegation is examined by an Assistant Attorney General and that appropriate action is taken.

The Consumer Protection Division is responsible for safeguarding the citizens of Kansas by educating consumers and businesses and providing efficient, effective, and ethical enforcement of the Kansas Consumer Protection Act, the Kansas Charitable Organizations and Solicitations Act,

state and federal antitrust laws, racial or other bias-based policing laws, the Kansas False Claims Act, the Kansas Roofing Registration Act, the Kansas No Call Act, and criminal statutes that are tied to consumer complaints, including identity theft and financial elder abuse.

FIGURE 17
CONSUMER PROTECTION DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of Filed Kansas Consumer Protection Act Complaints Processed in a Timely Manner*	95.0 %	98.0 %	97.0 %	99.0 %	99.0 %
2. Percent of Requests for Consumer Educational Outreach Presentations Granted*	100.0 %	91.0 %	96.0 %	97.0 %	97.0 %
3. Percent of Kansas No Call Act Complaint Files in which Timely Responses are Filed, Served, or Conveyed*	95.0 %	100.0 %	98.0 %	99.0 %	99.0 %

FIGURE 17 CONSUMER PROTECTION DIVISION, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
4. Percent of Submitted Roofing Registrations which were Reviewed and Responded to within 60 days*	100.0 %	99.0 %	100.0 %	99.0 %	99.0 %
5. Percent of Submitted Scrap Metal Registrations which were Reviewed and Responded to within 30 days*	N/A	100.0 %	100.0 %	99.0 %	99.0 %
Output Measure:					
6. Complaint Files Opened*	2,817	3,856	3,024	3,500	3,500
7. Complaints Resolved or Closed*	2,626	4,032	3,039	3,500	3,500
8. Amount of Consumer Savings Returned Directly to Consumers, as a Result of Investigations (Dollars in Millions)*	\$ 2.3	\$ 2.1	\$ 2.4	\$ 2.0	\$ 2.0
9. Amount of Penalties and Fees Recovered in Enforcement Actions Deposited into the SGF as Consistent with Related Court Order*	\$ 11,559	\$ 77,432	\$ 55,579	\$ 50,000	\$ 50,000
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 135,437	\$ 136,645		\$ 131,594	\$ 131,730
Federal Funds	-	-		-	-
All Other Funds	2,649,380	2,323,658		6,211,859	2,487,549
TOTAL	\$ 2,784,817	\$ 2,460,303		\$ 6,343,453	\$ 2,619,279
Percentage Change:					
SGF	5.2 %	0.9 %		(3.7) %	0.1 %
All Funds	3.6 %	(11.7) %		157.8 %	(58.7) %
FTE Positions	27.7	23.8		24.8	24.8

* The Office of the Governor does not utilize this measure for evaluation purposes.

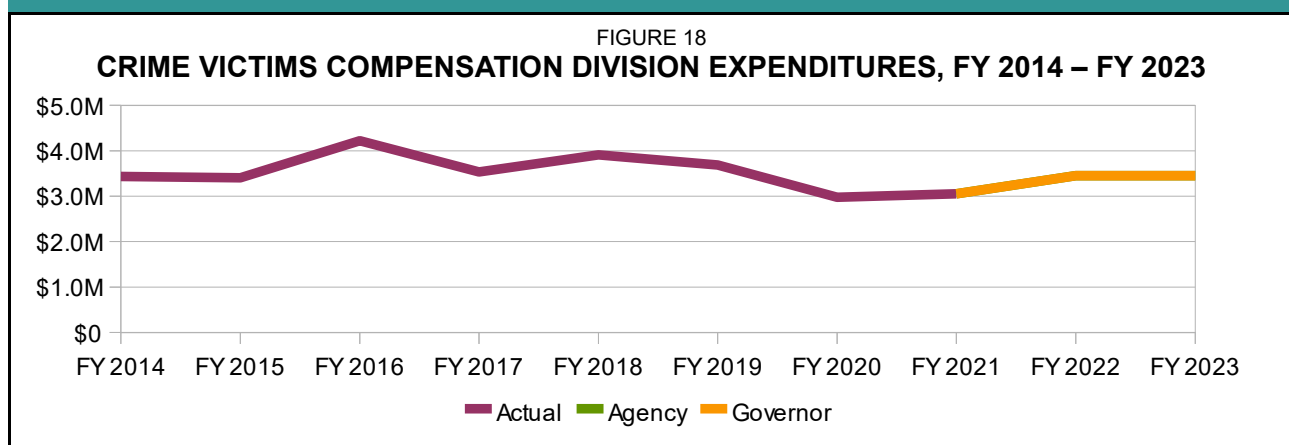
BUDGET ANALYSIS

The **agency** requests \$2.6 million, including \$131,730 SGF, for the Consumer Protection Division for FY 2023. This is an all funds decrease of \$3.7 million, including an SGF increase of \$136, from the FY 2022 revised estimate. This all funds decrease is primarily attributable to expenditures from the Kansas Fights Addiction and Municipalities Fight Addiction Grant Fund for assistance to local entities in FY 2022 that do not reoccur for FY 2023. These funds are a result of the opioid

litigation settlement and are intended for projects and activities that prevent, reduce, treat, or mitigate the effects of substance abuse and addiction, or to reimburse a municipality for expenses related to previous substance abuse mitigation.

The **Governor** concurs with the agency request for FY 2023.

CRIME VICTIMS COMPENSATION DIVISION



STATUTORY BASIS: • KSA 74-7302, 74-7304, 74-7305, 74-7312, 74-3217, 74-3333, and 75-773

PROGRAM GOALS: • Award just compensation to the victims of crime for economic loss arising from criminally injurious conduct.
 • Obtain additional funds to satisfy victim's claims through the pursuit of subrogation rights, restitution, and fees from offenders.
 • Assist crime victims in connecting with resources beyond crime victims compensation.

The Crime Victims Compensation Division is responsible for supporting the Crime Victims Compensation Board to ensure that monetary compensation is awarded to victims of crime for economic loss resulting from criminal conduct and in obtaining funds to satisfy victims' claims through the pursuit of subrogation rights,

restitution, and fees from offenders. As part of this responsibility, this division seeks to educate public officers and employees, health care providers, judges, attorneys, law enforcement officers, victims' advocates, and others about the Board and the division.

FIGURE 19
CRIME VICTIMS COMPENSATION DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of Claims Processed in 75 Days or Less*	95.0 %	95.0%	95.0 %	95.0 %	95.0 %
2. Percentage of Referrals Made by Law Enforcement*	23.0 %	23.0 %	22.0 %	20.0 %	20.0 %
3. Percent of Referrals Made by Providers*	30.0 %	31.0 %	29.0 %	30.0 %	30.0 %
4. Percent of Referrals Made by Victim Advocates*	38.0 %	38.0 %	40.0 %	30.0 %	30.0 %
5. Percent of Referrals Made by Prosecutors*	9.0 %	8.0 %	9.0 %	20.0 %	20.0 %
Output Measure:					
6. Claims Processing Data: New Claims*	1,298	1,598	1,448	1,650	1,700
7. Claims Processing Data: Claims Approved*	704	813	759	850	900
8. Claims Processing Data: Claims Denied*	114	91	103	85	90

FIGURE 19

CRIME VICTIMS COMPENSATION DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
9.Amount Paid in Claims* Compensation (Dollars in Millions)*	\$ 2.6	\$ 2.6	\$ 2.8	\$ 3.5	\$ 3.8
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	508,838	1,460,859		1,243,900	1,243,900
All Other Funds	2,466,622	1,593,756		2,209,792	2,210,333
TOTAL	\$ 2,975,460	\$ 3,054,615		\$ 3,453,692	\$ 3,454,233
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(19.3) %	2.7 %		13.1 %	0.0 %
FTE Positions	5.9	6.0		6.0	6.0

* The Office of the Governor does not utilize this measure for evaluation purposes.

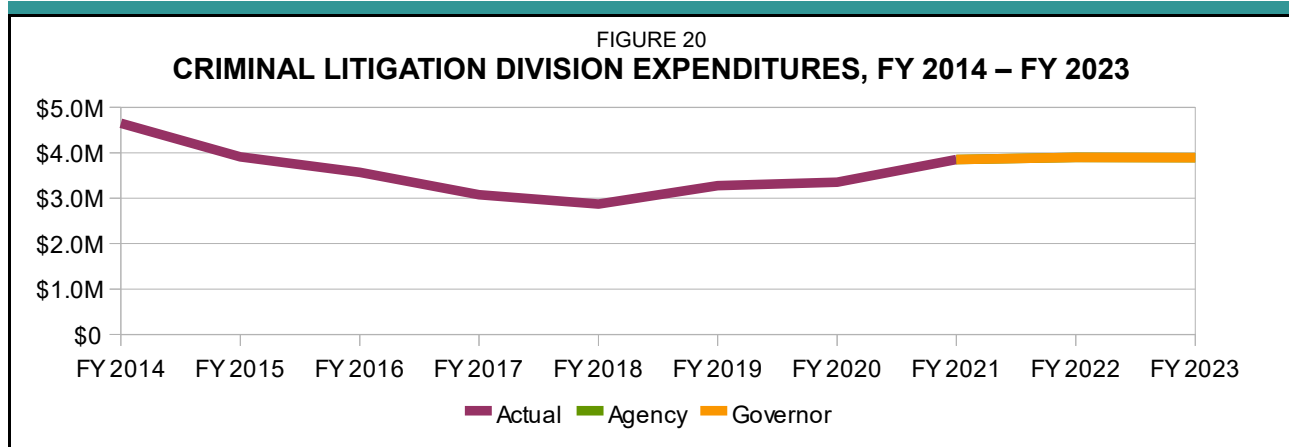
BUDGET ANALYSIS

The **agency** requests \$3.5 million, all from special revenue funds, for the Crime Victims Compensation Division for FY 2023. This is an increase of \$541 above the FY 2022 revised estimate. This increase is attributable to an increase in salaries and wages expenditures for

employee fringe benefits including group health insurance.

The **Governor** concurs with the agency request for FY 2023.

CRIMINAL LITIGATION DIVISION



STATUTORY BASIS: • *Kansas Constitution*, Article 1, Section 1, KSA 22-2202(r), 75-702, 75-704, 75-708

PROGRAM GOALS: • Build and sustain a group of highly skilled prosecutors who can efficiently, effectively, and ethnically prosecute persons charged with violations of Kansas criminal law.
• Support law enforcement-related investigations in accordance with the Kansas Attorney General's statutory and constitutional duties.

The Criminal Litigation Division is responsible for providing legal advice, support, and aid to Kansas counties and district attorneys prosecuting those charged with violating the Kansas Criminal Code. This division also sustains appellate attorneys representing the State in criminal direct appeals and collateral appeals before state and federal appellate courts. Additionally, this division provides representation for the State in civil commitment proceedings for those deemed to be sexually violent predators. This division investigates complaints of abuse of children processed in the Kansas Department for Aging and Disability

Services and the Kansas Department of Corrections. Other duties of this division include establishing sharing agreements to receive revenues from federal forfeiture cases; investigating and licensing applicants for concealed carry weapons; providing licensing services and maintaining information on persons and agencies such as private detectives and agencies; and maximizing the use of the Kansas Intelligence Fusion Center, which produces intelligence analysis of terrorism threats, biological threats, and cyber-warfare.

FIGURE 21
CRIMINAL LITIGATION DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of New Concealed Carry Licenses Issued*	4,645	6,893	5,273	6,000	5,000
2. Number of Concealed Carry Renewals Issued*	12,630	14,532	13,264	25,000	22,000
Output Measure:					
3. Criminal Cases Accepted from County and District Attorney Offices	22	41	36	40	40
4. Jury Trials Conducted*	2	2	3	10	10

FIGURE 21 CRIMINAL LITIGATION DIVISION, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
5.Training Events Provided to Outside Entities*	16	4	19	10	20
6.Criminal Cases Accepted for Prosecution*	3	-	2	2	3
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 1,568,638	\$ 1,938,352		\$ 2,186,103	\$ 2,143,441
Federal Funds	283,157	216,017		241,853	263,287
All Other Funds	1,499,695	1,696,494		1,468,118	1,482,484
TOTAL	\$ 3,351,490	\$ 3,850,863		\$ 3,896,074	\$ 3,889,212
Percentage Change:					
SGF	(1.7) %	23.6 %		12.8 %	(2.0) %
All Funds	2.2 %	14.9 %		1.2 %	(0.2) %
FTE Positions	29.7	32.3		32.3	32.3

* The Office of the Governor does not utilize this measure for evaluation purposes.

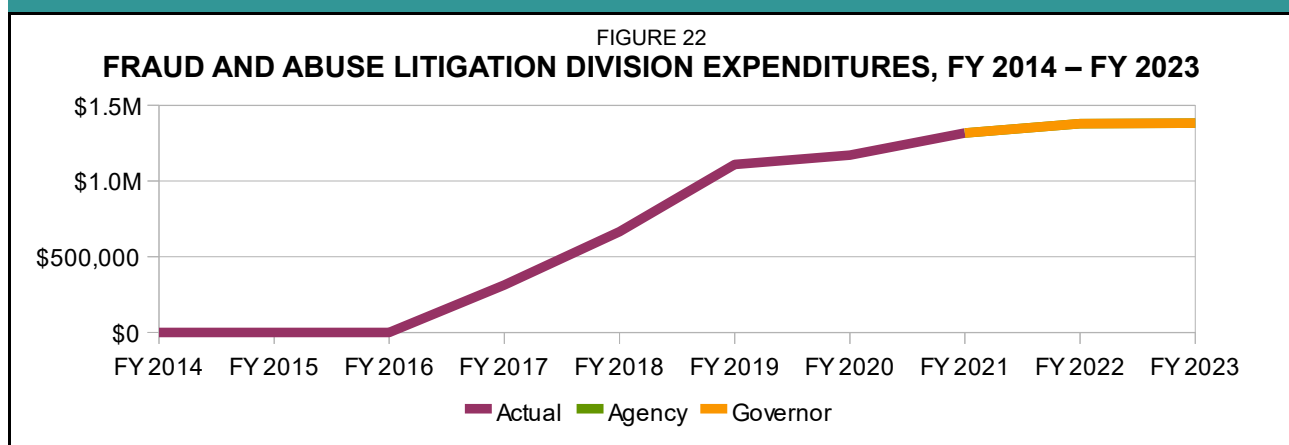
BUDGET ANALYSIS

The **agency** requests \$3.9 million, including \$2.1 million SGF, for the Criminal Litigation Division for FY 2023. This is an all funds decrease of \$6,862, including an SGF decrease of \$42,662, below the FY 2022 revised estimate. This decrease is due to a decrease in contractual services expenditures for the state buildings capital charge and for staffing and

recruiting expenditures. This decrease in contractual services is partially offset by an increase in salaries and wages expenditures for employee fringe benefits.

The **Governor** concurs with the agency request for FY 2023.

FRAUD AND ABUSE LITIGATION DIVISION



Staff Note: The Fraud and Abuse Litigation Division was established in FY 2016, but no expenditures were made for this purpose until FY 2017.

STATUTORY BASIS: • KSA 22-2202(q), 75-702, 75-704, 75-708, 75-721, 75-723

PROGRAM GOALS:

- Provide efficient, effective, and ethical enforcement of the applicable criminal statutes pertaining to general white-collar crimes, insurance fraud, securities fraud, and cases generated by the Kansas Department of Revenue.
- Participate in the review, referral, investigation, prevention, and prosecution of abuse, neglect, and exploitation cases involving adults.
- Develop and maintain a coordinated response to prevent serious harm and deaths of vulnerable adults.
- Provide training and resources for Kansas school-based police to reduce victimization of youth and help ensure a safer environment for the youth of Kansas.

The Fraud and Abuse Litigation Division is responsible for the requirements of KSA 75-723, which allow for the Attorney General to assist in the investigation and prosecution of cases involving abuse, neglect, or exploitation of adults, as well as cases involving a financial component. This division serves as a statewide resource for local authorities in investigating and prosecuting such cases. This division also

provides for education for lawyers, law enforcement, and the general public.

The 2017 Legislature relocated existing prosecution resources from the Office of the Securities Commissioner and the Kansas Insurance Department to the Office of the Attorney General. These resources are now located within the Fraud and Abuse Litigation Division.

FIGURE 23
FRAUD AND ABUSE LITIGATION DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
1.General White Collar Cases being Criminally Litigated*	41	40	37	44	44
2.Kansas Department of Revenue Cases being Litigated*	38	35	34	38	38
3.Law Enforcement Referrals by State Agencies Regarding Abuse, Neglect, and Exploitation of Adults Requiring Review and Potential Follow Up*	5,201	4,694	4,986	5,000	5,000

FIGURE 23					
FRAUD AND ABUSE LITIGATION DIVISION, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
4.Substantiated Cases of Abuse, Neglect, and Exploitation of Adults Forwarded by State Agencies Requiring Review and Potential Follow Up*	672	498	612	650	650
5.Cases Being Criminally Litigated*	19	15	16	12	12
6.Silver Alerts*	34	32	29	35	35
7.Educational Presentations Made to Law Enforcement, Prosecutors, or the General Public*	14	16	15	12	12
8.Number of Officers Trained Through the Drug Abuse Resistance Education (DARE) and School Resource Officer Training Programs*	173	38	128	100	160
9.Number of Educational Programs Participated in and Outreach Conducted*	13	17	20	15	25
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 330,775	\$ 377,741		\$ 414,631	\$ 363,149
Federal Funds	45,674	55,041		69,701	64,056
All Other Funds	794,537	884,498		893,584	955,452
TOTAL	\$ 1,170,986	\$ 1,317,280		\$ 1,377,916	\$ 1,382,657
Percentage Change:					
SGF	2.3 %	14.2 %		9.8 %	(12.4) %
All Funds	5.6 %	12.5 %		4.6 %	0.3 %
FTE Positions	12.0	12.3		12.3	12.3

* The Office of the Governor does not utilize this measure for evaluation purposes.

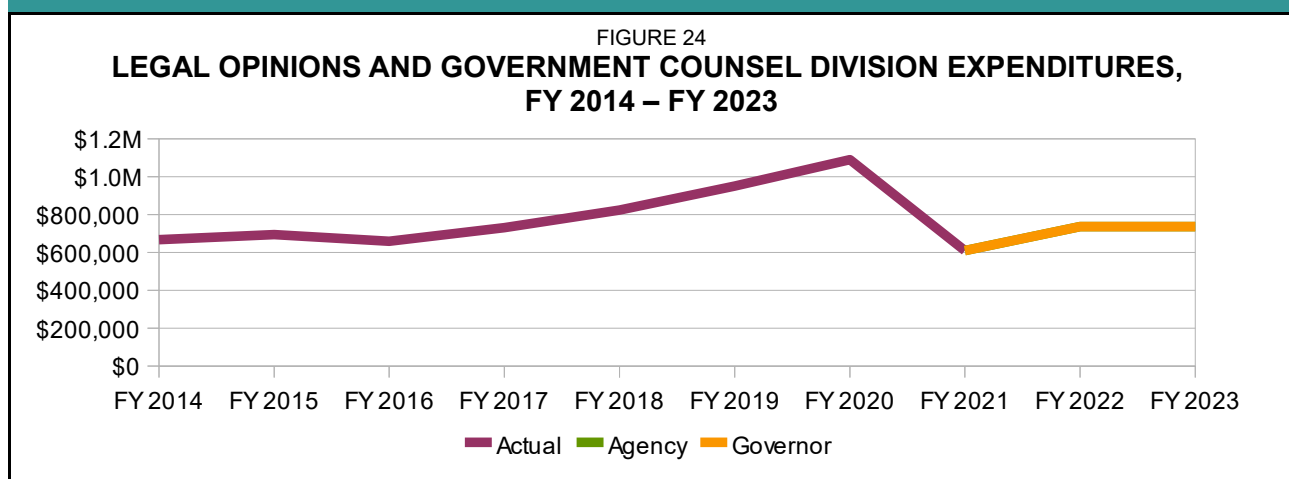
BUDGET ANALYSIS

The agency requests \$1.4 million, including \$363,149 SGF, for the Fraud and Abuse Litigation Division for FY 2023. This is an all funds increase of \$4,741, including an SGF decrease of \$51,482, from the FY 2022 revised estimate. The decrease in SGF is attributable to a corresponding increase in expenditures from special revenue funds for FY 2023. The all funds increase is primarily attributable to an increase in salaries and wages expenditures for

employee fringe benefits including group health insurance. Other increases include expenditures for contractual services for the state buildings capital charge and state buildings operating charge for FY 2023.

The **Governor** concurs with the agency request for FY 2023.

LEGAL OPINIONS AND GOVERNMENT COUNSEL DIVISION



STATUTORY BASIS: • KSA 10-108, 22-4606 *et seq.*, 41-201, 45-216, 45-218, 75-4317, 75-704, 75-750, 75-761, 75-769, 77-701 *et seq.*

PROGRAM GOALS:

- Provide formal written opinions to the Legislature, Governor, Secretary of State, State Board of Education, Commissioner of Insurance, and other public officials that may settle a question of law or provide a certain and uniform method of analyzing a legal question in an unbiased manner.
- Provide County and District Attorneys with consultation and advice in all matters pertaining to their official duties.
- Research and issue written legal opinions requested by legislators, public agencies, and officials.
- Annually update guidelines to assist state agencies in evaluating proposed governmental actions and in determining whether such actions may constitute a taking.
- Respond to inquiries of the public, as directed by Administration, by providing information and directing individuals to appropriate public agencies or private entities for assistance as needed.

The Legal Opinions and Government Counsel Division is responsible for researching and issuing written legal opinions requested by legislators, public agencies, and other officials; reviewing new and amended proposed agency rules and regulations; and reviewing bond issue and temporary note transcripts and easements, special assessments, deeds, and leases on state property. This division also serves as general counsel to 30 state agencies, boards,

and commissions that have no in-house counsel. This division is also responsible for providing public education and training on the Kansas Open Meetings Act and the Kansas Open Records Act. In addition, this division is responsible for investigating potential violations of the Kansas Architectural Accessibility Act. This division recently assumed responsibility for the Racial or Other Bias-Based Policing duties of the Attorney General.

FIGURE 25
LEGAL OPINIONS AND GOVERNMENT COUNSEL DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of Written Legal Opinions Requested that are Considered in a Timely Manner*	99.0 %	99.0 %	99.0 %	99.0 %	99.0 %

FIGURE 25

LEGAL OPINIONS AND GOVERNMENT COUNSEL DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
2. Percent of Communication Responded to in a Timely Manner*	99.0 %	99.0 %	99.0 %	99.0 %	99.0 %
3. Percentage of Proposed State Agency Regulations Reviewed in a Timely Manner*	99.0 %	99.0 %	99.0 %	99.0 %	99.0 %
4. Percent of Racial Profiling Complaints which were Acknowledged within 10 Days*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
5. Percent of Non-Exempt Agencies Filing Biased-Based Policing Annual Reports*	94.0 %	99.0 %	97.0 %	99.0 %	99.0 %
Output Measure:					
6. Number of Legal Opinions Issued*	12	6	11	15	15
7. Number of Bond or Temporary Note Transcripts Reviewed*	319	336	294	340	340
8. Number of Kansas Open Meetings Act and Kansas Open Records Act Presentations*	35	43	35	50	50
9. Number of Inquiries (e.g. Emails Letters, and Telephone Calls) Regarding Kansas Open Meetings Act and Kansas Open Records Act, Including Reports*	3,173	3,254	2,951	3,300	3,300
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 455,394	\$ 340,750		\$ 279,979	\$ 279,862
Federal Funds	-	-		-	-
All Other Funds	634,448	269,813		456,573	456,305
TOTAL	\$ 1,089,842	\$ 610,563		\$ 736,552	\$ 736,167
Percentage Change:					
SGF	(29.8) %	(25.2) %		(17.8) %	(0.0) %
All Funds	14.7 %	(44.0) %		20.6 %	(0.1) %
FTE Positions	9.3	6.5		5.5	5.5

* The Office of the Governor does not utilize this measure for evaluation purposes.

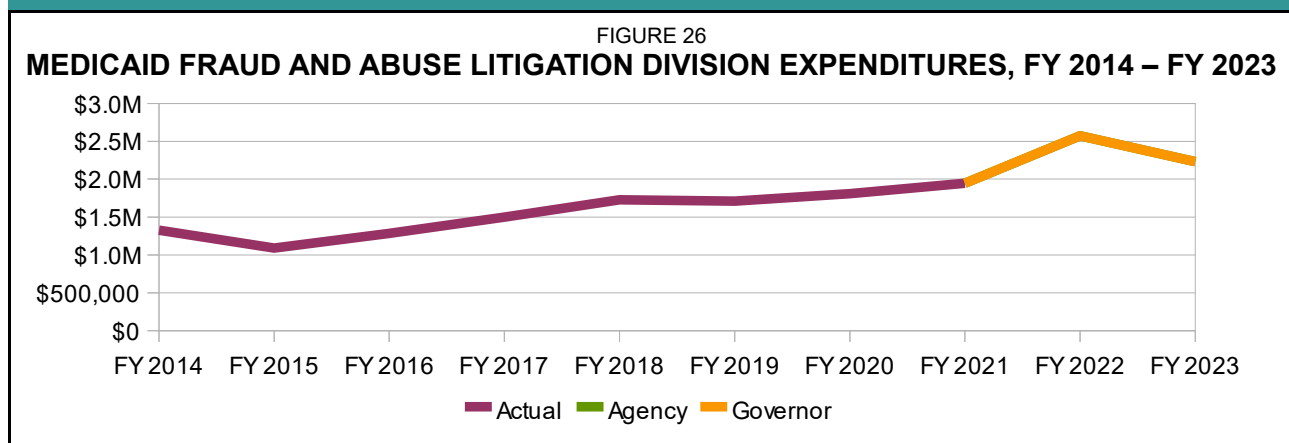
BUDGET ANALYSIS

The **agency** requests \$736,167, including \$279,862 SGF, for the Legal Opinions and Government Counsel Division for FY 2023. This is an all funds decrease of \$385, including an SGF decrease of \$117, below the FY 2022 revised estimate. This decrease is primarily attributable to a decrease in salaries and wages expenditures due to a decrease in employer contributions to employee fringe benefits

including unemployment compensation. The remaining decrease is attributable to a decrease in contractual services for communications services for FY 2023.

The **Governor** concurs with the agency request for FY 2023.

MEDICAID FRAUD AND ABUSE LITIGATION DIVISION



STATUTORY BASIS: • KSA 21-5925 *et seq.*, 75-725, and 75-726

- PROGRAM GOALS:**
- Efficiently, effectively, and ethically investigate and litigate against providers found to be committing fraud in or against the Kansas Medicaid program, recover state and federal moneys fraudulently obtained by Medicaid providers, and reimburse the appropriate state and federal agencies.
 - Staff a Division, independent of the State Medicaid Agency (Kansas Department of Health and Environment, Division of Health Care Finance) that will develop and implement specific procedures to effectively investigate and litigate civil instances of fraud and Medicaid provider.
 - Review allegations of patient abuse, neglect, or the exploitation or misappropriation of patients' private funds committed by health care providers in residential care facilities that receive Medicaid funds.
 - Create procedures to ensure that Medicaid providers and the general public are provided with relevant information concerning Medicaid provider fraud and vulnerable adult abuse, neglect, and exploitation.

The Medicaid Fraud and Abuse Litigation Division is responsible for receiving, investigating, and prosecuting, either civilly or criminally, all cases of suspected fraud by Medicaid providers committed against the Kansas Medicaid program. This division is tasked with recovering state and federal tax moneys fraudulently obtained by Medicaid

providers and for returning said moneys to the appropriate state and federal agencies. In addition, this division receives, investigates, and prosecutes allegations of patient abuse, neglect, or exploitation or misappropriation of patients' private funds committed by health care providers in residential care facilities receiving Medicaid funds.

FIGURE 27
MEDICAID FRAUD AND ABUSE LITIGATION DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Medicaid Open Investigations being Handled by the Division*	293	261	268	275	300
2.Number of Sentences and Judgments Received*	2	2	8	30	40
3.Number of Medicaid Provider Fraud Open Criminal Investigations being handled by the Division	152	145	145	160	170

FIGURE 27					
MEDICAID FRAUD AND ABUSE LITIGATION DIVISION, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
4. Number of Medicaid Provider Fraud Cases Filed*	1	1	3	25	25
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	1,338,218	1,455,278		1,928,911	1,671,892
All Other Funds	470,773	487,960		642,969	557,297
TOTAL	\$ 1,808,991	\$ 1,943,238		\$ 2,571,880	\$ 2,229,189
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	5.8 %	7.4 %		32.4 %	(13.3) %
FTE Positions	24.0	24.0		24.0	24.0

* The Office of the Governor does not utilize this measure for evaluation purposes.

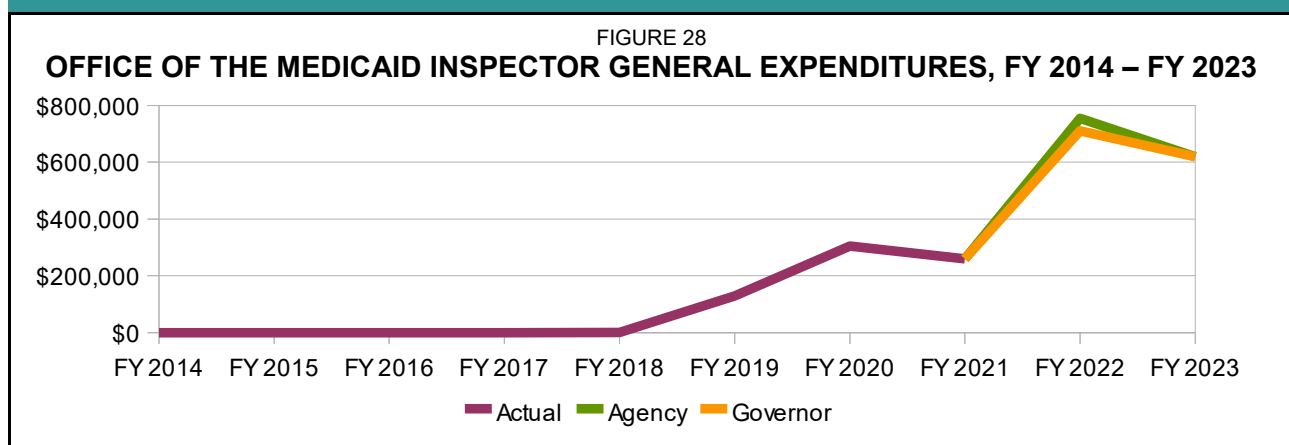
BUDGET ANALYSIS

The **agency** requests \$2.2 million, all from special revenue funds, for the Medicaid Fraud and Abuse Litigation Division for FY 2023. This is a decrease of \$342,691 below the FY 2022 revised estimate. This decrease is primarily attributable to a decrease in contractual service expenditures due to building repair and service

expenditures in FY 2022 that do not reoccur for FY 2023.

The **Governor** concurs with the agency request for FY 2023.

OFFICE OF THE MEDICAID INSPECTOR GENERAL



Staff note: The Office of the Medicaid Inspector General was established in FY 2017, but no expenditures were made for this purpose until FY 2018.

STATUTORY BASIS: • KSA 75-7427

- PROGRAM GOALS:**
- Establish a full-time program of audit, investigation, and performance review to provide increased accountability, integrity, and oversight to the state Medicaid program, the state MediKan program, and the state children's health insurance program and to assist in improving agency and program operations.
 - Staff an office, independent of the State Medicaid Agency (Kansas Department of Health and Environment, Division of Health Care Finance), that will develop and implement specific procedures to effectively and efficiently audit, investigate, and provide performance reviews to increase accountability, integrity, and oversight of the State Medicaid Agency programs.

The Office of the Medicaid Inspector General is responsible for meeting the duties given to the Medicaid Inspector General, pursuant to KSA 75-7427. Those responsibilities include establishing a full-time program of audit, investigation, and performance review to provide increased accountability, integrity, and oversight of the state Medicaid program, the state MediKan program, and the state children's health insurance program. The Office also

assists in improving agency and program operations and in deterring and identifying fraud, waste, abuse, and illegal acts.

The 2017 Legislature transferred the Office of the Medicaid Inspector General from the Kansas Department of Health and Environment to the Office of the Attorney General, pursuant to 2017 SB 149.

FIGURE 29
OFFICE OF THE MEDICAID INSPECTOR GENERAL, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Audits, Reviews, and Investigations Completed*	5	2	4	10	15
2.Number of Audits, Reviews, and Investigation-related trainings attended by IG Staff*	36	11	17	18	24
3.Number of Program Integrity Related Meetings and Conferences Attended by IG Staff*	30	22	20	26	26

FIGURE 29

OFFICE OF THE MEDICAID INSPECTOR GENERAL, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
4. Number of Recommendations for Improving Outcomes and Processes Provided to the Attorney General*	10	-	3	9	12
5. Number of Referrals Received and Evaluated by IG Staff*	351	1,033	692	1,200	1,250
6. Number of Allegations Referred for Further Civil or Criminal Investigation*	6	32	19	35	35
7. Amount of Money Identified for Repayment or Recovery*	\$ 6,044	\$ 1,362,470	\$ 684,257	\$ 3,200,000	\$ 3,800,000
8. Amount of Monetary Savings or Wasteful Spending Identified*	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 2,250,000
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 302,770	\$ 258,190		\$ 710,727	\$ 618,920
Federal Funds	-	-		-	-
All Other Funds	2,276	1,541		-	-
TOTAL	\$ 305,046	\$ 259,731		\$ 710,727	\$ 618,920
Percentage Change:					
SGF	138.5 %	(14.7) %		175.3 %	(12.9) %
All Funds	135.8 %	(14.9) %		173.6 %	(12.9) %
FTE Positions	4.0	4.0		4.0	6.0

* The Office of the Governor does not utilize this measure for evaluation purposes.

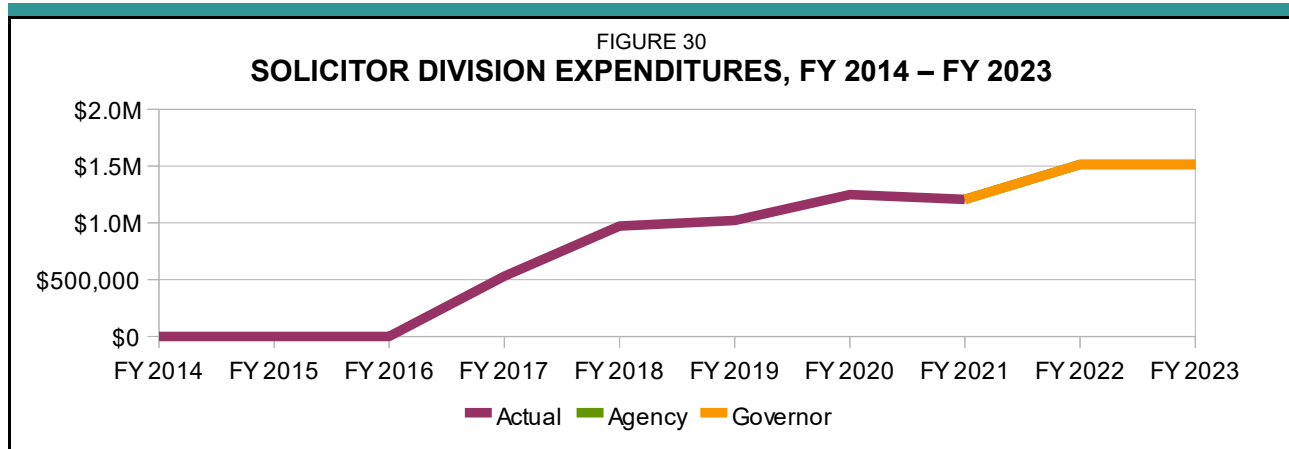
BUDGET ANALYSIS

The **agency** requests \$618,920, all SGF, for the Office of the Medicaid Inspector General for FY 2023. This is a decrease of \$135,126 below the FY 2022 revised estimate. This decrease is primarily attributable to capital outlay expenditures for the purchase of computer and

office equipment in FY 2022 that do not reoccur for FY 2023.

The **Governor** concurs with the agency request for FY 2023.

SOLICITOR DIVISION



* The Solicitor Division was established in FY 2016, but no expenditures were made for this purpose until FY 2017.

STATUTORY BASIS: • KSA 22-3612, 60-1501, 60-1507, 75-105, 75-702, 75-704, 75-710, 75-6108, 75-6116

PROGRAM GOALS: • Build and sustain a team of appellate attorneys who can efficiently, effectively, and ethically represent the State of Kansas in criminal direct appeals and collateral appeals before state and federal appellate courts.

- Contract with County and District Attorneys across the state to handle criminal appeals on behalf of the county for the entire fiscal year for a pre-set fee with a goal toward achieving efficiency, economies of scale, and greater uniformity in the handling of the State's criminal appellate work.

The Solicitor Division is responsible for representing the State of Kansas in appeals before state and federal appellate courts. This division was created as a free-standing division within the Office of the Attorney General in FY 2017, consolidating components that were housed in the Administration, Civil Litigation, and Criminal Litigation divisions of the agency. Four programs are housed within the Solicitor Division, detailed below:

CIVIL APPEALS

The Civil Appeals program represents the State of Kansas in civil appeals before state and federal courts.

CRIMINAL APPEALS

The Criminal Appeals program represents the State of Kansas in criminal direct appeals before state and federal appellate courts.

CONTRACTED COUNTY CRIMINAL APPEALS

The Contracted County Criminal Appeals program represents the State of Kansas in criminal direct appeals and collateral appeals before state and federal appellate courts by contracting with county and district attorneys throughout the state.

REVIEW OF NOTICES OF CONSTITUTIONAL CHALLENGES

The Review of Notices of Constitutional Challenges program receives and reviews notices when the validity of a Kansas law is challenged on grounds that the law violates the state constitution, federal constitution, or federal law, pursuant to KSA 75-764.

FIGURE 31
SOLICITOR DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
1. Number of Civil Amicus Briefs Reviewed and Acted on by the Agency*	120	116	116	120	120
2. Number of New Appellate Cases Filed*	21	27	23	30	30
3. State Appellate Briefs Completed and Filed*	26	28	23	30	30
4. Number of Counties Under Contract for Appellate Services*	37	41	37	40	40
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 721,893	\$ 848,264		\$ 786,982	\$ 618,688
Federal Funds	2,398	2,960		3,000	3,000
All Other Funds	524,378	356,479		724,954	892,352
TOTAL	\$ 1,248,669	\$ 1,207,703		\$ 1,514,936	\$ 1,514,040
Percentage Change:					
SGF	17.1 %	17.5 %		(7.2) %	(21.4) %
All Funds	22.2 %	(3.3) %		25.4 %	(0.1) %
FTE Positions	10.8	12.7		12.7	12.7

* The Office of the Governor does not utilize this measure for evaluation purposes.

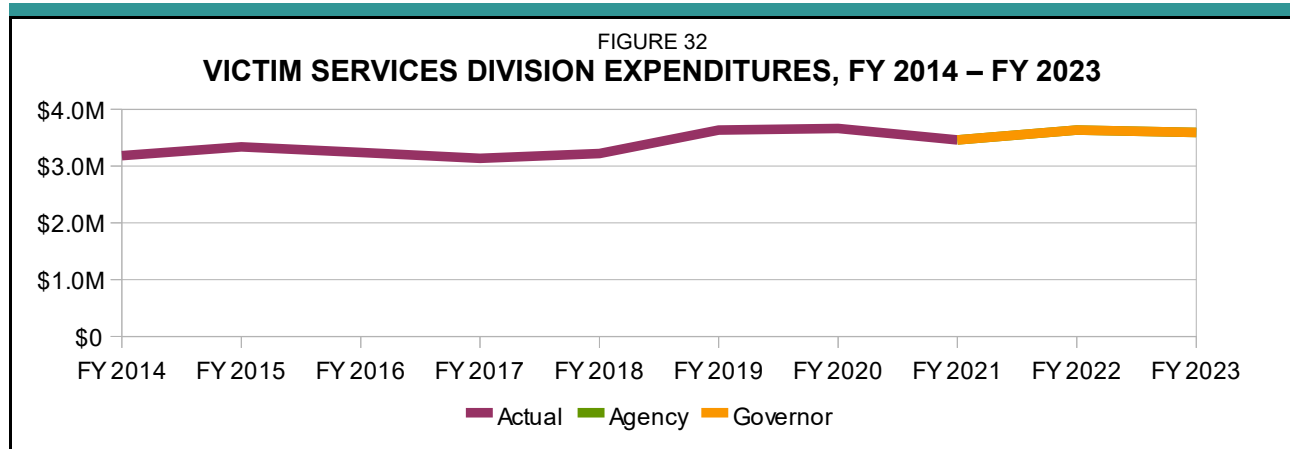
BUDGET ANALYSIS

The **agency** requests \$1.5 million, including \$618,688 SGF, for the Solicitor Division for FY 2023. This is an all funds decrease of \$896, including an SGF decrease of \$168,294, below the FY 2022 revised estimate. The all funds decrease is attributable to a decrease in salaries and wages expenditures for employer contributions to employee fringe benefits

including unemployment compensation. The SGF decrease is primarily attributable to an increase in Tort Claims funds utilized in place of SGF for operating expenditures.

The **Governor** concurs with the agency request for FY 2023.

VICTIM SERVICES DIVISION



STATUTORY BASIS: • KSA 22a-241 through 22a-244, 74-7333, 74-7337, 75-772, and 75-756 through 75-759

PROGRAM GOALS:

- Strengthen and enhance the quality of services to victims and witnesses of crime in all 105 counties of the state.
- Improve local response to victims by providing technical assistance and resource material to local crime victim services and witness assistance programs in all counties of Kansas.
- Conduct a review of all child deaths in Kansas and provide guidance and information to advocacy groups, law enforcement agencies, and other related agencies in all 105 Kansas counties regarding trends, risk factors, and patterns surrounding child death.
- Coordinate and enhance the efforts to stop the commercial exploitation of children and other forms of human trafficking in Kansas.
- Work towards having zero deaths by suicide of Kansas youth through the identification, creation, coordination, and support of youth suicide awareness and prevention efforts throughout the state.

The Victim Services Division is responsible for meeting the duties given to the statewide Victims Rights Coordinator, pursuant to KSA 74-7337, and assuring that victims are afforded their rights per the Kansas Crime Victims Bill of Rights, pursuant to KSA 74-7333. The statutory responsibilities assigned to the Victims Rights

Coordinator include creating, coordinating, and assisting in the operation of local victim-witness programs throughout the state; responding to a statewide victims rights telephone hotline; and administering the Kansas Crime Victims Assistance Fund.

FIGURE 33
VICTIMS SERVICES DIVISION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Domestic Violence Offenders Served by a Certified Program*	3,654	3,666	4,129	4,000	4,000
2.Number of Collaborative Meetings and Contacts with Intervention Services Providers or Community Partners*	1,222	1,518	1,615	1,700	1,700

FIGURE 33 VICTIMS SERVICES DIVISION, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
3.Number of Child Death Cases the Child Death Review Board Referred to the County Attorney for Further Investigation or Review*	9	2	6	4	4
4.Number of Anti-Human Trafficking Presentations Provided*	88	19	69	40	40
5.Number of Youth Suicide Public Policy and Prevention Strategies Recommended*	10	22	16	10	10
Output Measure:					
6.Number of Directories, Brochures, and Other Printed Materials Disseminated*	56,483	32,980	55,980	50,000	50,000
7.Number of Searches for Offenders in Custody Conducted through the Kansas VINE** Program*	293,974	301,597	348,886	325,000	325,000
8.Number of Child Deaths Reviewed by the Child Death Review Board*	414	362	391	375	375
9.Number Victims Services Grants Awarded and Monitored*	90	90	91	96	96
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 1,314,287	\$ 1,407,340		\$ 1,522,855	\$ 1,523,731
Federal Funds	-	-		-	-
All Other Funds	2,349,768	2,054,350		2,110,893	2,069,993
TOTAL	\$ 3,664,055	\$ 3,461,690		\$ 3,633,748	\$ 3,593,724
Percentage Change:					
SGF	(18.5) %	7.1 %		8.2 %	0.1 %
All Funds	0.8 %	(5.5) %		5.0 %	(1.1) %
FTE Positions	12.0	10.6		10.6	10.6

* The Office of the Governor does not utilize this measure for evaluation purposes.

** Victim Information and Notification Everyday

BUDGET ANALYSIS

The **agency** requests \$3.6 million, including \$1.5 million SGF, for the Victim Services Division for FY 2023. This is an all funds decrease of \$40,024 below the FY 2022 revised estimate, including an SGF increase of \$876 above the FY 2022 revised estimate. This all funds decrease is primarily attributable to a

decrease in contractual services for computer software maintenance services for FY 2023.

The **Governor** concurs with the agency request for FY 2023.

KANSAS HUMAN RIGHTS COMMISSION

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

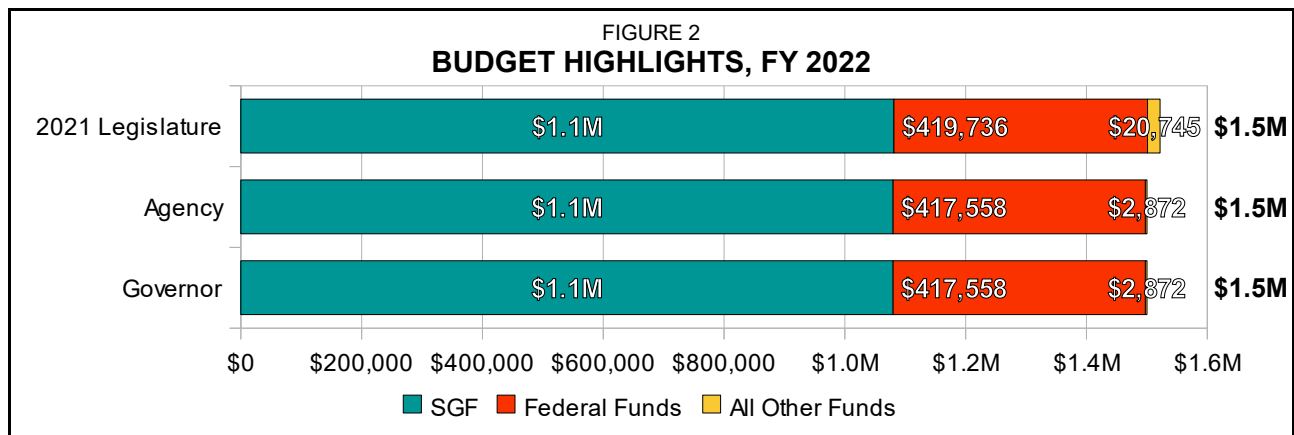
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 1,101,012	\$ 1,079,643	\$ 1,079,643	\$ 1,035,906	\$ 1,035,906
Federal Funds	239,686	417,558	417,558	415,063	415,063
All Other Funds	923	3,072	3,072	22,063	22,063
<i>Subtotal</i>	<i>\$ 1,341,621</i>	<i>\$ 1,500,273</i>	<i>\$ 1,500,273</i>	<i>\$ 1,473,032</i>	<i>\$ 1,473,032</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 1,341,621	\$ 1,500,273	\$ 1,500,273	\$ 1,473,032	\$ 1,473,032
Percentage Change:					
State General Fund	(1.1) %	(1.9) %	(1.9) %	(4.1) %	(4.1) %
All Funds	(5.2) %	11.8 %	11.8 %	(1.8) %	(1.8) %
FTE Positions	23.0	23.0	23.0	23.0	23.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The mission of the Kansas Human Rights Commission is to eliminate and prevent discrimination and assure equal opportunities in employment relations; to eliminate and prevent discrimination, segregation or separation; and to assure equal opportunities in places of public accommodations and in housing. The agency mission and purpose are established by the Kansas Act Against Discrimination, the Kansas Age Discrimination in Employment Act, and administrative rules and regulations.

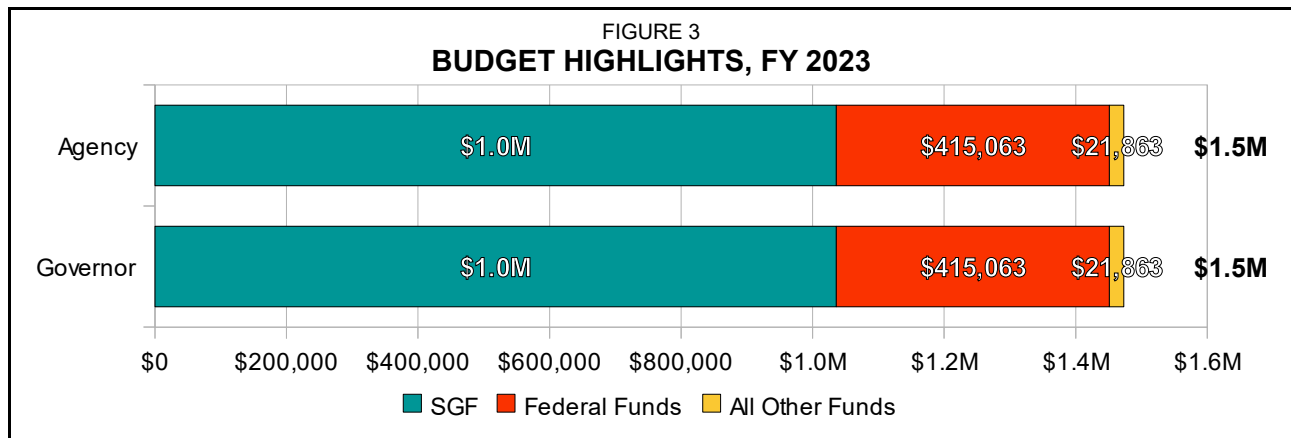
EXECUTIVE SUMMARY

Subsequent to the 2021 Session, one adjustment was made to the \$1.5 million, including \$1.1 million from the State General Fund (SGF), appropriated for the Kansas Human Rights Commission for FY 2022. The agency carried over \$388 in unspent SGF moneys from FY 2021 to FY 2022.



The **agency** estimates revised operating expenditures of \$1.5 million, including \$1.1 million SGF, in FY 2022. This is an all funds decrease of \$21,638, or 1.4 percent, and an SGF decrease of \$1,587, or 0.1 percent, below the amount approved by the 2021 Legislature. This decrease is primarily caused by decreased estimates for food and beverages for the in-person employment law seminar (\$15,596). The agency also decreased its estimate for Office of Information Technology Services (OITS) fees by \$11,676. These decreases are partially offset by increased estimates for unemployment compensation (\$11,532) and a contract with a staffing agency (\$14,839).

The **Governor** concurs with the agency's revised estimate.



The **agency** requests operating expenditures of \$1.5 million, including \$1.0 million SGF, for FY 2023. This is an all funds decrease of \$27,241, or 1.8 percent, and an SGF decrease of \$43,737, or 4.1 percent, below the FY 2022 revised estimate. Both decreases are due to the completion of a database access project in FY 2022, decreasing expenditures for FY 2023. This decrease is partially offset by increased expenditures for food. Food expenditures include catering for the agency's public information programs, which have been held virtually since calendar year 2020 due to the COVID-19 pandemic.

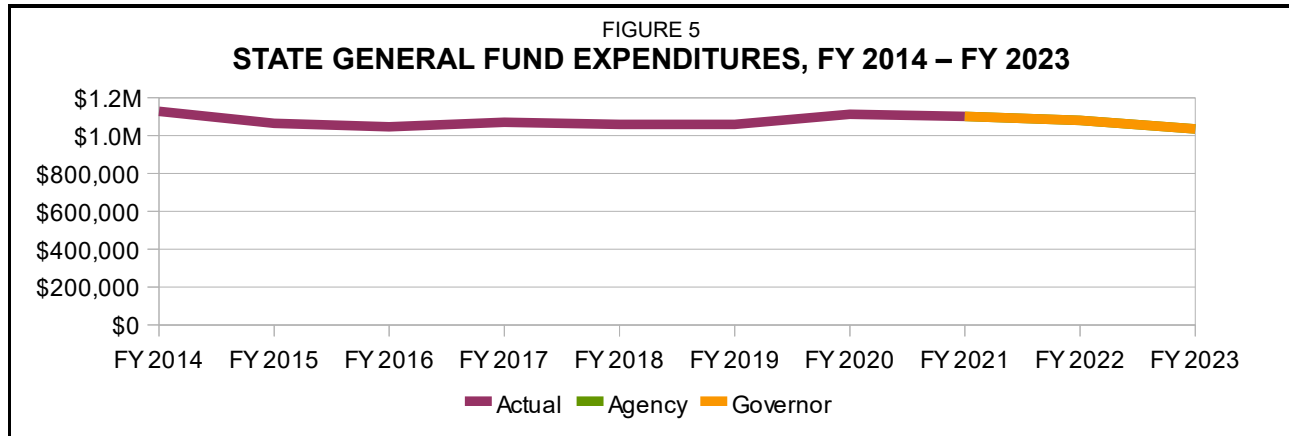
The **Governor** concurs with the agency's request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

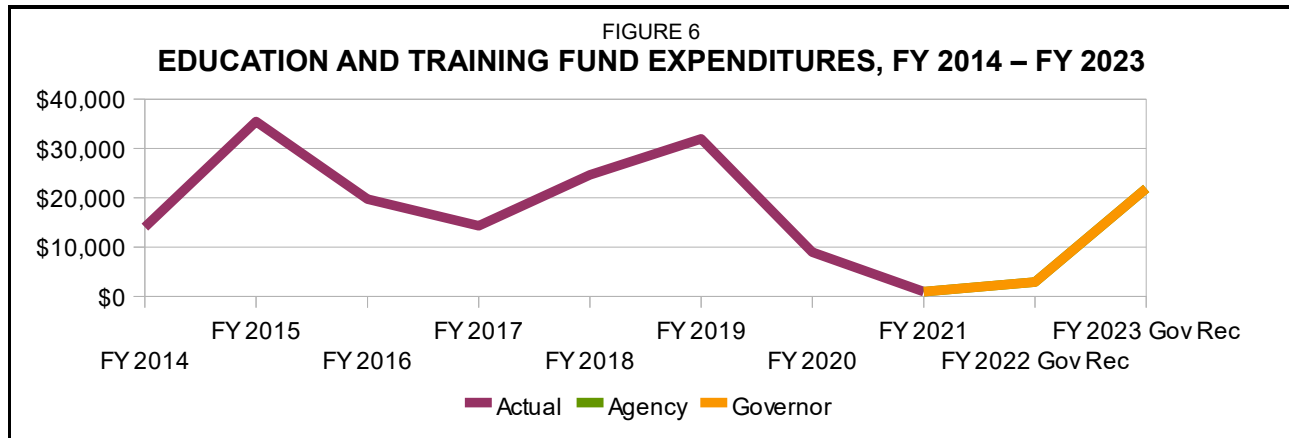
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 888,388	\$ 1,039,466	\$ 1,039,466	\$ 1,042,967	\$ 1,042,967
Contractual Services	438,043	444,087	444,087	400,754	400,754
Commodities	6,839	7,111	7,111	23,367	23,367
Capital Outlay	8,351	9,609	9,609	5,944	5,944
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 1,341,621	\$ 1,500,273	\$ 1,500,273	\$ 1,473,032	\$ 1,473,032
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 1,341,621	\$ 1,500,273	\$ 1,500,273	\$ 1,473,032	\$ 1,473,032
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 1,341,621	\$ 1,500,273	\$ 1,500,273	\$ 1,473,032	\$ 1,473,032
Financing:					
State General Fund	\$ 1,101,012	\$ 1,079,643	\$ 1,079,643	\$ 1,035,906	\$ 1,035,906
State General Fund	-	200	200	200	200
Operating					
Expenditures-					
Official Hospitality					
Education and	923	2,872	2,872	21,863	21,863
Training Fund					
Federal Funds	239,686	417,558	417,558	415,063	415,063
All Other Funds	-	-	-	-	-
TOTAL	\$ 1,341,621	\$ 1,500,273	\$ 1,500,273	\$ 1,473,032	\$ 1,473,032
FTE Positions	23.0	23.0	23.0	23.0	23.0

STATE GENERAL FUND



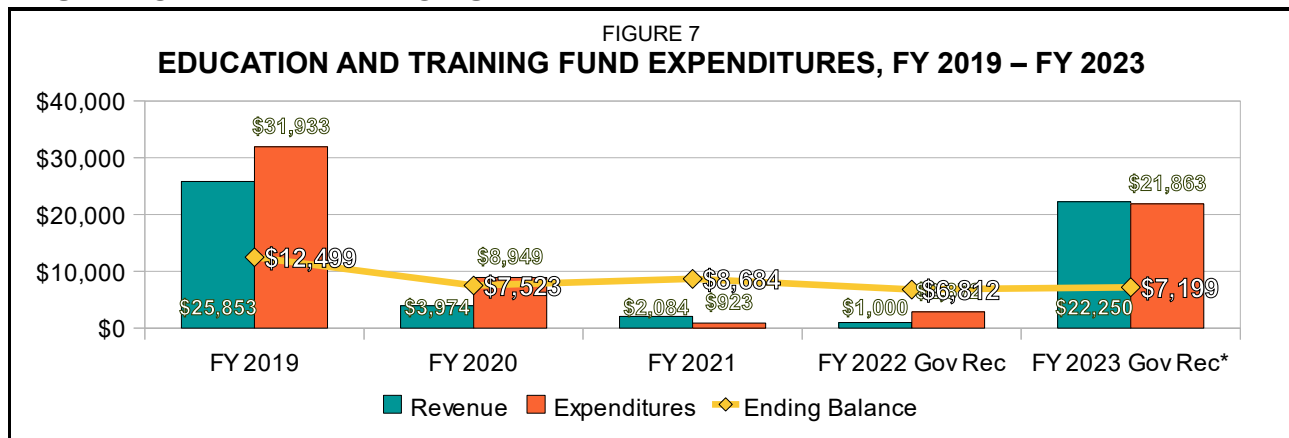
For the Kansas Human Rights Commission, SGF expenditures have remained in the \$1.0 to \$1.1 million range from FY 2014 to FY 2023.

EDUCATION AND TRAINING FUND



Revenues to the Education and Training Fund are generated by fees for copies and registration for the Annual Employment Law Seminar. Budgetary legislation for the current fiscal year authorizes the Executive Director to fix, charge, and collect fees in order to recover all or part of the operating expenses incurred for training programs. Expenditures from this program are limited to operating expenditures for the Commission's education and training programs for the general public. Expenditures decreased to \$923 in FY 2021, due to the COVID-19 pandemic. The agency estimates a slight increase in FY 2022 and a large increase to pre-pandemic levels for FY 2023, when fund expenditures are estimated to be \$21,863.

EDUCATION AND TRAINING FUND



* For FY 2023, the lowest month ending balance for the Education and Training Fund will occur in August, with a balance of \$7,511.

Figure 7 depicts the impact of the COVID-19 pandemic on the Education and Training Fund of the agency. Revenue, expenditures, and ending balance decreased sharply in FY 2020, and revenue and expenditures fell further in FY 2021. The agency estimates fund expenditures and revenues to increase to pre-pandemic levels in FY 2023.

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 1,081,042	\$ 440,481	\$ 1,521,523	23.0
1. SGF Reappropriation	388	-	388	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 1,081,430</i>	<i>\$ 440,481</i>	<i>\$ 1,521,911</i>	<i>23.0</i>
Agency Revised Estimate:				
2. Food (Employment law Seminar)	\$ -	\$ (15,596)	\$ (15,596)	--
3. Staffing Agency Services	14,839	-	14,839	--
4. Employee Benefits	11,532	-	11,532	--
5. OITS fees	(11,676)	-	(11,676)	--
6. All Other Adjustments	(16,282)	(4,455)	(20,737)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 1,079,843</i>	<i>\$ 420,430</i>	<i>\$ 1,500,273</i>	<i>23.0</i>
Governor's Recommendation:				
7. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 1,079,843	\$ 420,430	\$ 1,500,273	23.0

LEGISLATIVE APPROVED

1. Subsequent to the 2021 Session, one adjustment was made to the \$1.5 million, including \$1.1 million from the State General Fund (SGF), appropriated for the Kansas Human Rights Commission for FY 2022. The agency carried over \$388 in unspent SGF moneys from FY 2021 to FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised operating expenditures of \$1.5 million, including \$1.1 million SGF. This is an all funds decrease of \$21,638, or 1.4 percent, and an SGF decrease of \$1,587, or 0.1 percent, below the FY 2022 approved amount.

The **agency** estimate includes the following adjustments:

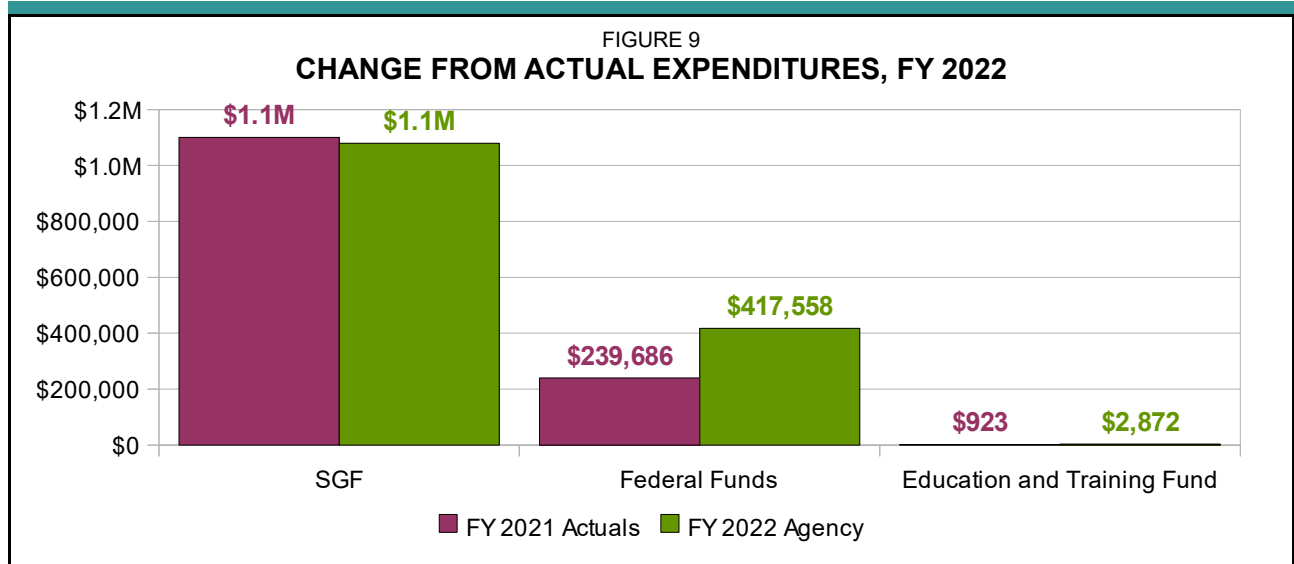
2. **FOOD (EMPLOYMENT LAW SEMINAR).** The agency provides a luncheon, snacks, and beverages for the in-person employment law seminar. This amount was decreased since the agency has not held the in-person seminar due to the COVID-19 pandemic in FY 2022.
3. **STAFFING AGENCY SERVICES.** The agency utilized the services of a staffing agency for a portion of FY 2022 to cover vacancies in its administrative support staff.
4. **EMPLOYEE BENEFITS.** The increase of \$11,532 in the salaries and wages category was primarily driven by increased employer contribution for unemployment compensation and health insurance costs, partially offset by decreased contribution for the Kansas Public Employees Retirement System (KPERs).
5. **OITS FEES.** The agency decreased its estimate for cybersecurity, service desk user charges, and network user charges by a combined \$11,676.

6. **ALL OTHER ADJUSTMENTS.** The **agency** estimate also includes a decrease of \$20,737 for all other adjustments, including \$15,000 for repairing and service of buildings.

GOVERNOR'S RECOMMENDATION

7. The **Governor** concurs with the agency's revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's estimate of FY 2022 expenditures is \$158,652, or 11.8 percent, above the FY 2021 actual expenditures. The increase is in federal funds (\$177,872), partially offset by a reduction of \$21,169 SGF. The agency had three vacancies in FY 2021. The positions were filled, resulting in higher salaries in FY 2022.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 1,079,843	\$ 420,430	\$ 1,500,273	23.0
Agency Request:				
1. Food (Education & Training Program)	\$ -	\$ 16,065	\$ 16,065	--
2. Database Conversion	(45,000)	-	(45,000)	--
3. All Other Adjustments	1,263	431	1,694	--
<i>Subtotal—Agency Estimate</i>	<i>\$ 1,036,106</i>	<i>\$ 436,926</i>	<i>\$ 1,473,032</i>	<i>23.0</i>
Governor's Recommendation:				
4. No Changes	-	-	-	--
TOTAL	\$ 1,036,106	\$ 436,926	\$ 1,473,032	23.0

AGENCY REQUEST

The **agency** requests operating expenditures of \$1.5 million, including \$1.0 million SGF, for FY 2023. This is an all funds decrease of \$27,241, or 1.8 percent, and an SGF decrease of \$43,737, or 4.1 percent, below the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

- FOOD (EMPLOYMENT LAW SEMINAR).** The agency has increased its estimate for food and beverages for the employment law seminar by \$16,065 from the FY 2022 revised estimate. Due to the COVID-19 pandemic, the in-person seminar was not held in FY 2022. The agency plans to hold it in FY 2023.
- DATABASE CONVERSION.** In FY 2022, the agency completed a conversion of its access databases to more modern software. This project was delayed from FY 2021 due to the COVID-19 pandemic. This project was funded by SGF moneys and completed in FY 2022, causing a decrease in expenditures for FY 2023.
- ALL OTHER ADJUSTMENTS.** The agency's FY 2022 request includes adjustments for other miscellaneous expenditures, including increased expenditures for group health insurance and travel.

GOVERNOR'S RECOMMENDATION

- The **Governor** concurs with the agency's request.

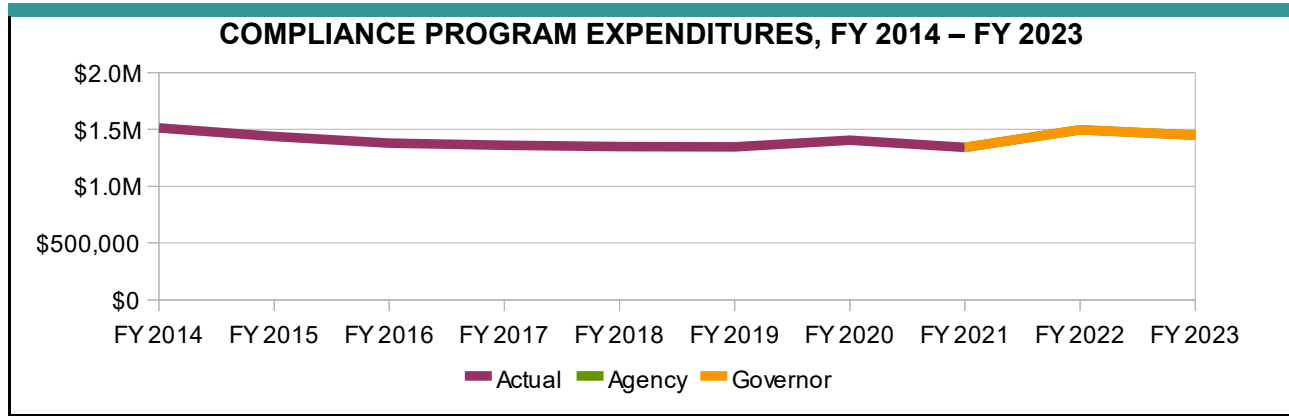
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Compliance	\$ 1,340,721	\$ 1,496,404	\$ 1,496,404	\$ 1,449,621	\$ 1,449,621
Public Information	900	3,869	3,869	23,411	23,411
Program					
TOTAL	\$ 1,341,621	\$ 1,500,273	\$ 1,500,273	\$ 1,473,032	\$ 1,473,032
FTE Positions:					
Compliance	23.0	23.0	23.0	23.0	23.0
Public Information	-	-	-	-	-
Program					
TOTAL	23.0	23.0	23.0	23.0	23.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

COMPLIANCE PROGRAM



From FY 2014 through FY 2017, the agency consolidated program expenditures under the Administration Program, therefore Compliance Program expenditure numbers are not available for those years. The numbers in the table above for FY 2014 to FY 2017 reflect total agency expenditures.

STATUTORY BASIS: • KSA 44-1005

PROGRAM GOALS:

- Provide prompt, professional, and appropriate services to all citizens who contact the agency for assistance and maintain an effective and efficient complaint intake service to reduce or eliminate non-jurisdictional and frivolous complaints.
- Provide the opportunity for the early resolution through mediation of every complaint filed.
- On all cases not resolved by mediation, conduct a prompt and thorough investigation of all allegations in every complaint filed and render a timely and appropriate determination, well supported by evidence of Probable Cause or No Probable Cause on all cases submitted to Commissioners for such determination.

The Compliance Program becomes involved when a member of the public files a discrimination complaint with the agency. The agency makes efforts to resolve the complaint via voluntary mediation process through Kansas Legal Services (under contract with the agency). If that fails, the complaint is assigned to full investigation. If a determination is made that a discriminatory act has not occurred, the case is closed. If probable cause exists, the agency is required by statute to attempt to

resolve the complaint through conciliation process. Failing that, the matter may shift to the quasi-judicial program of the public hearing process.

The agency also receives complaints alleging pattern and practice violations. These investigations are geared towards determining whether there are problems within a system that result in a discriminatory impact upon a class of individuals.

FIGURE 12
COMPLIANCE PROGRAM, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Complaint Clearance Rate	104 %	100 %	100 %	103 %	101.00%
2. Case Processing Times (in months)	8.29	9.31	9.19	9.00	8.90
3. Average State General Fund Amount Provided to Kansas Legal Services/ midland Mediation Per Case Brokered through Kansas Legal Services/ Midland Mediation.*	\$ -	\$ 280	\$ 280	\$ -	-
Output Measure:					
4. Number of complaints filed	911	951	972	875	900
5. Number of complaints closed.*	943	952	971.3	900	910
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2024
SGF	\$ 1,111,407	\$ 1,101,012		\$ 1,078,823	\$ 1,034,534
Federal Funds	299,450	239,686		417,558	415,063
All Other Funds	-	23		23	24
TOTAL	\$ 1,410,857	\$ 1,340,721		\$ 1,496,404	\$ 1,449,621
Percentage Change:					
SGF	6.3 %	(0.9) %		(2.0) %	(4.1) %
All Funds	4.9 %	(5.0) %		11.6 %	(3.1) %
FTE Positions	23.0	23.0		23.0	23.0

* The Governor's office does not utilize this measure for evaluation purposes.

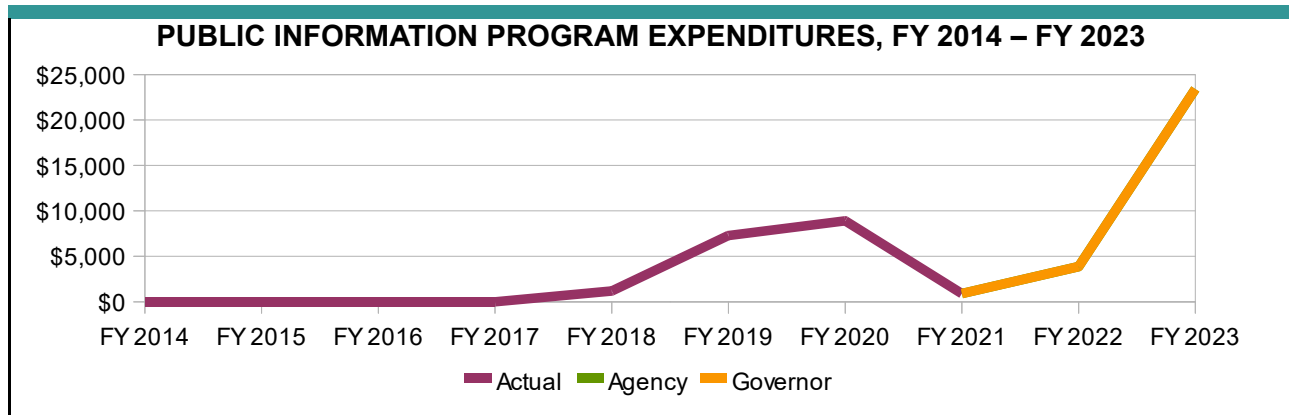
BUDGET ANALYSIS

The agency requests operating expenditures of \$1.4 million, including \$1.0 million SGF, for the Compliance Program for FY 2023. This is an all funds decrease of \$46,783, or 3.1 percent, and an SGF decrease of \$44,289, or 4.1 percent, below the program's FY 2022 revised estimate. Both decreases are primarily

due to decreased expenditures on a database conversion project that was completed in FY 2022.

The **Governor** concurs with the agency's FY 2023 Compliance Program request.

PUBLIC INFORMATION PROGRAM



From FY 2014 through FY 2017, the agency consolidated program expenditures under the Administration Program, therefore public information program expenditures are not available for those years.

STATUTORY BASIS: • KSA 44-1004 (10)

PROGRAM GOALS:

- Inform Kansans of what constitutes discrimination, the effects of unlawful discrimination, how to prevent discrimination, and an overview of discrimination laws. The public information program is the Commission's proactive effort to prevent future acts of discrimination.
- Maintain a statewide education program to inform all citizens on what constitutes discrimination, the effects of unlawful discrimination, how to prevent discrimination, and how to obtain redress.

The goal of the Public Information Program is to assist the public in understanding what constitutes acts of discrimination so such acts can be prevented and eliminated in the future. This program is responsible for the dissemination of information to all segments of the public about the provisions of the Kansas Act Against Discrimination and the Kansas Age Discrimination in Employment Act.

FIGURE 13
PUBLIC INFORMATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of people trained through educational presentations	794	595	685	625	630
2. Number of people completing agency online training*	9,891	11,010	10,744	11,100	11,200
Output Measure:					
3. Number of educational presentations*	19	26	21	28	30
4. Provide online training*	Yes	Yes	Yes	Yes	Yes 0
<hr/>					
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ 1,020	\$ 1,572
Federal Funds					-
All Other Funds	8,900	900		2,849	21,839
TOTAL	<u>\$ 8,900</u>	<u>\$ 900</u>		<u>\$ 3,869</u>	<u>\$ 23,411</u>
<hr/>					
Percentage Change:					
SGF	-- %	-- %		--%	54.1 %
All Funds	22.1 %	(89.9) %		329.9 %	505.1 %
FTE Positions	0.0	0.0		0.0	0.0

* The Governor's office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The agency requests operating expenditures of \$23,411, including \$1,572 SGF, for the Public Information Program for FY 2023. This is an all funds increase of \$19,542, or 505.1 percent, and an SGF increase of \$552, or 54.1 percent, above the program's FY 2022 revised estimate. The all funds increase is primarily due to increased estimates for food for its public

information programs, which were largely discontinued or virtual due to the COVID-19 pandemic in FY 2022. The increase is also due to increased expenditures for equipment rental.

The **Governor** concurs with the agency's FY 2023 Public Information Program request.

HEALTH CARE STABILIZATION FUND BOARD OF GOVERNORS

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	128	-	-	-	-
All Other Funds	27,781,290	36,608,272	36,608,272	37,004,697	37,004,697
Subtotal	\$ 27,781,418	\$ 36,608,272	\$ 36,608,272	\$ 37,004,697	\$ 37,004,697
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 27,781,418	\$ 36,608,272	\$ 36,608,272	\$ 37,004,697	\$ 37,004,697
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(20.2) %	31.8 %	31.8 %	1.1 %	1.1 %
FTE Positions	21.0	21.0	21.0	21.0	21.0

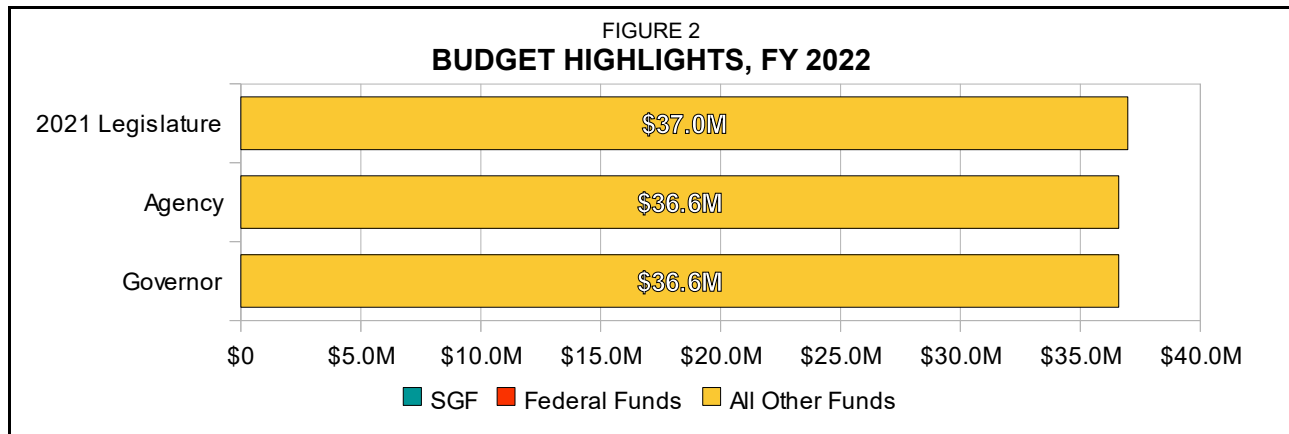
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The mission of the Health Care Stabilization Fund Board of Governors is to administer the Health Care Provider Insurance Availability Act in accordance with the duties and responsibilities set out in the Act. The principal goals are: (1) to assure that Kansas health care providers have access to adequate professional liability coverage, (2) to stabilize the medical professional liability insurance market for Kansas health care providers, and (3) to assure that sufficient assets are reserved to adequately fund accrued Health Care Stabilization Fund (HCSF) liabilities.

The Health Care Provider Insurance Availability Act (KSA 40-3401, *et seq.*) was enacted July 1, 1976. The original Act delegated responsibility for compliance activities and administration of the HCSF to the Commissioner of Insurance, whereas amendments enacted by the 1994 and 1995 Legislatures transferred those responsibilities to the HCSF Board of Governors. The Commissioner of Insurance appoints the 11 members of the Board of Governors.

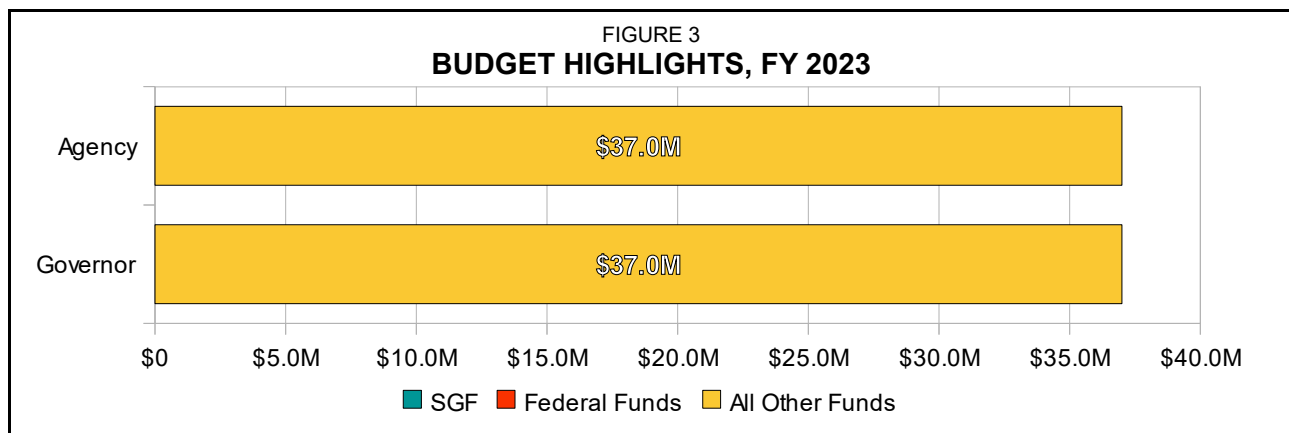
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$37.0 million, all from special revenue funds, for the Health Care Stabilization Fund Board of Governors for FY 2022. No adjustments have been made subsequently to that approved amount.



The **agency** requests a revised estimate of \$36.6 million, all from special revenue funds, for expenditures in FY 2022. This is \$370,025, or 1.0 percent, below the FY 2022 approved amount. There are increased expenditures in salaries and wages of \$29,992, or 1.6 percent, and commodities of \$5,000, or 15.2 percent, above the FY 2022 approved amount. These are offset by decreased expenditures in contractual services of \$405,017, or 6.4 percent, below the FY 2022 approved amount. These changes are attributable to decreased expenditures on attorney fees, expert witness fees, deposition costs such as court reporter fees, and similar defense costs directly related to claims and lawsuits against health care providers. The **agency** estimate also includes 21.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests an estimate of \$37.0 million, all from special revenue funds, for expenditures for FY 2023. This is an increase of \$396,425, or 1.1 percent, above the FY 2022 revised estimate. The request includes increased expenditures in salaries and wages of \$43,639, or 2.3 percent, and an increase in contractual services of \$72,759, or 1.2 percent, above the FY 2022 revised estimate. The request includes decreased expenditures in commodities of \$4,980, or 13.2 percent, and in capital outlay of \$1,500, or 2.4 percent, below the FY 2022 revised estimate. Additionally, the request includes an increase in other assistance of \$286,507, or 1.0 percent, above the FY 2022 revised estimate, for estimated expenditures related to court-approved settlement agreements or jury awards. The **agency** request also includes includes 21.0 FTE positions, which is the same FY 2022 revised estimate.

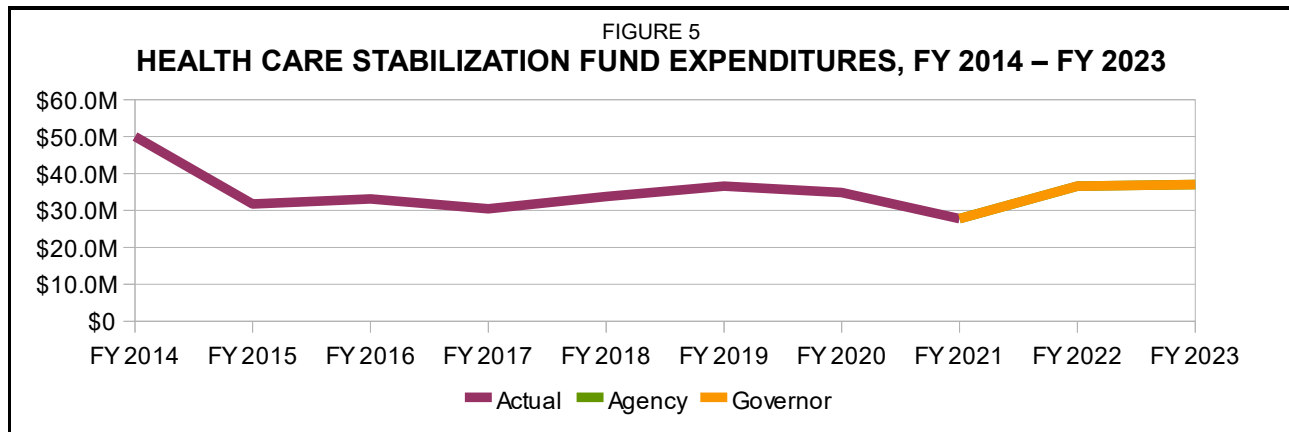
The **Governor** concurs with the agency's FY 2023 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 1,837,337	\$ 1,909,068	\$ 1,909,068	\$ 1,952,707	\$ 1,952,707
Contractual Services	4,462,330	5,948,952	5,948,952	6,021,711	6,021,711
Commodities	3,388	37,837	37,837	32,857	32,857
Capital Outlay	25,066	61,720	61,720	60,220	60,220
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 6,328,121	\$ 7,957,577	\$ 7,957,577	\$ 8,067,495	\$ 8,067,495
Aid to Local Units	-	-	-	-	-
Other Assistance	21,453,297	28,650,695	28,650,695	28,937,202	28,937,202
Subtotal—Operating	\$ 27,781,418	\$ 36,608,272	\$ 36,608,272	\$ 37,004,697	\$ 37,004,697
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 27,781,418	\$ 36,608,272	\$ 36,608,272	\$ 37,004,697	\$ 37,004,697
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Health Care	27,780,790	36,596,272	36,596,272	36,992,697	36,992,697
Stabilization Fund	-	-	-	-	-
Conference Fee Fund	500	12,000	12,000	12,000	12,000
Federal Funds	128	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 27,781,418	\$ 36,608,272	\$ 36,608,272	\$ 37,004,697	\$ 37,004,697
FTE Positions	21.0	21.0	21.0	21.0	21.0

HEALTH CARE STABILIZATION FUND

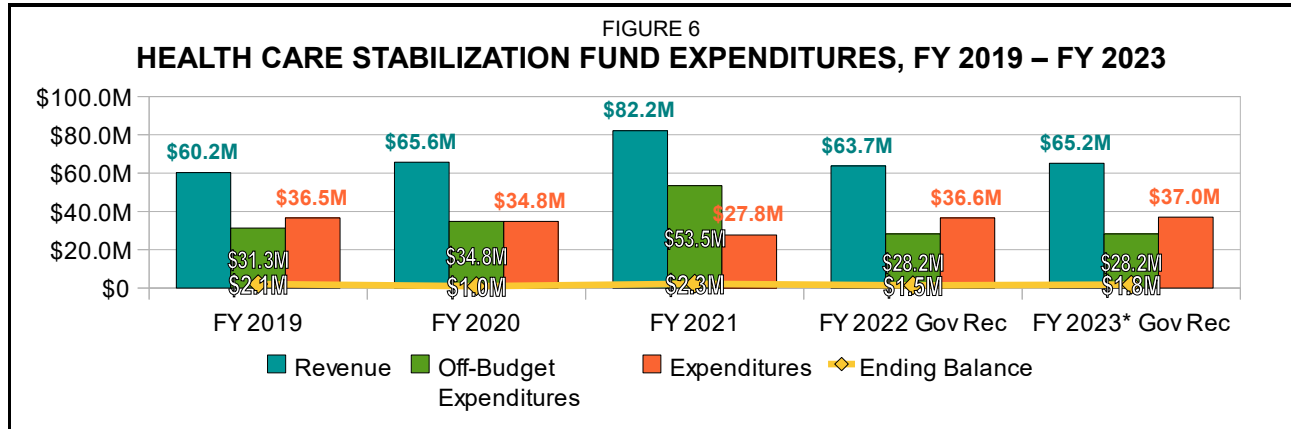


The Health Care Stabilization Fund was created by KSA 40-3403 as part of the Health Care Provider Insurance Availability Act, which stipulates that the Fund shall be held in trust in the State Treasury. The principal source of revenue is the premium surcharge assessed on each health care provider licensed to render professional services in Kansas. Premium surcharge rates are determined by the Board of Governors.

Each year, the Board of Governors is required to evaluate the actuarial analysis of accrued liabilities and determine appropriate surcharges to assure sufficient assets are available to fund the accrued liabilities. The Board of Governors decided to reduce surcharge rates effective January 2022.

Reimbursements to the Fund from the State of Kansas for claims paid on behalf of residents in training and full-time physician faculty at the University of Kansas Medical Center resumed in FY 2014. Estimates for these reimbursements are based on analysis of the most recent ten-year loss experience of the State self-insurance program. In addition, there are transfers from the Private Practice Foundation Reserve Fund that amount to \$500,000 per fiscal year.

HEALTH CARE STABILIZATION FUND



* For FY 2023, the lowest month ending balance for the Health Care Stabilization Fund will occur in September, with a balance of \$1.0 million.

The Health Care Stabilization Fund Board of Governors employs a conservative, ladder investment strategy. Reserves are invested by the Pooled Money Investment Board on behalf of the Board of Governors. As a result, there are maturities throughout the year. If a maturity occurs near the end of the month, there will be a higher ending balance at the conclusion of that particular month.

The Board's Chief Attorney maintains a contemporary accounting of settlements and jury awards that have been approved by the courts. This includes scheduled future payments attributable to settlements and jury awards in prior fiscal years. The agency indicates it is imperative that sufficient, unencumbered cash balances be maintained in order to promptly pay these statutory Fund liabilities. Consequently, the ending balance is often a reflection of pending claim payments at the conclusion of a particular month.

FY 2022 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 36,978,297	\$ 36,978,297	21.0
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 36,978,297	\$ 36,978,297	21.0
Agency Revised Estimate:				
2. All Other Adjustments	-	(370,025)	(370,025)	-
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 36,608,272	\$ 36,608,272	21.0
Governor's Recommendation:				
3. No Changes	-	-	-	-
TOTAL	\$ -	\$ 36,608,272	\$ 36,608,272	21.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$37.0 million appropriated to the Health Care Stabilization Fund Board of Governors for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$37.0 million appropriated to the Health Care Stabilization Fund Board of Governors for FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$36.6 million, all from special revenue funds, for expenditures in FY 2022. This is \$370,025, or 1.0 percent, below the FY 2022 approved amount.

The **agency** estimate also includes includes 21.0 FTE positions, which is the same as the approved number.

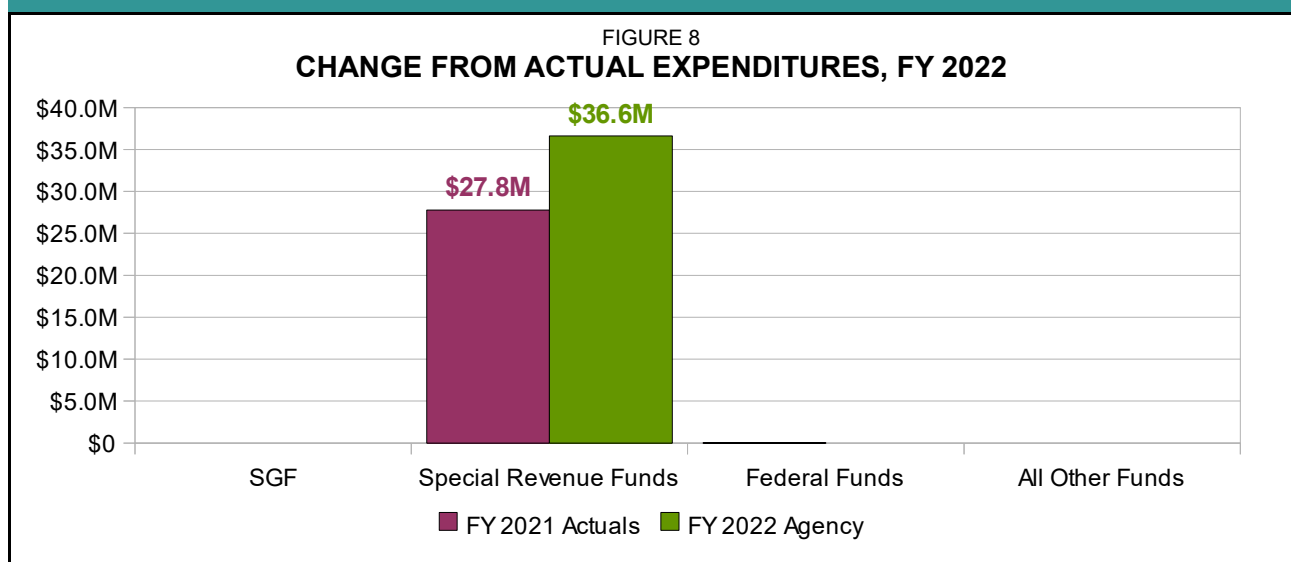
2. **ALL OTHER ADJUSTMENTS.** The agency made adjustments to expenditures in salaries and wages of \$29,992, or 1.6 percent, and commodities of \$5,000, or 15.2 percent, above the FY 2022 approved amount. The request includes decreased expenditures in contractual services of \$405,017, or 6.4 percent, below the FY 2022 approved amount. These changes are attributable to decreased expenditures on attorney fees, expert witness fees, deposition costs such as court reporter fees, and similar defense costs directly related to claims and lawsuits against health care providers.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2022 revised estimate.

3. **NO CHANGES.** The Governor recommended no changes to the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised expenditures of \$36.6 million, all from special revenue funds, in FY 2022. This is an increase of \$8.8 million, or 31.8 percent, above the FY 2021 actual expenditures. There are increases to all categories of expenditure, including salaries and wages expenditures of \$71,731, or 3.9 percent; contractual services of \$1.5 million, or 33.3 percent; commodities of \$34,449, or 1,016.8 percent; capital outlay of \$36,654, or 146.2 percent; and other assistance expenditures of \$7.2 million, or 33.5 percent, above the FY 2021 actual expenditure amounts.

The increase is primarily attributable to the effects of the COVID-19 pandemic on the courts in FY 2021. These increased expenditures are related to attorney fees, expert witness fees, deposition costs such as court reporter fees, and similar defense costs directly related to claims and lawsuits against health care providers along with anticipated court-approved settlement agreements or jury awards. The increase in commodities is due to expenditures for the annual Defense Counsel Seminar, which was canceled in FY 2020 and FY 2021 due to the COVID-19 pandemic.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 36,608,272	\$ 36,608,272	21.0
Agency Request:				
1. All Other Adjustments	-	396,425	396,425	-
<i>Subtotal—Agency Request</i>	\$ -	\$ 37,004,697	\$ 37,004,697	21.0
Governor's Recommendation:				
2. No Changes	-	-	-	-
TOTAL	\$ -	\$ 37,004,697	\$ 37,004,697	21.0

AGENCY REQUEST

The **agency** requests an estimate of \$37.0 million, all from special revenue funds, for expenditures for FY 2023. This is an increase of \$396,425, or 1.1 percent, above the FY 2022 revised estimate.

The **agency** estimate also includes includes 21.0 FTE positions, which is the same as the FY 2022 revised estimate.

1. **ALL OTHER ADJUSTMENTS.** The agency made other adjustments to salaries and wages of \$43,639, or 2.3 percent, and an increase in contractual services of \$72,759, or 1.2 percent, above the FY 2022 revised estimate. The request includes decreased expenditures in commodities of \$4,980, or 13.2 percent, and capital outlay of \$1,500, or 2.4 percent, below the FY 2022 revised estimate. Additionally, the request includes an increase in other assistance of \$286,507, or 1.0 percent, above the FY 2022 revised estimate. The increase primarily is due to expenditures related to court-approved settlement agreements or jury awards.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2023 request.

2. **NO CHANGES.** The Governor recommended no changes to the agency's FY 2023 request.

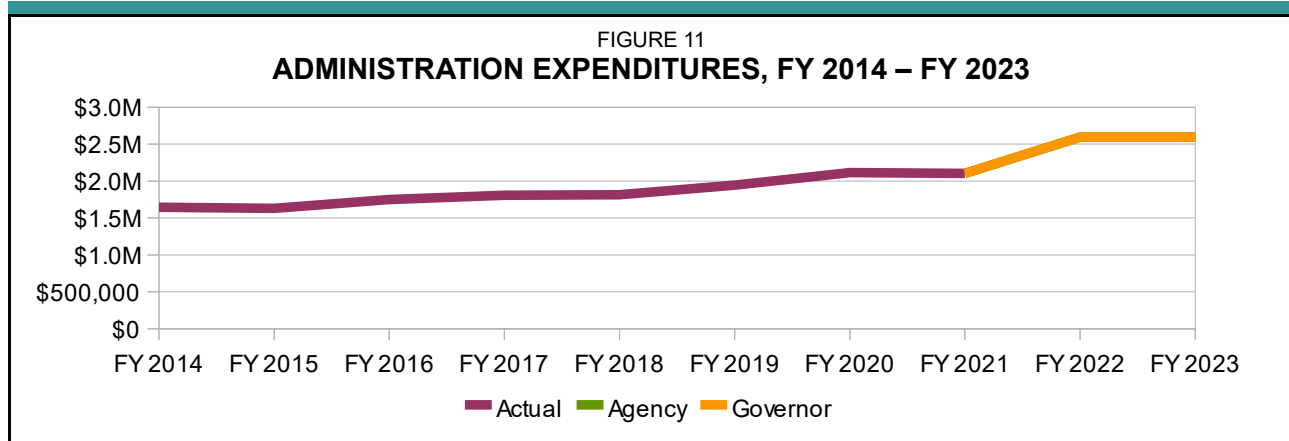
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 2,104,043	\$ 2,593,968	\$ 2,593,968	\$ 2,596,307	\$ 2,596,307
Claims and Expenses	25,677,375	34,014,304	34,014,304	34,408,390	34,408,390
TOTAL	\$ 27,781,418	\$ 36,608,272	\$ 36,608,272	\$ 37,004,697	\$ 37,004,697
FTE Positions:					
Administration	21.0	21.0	21.0	21.0	21.0
Claims and Expenses	0.0	0.0	0.0	0.0	0.0
TOTAL	21.0	21.0	21.0	21.0	21.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 40-3402

PROGRAM GOALS: • To assure that all health care providers as defined in KSA 40-3401 maintain adequate professional liability coverage as required by KSA 40-3402.

The Administration program is responsible for agency operations at the Health Care Stabilization Fund Board of Governors. The program includes the Board of Governors and the Executive Director, as well as the Legal, Compliance, and Administrative Support departments. The expenditures of the Administration program have traditionally been subject to an expenditure limitation, as opposed to those of the Claims program, which do not

have an expenditure limit. The agency has transitioned to a new program structure, and indicates that in future years the current Administration and Claims programs will be reflected as the Medical Professional Liability Coverage Program and the Medical Professional Liability Adjudication Program, with an Administrative Support Subprogram in each program.

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of Insurance Companies offering PLI** to KS health care providers.*	32	23	32.7	35	N/A
2. Number of health care providers as of July 1 of fiscal year*	14,741	15,474	15,402	17,013	N/A
3. Net surcharge revenue collected (in millions)*	\$ 28.7	\$ 35.0	\$ 30.5	N/A	N/A
4. Number of health care providers in compliance July 1	15,992	14,741	15,402	15,474	15,474
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	128		-	-
All Other Funds	2,116,109	2,103,915		2,593,968	2,596,307
TOTAL	<u>\$ 2,116,109</u>	<u>\$ 2,104,043</u>		<u>\$ 2,593,968</u>	<u>\$ 2,596,307</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	8.7 %	(0.6) %		23.3 %	0.1 %
FTE Positions	21.0	21.0		21.0	21.0

* The Governor's Office does not utilize this measure for evaluation purposes.

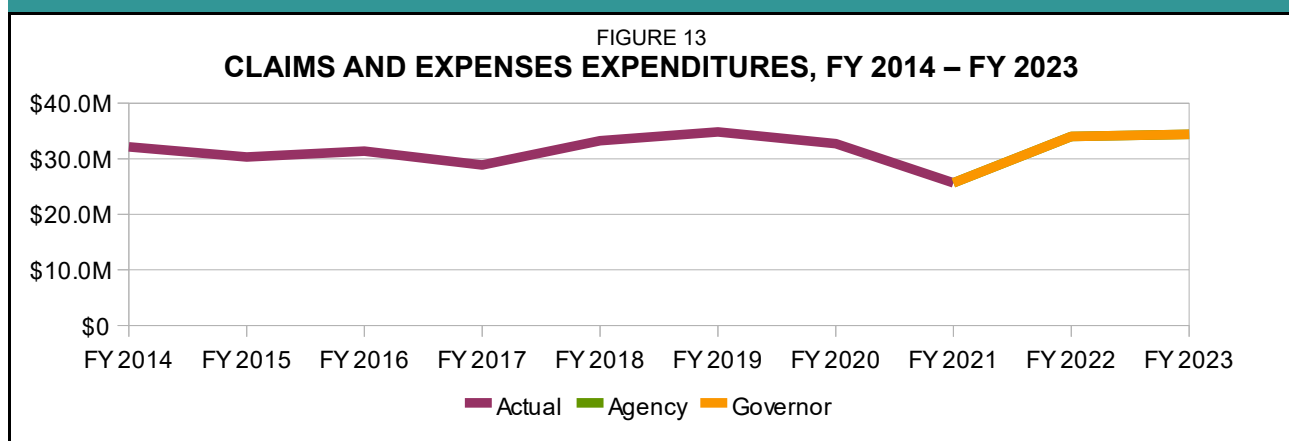
** Professional liability coverage

BUDGET ANALYSIS

The **agency** requests Administration program expenditures of \$2.6 million, all from special revenue funds, for FY 2023. This is an increase of \$2,339, or 0.1 percent, above the FY 2022 revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

CLAIMS AND EXPENSES



STATUTORY BASIS: • KSA 40-3403

PROGRAM GOALS:

- Assure appropriate representation and advocacy in the event of a claim against a health care provider.
- In the event the courts determine that an injured patient should be compensated, assure the appropriate compensation is provided in a timely manner.

The Claims and Expenses program was instituted as a separate program in FY 2010 as the portion of the Fund responsible for the payment of court-approved claims, attorneys' fees, and other expenditures associated with claims activity. Historically, expenditures for the

payment of claims have been treated as no limit by the Legislature. "No limit" means that although the Claims program operates within a budget, it does not have an appropriated limit on its expenditures. The program does not have any FTE positions.

FIGURE 14
CLAIMS AND EXPENSES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of claims closed*	524	421	498	-	-
2.Number of cases closed	549	524	-	524	524
3.Number of claims opened	597	586	-	586	586
4.Expenditures (claim payments for settlements and awards) (in millions)*	\$ 27.7	\$ 21.5	\$ 26.0	\$ 28.7	\$ 28.9
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	32,703,373	25,677,375		34,014,304	34,408,390
TOTAL	\$32,703,373	\$25,677,375		\$34,014,304	\$34,408,390
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(6.1) %	(21.5) %		32.5 %	1.2 %
FTE Positions	--	--		--	--

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests Claims and Expenses program expenditures of \$34.4 million, all from special revenue funds, for FY 2023. This is an increase of \$34,086, or 1.2 percent, above the FY 2022 revised estimate. The increase is primarily related to expenditures for court-

approved settlement agreements or jury awards.

The **Governor** concurs with the agency's request for FY 2023.

JUDICIAL BRANCH

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 110,454,531	\$ 137,999,350	\$ 137,999,350	\$ 148,296,991	\$ 148,296,991
Federal Funds	6,914,668	715,204	715,204	802,694	802,694
All Other Funds	37,501,865	26,358,286	26,358,286	28,150,471	28,150,471
<i>Subtotal</i>	<u>\$ 154,871,064</u>	<u>\$ 165,072,840</u>	<u>\$ 165,072,840</u>	<u>\$ 177,250,156</u>	<u>\$ 177,250,156</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	425,000	425,000	400,000	400,000
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>
TOTAL	<u>\$ 154,871,064</u>	<u>\$ 165,497,840</u>	<u>\$ 165,497,840</u>	<u>\$ 177,650,156</u>	<u>\$ 177,650,156</u>
Percentage Change:					
State General Fund	(1.1) %	24.9 %	24.9 %	7.5 %	7.5 %
All Funds	3.4 %	6.9 %	6.9 %	7.3 %	7.3 %
FTE Positions	1,868.0	1,938.0	1,938.0	2,000.0	2,000.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

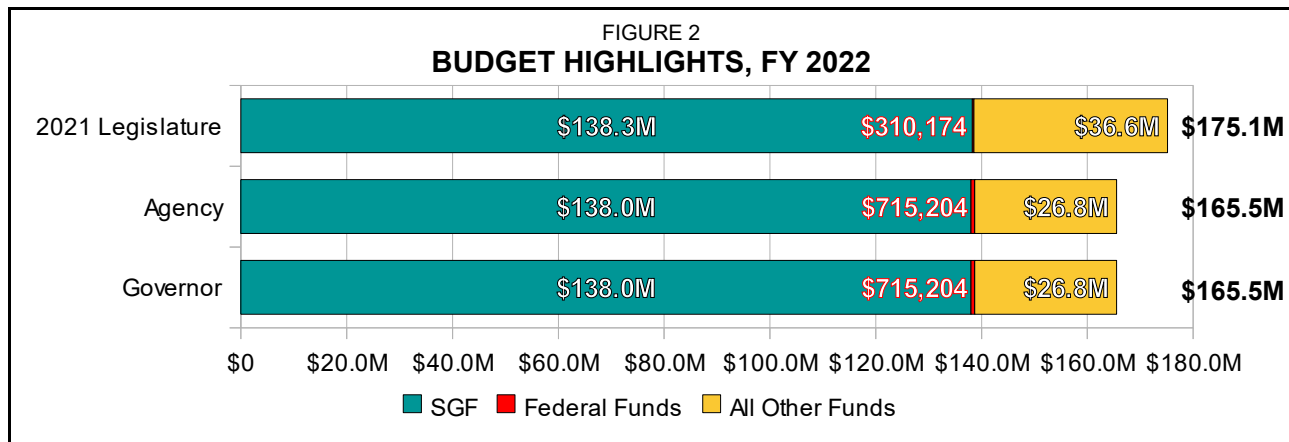
The *Kansas Constitution* vests the judicial power of the State in one court of justice, which is divided into the Supreme Court, district courts, and other courts as provided by law. The Supreme Court has general administrative authority over all the courts in the State. The Judicial Branch's budget includes funding for the Supreme Court, the Court of Appeals, personnel costs of the district courts and some funding for technology, and a number of judicial and professional review boards and commissions. Most non-salary costs of the district courts are funded by the counties.

While individual counties pay operating expenses for district courts, pursuant to KSA 20-348, the agency pays the salaries of all Judicial Branch judges and employees. Under this funding structure, the state appropriation for the unified court system accounts for a significant portion of judicial personnel costs, about 85.9 percent of expenditures in FY 2021.

The Judicial Branch submits its budget directly to the Legislature under KSA 20-158 and provides it to the Director of the Budget to include in *The Governor's Budget Report* under KSA 75-3721.

EXECUTIVE SUMMARY

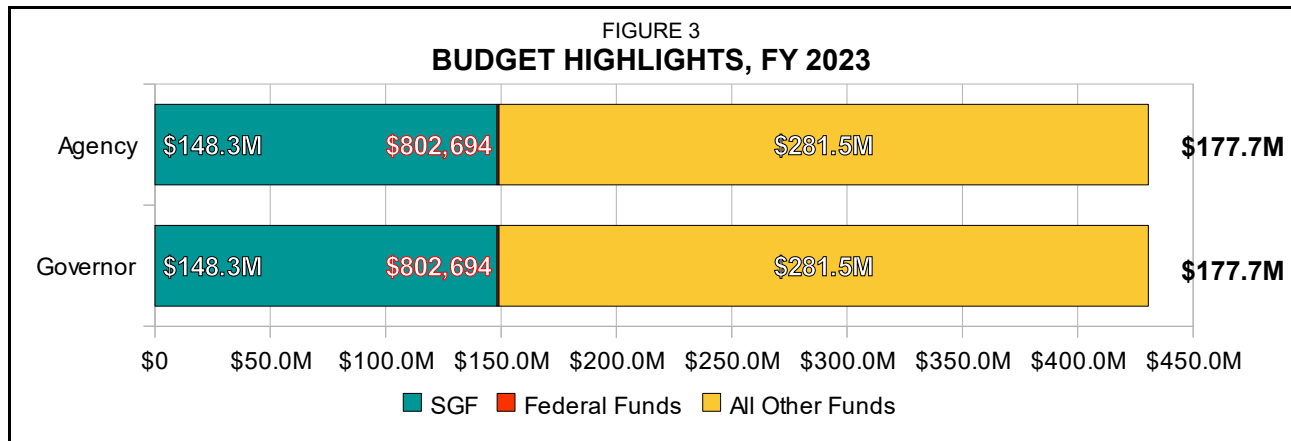
The 2021 Legislature approved a budget of \$168.2 million, including \$131.3 million from the State General Fund (SGF), for the Judicial Branch for FY 2022. Subsequent to the 2021 Session, one adjustment was made to the \$168.2 million appropriated to the Judicial Branch for FY 2022. \$6.9 million in unspent SGF was shifted from FY 2021 to FY 2022. The 2021 Legislature had appropriated an additional \$7.4 million SGF to the Judicial Branch to replace lost Docket Fee Fund revenue. This appropriation was made at the end of FY 2021, resulting in a significant portion that shifted to FY 2022. This adjustment changes the current year approved amount without any legislative action required.



The **agency** requests a revised estimate of \$165.5 million in expenditures and 1,938.0 FTE positions in FY 2022, including \$138.0 million SGF and \$18.7 million from the Docket Fee Fund. This represents a reduction of \$9.6 million, or 5.5 percent, below the amount approved by the 2021 Legislature. The revised estimate includes reductions in expenditures budgeted from the Docket Fee Fund because of decreased revenue attributed to the COVID-19 pandemic (a decrease of \$8.6 million). Subsequent to the 2021 Session, the agency adjusted planned expenditures from the Docket Fee Fund from \$27.3 million to \$18.7 million. These expenditures occur in a variety of operational categories and were supplemented by an additional \$7.4 million SGF appropriated in FY 2021 to replace lost Docket Fee Fund revenue. The revised estimate also includes a reduction in eCourt maintenance expenditures (\$1.7 million decrease) and in salaries and wages fringe benefit expenditures to reflect Kansas Public Employees Retirement System (KPERs) employer contribution rates decreasing from 15.09 percent to 14.33 percent in FY 2022 (a decrease of \$500,556). This reflects the issuance of \$500.0 million in pension obligation bonds authorized by 2021 HB 2405 and associated rate adjustments required by 2021 SB 159.

The decreases from the approved budget are partially offset by increases attributable to higher distributions from federal grant funds (an increase of \$405,030) and for two capital improvement projects that were not present in the approved budget (an increase of \$425,000). Those projects include the creation of a secure mail processing area (\$175,000) and the second phase of the Court of Appeals judicial office remodeling project (\$250,000). Both projects were presented to, and approved by, the Joint Committee on State Building Construction on September 7, 2021.

The **Governor** concurs with the agency's revised estimate and recommends \$165.5 million in expenditures in FY 2022. Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.



The **agency** requests \$177.7 million in expenditures and 2,000.0 FTE positions for FY 2023, including \$148.3 million SGF and \$21.8 million from the Docket Fee Fund. This represents an increase of \$12.2 million, or 7.3 percent, above the agency's revised estimate in FY 2022. The request includes \$5.4 million in enhancement expenditures and an additional 58.0 FTE positions to create new judge and staff positions for FY 2023. Based on the findings of National Center for State Courts (NCSC) weighted workload studies on District Judges and Administrative Assistants, as well as feedback from Chief Judges of District Courts throughout Kansas, the agency determined that an additional 14 District Judges, 9 District Magistrate Judges, 13 Court Reporters, and 22 Administrative Assistants were needed.

The request includes \$325,917 in enhancement expenditures and an additional 4.0 FTE positions to accommodate for efficiencies at the District Court level and the expansion of technology services statewide. These new positions include (1) an **IT Security Analyst**, which would assist with District Court operations against cybersecurity attacks, (2) an **IT Regional Operations Technician**, which would address increased demand on regional IT teams from the continued use of remote technology, (3) an **Internal Auditor**, which would oversee internal financial and operational audits, and (4) a **Data Analyst**, which would oversee data collection and analysis in support of both public and private inquiries.

The request also includes \$256,761 in enhancement expenditures to convert 3.0 FTE positions from District Magistrate Judge to District Court Judge positions. There are currently three judicial districts that only have one District Court Judge for the entire district, with a District Magistrate Judge in five of six counties in those districts. The Judicial Branch indicates that is difficult for that sole judge, who also serves as the Chief District Court Judge and has additional administrative duties throughout the district, to provide coverage for specific types of cases that must be heard by a District Judge. Accordingly, the agency requests enhancement funding to convert one District Magistrate Judge position in each of those three districts to a District Judge position.

The **Governor** concurs with the agency request and recommends \$177.7 million in expenditures for FY 2023. Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

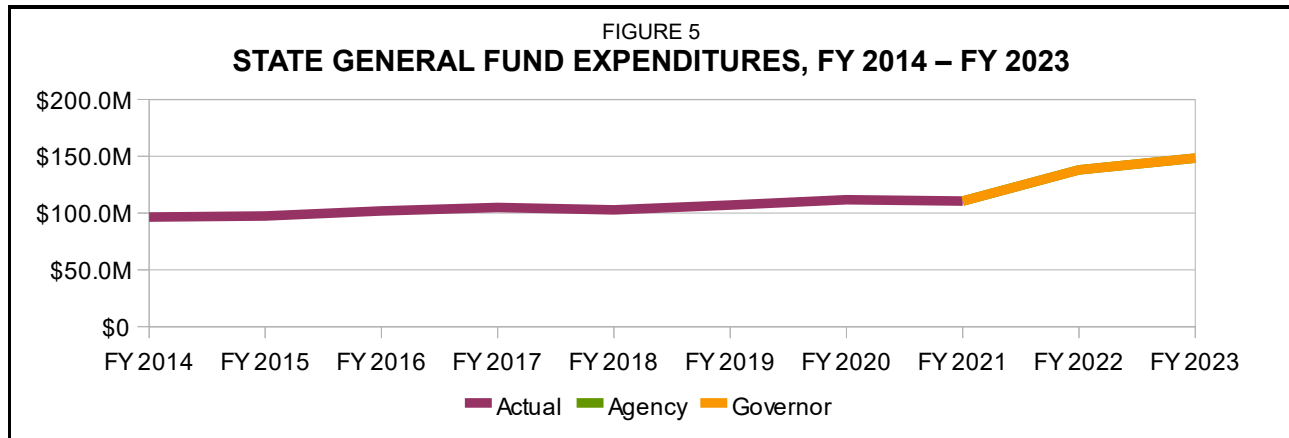
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 133,062,785	\$ 151,089,762	\$ 151,089,762	\$ 164,822,934	\$ 164,822,934
Contractual Services	11,406,136	9,163,210	9,163,210	8,467,713	8,467,713
Commodities	269,464	96,919	96,919	113,760	113,760
Capital Outlay	5,489,268	3,272,500	3,272,500	2,671,300	2,671,300
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 150,227,653</i>	<i>\$ 163,622,391</i>	<i>\$ 163,622,391</i>	<i>\$ 176,075,707</i>	<i>\$ 176,075,707</i>
Aid to Local Units	3,425,131	30,000	30,000	-	-
Other Assistance	1,218,280	1,420,449	1,420,449	1,174,449	1,174,449
<i>Subtotal—Operating</i>	<i>\$ 154,871,064</i>	<i>\$ 165,072,840</i>	<i>\$ 165,072,840</i>	<i>\$ 177,250,156</i>	<i>\$ 177,250,156</i>
Capital Improvements	-	425,000	425,000	400,000	400,000
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 154,871,064	\$ 165,497,840	\$ 165,497,840	\$ 177,650,156	\$ 177,650,156
Financing:					
State General Fund	\$ 110,454,531	\$ 137,999,350	\$ 137,999,350	\$ 148,296,991	\$ 148,296,991
Docket Fee Fund	25,903,739	18,712,464	18,712,464	21,754,206	21,754,206
Federal Funds	6,914,668	715,204	715,204	802,694	802,694
All Other Funds	11,598,126	8,070,822	8,070,822	6,796,265	6,796,265
TOTAL	\$ 154,871,064	\$ 165,497,840	\$ 165,497,840	\$ 177,650,156	\$ 177,650,156
FTE Positions	1,868.0	1,938.0	1,938.0	2,000.0	2,000.0

Kansas generates revenue from fines and fees that are subsequently distributed at the county level (KSA 19-101e) and to the State Treasury for allocation to state accounts, including the SGF (KSA 20-350 and 20-2801). In FY 2019, the State of Kansas collected \$48.3 million in fines and fees. Examples of such fines and fees include the following:

- **DOCKET FEES.** Kansas has had a uniform system of district court docket fees since 1974. Through FY 2021, the first \$3.1 million of clerks' fees is deposited into the Electronic Filing Management Fund before the remainder is deposited into the Docket Fee Fund. From FY 2022 forward, the amount deposited in the Electronic Filing and Management Fund will decrease to \$1.5 million.
- **DRIVER'S LICENSE REINSTATEMENT FEES.** Kansas collects reinstatement fees resulting from the failure to comply with a traffic citation, pursuant to KSA 8-2110. Upon such a finding, the district or municipal court assesses a reinstatement fee of \$100 for each charge on which the person failed to remit payment per the citation. The Judicial Branch collects the first \$15 of those fees, as well as 41.2 percent of the remainder, to be deposited into the Nonjudicial Salary Adjustment Fund.
- **DUI REINSTATEMENT FEES.** The Department of Revenue collects reinstatement fees when driver's licenses are suspended for DUI test refusal or failure, pursuant to KSA 8-241. The Judicial Branch's allocation of those fees expired in FY 2019. Prior to that, the Judicial Branch collected 33.0 percent of DUI reinstatement fees.
- **MARRIAGE LICENSE FEES.** Kansas collects fees from marriage license applications, pursuant to KSA 23-2510, 15.3 percent of which is distributed to the Judicial Branch's Nonjudicial Salary Adjustment Fund.

- **SUMMARY JUDGMENT MOTIONS.** Kansas collects fees whenever any party files a dispositive motion, pursuant to KSA 60-2008. The fee for summary judgments was set at \$195 starting in FY 2015, which is the amount of the adjusted docket fee for a Chapter 60 filing plus the surcharge.

STATE GENERAL FUND



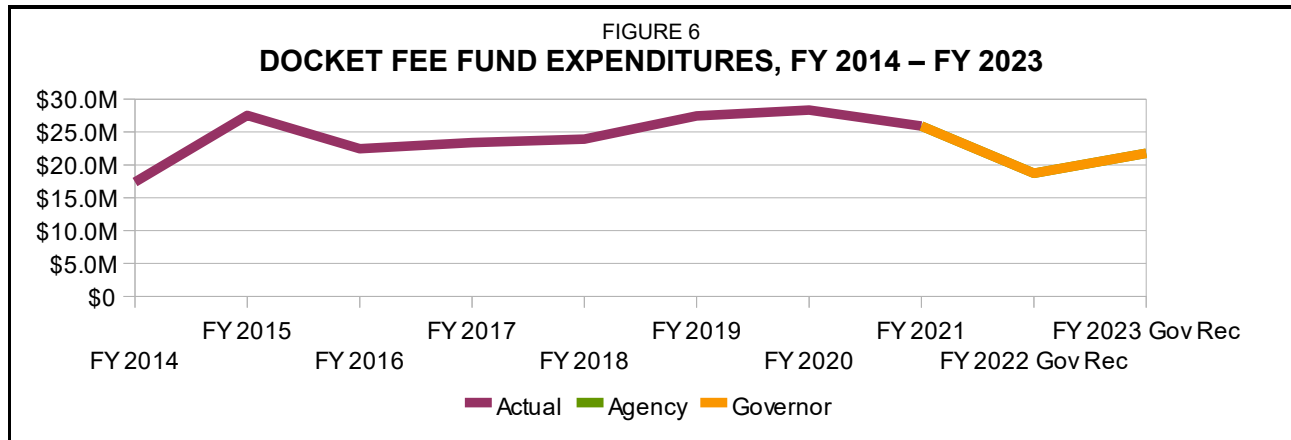
The Judicial Branch indicates that, over time, its budget became increasingly funded by fee funds instead of the SGF, which results in greater dependency on revenue from unreliable sources such as user filing fees. From FY 2011 to FY 2021, allocations from the SGF increased by about 9.5 percent, while expenditures from all other funding sources increased by 100.3 percent:

Fiscal Year	SGF	Percent of Total	All Other Funds	Percent of Total
FY 2011	\$ 100,914,426	82.0 %	\$ 22,174,033	18.0 %
FY 2012	102,476,154	81.0	24,034,232	19.0
FY 2013	106,127,942	82.6	22,423,667	17.4
FY 2014	96,521,055	74.2	33,623,784	25.8
FY 2015	97,442,902	75.2	32,149,242	24.8
FY 2016	101,909,219	78.4	28,073,384	21.6
FY 2017	104,996,903	78.8	28,208,458	21.2
FY 2018	102,992,279	76.6	31,516,122	23.4
FY 2019	107,089,705	74.5	36,742,703	25.5
FY 2020	111,656,700	74.5	38,144,849	25.5
FY 2021	110,454,531	71.3	44,416,533	28.7
Ten-Year Change	\$ 9,540,105	9.5 %	\$ 22,242,500	100.3 %

Filing fee revenue decreased dramatically during the COVID-19 pandemic—in the last four months of FY 2020, filing fee revenue was less than \$2.7 million than the projected amount, eventually growing to a \$7.4 million difference by the end of FY 2021. In response, the Supreme Court enacted a statewide hiring freeze to reduce expenditures, and the 2021 Legislature ultimately appropriated an additional \$7.4 million SGF to the Judicial Branch to replace lost revenue.

While agency operations have begun recovering, the agency indicates the unpredictable nature of fee funding will continue and requests that its budget be fully funded from the SGF. To achieve this change, the Judicial Branch proposes shifting current fee revenue to deposit into the SGF, with the agency receiving an appropriate amount of funding from the SGF in return. The agency states this would be an essentially net neutral exchange that has the benefit of insulating the Judicial Branch from an unreliable ebb and flow of revenue receipts.

DOCKET FEE FUND



The Docket Fee Fund generates revenue from 99.01 percent of clerks' fees forwarded to the State and funds Judicial Branch operations. Through FY 2021, the first \$3.1 million of clerks' fees is deposited into the Electronic Filing Management Fund before the remainder is deposited into the Docket Fee Fund. From FY 2022 forward, the amount deposited in the Electronic Filing and Management Fund will decrease to \$1.5 million.

The 2014 Legislature increased docket fees in several categories, with major increases in traffic filings and the Chapter 60 civil docket fee and new fees for summary judgment motions and garnishments among others. The Legislature projected the increased fees would generate an additional \$6.2 million with the majority coming from summary judgments, traffic filings, and Chapter 60 civil filings. The increased docket fees occur against a general background of declining docket fees of 4.0 percent to 6.0 percent per year.

The 2015 Legislature further adjusted docket fees to expand the scope of summary judgment motions to include all dispositive motions, increasing the number of categories in which docket fees are collected.

FY 2022 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 131,347,201	\$ 36,883,602	\$ 168,230,803	1,938.0
1. SGF Reappropriation	6,905,115	-	6,905,115	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 138,252,316</i>	<i>\$ 36,883,602</i>	<i>\$ 175,135,918</i>	<i>1,938.0</i>
Agency Revised Estimate:				
2. SGF Lapse—Fringe Benefit Adjustment	\$ (252,966)	\$ -	\$ (252,966)	--
3. Docket Fee Fund Adjustment	-	(8,587,931)	(8,587,931)	--
4. eCourt	-	(1,695,054)	(1,695,054)	--
5. Capital Projects	-	425,000	425,000	--
6. All Other Adjustments	-	472,873	472,873	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 137,999,350</i>	<i>\$ 27,498,490</i>	<i>\$ 165,497,840</i>	<i>1,938.0</i>
Governor's Recommendation:				
7. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 137,999,350	\$ 27,498,490	\$ 165,497,840	1,938.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the \$168.2 million appropriated to the Judicial Branch for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** \$6.9 million in unspent SGF was shifted from FY 2021 to FY 2022. The 2021 Legislature had appropriated an additional \$7.4 million SGF to the Judicial Branch to replace lost Docket Fee Fund revenue. This appropriation was made at the end of FY 2021, resulting in a significant portion that shifted into FY 2022.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$165.5 million in expenditures and 1,938.0 FTE positions in FY 2022, including \$138.0 million SGF and \$18.7 million from the Docket Fee Fund. This represents a reduction of \$9.6 million, or 5.5 percent, below the amount approved by the 2021 Legislature. The revised estimate includes the following adjustments:

2. **SGF LAPSE—FRINGE BENEFIT ADJUSTMENTS.** The revised estimate includes a lapse of \$252,966 SGF for salaries and wages fringe benefit expenditures. This adjustment includes a reduction of \$500,556 SGF to reflect revised KPERS employer contribution rates for FY 2022. SB 159 (2021) included language to adjust employer contribution rates based on the issuance of the \$500.0 million in pension obligation bonds authorized by 2021 HB 2405. Accordingly, KPERS employer contribution rates decreased from 15.09 percent to 14.33 percent in FY 2022. The reductions in employer contribution rates are partially offset by a \$247,590 increase in the unemployment insurance rate, from 0.08 to 0.46 percent.
3. **DOCKET FEE FUND ADJUSTMENT.** The revised estimate includes a reduction of \$8.6 million in expenditures budgeted from the Docket Fee Fund because of decreased revenue attributed to the COVID-19 pandemic. Subsequent to the 2021 Session, the agency adjusted planned expenditures from the Docket Fee Fund from \$27.3 million to \$18.7 million. These expenditures occur in a variety of operational categories and were

supplemented by an additional \$7.4 million SGF appropriated in FY 2021 to replace lost Docket Fee Fund revenue.

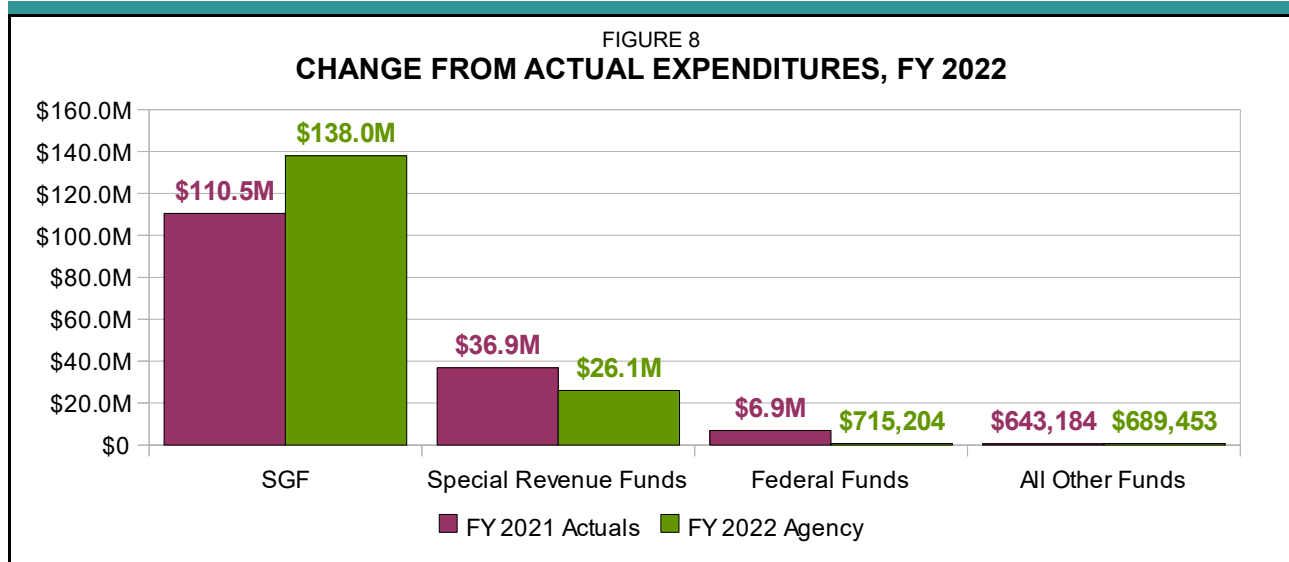
4. **ECOURT.** The revised estimate includes a reduction of \$1.7 million in expenditures from the Electronic Filing and Case Management Fund, which supports the finalization of the e-filing project and the implementation of eCourt. Established by the 2014 Legislature, this Fund statutorily received the first \$3.1 million received in docket fee revenue through FY 2021. The agency has since directed the first \$1.5 million in docket fee revenue to be directed to that Fund in FY 2022 onward. Expenditures made from the fund are solely for eCourt maintenance.
5. **CAPITAL PROJECTS.** The revised estimate includes an increase of \$425,000 in expenditures from the Docket Fee Fund for two capital projects not present in the approved budget. First, the agency plans to restructure existing space in the Judicial Center to allow for a secure mail processing area to accommodate an increased volume of mail once centralized payment processing operations are implemented statewide. Second, the agency plans to proceed with the second phase of the Court of Appeals judicial office remodeling project, which involves remodeling existing space on the second floor of the Judicial Center to accommodate research attorneys and other staff. Both projects were presented to, and approved by, the Joint Committee on State Building Construction on September 7, 2021.
6. **ALL OTHER ADJUSTMENTS.** The revised estimate includes an increase of \$472,873 in a variety of other expenditures, primarily from distributions in federal funds that exceed approved amounts. Examples of such funds include the National Criminal History Improvement Program Grants Fund (\$110,357), the Violence Against Women Act Grant Fund (\$145,920), and the Child Welfare-Federal Grant Fund (\$91,614).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate and recommends \$165.5 million, including \$138.0 million SGF, in expenditures in FY 2022.

7. **NO CHANGES.** Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The **agency** requests a revised estimate of \$165.5 million in expenditures and 1,938.0 FTE positions in FY 2022, including \$138.0 million SGF and \$18.7 million from the Docket Fee Fund. This represents an increase of \$10.6 million, or 6.9 percent, above FY 2021 actual expenditures, largely due to the following items:

- **SALARY INCREASE–JUDGES AND JUSTICES.** The 2021 Legislature added \$1.9 million SGF to provide a 5.0 percent salary increase for judges and justices in FY 2022 and for FY 2023. This appropriation included a two-year salary adjustment of 5.0 percent for each of those years.
- **SALARY INCREASE–NON-JUDGE EMPLOYEES.** The 2021 Legislature added \$10.8 million SGF to provide up to a 12.0 percent salary increase for non-judge employees in FY 2022. These increases are based on market level pay for comparable positions, as determined by a National Center for State Courts employee classification and compensation study.
- **NEW COURT SERVICES OFFICER (CSO) POSITIONS.** The 2021 Legislature added \$4.3 million SGF and 70.0 FTE positions for additional CSO positions in FY 2022. Commonly known as probation officers, CSOs fulfill both statutory and non-statutory responsibilities for the State of Kansas. In general, CSOs conduct adult pre-sentence and juvenile predisposition investigations; supervise and counsel people on probation; notify the court of any probation violations or modifications; investigate and supervise individuals awaiting release from bond; and oversee arrangements for children in need of care or involved in divorce cases.

The increase is partially offset by \$6.4 million in distributions from the Coronavirus Relief Fund and the Coronavirus Emergency Supplemental Fund in FY 2021 that are not present for FY 2022.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 137,999,350	\$ 27,498,490	\$ 165,497,840	1,938.0
Agency Request:				
1. Enhancement–New Judges and Staff	\$ 5,419,177	\$ -	\$ 5,419,177	58.0
2. Enhancement–New Internal Positions	325,917	-	325,917	4.0
3. Enhancement–DMJ Position Upgrade	256,761	-	256,761	--
4. Judicial Salary Plan–2021 SB 159	1,944,998	-	1,944,998	--
5. Eliminate Judicial Surcharge	9,000,000	-	9,000,000	--
6. Docket Fee Fund Adjustment	(6,905,115)	3,041,742	(3,863,373)	--
7. eCourt	-	(1,136,747)	(1,136,747)	--
8. All Other Adjustments	255,903	(50,320)	205,583	--
<i>Subtotal–Agency Request</i>	<i>\$ 148,296,991</i>	<i>\$ 29,353,165</i>	<i>\$ 177,650,156</i>	<i>2,000.0</i>
Governor’s Recommendation:				
9. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 148,296,991	\$ 29,353,165	\$ 177,650,156	2,000.0

AGENCY REQUEST

The **agency** requests \$177.7 million in expenditures and 2,000.0 FTE positions for FY 2023, including \$148.3 million SGF and \$21.8 million from the Docket Fee Fund. This represents an increase of \$12.2 million, or 7.3 percent, above the agency's revised estimate in FY 2022. The agency request includes the following adjustments:

- 1. ENHANCEMENT–NEW JUDGES AND STAFF.** The request includes \$5.4 million SGF in enhancement expenditures and an additional 58.0 FTE positions to create new judge and staff positions for FY 2023. In FY 2020, the Judicial Branch contracted with the National Center for State Courts (NCSC) to perform a weighted workload study for District Judges and for Administrative Assistants throughout Kansas. The study collected three types of data: actual work time recorded statewide, a survey requesting assessment of whether the employee has adequate time to perform their duties in a timely and high-quality manner, and qualitative feedback from focus group sessions.

In FY 2021, the Judicial Branch received the completed study, which indicated that Kansas Courts require an additional 20 judge and 9 Administrative Assistant positions statewide. However, the agency indicates the net increase includes a reduction of positions in violation of statutory restrictions on the number of judges per county (KSA 20-301b). Accordingly, the Judicial Branch solicited feedback from the Chief Judges of District Courts throughout Kansas and determined that the following additional positions are needed:

DISTRIBUTION OF NEW JUDGE AND STAFF POSITIONS, FY 2023					
Judicial District	Counties	District Judge	District Magistrate Judge	Court Reporter	Admin. Assistant
1	Atchison, Leavenworth	1	-	1	1
3	Shawnee	-	2	1	1
3	Shawnee–Office of Judicial Admin.*	-	-	-	9
4	Anderson, Coffey, Franklin, Osage	-	1	1	1
6	Bourbon, Linn, Miami	2	-	1	1
7	Douglas	1	-	1	1
9	Harvey, McPherson	1	1	1	1

DISTRIBUTION OF NEW JUDGE AND STAFF POSITIONS, FY 2023					
Judicial District	Counties	District Judge	District Magistrate Judge	Court Reporter	Admin. Assistant
10	Johnson	3	-	1	1
11	Cherokee, Crawford, Labette	-	1	1	1
14	Chautauqua, Montgomery	1	-	1	1
18	Sedgwick	2	1	1	1
19	Cowley	-	1	1	1
28	Ottawa, Saline	2	1	1	1
31	Allen, Neosho, Wilson, Woodson	1	1	1	1
TOTAL		14	9	13	22

* These positions would be organized within the Office of Judicial Administration and would assist with internal administrative matters instead of being distributed across district courts throughout the state.

Of the requested amount, \$4.0 million is budgeted for salaries and \$1.6 million for salaries and wages fringe benefits, with a reduction of \$210,240 included to account for shrinkage.

2. **ENHANCEMENT–NEW INTERNAL POSITIONS.** The request also includes \$325,917 in enhancement expenditures and an additional 4.0 FTE positions to accommodate for efficiencies at the District Court level and the expansion of technology services statewide. Of that amount, \$252,749 is allocated for salaries and \$90,321 is allocated for salaries and wages fringe benefits, with a \$17,153 reduction included to account for shrinkage. The following four positions are included within this enhancement request:

- **IT Security Analyst.** The enhancement request includes \$65,267 in salary expenditures and 1.0 FTE position for a new IT Security Analyst position. The agency indicates that information security has become increasingly important, with the centralization of case management processes as well as the growing reliance on technology and remote applications.

In February 2020, the Legislative Division of Post Audit published a performance audit report recommending the Judicial Branch prioritize IT security moving forward. Accordingly, the Office of Judicial Administration hired an IT Security Officer but indicates an additional position to oversee District Court operations is necessary to address increasingly frequent cybersecurity threats.

- **IT Regional Operations Technician.** The enhancement request includes \$49,363 in salary expenditures and 1.0 FTE position for a new Operations Technician position. This position would address increased demand on regional IT teams from the continued use of remote technology by assisting and supporting District Court operations.
- **Internal Auditor.** The enhancement request includes \$71,945 in salary expenditures and 1.0 FTE position for a new Internal Auditor position. This position would oversee internal financial and operational audits for the District Courts, Appellate Courts, and other Judicial Branch programs.
- **Data Analyst.** The enhancement request includes \$66,174 in salary expenditures and 1.0 FTE position for a new Data Analyst position. The Office of Judicial Administration indicates there is an increasing need for data compilation, access, and analysis following the implementation of the Odyssey centralized case management system. This position would oversee data collection and analysis in support of both public and private inquiries. This data would also be used to assist the Judicial Branch in determining operational efficiencies, analyzing case actions and results, and informing internal policy decisions.

3. **ENHANCEMENT–DISTRICT MAGISTRATE JUDGE POSITION UPGRADE.** The request includes \$256,761 in enhancement expenditures to convert 3.0 FTE positions from District Magistrate Judge to District Court Judge positions. There are currently three judicial districts that only have one District Court Judge for the entire district, with a District Magistrate Judge in five of six counties in those districts:

JUDICIAL DISTRICTS WITH ONLY ONE DISTRICT COURT JUDGE	
Judicial District	Counties
12	Cloud, Jewell, Lincoln, Mitchell, Republic, Washington
17	Decatur, Graham, Norton, Osborne, Phillips, Smith
24	Edwards, Hodgeman, Lane, Ness, Pawnee, Rush

The Judicial Branch indicates it is difficult for that sole judge, who also serves as the Chief District Court Judge and has additional administrative duties throughout the district, to provide coverage for specific types of cases that must be heard by a District Judge. Accordingly, the agency requests enhancement funding to convert one District Magistrate Judge position in each of those three districts to a District Judge position.

4. **JUDICIAL SALARY PLAN–2021 SB 159.** The request includes \$1.9 million in expenditures for the second year of the Judicial Salary Plan passed by the 2021 Legislature. Pursuant to 2021 SB 159, judges and justices of the Judicial Branch receive 5.0 salary increases in both FY 2022 and FY 2023.
5. **ELIMINATE JUDICIAL SURCHARGE.** The request includes an additional \$9.0 million in expenditures from the SGF to replace the assessment of the Judicial Branch surcharge. Pursuant to KSA 28-177, the Judicial Branch levies a surcharge to fund the cost of non-judge personnel. The agency indicates that it is prepared to rescind 2019 SC 39, the current surcharge order, and eliminate the assessment of the judicial surcharge should the 2022 Legislature appropriate SGF in an amount equal to the budgeted surcharge revenue for FY 2023.
6. **DOCKET FEE FUND ADJUSTMENT.** The request includes a \$3.0 million increase in expenditures from the Docket Fee Fund to compensate for the \$6.9 million SGF reappropriation in FY 2022 that does not carry over into FY 2023.
7. **ECOURT.** The request includes a \$1.1 million decrease in expenditures for eCourt servicing and maintenance as the system transitions from implementation to operation. Implementation of the centralized case management system in District Courts began in August 2019 and is scheduled to be completed statewide in CY 2022.
8. **ALL OTHER ADJUSTMENTS.** The request also includes an increase of \$205,583 in a variety of other expenditures such as employer contributions for group health insurance.

GOVERNOR’S RECOMMENDATION

The **Governor** concurs with the agency request and recommends \$177.7 million, including \$148.3 million SGF, in expenditures for FY 2023.

9. **NO CHANGES.** Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

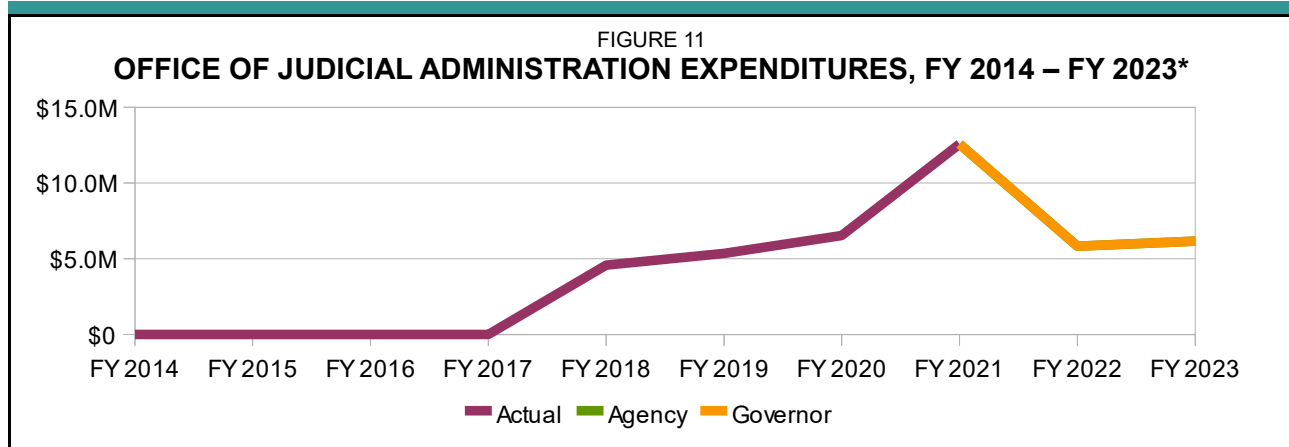
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Judicial Admin.	\$ 12,565,993	\$ 5,824,641	\$ 5,824,641	\$ 6,159,219	\$ 6,159,219
Appellate Courts	20,156,862	19,865,868	19,865,868	19,707,728	19,707,728
District Courts	116,679,505	133,500,988	133,500,988	145,417,907	145,417,907
Education Services	17,876	265,365	265,365	357,942	357,942
Information Systems	4,916,921	5,014,349	5,014,349	4,998,694	4,998,694
Judicial Review	533,907	601,629	601,629	608,666	608,666
Capital Improvements	-	425,000	425,000	400,000	400,000
TOTAL	\$ 154,871,064	\$ 165,497,840	\$ 165,497,840	\$ 177,650,156	\$ 177,650,156
FTE Positions:					
Judicial Admin.	41.8	48.8	48.8	50.8	50.8
Appellate Courts	125.5	123.0	123.0	123.0	123.0
District Courts	1,680.7	1,737.2	1,737.2	1,795.2	1,795.2
Education Services	-	-	-	-	-
Information Systems	18.0	27.0	27.0	29.0	29.0
Judicial Review	2.0	2.0	2.0	2.0	2.0
Capital Improvements	-	-	-	-	-
TOTAL	1,868.0	1,938.0	1,938.0	2,000.0	2,000.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

OFFICE OF JUDICIAL ADMINISTRATION



* Prior to FY 2018, expenditures for the Office of Judicial Administration were made from the Appellate Courts program.

STATUTORY BASIS: • *Kansas Constitution*, Article III, § 1

PROGRAM GOALS: • Implement the rules and policies of the Supreme Court as they apply to the operation and administration of the Judicial Branch

The Office of Judicial Administration (OJA) program implements the rules and policies of the Supreme Court as applicable to the operation and administration of the Judicial Branch. Duties prescribed by law or directed by the Supreme Court include fiscal operations, personnel management, public information services, general counsel services, and compilation and assessment of court statistical information.

CENTRALIZED COURT PAYMENT CENTER

OJA has implemented a centralized payment center to consolidate district court accounting functions associated with the eCourt case management system. The agency indicates this process will create efficiencies, thus allowing staff to concentrate more on case management duties.

LANGUAGE ACCESS

OJA also administers a Language Access Committee to assist with the development and management of a comprehensive language access program for people with limited English proficiency. At the committee's recommendation, OJA contracted with Johnson County Community College to host online court interpreter orientation and attendant services, which would allow a court interpreter to access, view, and complete court interpreter orientation online, free of charge to the interpreter. Beginning July 1, 2021, all foreign language

interpreters must complete this program. More than 180 people have completed the orientation to date.

SPECIALTY COURTS

There are currently 19 specialty courts operating across district courts in Kansas, including drug, veterans, home, behavioral health, youth, and truancy courts. These programs use therapy or problem-solving techniques, among other things, to address the underlying factors that may contribute to an individual's involvement in the criminal justice system. In January 2021, the Supreme Court adopted Rule 191, which created the Specialty Court Committee to make recommendations regarding the development and administration of specialty courts in Kansas.

COLLECTIONS

The 2015 Legislature transferred responsibility for negotiating, executing, and overseeing contracts for collecting restitution and debt owed to courts from the Office of the Attorney General to the judicial administrator, pursuant to KSA 2019 Supp. 20-169. OJA has been creating and implementing debt collection standards and benchmarks. The current contracts expire on July 31, 2022. At that time, current vendors will be given an opportunity to renew for another year. The next request for proposal on debt collection services will be issued in spring 2022.

WORKSHARE

Workshare allows for courts using the Centralized Case Management System (CCMS) to create tasks that can be accessed and processed remotely at any other court location that is connected to the same system.

Tasks can be worked by multiple users and at multiple locations simultaneously. Tasks can also be designated for certain users or user groups to ensure processing of specialized assignments. In FY 2021, 23 counties began using and implementing workshare activities.

FIGURE 12 OFFICE OF JUDICIAL ADMINISTRATION, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Employees and Judges Receiving Payroll Services*	1,914	1,930	1,919	2,000	2,000
2.Number of Employees and Judges Participating in SEHP*	1,683	1,542	1,564	1,592	1,592
3.Number of Vouchers Processed	4,490	2,818	4,303	2,825	2,825
Output Measure:					
4.Number of Judicial Districts*	31	31	31	31	31
5.Number of Employees and Judges*	1,914	1,930	1,930	2,000	2,000
6.Number of Standing Committees*	10	14	14	14	14
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 2,306,214	\$ 2,259,126		\$ 2,878,910	\$ 3,716,659
Federal Funds	-	6,579,289		155,625	-
All Other Funds	3,972,697	3,727,578		2,790,106	2,442,560
TOTAL	\$ 6,278,911	\$ 12,565,993		\$ 5,824,641	\$ 6,159,219
Percentage Change:					
SGF	11.0 %	(2.0) %		27.4 %	29.1 %
All Funds	9.8 %	100.1 %		(53.6) %	5.7 %
FTE Positions	39.0	41.8		48.8	50.8

* The Governor's Office does not utilize this measure for evaluation purposes.

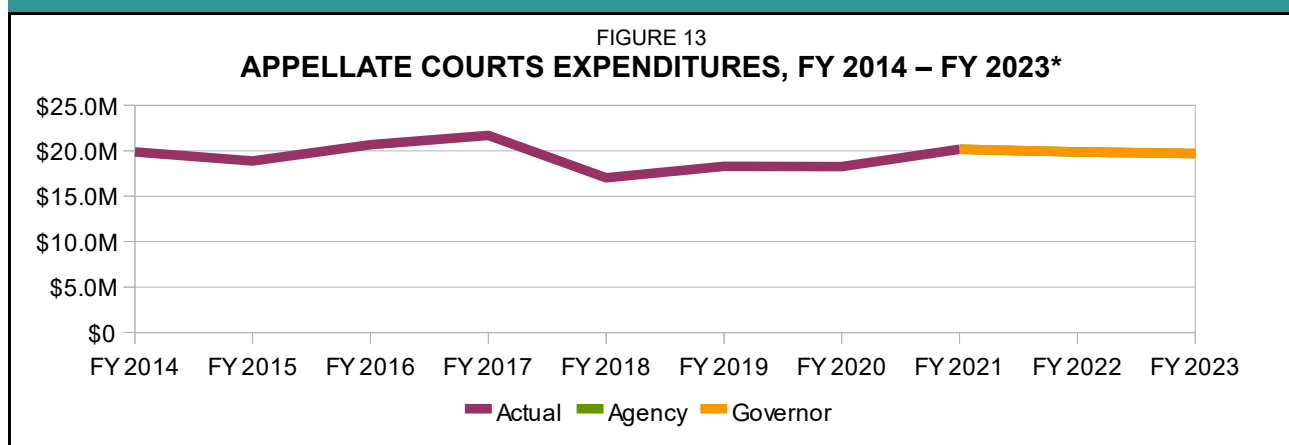
BUDGET ANALYSIS

The **agency** requests \$6.2 million in expenditures and 50.8 FTE positions for the Office of Judicial Administration program for FY 2023. This represents an increase of \$334,578, or 5.7 percent, above the agency's revised estimate in FY 2022. The increase is primarily due to the addition of \$176,651 in enhancement expenditures for two new positions—an Internal Auditor, which would oversee internal financial and operational audits, and a Data Analyst, which would oversee data collection and analysis in support of both public and private inquiries. Of that amount, \$138,119 is budgeted

for salaries and \$47,829 for salaries and wages fringe benefits, with a \$9,297 reduction included to account for shrinkage.

The **Governor** concurs with the agency request and recommends \$6.2 million in expenditures for the Office of Judicial Administration program for FY 2023. Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

APPELLATE COURTS



* Prior to FY 2018, expenditures for the Office of Judicial Administration were made from the Appellate Courts program.

STATUTORY BASIS: • *Kansas Constitution*, Article III, § 2, 4
• KSA 5-501, 12-4114, 20-155, 20-3001, 20-1a20

PROGRAM GOALS: • Provide Kansas residents with the fundamental right of access to justice.

FIGURE 14
APPELLATE COURTS SUBPROGRAMS, SUMMARY OF EXPENDITURES

Subprogram	Actual FY 2021	Agency Est. FY 2022	Gov. Rec. FY 2022	Agency Est. FY 2023	Gov. Rec. FY 2023
Supreme Court	\$ 4,485,423	\$ 4,549,975	\$ 4,549,975	\$ 4,766,028	\$ 4,766,028
Court of Appeals	5,696,095	6,485,831	6,485,831	6,905,172	6,905,172
Clerk of the Appellate Courts	767,863	791,065	791,065	901,512	901,512
Appellate Reporter	875,065	913,319	913,319	934,343	934,343
Law Library	762,763	732,556	732,556	753,122	753,122
eCourt	7,479,446	6,226,038	6,226,038	5,272,352	5,272,352
Municipal Court Training	84,161	162,235	162,235	165,333	165,333
Alternative Dispute Resolution	6,046	4,849	4,849	9,866	9,866
TOTAL	\$ 20,156,862	\$ 19,865,868	\$ 19,865,868	\$ 19,707,728	\$ 19,707,728

SUPREME COURT

The Supreme Court is the highest court of Kansas and consists of seven justices. The justice who is senior in term of continuous service is designated by the *Kansas Constitution* as the Chief Justice, unless the senior person declines or resigns the position. The Supreme Court exercises the general administrative authority of the courts throughout Kansas.

COURT OF APPEALS

The Court of Appeals is Kansas' intermediate appellate court consisting of 14 judges. The Court's responsibilities include bringing the appellate court to the people, serving litigants and counsel with timely and well-written appellate opinions, and achieving efficiencies in appellate court operations for the taxpayers.

CLERK OF THE APPELLATE COURTS

The Clerk of the Appellate Courts is clerk of both the Supreme Court and the Court of Appeals. In addition to case processing for both appellate courts, the Clerk is responsible for general supervision of support staff for the Board of Examiners of Court Reporters, the Board of Law Examiners, the Supreme Court Nominating Commission, the Judicial Qualifications Commission, and the Client Protection Fund Commission.

APPELLATE REPORTER

The Appellate Reporter is a constitutional officer and is required to be an attorney. The primary functions are editing all opinions filed by each appellate court, publishing those opinions each court so designates, and facilitating the placement of the published and unpublished opinions online.

LAW LIBRARY

The Supreme Court Law Library supports the research needs of the Judicial Branch, although users of the library vary considerably and include employees of state agencies, the Legislature, attorneys from across the state, and the public, including prisoners.

ECOURT

The eCourt system is the agency's ongoing project to develop and implement a statewide, centralized electronic court environment. The agency contracted with Tyler Technologies to provide a statewide court case management system through the Odyssey program. Implementation of the eCourt system is scheduled to be completed in CY 2022.

MUNICIPAL COURT TRAINING

KSA 12-4114 requires the Supreme Court to provide a training and examination program to ensure that non-lawyer municipal judges have the necessary minimum skills and knowledge of the law to carry out their duties within 18 months of the judge taking office.

ALTERNATIVE DISPUTE RESOLUTION

The agency administers and supports statewide dispute resolution. The Supreme Court has appointed an advisory council of judges, lawyers, and mediators to help establish programs committed to non-adversarial dispute resolution.

FIGURE 15 APPELLATE COURTS, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Law Library Volumes and Online Resources	137,790	139,399	136,728	141,699	143,999
2.Number of Opinions Issued	1,131	1,012	1,154	1,071	1,071
3.Numbers of Cases Docketed	1,516	1,097	1,470	1,300	1,400
Output Measure:					
4.Number of Dispute Resolution Providers Receiving Support, Education, and Training*	266	229	264	250	275
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 9,285,622	\$ 8,854,427		\$ 10,747,334	\$ 11,836,349
Federal Funds	-	-		-	-
All Other Funds	8,971,318	11,302,435		9,118,534	7,871,382
TOTAL	\$ 18,256,940	\$ 20,156,862		\$ 19,865,868	\$ 19,707,731
Percentage Change:					
SGF	1.5 %	(4.6) %		21.4 %	10.1 %
All Funds	(0.2) %	10.4 %		(1.4) %	(0.8) %
FTE Positions	129.5	125.5		123.0	123.0

* The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

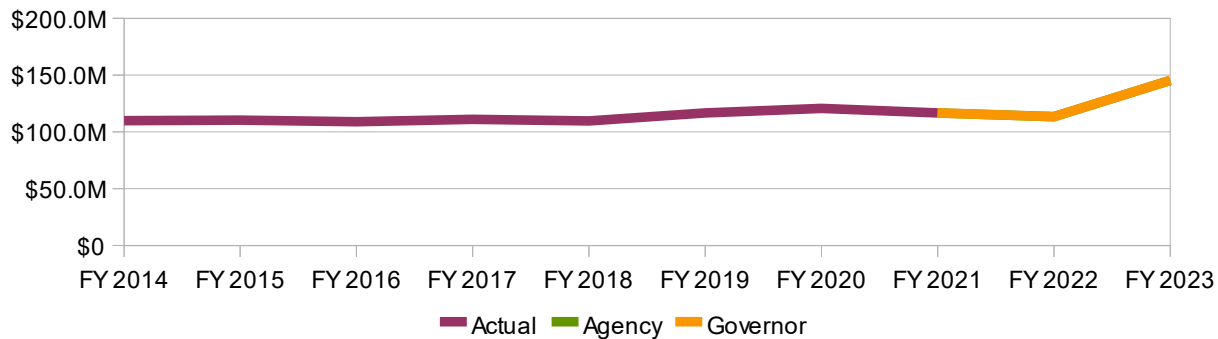
The **agency** requests \$19.7 million in expenditures and 123.0 FTE positions for the Appellate Courts program for FY 2023. This represents a decrease of \$158,140, or 0.8 percent, below the agency's revised estimate in FY 2022, primarily due to lower eCourt expenditures as the program transitions from implementation to operation. The request also

includes a transition of funding from funds supported by the judicial surcharge to SGF.

The **Governor** concurs with the agency request for FY 2023. Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

DISTRICT COURTS

FIGURE 16
DISTRICT COURTS EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • *Kansas Constitution*, Article III, § 6
• KSA 20-361, 21-6607

PROGRAM GOALS: • Provide Kansas residents with the fundamental right of access to justice.

FIGURE 17
DISTRICT COURTS SUBPROGRAMS, SUMMARY OF EXPENDITURES

Subprogram	Actual FY 2021	Agency Est. FY 2022	Gov. Rec. FY 2022	Agency Est. FY 2023	Gov. Rec. FY 2023
Judges of District Courts	\$ 35,925,112	\$ 37,244,894	\$ 37,244,894	\$ 42,687,189	\$ 42,687,189
Nonjudicial Personnel	77,807,252	93,658,172	93,658,172	100,376,619	100,376,619
CASA & CRB Programs	643,184	689,453	689,453	445,058	445,058
Court Improvements	335,379	385,977	385,977	345,455	345,455
Correctional Supervision	1,033,344	496,184	496,184	503,059	503,059
Child Support Enforcement	935,234	1,026,308	1,026,308	1,060,527	1,060,527
TOTAL	\$ 116,679,505	\$ 133,500,988	\$ 133,500,988	\$ 145,417,907	\$ 145,417,907

Kansas has 31 judicial districts consisting of one or more counties. Each county has a district court and a resident judge. The salaries of district court judges and nonjudicial personnel are paid by the State. The counties pay most all other operating expenditures, with the exceptions of funding for the statewide court accounting system and the case management system. The Judicial Branch estimates counties pay for approximately 20.0 percent of the total operating budget for the district courts.

JUDGES OF DISTRICT COURTS

District court judges are constitutional officers with full judicial power over all cases filed with the district court. Magistrate judges have limited authority to hear traffic infractions, criminal misdemeanors, preliminary examination of felony charges, and certain civil matters. The state is responsible for all Judicial Branch district court salaries, while counties fund operating expenses for local courts.

Consequently, the majority of the agency's budget is allocated for salaries and wages.

NONJUDICIAL PERSONNEL

In each county, an office of the clerk of the district court serves as a gateway to the courts. Staff in the clerk's office accepts court documents, file-stamps them, enters them into the case management system, scans them, files them, retrieves them, and safely stores them. Staff also accept and give receipts for all fines, judgments, and fees, and disburse money as directed by law and court order.

CASA AND CRB PROGRAMS

Court Appointed Special Advocate (CASA) programs use citizen volunteers to personally investigate facts, conditions, and circumstances affecting the welfare of abused and neglected children. Currently, there are 23 CASA programs serving 25 judicial districts. The agency also provides technical assistance to

eight Citizen Review Board (CRB) programs, which train citizen volunteers to review cases and recommend dispositional alternatives to judges on selected cases involving children who are in out-of-home placements.

COURT IMPROVEMENTS—CHILD WELFARE

This federally funded Court Improvement for Child Welfare program assesses current foster care and adoption procedures, laws, and regulations and implements improvements. A grant from the U.S. Department of Health and Human Services funds the collection and analysis of information from representative areas of state judicial systems to formulate improved procedures, laws, and regulations in this area of concern.

CORRECTIONAL SUPERVISION

As a part of offender supervision, court services officers use validated risk assessment instruments, Level of Service Inventory-Revised (LSI-R) and the Youth Level of Service (YLS) to address offender risk and needs appropriately. Approximately 300 officers are trained in the use of one or both of these instruments.

CHILD SUPPORT ENFORCEMENT

The agency participates in a cooperative reimbursement agreement with the Department for Children and Families for expediting Title IV-D case processing. A formal time study of allowable activities in paternity, child support, and medical support cases is conducted once each fiscal year over a single four-week period.

FIGURE 18 DISTRICT COURTS, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Certified CASA and CRB Programs	31	24	29	23	23
2.Number of Cases Involving Title IV-D Child Support*	126,683	129,748	132,110	129,748	129,748
3.Number of Offenders Supervised	16,066	17,001	18,422	18,021	19,102
Output Measure:					
4.Number of Court Improvement Trainings*	1	12	8	12	12
5.Number of People Trained*	440	1,094	787	1,026	1,057
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 99,111,198	\$ 98,216,360		\$ 122,501,627	\$ 130,818,010
Federal Funds	181,379	335,379		385,977	345,455
All Other Funds	21,469,035	18,127,769		10,613,384	14,254,442
TOTAL	\$ 120,761,612	\$ 116,679,508		\$ 133,500,988	\$ 145,417,907
Percentage Change:					
SGF	4.4 %	(0.9) %		24.7 %	6.8 %
All Funds	3.4 %	(3.4) %		14.4 %	8.9 %
FTE Positions	1,681.5	1,680.7		1,737.2	1,795.2

* The Governor's Office does not utilize this measure for evaluation purposes.

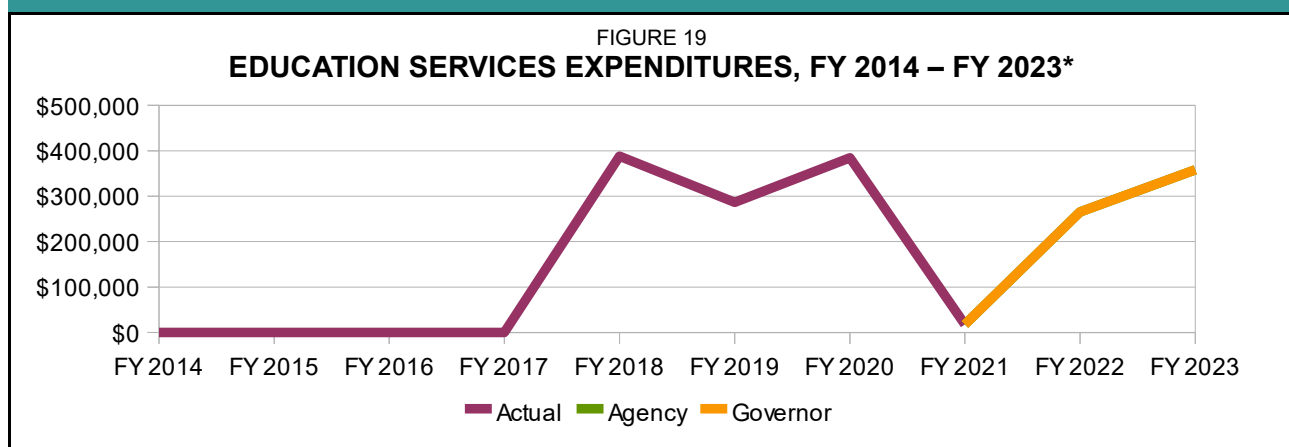
BUDGET ANALYSIS

The agency requests \$145.4 million in expenditures and 1,795.2 FTE positions for the District Courts program for FY 2023. This represents an increase of \$11.9 million, or 8.9 percent, above the agency's revised estimate in FY 2022, primarily due to an additional \$5.7 million in enhancement expenditures for new judge and staff positions. The increase is also attributable to a 5.0 percent salary adjustment

for judges and justices (\$1.9 million), per 2021 SB 159.

The **Governor** concurs with the agency request for FY 2023. Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

EDUCATION SERVICES



* Prior to FY 2018, expenditures for Education Services were made from the Appellate Courts program.

STATUTORY BASIS: • KSA 20-1a11

PROGRAM GOALS: • Provide quality training for judges and staff.

The Education Services program provides essential training for judges and staff that focuses on improving judicial and administrative functions and procedures, interpreting statutory requirements, and improving individual skills

and job performance. Many educational programs are originated by staff, although the Office of Judicial Administration also works closely with advisory committees representing all components of the agency.

FIGURE 20
EDUCATION SERVICES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Trainings	15	18	16	20	20
2.Number of Employees and Judges Served by Education and Training Services*	1,914	1,930	1,919	2,000	2,000
3.Number of Non-Lawyer District Magistrate Judges Certified*	3	2	2	10	10
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	384,493	17,876		265,365	357,942
TOTAL	\$ 384,493	\$ 17,876		\$ 265,365	\$ 357,942
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	34.1 %	(95.4) %		1,384.5 %	34.9 %
FTE Positions	--	--		--	--

* The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

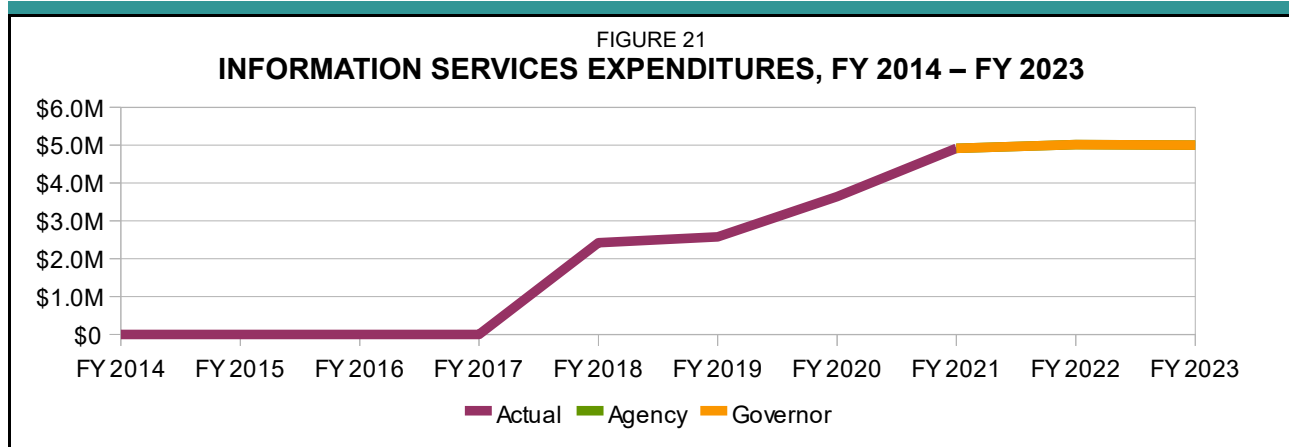
The **agency** requests \$357,942 in expenditures for the Education Services program for FY 2023. This represents an increase of \$92,577, or 34.9 percent, above the

agency's revised estimate in FY 2022. The increase is primarily due to a \$76,577 increase in contractual services expenditures, which primarily include expenditures for periodic in-

state training as well as out-of-state travel for new judges. New judges are given the opportunity to attend a two-week general session at the National Judicial College as soon as practicable after assuming judicial office. The agency experienced a sharp decline in such travel expenditures in FY 2021 and FY 2022 due to the COVID-19 pandemic.

The **Governor** concurs with the agency request and recommends \$357,942 for the Education Services program for FY 2023. Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

INFORMATION SERVICES



* Prior to FY 2018, expenditures for Information Services were made from the Appellate Courts program.

PROGRAM GOALS: • Use information technology to improve efficiency and productivity through the use of new and existing technology

The Information Services program uses information technology to improve efficiency and productivity by providing enterprise-wide and integrated solutions and enabling effective and efficient operation of new and existing technology, including e-filing, electronic payments, and electronic citation systems. Projects within this program include the following:

ELECTRONIC FILING

In 2016, the Judicial Branch implemented electronic filing in both appellate and district courts. Customized software enables Kansas district courts to prepare electronic records on appeal for use by lawyers and the appellate courts. These systems allow attorneys to file cases and related legal documents electronically with the courts. More than 6,800 attorneys have registered to file electronically, and millions of electronic pleadings have been filed to date. In 2018, e-filing was mandated statewide for all attorneys. Currently, about 70.0 percent of all records on appeal in Kansas are prepared in electronic format.

ELECTRONIC PAYMENTS

In Kansas, district courts are able to accept credit card payments via the internet for all case types that are electronically filed. The current system includes a secure web interface and a payment processing service that completes transactions and deposits funds in the court's accounts.

ELECTRONIC CITATION SYSTEM

The Judicial Branch partnered with the Kansas Highway Patrol (KHP) to develop an electronic citation system (e-citation). After completing installation and training, KHP stopped filing paper citations or tickets in the courts. Instead, district courts retrieve such notices via a secure web portal, allowing the courts to receive citations within 24 hours in an easy-to-read format.

ELECTRONIC DUI FILING INFORMATION

KSA Supp. 8-2,144 requires district courts to submit driving under the influence information electronically to the Kansas Bureau of Investigation (KBI). The KBI uses court information and data from state agencies to create an information portal known as Report and Police Impaired Drivers (RAPID). RAPID is accessible by law enforcement personnel, judges, probation officers, and correctional agencies to view criminal history records.

KANSAS COURT WEBSITE

In 2020, the Judicial Branch launched a new, mobile-friendly website to guide visitors to the information they need and to allow users to search databases of rules, orders, and opinions. The website also serves as an access point to digital services available through the eCourt project.

REGIONAL POSITIONS

The Judicial Branch indicates that, due to an increased need for information services support at the district court level, the Supreme Court decided to convert seven currently vacant positions to information services positions to

support Kansas courts by region; 25 of the 31 judicial districts in the state did not have dedicated information services personnel. Accordingly, regional information services teams led by OJA were established to remotely assist with technological needs and concerns.

FIGURE 22 INFORMATION SERVICES, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of Employees and Judges Served by Information Services Support and Training	1,914	1,930	1,919	2,000	2,000
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 949,744	\$ 1,120,098		\$ 1,871,479	\$ 2,275,506
Federal Funds	-	-		-	-
All Other Funds	2,692,366	3,796,823		3,142,870	2,723,188
TOTAL	\$ 3,642,110	\$ 4,916,921		\$ 5,014,349	\$ 4,998,694
Percentage Change:					
SGF	5.9 %	17.9 %		67.1 %	21.6 %
All Funds	41.1 %	35.0 %		2.0 %	(0.3) %
FTE Positions	16.0	18.0		27.0	29.0

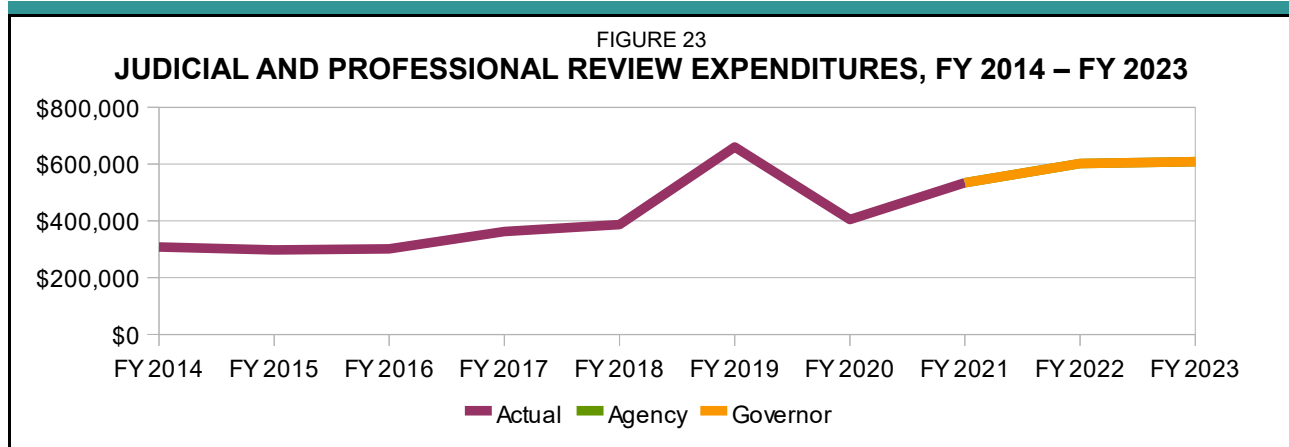
BUDGET ANALYSIS

The **agency** requests \$5.0 million in expenditures for the Information Services program for FY 2023. This represents a decrease of \$15,655, or 0.3 percent, below the agency's revised estimate in FY 2022. The decrease is primarily due to lower expenditures for rent (a decrease of \$306,320), partially offset by enhancement expenditures for two new positions (\$149,266)—an IT Security Analyst, which would protect District Court operations from cybersecurity attacks, and an Operations Technician, which would address

increased demand on regional IT teams from the continued use of remote technology.

The **Governor** concurs with the agency request and recommends \$5.0 million in expenditures for the Information Services program for FY 2023. Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

JUDICIAL AND PROFESSIONAL REVIEW



STATUTORY BASIS: • *Kansas Constitution*, Article III, § 5, 15
• KSA 20-119 through 20-138, 20-912, 20-1a03

PROGRAM GOALS: • Provide professional oversight for judges, attorneys, and court reports in Kansas.

FIGURE 24
JUDICIAL AND PROFESSIONAL REVIEW SUBPROGRAMS

Subprogram	Actual FY 2021	Agency Est. FY 2022	Gov. Rec. FY 2022	Agency Est. FY 2023	Gov. Rec. FY 2023
Commission on Judicial Qualifications	\$ 12,676	\$ 22,481	\$ 22,481	\$ 22,813	\$ 22,813
Judicial Nominating Commission	18,993	18,794	18,794	18,917	18,917
Board of Law Examiners	490,976	546,563	546,563	552,925	552,925
Board of Examiners of Court Reporters	11,262	13,791	13,791	14,011	14,011
TOTAL	\$ 533,907	\$ 601,629	\$ 601,629	\$ 608,666	\$ 608,666

The Judicial and Professional Review program consists of the Commission on Judicial Qualifications, the Judicial Nominating Commission, the Board of Law Examiners, and the Board of Examiners of Court Reporters. The first two boards are funded by the SGF, while the latter two are funded from the Bar Administration Fee Fund and the Court Reporter Fund, respectively.

COMMISSION ON JUDICIAL QUALIFICATIONS

The Commission on Judicial Qualifications was created by order of the Supreme Court to assist the Supreme Court in the exercise of its responsibility under Article 3, Section 15, of the *Kansas Constitution*, which provides that "judges shall be subject to retirement for incapacity, and to discipline, suspension and removal for cause by the supreme court after

appropriate hearing." The Court adopted a Code of Judicial Conduct, effective January 1, 1974, which prescribes a standard of conduct for judges. The code requires a judge not only to avoid impropriety in all of the judge's activities, but also to avoid any appearance of impropriety. It limits judges' political activities and business affairs and prohibits the practice of law by full-time judges.

JUDICIAL NOMINATING COMMISSION

The Supreme Court Nominating Commission was established pursuant to the *Kansas Constitution*, Article 3, Section 5, and KSA 20-119 to 20-138, inclusive, as amended. This nonpartisan Commission has the responsibility of nominating and submitting to the Governor the names of three candidates who are eligible for appointment to vacancies on the Supreme Court. Each member of the Commission is

entitled to receive \$15 per diem for meetings and reimbursement for travel, meals, and lodging. Additionally, each year the Clerk's Office holds an election among the attorneys in one of the Congressional Districts to elect a lawyer member to the Supreme Court Nominating Commission.

BOARD OF LAW EXAMINERS

The Board of Law Examiners is a ten-member board charged with all responsibilities relating to the admission of attorneys to practice law in Kansas. These responsibilities include conducting two bar examinations each year; certifying character and fitness of applicants to take the bar exam; printing the Kansas essay examination, certificates, rules, and bar application forms; grading the examinations; notifying applicants of examination results; swearing in successful applicants; and issuing

bar certificates. The Board grades bar examinations and holds character hearings. Each member of the Board receives an annual \$5,000 fee and subsistence expenses for two annual meetings.

BOARD OF EXAMINERS OF COURT REPORTERS

The State Board of Examiners of Court Reporters was established by the Supreme Court in 1941 pursuant to KSA 20-912. Rules of the Supreme Court relating to official reporters for district courts and rules adopted by the Board are set forth in the Kansas Court Rules Annotated. The Board, subject to direction and approval of the Supreme Court, has general supervision over the granting of certificates of eligibility for appointment as official reporters of district courts.

FIGURE 25 JUDICIAL AND PROFESSIONAL REVIEW, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Court Reporters Certified	298	291	--	295	300
2.Number of Court Reporters Trained	123	123	--	125	127
3.Number of Bar Exam Applicants	352	534	--	540	540
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 3,921	\$ 4,522		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	400,938	529,385		601,629	608,666
TOTAL	<u>\$ 404,859</u>	<u>\$ 533,907</u>		<u>\$ 601,629</u>	<u>\$ 608,666</u>
Percentage Change:					
SGF	36.4 %	15.3 %		(100.0) %	-- %
All Funds	(38.7) %	31.9 %		12.7 %	1.2 %
FTE Positions	2.0	2.0		2.0	2.0

BUDGET ANALYSIS

The **agency** requests \$608,677 in expenditures for the Judicial and Professional Review program for FY 2023. This represents an increase of \$7,037, or 1.2 percent, above the agency's revised estimate in FY 2022. The increase is primarily due to \$3,850 in additional professional services expenditures for the Board of Law Examiners as well as \$1,140 for employer contributions to group health insurance.

The **Governor** concurs with the agency request and recommends \$608,677 in expenditures for the Judicial and Professional Review program for FY 2023. Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

CAPITAL IMPROVEMENTS

FIGURE 26
CAPITAL IMPROVEMENTS, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Capital Projects:					
Secure Mail Room	\$ -	\$ 175,000	\$ 175,000	\$ -	\$ -
Court of Appeals Offices	-	250,000	250,000	-	-
IT Help Desk	-	-	-	200,000	200,000
Office Restructure	-	-	-	200,000	200,000
TOTAL	\$ -	\$ 425,000	\$ 425,000	\$ 400,000	\$ 400,000
Financing:					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Docket Fee Fund	-	425,000	425,000	400,000	400,000
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ -	\$ 425,000	\$ 425,000	\$ 400,000	\$ 400,000

FY 2022 CAPITAL IMPROVEMENTS

The **agency** requests a revised estimate of \$425,000 in capital improvement expenditures in FY 2022, all from the Docket Fee Fund. Supported projects include the following:

SECURE MAIL ROOM

The Judicial Branch requests \$175,000 in expenditures to create a secure mail processing area within the Judicial Center, indicating that with the implementation of centralized payment processing and disbursements throughout the state court system, it has become apparent that the current space within the Judicial Center used for payment processing purposes is inadequate in terms of both space and security. Accordingly, the Office of Judicial Administration has worked with the Department of Administration to identify space in the Judicial Center that can be restructured to allow for a secure mail processing area, incorporating recommendations by the U.S. Department of Homeland Security.

COURT OF APPEALS OFFICES

The Judicial Branch requests \$200,000 in expenditures to continue the Court of Appeals remodeling project. The 2019 Legislature appropriated funding to finish judicial offices such that all Court of Appeals judges and staff would be on the same floor. The second phase of the project involves remodeling an existing lounge and meeting room to become office space for research attorneys and other staff. The agency indicates that, while these spaces are already being used for office space, they are not configured as such. Accordingly, the agency has worked with the Department of Administration to develop plans for office space that allows for improved employee concentration and confidentiality with sensitive work.

The **Governor** concurs with the agency's revised estimate and recommends \$425,000 in capital improvement expenditures in FY 2022. Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

FY 2023 CAPITAL IMPROVEMENTS

The **agency** requests \$400,000 in capital improvement expenditures for FY 2023, all from the Docket Fee Fund. Supported projects include the following:

IT HELP DESK

The Judicial Branch requests \$200,000 in expenditures to create dedicated space for IT staff to prepare remote access equipment for distribution and to provide IT support statewide. The agency indicates this will allow for the implementation of public health, safety, and security guidelines so that staff may successfully perform these tasks.

OFFICE RESTRUCTURE

The Judicial Branch requests \$200,000 in expenditures to develop space for centralized

court services. The agency indicates that modernization of the court system, access to justice needs, and the COVID-19 pandemic has illustrated the need for centralization and standardization of certain processes in the court system. For instance, centralizing language access services and online dispute resolution to the court system would allow parties to access the court system in an efficient, timely manner.

The **Governor** concurs with the agency request and recommends \$400,000 in capital improvement expenditures for FY 2023. Pursuant to KSA 75-3721f, the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

JUDICIAL COUNCIL

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	5,800	-	-	-	-
All Other Funds	545,693	618,036	618,036	625,359	625,359
<i>Subtotal</i>	<i>\$ 551,493</i>	<i>\$ 618,036</i>	<i>\$ 618,036</i>	<i>\$ 625,359</i>	<i>\$ 625,359</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 551,493	\$ 618,036	\$ 618,036	\$ 625,359	\$ 625,359
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(5.7) %	12.1 %	12.1 %	1.2 %	1.2 %
FTE Positions	5.0	5.0	5.0	5.0	5.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Judicial Council was created by the 1927 Legislature to survey and study the Judicial Branch of the state government and to recommend improvements in the administration of justice for consideration by the Legislature and the Supreme Court. The ten-member Council is composed of one justice of the Kansas Supreme Court, one judge of the Court of Appeals, two district court judges, two legislators, and four attorneys.

The Council has 18 advisory committees made up of legislators, judges, attorneys, and persons from various backgrounds who bring their expertise to the committees. Committees established within the past five years include the following:

- The **Advisory Committee on Sex Offenses and Registration** was formed in 2018 in response to a legislative request to study and consider amendments to Kansas' sex offense statutes and related registration requirements for both adults and juveniles.
- The **Civil Asset Forfeiture Advisory Committee** was formed in 2017 in response to a legislative request to study and make recommendations regarding the Kansas Standard Asset Seizure and Forfeiture Act, KSA 60-4141 *et seq.* The Committee's recommendations were introduced in 2018 and passed by the Legislature in HB 2459. Unlike other *ad hoc* committees that are dissolved when the study is complete, this Committee remains intact to reassess asset forfeiture after the new legislation has been in place for a few years.
- The **DUI Advisory Committee** was formed in 2018 in response to a legislative request to study DUI-related bills, 2017 SB 123 and 2018 SB 374, and provide in-depth consideration of the issues raised by the legislation. The Judicial Council also receives and considers suggestions related to the administration of justice in Kansas from the

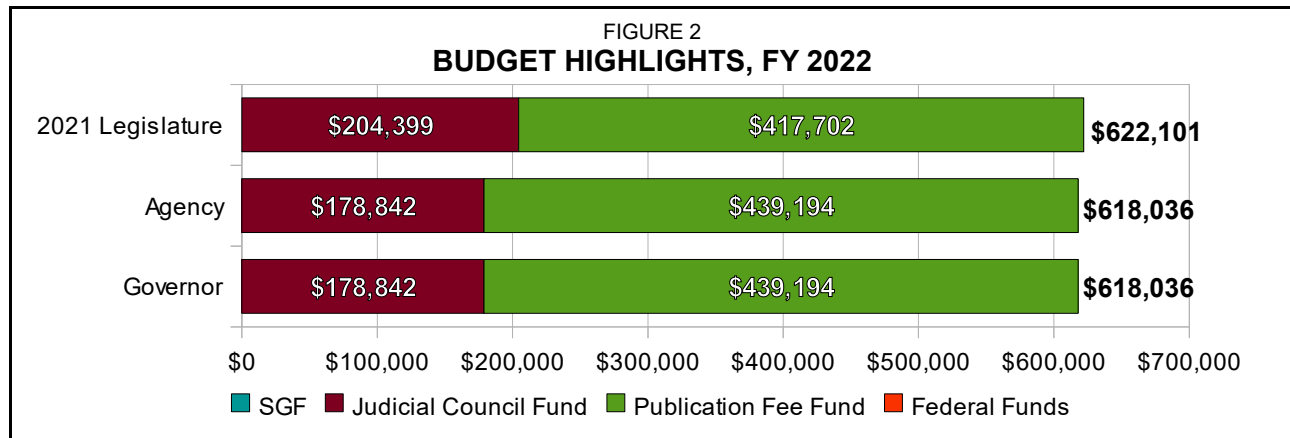
Legislature, the Supreme Court, other courts, the bar, and the public. The Council identifies areas of needed improvement, assigns projects to advisory committees, receives and reviews the work product of the advisory committees, and takes appropriate action.

- The **Virtual Court Advisory Committee** was formed in 2021 in response to a request from the Chief Justice of the Kansas Supreme Court to study the future role of two-way electronic audiovisual communication in Kansas courts, including statutory or rule changes to facilitate use of such technology; and
- The **Vital Statistics Act Advisory Committee** was formed in 2021 in response to a request from the Kansas Department of Health and Environment to review a draft of the new Uniform Vital Statistics Act, KSA 65-2401 *et seq.*, which relates to the administration of data relating, but not limited, to birth, adoption, death, marriage, and more.

The Judicial Council also authors and distributes five publications, covering a variety of judicial topics.

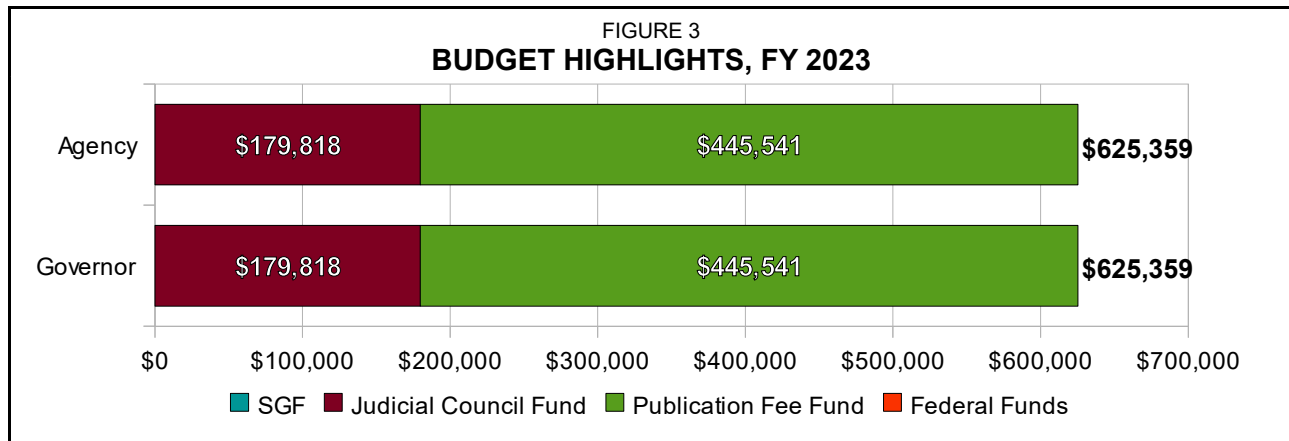
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$622,101, all from special revenue funds, in expenditures and 5.0 FTE positions for the Judicial Council for FY 2022.



The **agency** requests a revised estimate of \$618,036 in expenditures, all from the Judicial Council Fund and the Publications Fee Fund, and 5.0 FTE positions in FY 2022. This represents a reduction of \$4,065, or 0.7 percent, below the amount approved by the 2021 Legislature. The revised estimate includes a reduction of \$2,288 in salary expenditures to account for changes in personnel. Since the conclusion of the 2021 Session, the agency replaced a departing Administrative Assistant at a lower starting rate. The revised estimate also includes a reduction of \$1,777 in fringe benefits expenditures to account for year-to-year changes in rates. These benefits include employer contributions to the public employees retirement system (\$3,127 decrease), health insurance (\$177 decrease), and unemployment compensation (\$1,389 increase). The revised estimate includes 5.0 FTE positions, the same as the approved amount.

The **Governor** concurs with the agency's revised estimate in FY 2022. As the agency is part of the Judicial Branch, the Governor is statutorily required to include the Judicial Council's budget in *The Governor's Budget Report* as submitted by the agency, pursuant to KSA 75-3721f.



The **agency** requests \$625,359 in expenditures, all from the Judicial Council Fund and the Publications Fee Fund, and 5.0 FTE positions for FY 2023. This represents an increase of \$7,323, or 1.2 percent, above the revised estimate in FY 2022. The request includes an additional \$5,000 in expenditures for attorney fees associated with registering the agency's copyrighted materials with the United States Copyright Office. These services are part of the publication process and occur as the agency produces the majority of its documents and materials. For FY 2023, the agency will distribute supplements to the Kansas Municipal Court Manual, the Pattern Instructions for Kansas (PIK)—Civil 4th, and the PIK—Criminal 4th. The request also includes an increase of \$2,323 in a variety of other expenditures, including travel reimbursements for vehicle mileage (\$756), state printing costs (\$630), and payments for local telephone services to the Office of Information and Technology Services (\$283). The request includes 5.0 FTE positions, which is the same as the agency's FY 2022 revised estimate.

The **Governor** concurs with the agency request for FY 2023. As the agency is part of the Judicial Branch, the Governor is statutorily required to include the Judicial Council's budget in *The Governor's Budget Report* as submitted by the agency, pursuant to KSA 75-3721f.

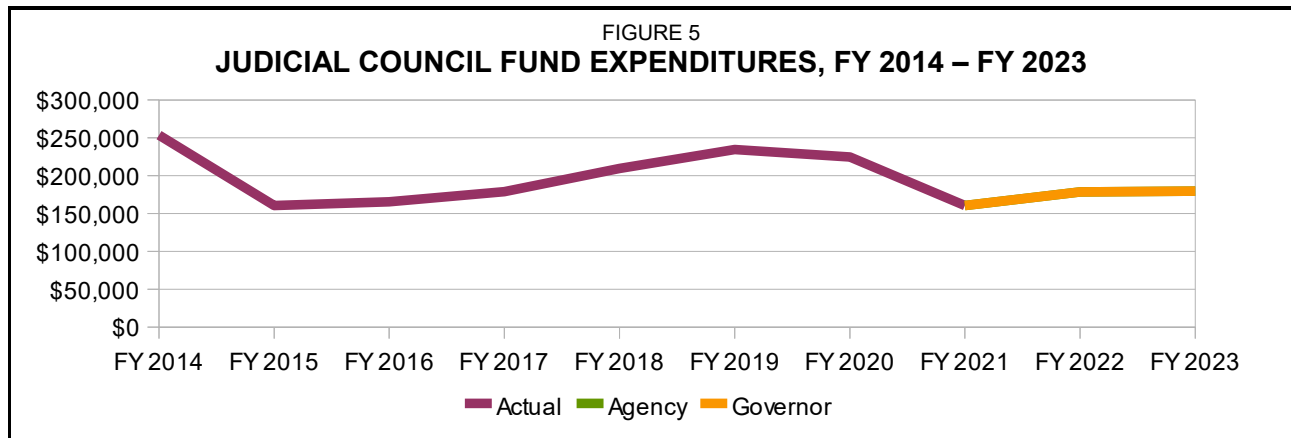
EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 471,242	\$ 515,619	\$ 515,619	\$ 515,504	\$ 515,504
Contractual Services	71,319	96,943	96,943	104,261	104,261
Commodities	3,195	3,474	3,474	3,550	3,550
Capital Outlay	5,737	2,000	2,000	2,044	2,044
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 551,493</i>	<i>\$ 618,036</i>	<i>\$ 618,036</i>	<i>\$ 625,359</i>	<i>\$ 625,359</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 551,493</i>	<i>\$ 618,036</i>	<i>\$ 618,036</i>	<i>\$ 625,359</i>	<i>\$ 625,359</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 551,493	\$ 618,036	\$ 618,036	\$ 625,359	\$ 625,359
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial Council Fund	160,480	178,842	178,842	179,818	179,818
Publication Fee Fund	385,213	439,194	439,194	445,541	445,541
Federal Funds	5,800	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 551,493	\$ 618,036	\$ 618,036	\$ 625,359	\$ 625,359
FTE Positions	5.0	5.0	5.0	5.0	5.0

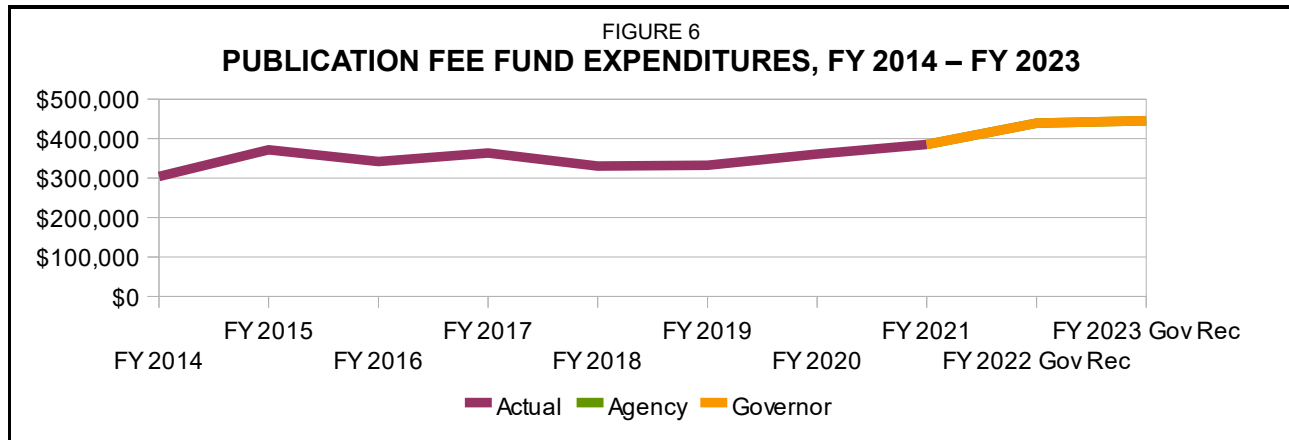
The Judicial Council has been entirely fee funded since FY 2004. Prior to FY 2004, the State General Fund provided for approximately 65.0 percent of funding for the agency.

JUDICIAL COUNCIL FUND



The Judicial Council Fund was created in 2003 (L. 2003, Ch. 160, Sec. 74) to support agency operations. Since FY 2013, pursuant to KSA 20-362(e), the Fund has received 0.99 percent of docket fees. Additionally, the 2014 Legislature reduced operational expenditures of the agency by \$15,000 and directed the agency to reduce the number of Council meetings. The Legislature also converted the Judicial Council Fund from no limit to limit pending the total revenue received in docket fees subsequent to the 2014 legislative adjustments.

PUBLICATION FEE FUND



The Publication Fee Fund was created in 1992 and generates revenue from the sale of five legal publications:

- The **Kansas Appellate Practice Handbook 6th Edition** contains information, guidance, and practice notes on every aspect of appellate practice in Kansas. Also included is a comprehensive set of forms for appellate court pleadings.
- The **Kansas Municipal Court Manual** addresses the municipal court and its operation and explains the various procedures followed by municipal judges in performance of their judicial functions.
- The **Pattern Instructions for Kansas (PIK)–Criminal 4th** contains pattern criminal jury instructions for Kansas felonies, instructions for selected misdemeanors, and comments on use. PIK–Criminal 4th serves as an introductory resource for research in criminal law, and use of the instructions has been strongly recommended by the Kansas Supreme Court.
- The **PIK–Civil 4th** contains pattern civil jury instructions, comments, and notes on use. PIK–Civil 4th serves as an introductory resource for research in civil law, and use of the instructions has been strongly recommended by the Kansas Supreme Court.
- The **Kansas Judicial Council Probate Forms 3d** contains forms relating to both judicial and nonjudicial procedures in decedents' estates, care and treatment forms, and guardianship and conservatorship forms.

The actual publishing cycle is dependent upon the number and extent of changes through the year and the level of revenues available to finance publications. The agency indicates that revenue may, at times, have an inverse relationship to printing costs because the agency prints its literature as soon after the end of the Legislative Session as possible, while revenue from the sale of those materials may not be received until the following fiscal year. Additionally, the agency also indicates that not all printing costs can be tied directly to a published product, particularly with capital outlay expenditures for computer equipment, which are included as expenditures from the fund.

FIGURE 7				
PROJECTED REVENUE FROM THE SALE OF PUBLICATIONS, FY 2020 - 2023				
	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
KS Appellate Practice Manual	\$ 850	\$ -	\$ 250	\$ 125
KS Municipal Court Manual	5,820	6,105	5,550	5,640
PIK–Civil 4th	2,765	61,110	1,670	61,425
PIK–Criminal 4th	73,625	125,865	85,630	85,630
KS Probate Forms 3d	790	1,325	44,650	470
Royalties	19,000	15,000	10,000	10,000
Online Subscriptions	193,738	247,008	250,170	250,170
Sales Tax (Non-expense Item)	647	4,757	3,369	3,749
TOTAL	\$ 296,588	\$ 456,413	\$ 397,920	\$ 413,460

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 622,101	\$ 622,101	5.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 622,101</i>	<i>\$ 622,101</i>	<i>5.0</i>
Agency Revised Estimate:				
2. Personnel Change	\$ -	\$ (2,288)	\$ (2,288)	--
3. Fringe Benefits	-	(1,777)	(1,777)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 618,036</i>	<i>\$ 618,036</i>	<i>5.0</i>
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 618,036	\$ 618,036	5.0

LEGISLATIVE APPROVED

The 2021 Legislature approved \$622,101 in expenditures and 5.0 FTE positions for the Judicial Council for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no changes were made to the \$622,101 appropriated to the Judicial Council for FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$618,036 in expenditures, all from the Judicial Council Fund and the Publications Fee Fund, and 5.0 FTE positions in FY 2022. This represents a reduction of \$4,065, or 0.7 percent, below the amount approved by the 2021 Legislature. The revised estimate includes the following adjustments:

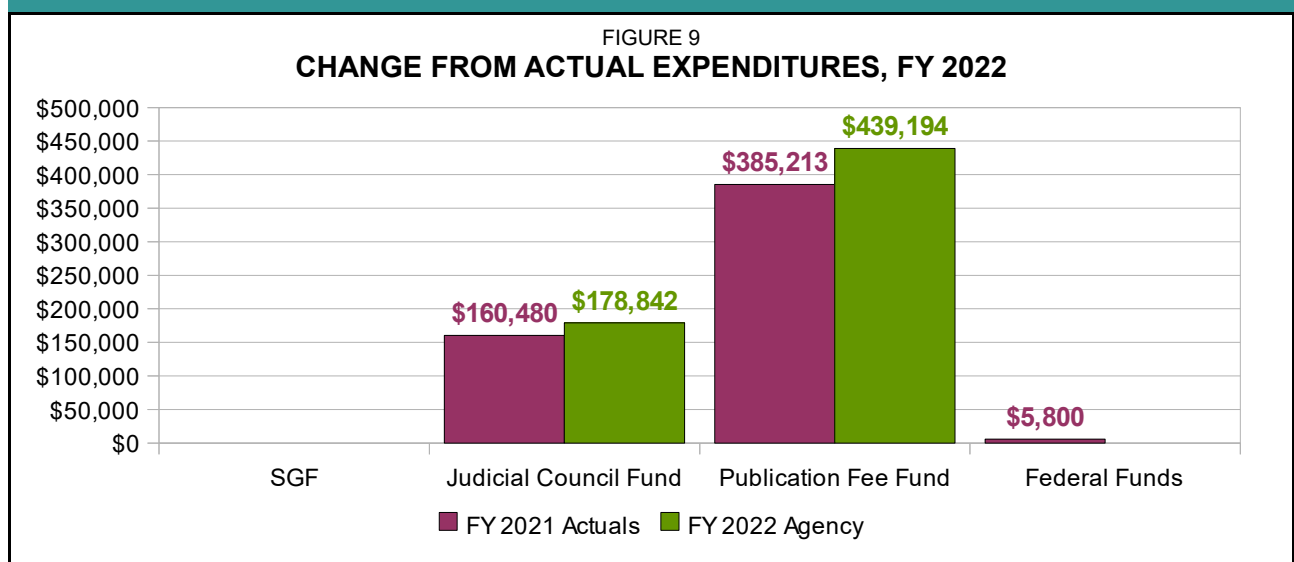
2. **PERSONNEL CHANGE.** The revised estimate includes a reduction of \$2,288 in salary expenditures to account for changes in personnel. Since the conclusion of the 2021 Session, the agency replaced a departing Administrative Assistant at a lower starting rate.
3. **FRINGE BENEFITS.** The revised estimate includes a reduction of \$1,777 in fringe benefits expenditures to account for year-to-year changes in rates. These benefits include employer contributions to the public employees retirement system (\$3,127 decrease), health insurance (\$177 decrease), and unemployment compensation (\$1,389 increase).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate and recommends \$618,036 in expenditures, all from the Judicial Council Fund, and 5.0 FTE positions in FY 2022.

4. **NO CHANGES.** As the agency is part of the Judicial Branch, the Governor is statutorily required to include the Judicial Council's budget in *The Governor's Budget Report* as submitted by the agency, pursuant to KSA 75-3721f.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The **agency** requests a revised estimate of \$618,036 in expenditures, all from the Judicial Council Fund and the Publications Fee Fund, and 5.0 FTE positions in FY 2022. This represents an increase of \$66,543, or 12.1 percent above FY 2021 actual expenditures. When determining its budget, the Judicial Council accounts for advisory committee member per diem and subsistence payments, pursuant to KSA 20-2206. The difference between actual and budgeted amounts for these payments accounts for a \$44,377 increase in salary and wage expenditures. The increase is also attributable to an additional \$33,380 in mileage compensation for Judicial Council and advisory committee meetings in FY 2022 that was not present in FY 2021.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 618,036	\$ 618,036	5.0
Agency Request:				
1. Attorney Fees—Copyright Registration	\$ -	\$ 5,000	\$ 5,000	--
2. All Other Adjustments	-	2,323	2,323	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 625,359	\$ 625,359	5.0
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 625,359	\$ 625,359	5.0

AGENCY REQUEST

The **agency** requests \$625,359 in expenditures, all from the Judicial Council Fund and the Publications Fee Fund, and 5.0 FTE positions for FY 2023. This represents an increase of \$7,323, or 1.2 percent, above the revised estimate in FY 2022. The request includes the following adjustments:

1. **ATTORNEY FEES—COPYRIGHT REGISTRATION.** The request includes an additional \$5,000 in expenditures for attorney fees associated with registering the agency's copyrighted materials with the United States Copyright Office. These services are part of the publication process and occur as the agency produces the majority of its documents and materials. For FY 2023, the agency will distribute supplements to the Kansas Municipal Court Manual, the Pattern Instructions for Kansas (PIK)—Civil 4th, and the PIK—Criminal 4th.
2. **ALL OTHER ADJUSTMENTS.** The request also includes an increase of \$2,323 in a variety of other expenditures, including travel reimbursements for vehicle mileage (\$756), state printing costs (\$630), and payments for local telephone services to the Office of Information and Technology Services (\$283).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency request and recommends \$625,359 in expenditures, all from the Judicial Council Fund, and 5.0 FTE positions for FY 2023.

3. **NO CHANGES.** As the agency is part of the Judicial Branch, the Governor is statutorily required to include the Judicial Council's budget in *The Governor's Budget Report* as submitted by the agency, pursuant to KSA 75-3721f.

SPECIAL TOPICS

TOPIC 1

JUDICIAL COUNCIL ADVISORY COMMITTEES

The Judicial Council currently has 18 advisory committees made up of legislators, judges, attorneys, and persons from various backgrounds who bring their expertise to the committees. In addition to the five new committees detailed in the beginning of this document, the Judicial Council also has the following committees:

- The **Administrative Procedure Advisory Committee** monitors the Kansas Administrative Procedure Act and the Kansas Judicial Review Act.
- The **Adoption Law Advisory Committee** made recommendations regarding amendments to the Kansas Adoption and Relinquishment Act, KSA 59-2111 *et seq.*, which were passed by the Legislature in 2018 SB 284. The Committee will be drafting a set of forms for use in stepparent adoptions.
- The **Appellate Practice Advisory Committee** monitors the area of appellate procedure and practice and recommends needed changes in the Kansas Supreme Court rules relating to appellate practice.
- The **Civil Code Advisory Committee** will continue to monitor the civil code and related areas, and will be available for additional assignments in the area.
- The **Criminal Law Advisory Committee** studies 2017 HB 2070, upon request by the Legislature, which resulted in recommendations that were passed by the Legislature in 2018 SB 180. The Committee will be working on another study requested by the Legislature relating to KSA 45-254 and access to audio or video recordings made and received by law enforcement using a body or vehicle camera. The Committee will continue to monitor the Kansas Criminal Code and the Kansas Code of Criminal Procedure.
- The **Family Law Advisory Committee** will conduct a study requested by the Legislature regarding 2018 HB 2529, which creates a presumption for equal parenting time. The Committee will also continue its work on a study dealing with parental rights of rapists. The Committee will continue to monitor the area of family law and will be available for additional assignments in the area.
- The **Guardianship and Conservatorship Advisory Committee** will continue to monitor the Guardianship and Conservatorship Act and related areas and will prepare and update forms used under the Act. The Committee will also continue to monitor the Care and Treatment Act for Mentally Ill Persons and the Care and Treatment Act for Persons with an Alcohol or Substance Abuse Problem and will prepare and update forms used under both civil commitment codes.
- The **Juvenile Offender/Child in Need of Care Advisory Committee** will conduct a study requested by the Legislature relating to 2018 HB 2751, which establishes the Office of the Child Advocate for Children's Protection and Services. The Committee will continue to monitor the Revised Kansas Code for Care of Children, the Revised Kansas Juvenile Offender Code, and the forms it prepared, copyrighted, and published for use under the codes.

SPECIAL TOPICS

- The **Municipal Court Manual Advisory Committee** will prepare the annual supplement to the Kansas Municipal Court Manual and propose to the Judicial Council any suggested improvements in related areas of the law that come to its attention.
- The **Pattern Instructions for Kansas–Civil (PIK–Civil) Advisory Committee** prepares biennial supplements to the 4th edition of PIK–Civil and reports to the Judicial Council any suggested improvements in the area of civil law that come to its attention.
- The **Pattern Instructions for Kansas–Criminal (PIK–Criminal) Advisory Committee** will prepare the annual supplement to PIK–Criminal 4th and will report to the Judicial Council any suggested improvements in the area of criminal law that come to its attention.
- The **Probate Law Advisory Committee** is studying whether Kansas should adopt the Uniform Power of Attorney Act. The Committee will also conduct a study requested by the Legislature relating to 2017 HB 2350, which deals with the method of calculating the spousal elective share. The Committee also prepares periodical supplements to Kansas Judicial Council Probate Forms 3d. The Committee will continue to study the probate code and related areas.
- The **Tribal-State Judicial Forum** was created to encourage greater understanding and exchange of information between the tribal and state judicial systems in Kansas. The Forum identifies and discusses issues regarding court practices, procedures, and administration of common concern to members of tribal and state judicial systems.

NUMBER OF MEETINGS HELD AND ANTICIPATED			
Committee	FY 2021	FY 2022 Est.	FY 2023 Est.
Administrative Procedure	0	0	0
Adoption Law	0	0	3
Appellate practice	0	0	2
Chapter 61 Forms	0	3	3
Civil Code	2	0	2
Criminal Law	3	2	5
DUI	7	0	0
Family Law	14	8	9
Guardianship and Conservatorship	8	10	10
HB 2600–Contracts for Deed	4	0	0
Judicial Council	2	3	3
Juvenile Offender/Child in Need of Care	0	3	4
Municipal Court Manual	1	2	1
Pattern Instructions for Kansas–Civil	0	5	0
Pattern Instructions for Kansas–Criminal	4	5	5
Probate Law	8	7	7
Sex Offenses and Registration	9	0	0
Tribal-State Judicial Forum	1	1	1
Virtual Court	0	10	0
Vital Statistics	4	5	0
TOTAL	67	64	55

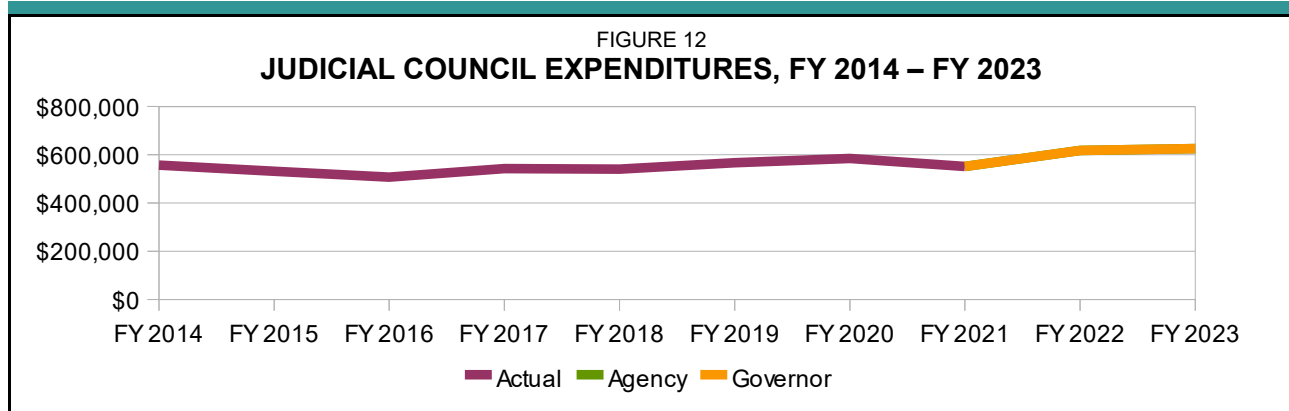
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 551,493	\$ 618,036	\$ 618,036	\$ 625,359	\$ 625,359
FTE Positions:					
Administration	5.0	5.0	5.0	5.0	5.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

JUDICIAL COUNCIL



STATUTORY BASIS: • KSA 20-2201 *et seq.*

PROGRAM GOALS: • Monitor major areas of law and corresponding statutory codes to identify needed updates or improvements.
• Publish and distribute legal materials for use in the Kansas court system.
• Create and post legal forms for use in the Kansas court system.

The Judicial Council exists to improve the administration of justice in Kansas by continuously studying the judicial system and related areas of law, by recommending changes when they are deemed appropriate, and by preparing publications that improve upon the administration of justice. Its mission is supported by the following three objectives.

STUDY AND IMPROVE JUDICIAL BRANCH OPERATIONS

The Judicial Council works to study the Judicial Branch, examine the substantive and procedural codes that are used, identify problem areas or areas of potential improvement, and take appropriate action when necessary. In doing so, the Judicial Council fields requests for studies on various judicial topics, which it then distributes to a number of standing advisory committees. The Judicial Council anticipates requiring 64 meetings in FY 2022 and 55 meetings for FY 2023.

DISTRIBUTE LEGAL PUBLICATIONS

The Judicial Council produces several publications to further the administration of justice and the practice of law in the state of

Kansas. The agency currently authors and distributes five publications: the Pattern Instructions for Kansas (PIK)–Criminal, PIK–Civil, Kansas Judicial Council Probate Forms, Kansas Municipal Court Manual, and the Kansas Appellate Practice Handbook. In FY 2022, the agency will print and distribute the Kansas Municipal Court Manual 2021 Supplement, the PIK–Criminal 4th 2021 Supplement, and the Kansas Probate Forms 3d 2021 Supplement. For FY 2023, the agency will print and distribute the Kansas Municipal Court Manual 2022 Supplement, the PIK–Criminal 4th 2022 Supplement, and the PIK–Civil 4th 2022 Supplement.

PROVIDE AND PROMULGATE LEGAL FORMS

The Judicial Council provides more than 500 legal forms to the public, attorneys, and courts on its website. These include forms that the agency is statutorily required to provide, forms the agency is required to provide under the Kansas Supreme Court Rules, and forms the agency has developed in the process of fulfilling its mission to improve the administration of justice.

FIGURE 13
JUDICIAL COUNCIL, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Committee Meetings Held*	64	67	62	64	55
2.Number of Publications Authored*	2	3	3	3	3
3.Number of Website Visitors*	152,995	164,078	154,959	169,000	174,070
Output Measure:					
4.Number of Reports*	10	6	8	6	6
5.Number of Publications Sold	938	2,179	1,843	1,562	1,747
6.Number of Legal Forms Posted*	566	566	559	566	566
7.Number of Requests for Studies Assigned to Committees	6	5	8	4	5
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Judicial Council Fund	224,554	160,480		178,842	179,818
Publication Fee Fund	360,552	385,213		439,194	445,541
Federal Funds	-	5,800		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 585,106	\$ 551,493		\$ 618,036	\$ 625,359
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(3.2) %	(5.7) %		12.1 %	1.2 %
FTE Positions	5.0	5.0		5.0	5.0

* The Governor's Office does not utilize this measure for evaluation purposes.

BOARD OF INDIGENTS' DEFENSE SERVICES

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 29,707,199	\$ 43,078,464	\$ 38,490,568	\$ 58,459,436	\$ 45,727,377
Federal Funds	131,504	-	-	-	-
All Other Funds	874,038	613,749	613,749	606,000	606,000
<i>Subtotal</i>	<u>\$ 30,712,741</u>	<u>\$ 43,692,213</u>	<u>\$ 39,104,317</u>	<u>\$ 59,065,436</u>	<u>\$ 46,333,377</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 30,712,741</u>	<u>\$ 43,692,213</u>	<u>\$ 39,104,317</u>	<u>\$ 59,065,436</u>	<u>\$ 46,333,377</u>
Percentage Change:					
State General Fund	(4.7) %	45.0 %	29.6 %	35.7 %	18.8 %
All Funds	(5.1) %	42.3 %	27.3 %	35.2 %	18.5 %
FTE Positions	201.8	244.3	244.3	344.3	244.3

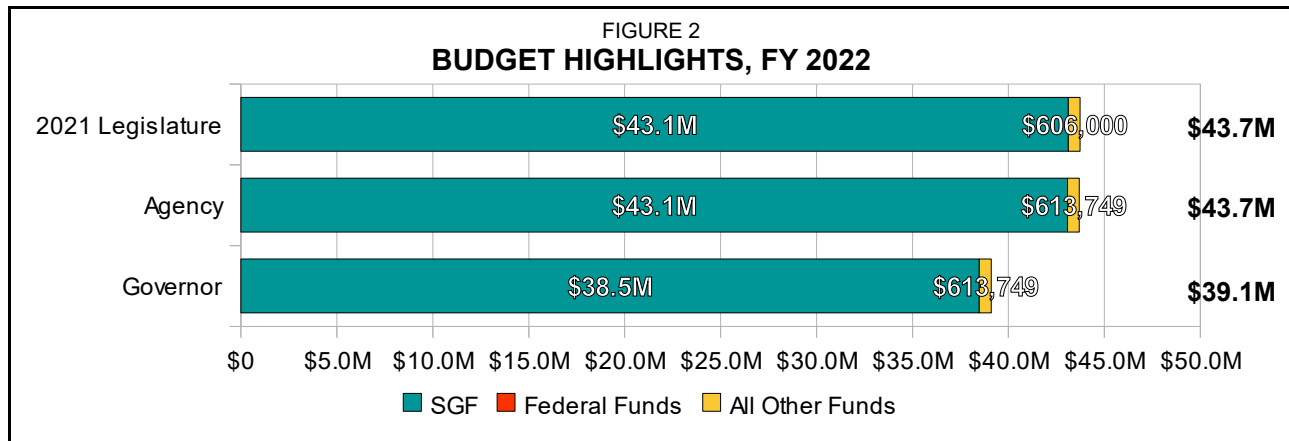
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Board of Indigents' Defense Services (BIDS) is the state agency tasked with providing and supervising constitutionally and statutorily required legal services for indigents accused of felonies. BIDS fulfills this mission by overseeing a statewide system of public defender offices and by compensating assigned counsel when public defenders are unavailable. The agency also serves as the pass-through agency for funding for Legal Services for Prisoners, Inc., a nonprofit corporation providing legal assistance to indigent inmates of Kansas correctional institutions.

EXECUTIVE SUMMARY

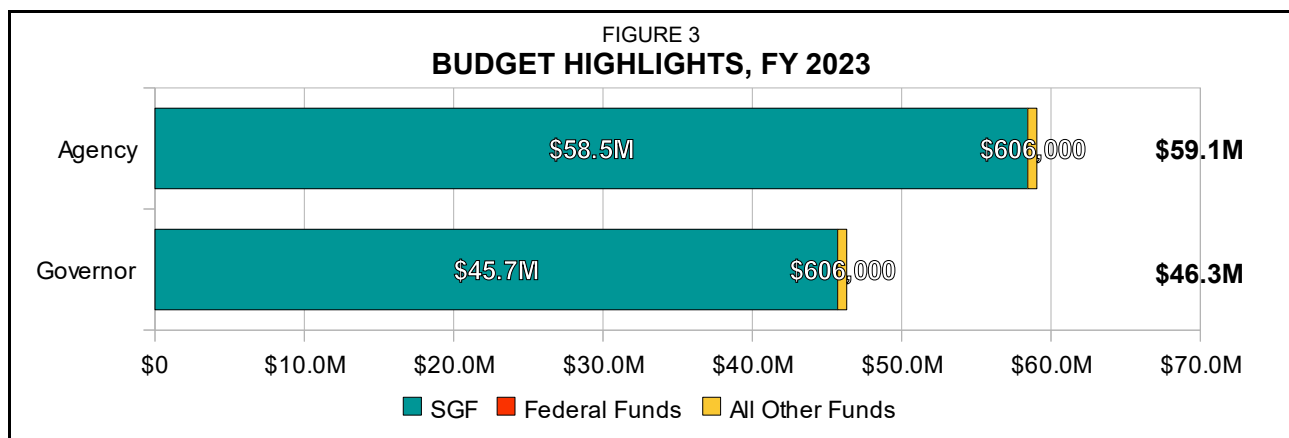
The 2021 Legislature approved a budget of \$41.8 million, including \$41.2 million from the State General Fund (SGF), for the Board of Indigents' Defense Services for FY 2022. An adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. Adjustments for this agency include the following:

- **SGF REAPPROPRIATION.** The agency received approximately \$2.0 million SGF in reappropriated funds from FY 2021. This amount includes \$853,668 from Litigation Support, \$278,327 from Operations, \$665,064 from Assigned Counsel, and \$155,691 from Capital Defense Operations.



The **agency** requests a revised estimate of \$43.7 million, including \$43.1 million SGF, in FY 2022. This is an all funds decrease of \$43,863, or 0.1 percent, and an SGF decrease of \$51,612, or 0.1 percent, below the FY 2022 approved amount. The agency has decreased expenditures for salaries and wages (\$2.5 million) due to vacant positions, which is partially offset by increased expenditures for contractual services (\$2.1 million) primarily in reappropriated assigned counsel funding and capital outlay (\$278,899) for new equipment and furnishings to fill currently vacant positions. The agency estimate also includes 244.3 FTE positions, which is 0.3 FTE positions below the approved amount.

The **Governor** recommends expenditures of \$39.1 million, including \$38.5 million SGF, in FY 2022. This is an SGF decrease of \$4.6 million, or 10.5 percent, below the agency's FY 2022 revised estimate. The decrease is attributable to the fall assigned counsel caseload adjustment. The recommendation includes 244.3 FTE positions, which is the same as the agency's FY 2022 revised estimate.



The **agency** requests \$59.1 million, including \$58.5 million SGF, for FY 2023. This is an all funds increase of \$15.4 million, or 35.2 percent, and an SGF increase of \$15.4 million, or 35.7 percent, above the FY 2022 revised estimate. The agency request also includes 344.3 FTE positions, which is an increase of 100.0 FTE positions above the FY 2022 revised estimate.

Significant items in the agency request include the following:

- **ENHANCEMENT-RECRUITMENT AND RETENTION PLAN.** The agency requests \$4.1 million SGF to address recruitment and retention issues via pay scale adjustments and establishment of an internal training program for public defenders and assigned counsel.

- **ENHANCEMENT–ETHICAL CASELOADS STAFFING AND SUPPORT PLAN.** The agency requests \$8.1 million SGF to support 88.0 FTE positions to address chronic attorney caseload issues and insufficient support staffing in its public defender offices.
- **ENHANCEMENT–EXPANSION OF PUBLIC DEFENDER OFFICES.** The agency requests \$1.2 million SGF to establish a public defender office and 12.0 FTE positions in the 7th Judicial District (Douglas County).
- **ENHANCEMENT–INFRASTRUCTURE UPGRADES.** The agency requests \$526,512 SGF for the anticipated ongoing maintenance for the new Case Management System, additional Death Penalty Defense Unit office space, additional costs for Westlaw upgrades, and new licensing for video evidence software.
- **ENHANCEMENT–ASSIGNED COUNSEL RATE INCREASE.** The agency requests \$3.6 million SGF to fund assigned counsel rate increase up to \$120 per hour.

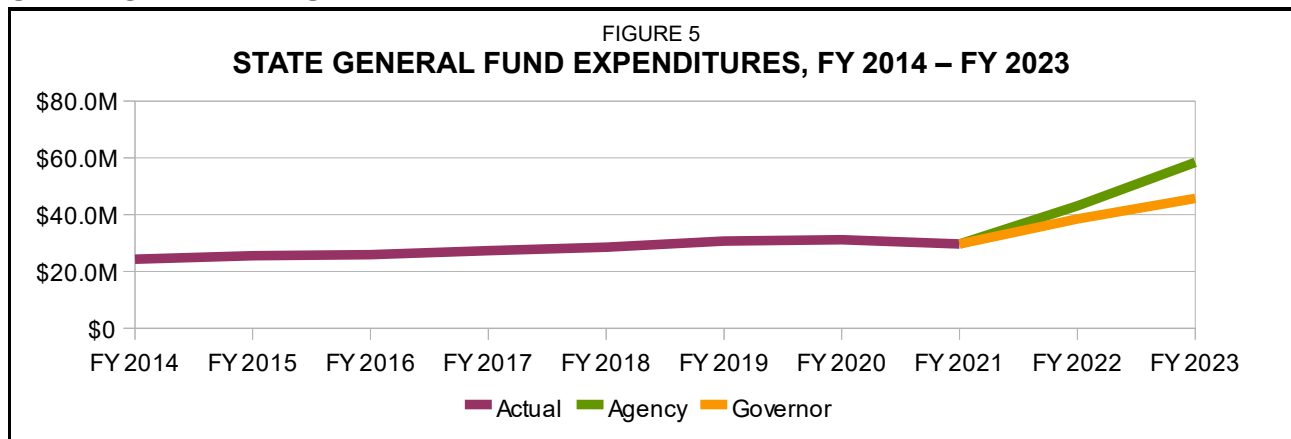
The **Governor** recommends expenditures of \$46.3 million, including \$45.7 million SGF, for FY 2023. This is an SGF decrease of \$12.7 million, or 27.5 percent, below the agency's FY 2023 request. The decrease is primarily due to the Governor not recommending the agency's enhancement requests for caseload staffing and expansion of public defenders offices. There is also a decrease due to the assigned counsel caseload adjustment. This is partially offset by partial funding for the agency's enhancement requests for infrastructure upgrades and recruitment and retention. The recommendation includes 244.3 FTE positions, which is 100.0 FTE positions below the agency's FY 2023 request. This is due to the Governor not recommending the agency's enhancement requests for ethical caseload staffing and the expansion of the public defender offices.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

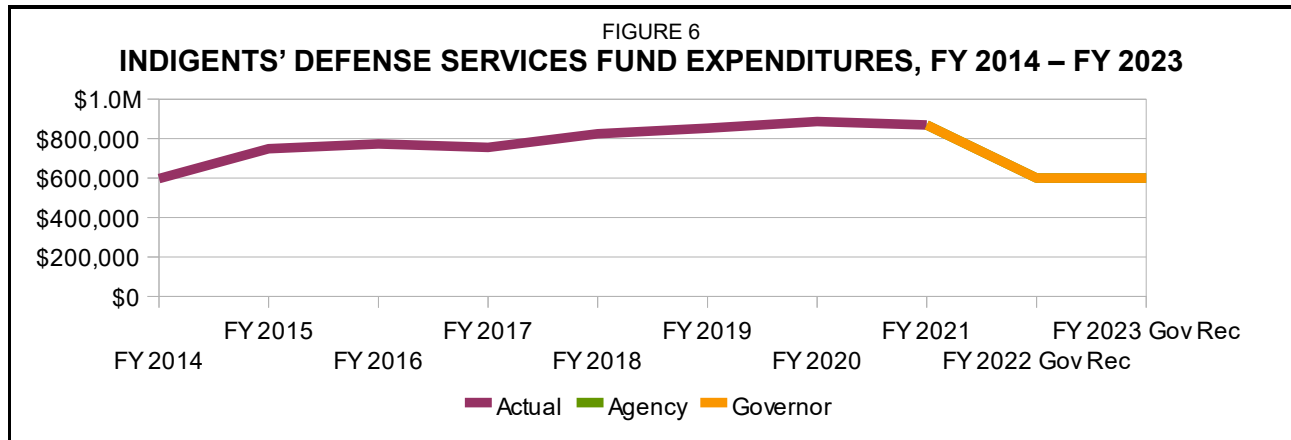
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 13,723,210	\$ 17,789,422	\$ 17,789,422	\$ 31,042,608	\$ 21,766,233
Contractual Services	16,477,096	25,280,364	20,692,468	27,769,800	24,314,116
Commodities	149,926	131,028	131,029	128,028	128,028
Capital Outlay	362,509	491,399	491,399	125,000	125,000
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 30,712,741	\$ 43,692,213	\$ 39,104,318	\$ 59,065,436	\$ 46,333,377
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 30,712,741	\$ 43,692,213	\$ 39,104,318	\$ 59,065,436	\$ 46,333,377
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 30,712,741	\$ 43,692,213	\$ 39,104,318	\$ 59,065,436	\$ 46,333,377
Financing:					
State General Fund	\$ 29,707,199	\$ 43,078,464	\$ 38,490,568	\$ 58,459,436	\$ 45,727,377
Indigents' Defense	869,561	600,359	600,359	600,000	600,000
Services Fund					
Inservice Education	4,477	13,390	13,390	6,000	6,000
Workshop Fee					
Fund					
Federal Funds	131,504	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 30,712,741	\$ 43,692,213	\$ 39,104,317	\$ 59,065,436	\$ 46,333,377
FTE Positions	201.8	244.3	244.3	344.3	244.3

STATE GENERAL FUND



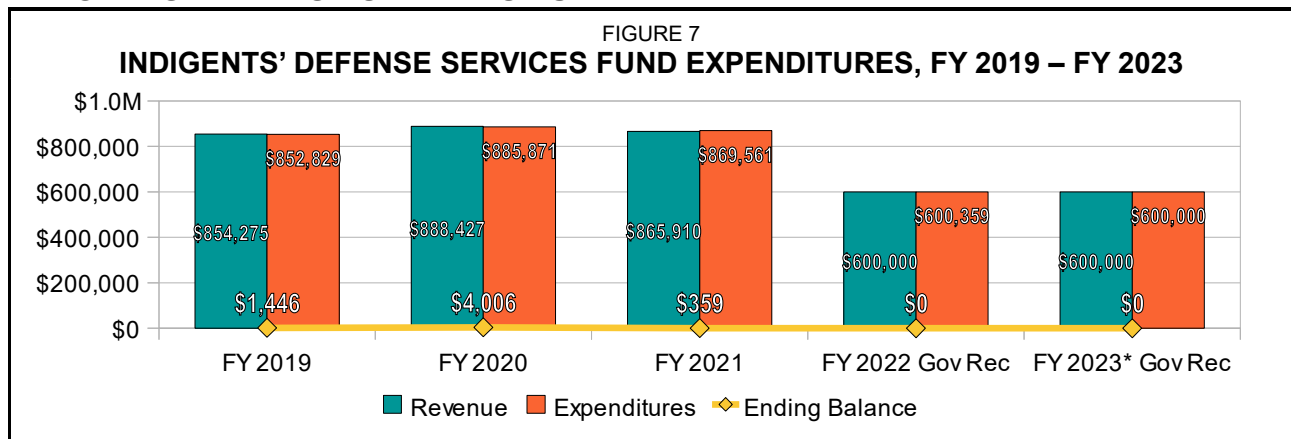
For the Board of Indigents' Defense Services, SGF moneys are the primary source of funding. FY 2022, the SGF expenditure increase is primarily due to enhancement requests that were approved by the 2021 Legislature for the purchase of a case management system and funding to address staffing shortages to address high caseloads. Additionally, the 2021 Legislature added language to the appropriations bill to fund assigned counsel rate increase for FY 2022. SGF increases for FY 2023 are due to the agency's enhancement requests.

INDIGENTS' DEFENSE SERVICES FUND



The Indigents' Defense Services Fund, per KSA 22-4526, receives revenues from clerks of the District Courts from assessment or docket fees, application fees, and the bond forfeiture program. Since FY 2006, this fund has been used to pay expert service and transcriptionist costs, supplemented by SGF moneys.

INDIGENTS' DEFENSE SERVICES FUND



* For FY 2023, the lowest month ending balance for the Indigents' Defense Services Fund will occur in July, with a balance of \$0.

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 41,177,326	\$ 606,000	\$ 41,783,326	244.7
1. SGF Reappropriation	1,952,750	-	1,952,750	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 43,130,076</i>	<i>\$ 606,000</i>	<i>\$ 43,736,076</i>	<i>244.7</i>
Agency Revised Estimate:				
2. All Other Adjustments	(51,612)	7,749	(43,863)	(0.4)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 43,078,464</i>	<i>\$ 613,749</i>	<i>\$ 43,692,213</i>	<i>244.3</i>
Governor's Recommendation:				
3. Assigned Counsel Caseload Adjustment	(4,587,896)	-	(4,587,896)	--
TOTAL	\$ 38,490,568	\$ 613,749	\$ 39,104,317	244.3

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, an adjustment was made to the \$41.2 million SGF appropriated to the Board of Indigents' Defense Services for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** The agency received approximately \$2.0 million SGF in reappropriated funds from FY 2021. This amount includes \$853,668 from Litigation Support, \$278,327 from Operations, \$665,064 from Assigned Counsel, and \$155,691 from Capital Defense Operations.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$43.7 million, including \$43.1 million SGF, in FY 2022. This is an all funds decrease of \$43,863, or 0.1 percent, and an SGF decrease of \$51,612, or 0.1 percent, below the FY 2022 approved amount.

The **agency** estimate includes the following adjustments:

2. **ALL OTHER ADJUSTMENTS.** The 2021 Legislature approved multiple enhancements for the agency, including increased agency staffing. The agency has decreased expenditures for salaries and wages (\$2.5 million) due to vacant positions. This is partially offset by increased expenditures for contractual services (\$2.1 million), primarily for assigned counsel, and capital outlay (\$278,899) for furnishings and equipment for new hires.

The **agency** estimate also includes 244.3 FTE positions, which is 0.3 FTE positions below the FY 2022 approved amount.

GOVERNOR'S RECOMMENDATION

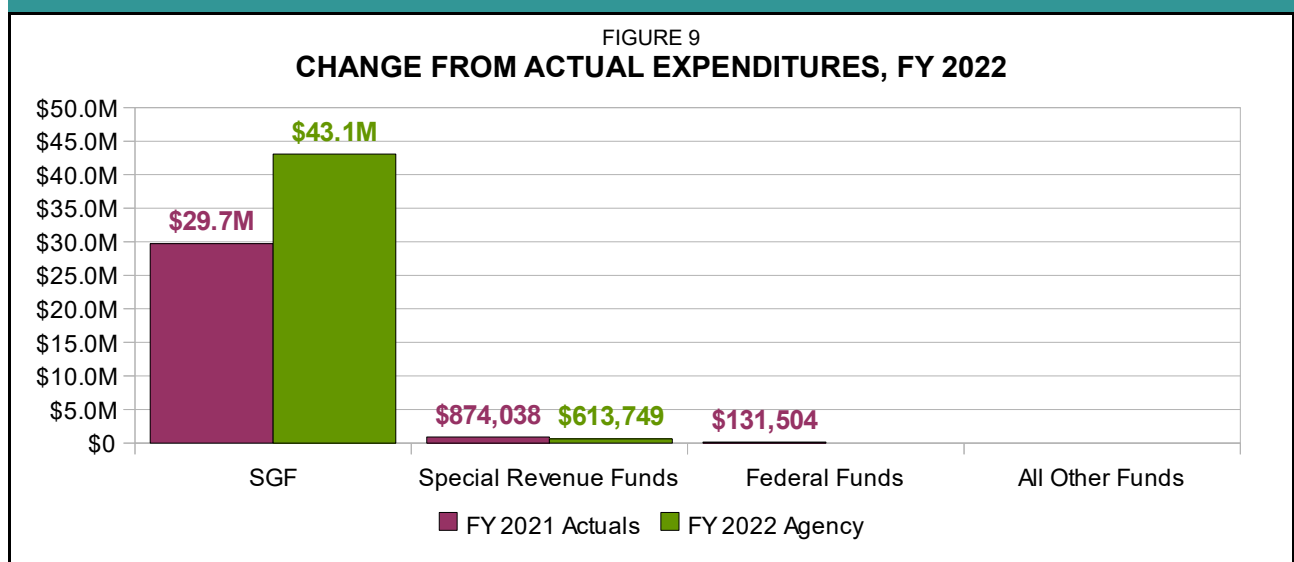
The **Governor** recommends expenditures of \$39.1 million, including \$38.5 million SGF, in FY 2022. This is an SGF decrease of \$4.6 million, or 10.5 percent, below the agency's FY 2022 revised estimate.

The **Governor's** recommendation includes the following adjustments:

3. **ASSIGNED COUNSEL CASELOAD ADJUSTMENT.** The recommendation includes a decrease of \$4.6 million, all SGF, for the fall assigned counsel caseload adjustment, which sets the caseload amount at \$16.5 million.

The **Governor's** recommendation also includes 244.3 FTE positions, which is the same as the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised FY 2022 expenditures of \$43.7 million, including \$43.1 million SGF. This is an all funds increase of \$13.0 million, or 42.3 percent, and an SGF increase of \$13.4 million, or 45.0 percent, above the FY 2021 actual expenditures. The increase is primarily due to the 2021 Legislature approving enhancement requests for increased agency staffing, a case management system, and funding for the assigned counsel rate increase in FY 2022.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 43,078,464	\$ 613,749	\$ 43,692,213	244.3
Agency Request:				
1. Enhancement– Recruitment and Retention Plan	\$ 4,124,600	\$ -	\$ 4,124,600	--
2. Enhancement– Ethical Caseloads Staffing and Support Plan	8,079,500	-	8,079,500	88.0
3. Enhancement– Expansion of Public Defender Offices	1,233,470	-	1,233,470	12.0
4. Enhancement– Infrastructure Upgrades	526,512	-	526,512	--
5. Enhancement– Assigned Counsel Rate Increase	3,569,164	-	3,569,164	--
6. All Other Adjustments	(2,152,274)	(7,749)	(2,160,023)	--
Subtotal–Agency Estimate	\$ 58,459,436	\$ 606,000	\$ 59,065,436	344.3
Governor's Recommendation:				
7. Enhancement– Recruitment and Retention Plan	\$ (140,125)	\$ -	\$ (140,125)	--
8. Enhancement– Ethical Caseloads Staffing and Support Plan	(8,079,500)	-	(8,079,500)	(88.0)
9. Enhancement– Expansion of Public Defender Offices	(1,233,470)	-	(1,233,470)	(12.0)
10. Enhancement– Infrastructure Upgrades	(209,800)	-	(209,800)	--
11. Assigned Counsel Caseload Adjustment	(3,069,164)	-	(3,069,164)	--
TOTAL	\$ 45,727,377	\$ 606,000	\$ 46,333,377	244.3

AGENCY REQUEST

The **agency** requests \$59.1 million, including \$58.5 million SGF, for FY 2023. This is an all funds increase of \$15.4 million, or 35.2 percent, and an SGF increase of \$15.4 million, or 35.7 percent, above the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

- 1. ENHANCEMENT–RECRUITMENT AND RETENTION PLAN.** The agency requests \$4.1 million SGF to address recruitment and retention issues through pay scale adjustments and the establishment of an internal formal training program for public defenders and assigned counsel. *Staff note:* For more detailed information, please see Request 1 below.
- 2. ENHANCEMENT–ETHICAL CASELOADS STAFFING AND SUPPORT PLAN.** The agency requests \$8.1 million SGF and 88.0 FTE positions to address chronic attorney caseload issues and insufficient support staffing in its public defender offices. *Staff note:* For more detailed information, please see Request 2 below.
- 3. ENHANCEMENT–EXPANSION OF PUBLIC DEFENDER OFFICES.** The agency requests \$1.2 million SGF to establish a public defender office and 12.0 FTE positions in the 7th Judicial District (Douglas County). *Staff note:* For more detailed information, please see Request 3 below.

4. **ENHANCEMENT–INFRASTRUCTURE UPGRADES.** The agency requests \$526,512 SGF for the anticipated ongoing maintenance for the new Case Management System, additional Death Penalty Defense Unit office space, additional costs for Westlaw upgrades, and new licensing for video evidence software. *Staff note:* For more detailed information, please see Request 4 below.
5. **ENHANCEMENT–ASSIGNED COUNSEL RATE INCREASE.** The agency requests \$3.6 million SGF to fund an assigned counsel rate increase up to \$120 per hour.
6. **ALL OTHER ADJUSTMENTS.** The agency request deletes \$2.2 million SGF and \$7,749 from special revenue funds from the FY 2022 revised estimate. The deletion is primarily attributable to reappropriated assigned counsel fees and capital outlay expenditures for new furnishings and equipment to fill vacant positions in FY 2022.

The **agency** request also includes 344.3 FTE positions, which is an increase of 100.0 FTE positions above the FY 2022 revised estimate number.

GOVERNOR’S RECOMMENDATION

The **Governor** recommends expenditures of \$46.3 million, including \$45.7 million SGF, for FY 2023. This is an SGF decrease of \$12.7 million, or 27.5 percent, below the agency’s FY 2023 request.

The **Governor’s** recommendation includes the following adjustments:

7. **ENHANCEMENT–RECRUITMENT AND RETENTION PLAN.** The Governor recommends \$4.0 million, all SGF, for salary increases for attorney and non-attorney staff. This is a reduction of \$140,125, all SGF, below the agency request.
8. **ENHANCEMENT–ETHICAL CASELOADS STAFFING AND SUPPORT PLAN.** The Governor does not recommend the agency’s \$8.1 million SGF and 88.0 FTE request to increase staffing and support in the public defender offices.
9. **ENHANCEMENT–EXPANSION OF PUBLIC DEFENDER OFFICES.** The Governor does not recommend the agency’s \$1.2 million and 12.0 FTE request for expansion of the public defenders offices.
10. **ENHANCEMENT–INFRASTRUCTURE UPGRADES.** The Governor recommends \$316,712, all SGF, for infrastructure upgrades. This is a reduction of \$209,800, all SGF, below the agency request.
11. **ASSIGNED COUNSEL CASELOAD ADJUSTMENT.** The Governor’s recommendation includes a decrease of \$3.1 million, all SGF, for the fall assigned counsel caseload adjustment, which sets the caseload amount at \$16.5 million.

The **Governor’s** recommendation also includes 244.3 FTE positions, which is 100.0 FTE positions below the agency’s FY 2023 request. This is due to the Governor not recommending the agency’s enhancement requests for ethical caseload staffing and the expansion of the public defender offices.

ENHANCEMENT REQUESTS

REQUEST 1 RECRUITMENT AND RETENTION PLAN

RECRUITMENT AND RETENTION PLAN					
Item	Agency		Gov. Rec.		
	SGF	FTE	SGF	FTE	
Pay Scale Adjustment	\$ 3,984,475	--	\$ 3,984,475	--	
Training	140,125	--	-	--	
TOTAL	\$ 4,124,600	--	\$ 3,984,475	--	

PAY SCALE ADJUSTMENT. The agency requests \$4.0 million SGF to adjust salaries for pay parity with prosecutors and other comparable government employees for FY 2023. The agency has created a series of internal pay scales for each position that appropriately reflects the level of experience of its employees and competes with prosecutor pay and other comparable government salaries. This is the same request that was made in FY 2021.

The agency estimates the cost of adjusting its current employees to the new salary pay scales (plus fringe benefits) to be the following:

Non-Attorney Staff Pay Parity Pay Scale Conversion:	\$ 649,605
Attorney Prosecutor Pay Parity Pay Scale Conversion:	3,334,870
Total Funding Needed for Pay Scale Conversion:	\$ 3,984,475

INTERNAL TRAINING PROGRAM. The agency requests \$140,125 SGF to partially fund the new training division for FY 2023. This amount is for the office space, training programs, organizational memberships, and Bar Fees.

TRAINING DIVISION EXPENDITURES		
Item	SGF	FTE
Rent/Office Space	\$ 15,000	--
Program Funding:		--
Annual Agency Two-day Conference for attorneys, investigators, legal assistants	50,000	--
New Public Defender Intensive Training Program	14,000	--
Annual Internal Leadership and Management Training Summit	11,000	--
Capital Trainings	7,000	--
Support Staff Trainings	10,000	--
Annual National Association of Public Defense Membership (includes member trainings and constantly updated resources)	4,525	--
BIDS Public Defender Annual Bar Licensing Fees	28,600	--
TOTAL	\$ 140,125	--

The Governor recommends \$4.0 million, all SGF, for pay scale adjustments.

REQUEST 2

ETHICAL CASELOADS STAFFING AND SUPPORT PLAN

The 2020 Legislature required the agency to submit a report detailing the status of staff vacancies and retention including a detailed strategy to address the findings. The agency submitted a detailed report title "A Report on the Status of Public Defense in Kansas" that utilized a multi-phased approach on how to address numerous issues identified by the agency. The industry standard for the workload of a defense attorney was set by the 1973 National Advisory Commission on Criminal Justice Standards and Goals for the Defense to be no more than 150 felony cases per year, no more than 400 misdemeanor cases per year, and no more than 25 appeal cases per year.

The 2021 Legislature partially funded the agency's staffing enhancement request in the amount of \$3.9 million SGF to fund approximately 45.0 FTE positions for FY 2022. The agency is in the process of creating and hiring approximately 42.0 new FTE positions, including 7.0 additional administrative support staff, 19.0 new experienced level public defender positions, 8.0 new legal assistants, 5.0 new investigator positions, 1.0 new social worker position, and 2.0 new administrative assistants.

ETHICAL CASELOADS STAFFING AND SUPPORT PLAN					
Item	Agency		Gov. Rec.		
	SGF	FTE	SGF	FTE	
Staffing (Remainder of Phase I)	\$ 4,000,000	53.0	\$ -	\$ --	
Appellate Defender	2,596,000	22.0	-	--	
Capital Defender	944,000	8.0	-	--	
Administrative Support	539,500	5.0	-	--	
TOTAL	\$ 8,079,500	88.0	\$ -	\$ --	

The agency requests \$8.1 million SGF to support 88.0 FTE positions to address chronic attorney caseload issues and insufficient support staffing in its public defender offices.

The Governor does not recommend adoption of this request.

REQUEST 3

EXPANSION OF PUBLIC DEFENDER OFFICES

In spring 2021, the agency began conducting a review of judicial districts that field a high number of criminal cases but operate without established public defender offices. Additionally, the agency is conscious of the Governor's Commission on Racial Equity and Justice recommendations from December 2020, advising that every county in Kansas with over 100,000 in population should have a public defender office. Furthermore, the Kansas Criminal Justice Reform Commission recommended in December 2020 that the statewide expansion of public defender offices be considered and reviewed.

The agency held a public hearing in the 7th Judicial District (Douglas County) on August 8, 2021, and the agency approved the establishment of a new public defender office on August 13, 2021.

EXPANSION OF PUBLIC DEFENDER OFFICES					
Item	Agency		Gov. Rec.		
	SGF	FTE	SGF	FTE	
Initial Start-Up Costs	\$ 1,233,470	12.0	\$ -	\$	--

The agency requests \$1.2 million SGF to establish a public defender office and 12.0 FTE positions in the 7th Judicial District (Douglas County). This is estimated first-year cost, including base salary, fringe benefits, overhead costs, a full-service lease, plus the initial year one-time start-up costs of establishing a new office. The FTE positions include 6.0 public defenders, 2.0 legal assistants, 2.0 investigators, and 2.0 administrative assistants.

The agency estimates ongoing operating cost of approximately \$1.1 million for the FTE positions, overhead, and lease obligations.

The Governor does not recommend adoption of this request.

REQUEST 4

INFRASTRUCTURE UPGRADES

The agency has identified several items for investment, including the need for additional office space and several infrastructure-supporting services, that either need to be upgraded or purchased in order for public defense employees to save time and become more efficient. Additionally, the agency notes such investment is needed to provide public defense employees with access to the same types of information accessed by comparable legal system actors, such as prosecutors and the courts.

INFRASTRUCTURE UPGRADES			
Item	Agency		
	SGF		FTE
Case Management System	\$	50,000	--
Death Penalty Defense Unit Office Space		209,800	--
Upgrade Software Licensing		86,712	--
Video Evidence Software		180,000	--
TOTAL	\$	526,512	--

The agency requests \$526,512 SGF for the anticipated ongoing maintenance for the new Case Management System, additional Death Penalty Defense Unit office space, additional costs for Westlaw upgrades, and new licensing for video evidence software for FY 2023.

CASE MANAGEMENT SYSTEM. The 2021 Legislature allocated, and the Governor approved, \$200,000 for the purchase of a modern case management system. The agency is currently in the process of reviewing the options and intends to purchase the system in FY 2022. The FY 2022 estimated cost indicates there would be an ongoing fee to maintain the system of approximately \$50,000 a year. This cost is not currently incorporated as part of the agency's year-to-year operation expenditures, and therefore is including the cost for FY 2023.

DEATH PENALTY DEFENSE UNIT OFFICE SPACE. The agency has experienced a large increase in the number of capital cases, specifically cases with co-defendants. Professional ethics and best practices prevent the same attorneys from representing two (or more) co-defendants. Because of this, one co-defendant will be assigned to the Death Penalty Defense Unit capital trial office, while the agency contracts for counsel for the co-defendant. To address the lack of capital qualified private counsel, and in conjunction with the agency's staffing enhancement request, the agency has decided to split the Death Penalty Defense Unit into two independent capital trial offices to be located in Topeka and Wichita. The agency estimates that two separate leases would be approximately \$104,900 for each full-service lease for a total ongoing yearly cost of \$209,800.

UPGRADE SOFTWARE LICENSING. The agency estimates the cost of upgrading to Westlaw Edge will be an added yearly cost of \$16,200. This is based on a quote for Westlaw Edge and is an increase of \$1,350 per month over the agency's current Westlaw expenditures for the approximately 143 licenses that would be upgraded.

REQUEST 4 (CONTINUED)
INFRASTRUCTURE UPGRADES

VIDEO EVIDENCE SOFTWARE. The agency notes it has reviewed multiple programs and is interested in licensing a program called Justice Text, which is video evidence management software that quickly creates key cited transcripts of the video evidence to allow for much easier review of the evidence itself and easier use during motions preparation, motions hearings, plea negotiations, and trial. Based on demonstrations, the agency believes that this will be beneficial in reviewing dash camera, body camera, and interrogation video evidence in a faster and easier way than it is currently reviewed. This will allow public defenders and investigators to increase case efficiency.

The agency received a quote of \$100 per month, per licensed user. There are approximately 150 users, and thus the cost for the licenses would be up to \$180,000 per year. This would be an ongoing, yearly expenditure.

The Governor recommends \$316,712, all SGF, for infrastructure upgrades.

SPECIAL TOPICS

TOPIC 1

FALL 2021 ASSIGNED COUNSEL CASELOAD ESTIMATES

The revised caseload estimate for FY 2022 is \$16.5 million, all SGF. This is a decrease of \$4.6 million, or 21.8 percent, below the FY 2022 amount approved by the 2021 Legislature. The decrease is due to the COVID-19 pandemic and its impact on the courts' progression of cases. Additionally, assigned counsel only receives the \$100 per hour temporary rate for cases begun in FY 2022. Therefore, the majority of payments remain at the \$80 per hour rate. This has resulted in decreased expenditures for claims paid to assigned counsel.

The caseload estimate for FY 2023 is \$16.5 million, all SGF. This is the same as the FY 2022 revised estimate. This amount takes into consideration current law and reverts the assigned counsel hourly rate back to \$80 per hour for FY 2023. However, it is anticipated that payments at the \$100 per hour rate will continue well into FY 2023 for cases begun in FY 2022. This delay explains why the caseload recommendation is the same despite the hourly rate declining from FY 2022.

Ten Years of Cases and Expenditures

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016**	FY 2017**	FY 2018	FY 2019**	FY 2020**	FY 2021
Cases*	11,927	11,979	13,207	14,443	15,101	14,936	16,084	16,867	15,955	15,643
Expenditures (in millions)	\$8.5	\$9.2	\$9.7	\$10.3	\$11.1	\$11.8	\$13.0	\$14.4	\$14.4	\$12.9

* Case information provided by the agency.

**Rate changes: FY 2009 (\$62 per hour); FY 2016 (\$65 per hour); FY 2017 (\$70 per hour); FY 2019 (\$75 per hour); FY 2020 (\$80 per hour).

The Division of the Budget, the Board of Indigents' Defense Services, and the Kansas Legislative Research Department review actual and historical data to develop independent estimates prior to the consensus meeting. At the meeting, each agency provides an explanation of its estimate to the team. This is followed by a group discussion, and a consensus for total funding is reached. The following cost drivers are considered:

- **NON-CONTRACT ATTORNEYS.** The total number of hours worked and the average hourly rate, in addition to the amount of incurred expenses by the attorney during representation; and
- **CONTRACT ATTORNEYS.** Total fees and expenses. These rates are negotiated between the attorneys and BIDS.

Assigned Counsel Caseload Estimates

(Includes KLRD estimates for hourly rate, total hours, expenses and contract fees)

Caseload Estimate	FY 2021 Actual	FY 2022 Approved	FY 2022 Revised Estimate	FY 2022 Change from Approved		FY 2023 Estimate	Change from FY 2022 Estimate	
Total Estimate (Mil.)	\$12.9	\$21.1	\$16.5	(\$4.6)	(21.8%)	\$16.5	--	--
Hourly Rate (Avg.)	\$77.66	\$100.00	\$92.50	(\$7.50)	(7.5%)	\$88.75	(\$3.75)	(4.5%)
Hours	132,275	132,005	145,211	13,206	10.00%	151,610	6,399	4.4%
Expenses (Mil.)	\$0.4	\$0.6	\$0.5	(\$0.1)	(17.5%)	\$0.6	\$0.1	17.9%
Contract Fees (Mil.)	\$2.2	\$2.2	\$2.1	(\$0.1)	(2.3%)	\$2.3	\$0.2	9.5%

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

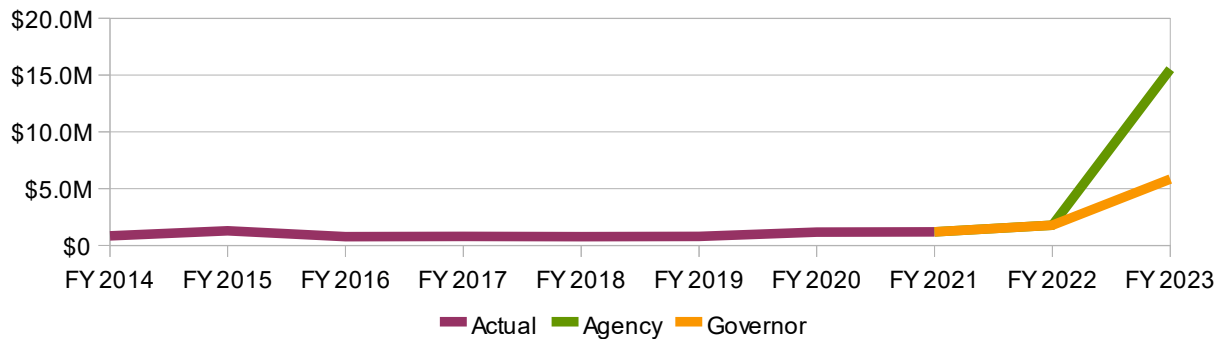
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 1,195,902	\$ 1,800,746	\$ 1,800,746	\$ 15,523,161	\$ 5,860,266
Appellate Defender	2,329,539	2,366,521	2,366,521	2,418,097	2,418,097
Assigned Counsel	13,454,019	21,700,692	17,112,796	23,748,328	20,679,164
Capital Defense	2,923,268	3,257,160	3,257,160	3,101,512	3,101,512
Legal Services for Prisoners	289,592	289,592	289,592	289,592	289,592
Trial Public Defenders	10,520,601	14,277,502	14,277,502	13,984,746	13,984,746
TOTAL	\$ 30,712,921	\$ 43,692,213	\$ 39,104,317	\$ 59,065,436	\$ 46,333,377
FTE Positions:					
Administration	12.8	18.8	18.8	118.8	18.8
Appellate Defender	23.0	24.0	24.0	24.0	24.0
Assigned Counsel	-	-	-	-	-
Capital Defense	27.0	27.0	27.0	27.0	27.0
Legal Services for Prisoners	-	-	-	-	-
Trial Public Defenders	139.0	174.5	174.5	174.5	174.5
TOTAL	201.8	244.3	244.3	344.3	244.3

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • 6th Amendment of the *U.S. Constitution*; Sections 5 and 10 of the *Kansas Constitution Bill of Rights*; KSA 22-4519 through KSA 22-4523

PROGRAM GOALS: • Maintain statewide costs per case while maintaining quality service to clients.
• Monitor caseload and performance of public defenders in all divisions.
• Minimize the increase in cost of expert services.

The Administration program is responsible for overall agency operations and provides support for the statewide delivery of indigents'

defense services. Funding is from the SGF, except for a small amount that is from the In-service Education Workshop Fee Fund.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Maintain level of dollars saved by audit procedures.*	\$ 234,185	\$ 291,488	\$ 253,777	\$ 291,488	\$ 291,488
2. Maintain increase in average cost per case for private attorney services to 5% or less.	\$ 993	\$ 898	\$ 944.0	\$ 898	\$ 898
3. Prevent ineffective assistance of counsel due to case overload.*	All Offices	All Offices	All Offices	All Offices	All Offices
4. Maintain standard of excellence in public defender legal services with a zero tolerance for ethics violations on case work.*	No Violations	No Violations	No Violations	No Violations	No Violations
5. Number of experts agreeing to work at reduced rates.*	64	65	64.0	65	65
Output Measure:					
6. Number of Judicial Districts reviewed for cost effective delivery of defense services.*	31	31	31.0	31	31
7. Number of counties covered by assigned counsel contracts/agreements.*	19	19	25.7	19	19
8. Number of agency CLE** programs offered to appointed panel attorneys. *	2	2	2.0	2	2

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
9. Number of agency CLE programs offered to public defenders.*	2	3	2.3	2	2
10. Number of contacts with Chief Defenders regarding caseloads.*	35	33	29.3	33	33
11. Number of contacts with Court regarding assignment of public defenders to other jurisdictions.*	20	18	15.0	18	18
12. Number of contacts/communications with assigned counsel/court regarding expert services approval and clarifications.*	1,010	1,300	1,103.0	1,300	1,300
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 902,601	\$ 1,064,133		\$ 1,798,746	\$ 5,858,266
Federal Funds	269,486	131,144		-	-
All Other Funds	1,435	625		2,000	2,000
TOTAL	\$ 1,173,522	\$ 1,195,902		\$ 1,800,746	\$ 5,860,266
Percentage Change:					
SGF	12.7 %	17.9 %		69.0 %	225.7 %
All Funds	46.2 %	1.9 %		50.6 %	225.4 %
FTE Positions	10.2	12.8		18.8	18.8

*The Governor's Office does not utilize this measure for evaluation purposes.

**Continuing Legal Education

BUDGET ANALYSIS

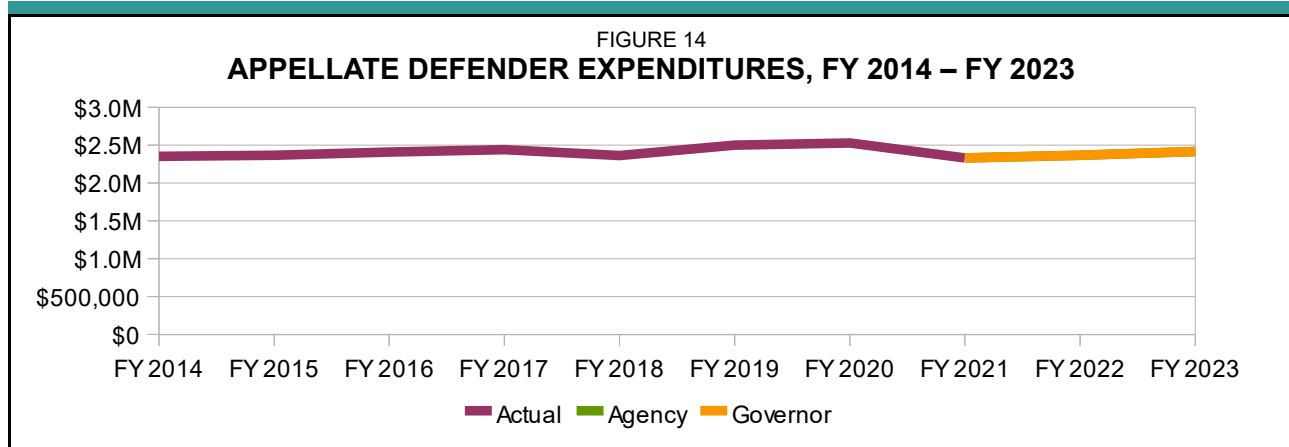
The **agency** requests Administration program expenditures of \$15.5 million, including \$15.5 million SGF, for FY 2023. This is an increase of \$13.7 million SGF, or 762.0 percent, above the FY 2022 revised estimate. The increase is due to the agency's FY 2023 enhancement requests for recruitment and retention, ethical caseload staffing, expansion of public defenders offices, and infrastructure upgrades.

The request includes 118.8 FTE positions, which is 100.0 FTE positions above the FY 2022 revised estimate number. This increase is entirely due to the agency's enhancement requests.

The **Governor** recommends expenditures of \$5.9 million, including \$5.9 million SGF, for FY 2023. This is a decrease of \$9.7 million, all SGF, or 164.9 percent, below the agency's request. The decrease is primarily attributable to the Governor not recommending the agency's enhancement requests for caseload staffing and the expansion of the public defender offices.

The recommendation includes 18.8 FTE positions, which is 100.0 FTE positions below the agency's request. This is due to the Governor not recommending the agency's enhancement requests for caseload staffing and the expansion of the public defender offices.

APPELLATE DEFENDER



STATUTORY BASIS: • 6th Amendment of the *U.S. Constitution*; Sections 5 and 10 of the *Kansas Constitution Bill of Rights*; KSA 22-4522(b); KSA 22-4505(b)

PROGRAM GOALS: • Provide high-quality and economically efficient constitutionally required defense services at the appellate level to clients.
• Monitor caseloads of public defenders to ensure compliance with professional ethical rules.

The Appellate Defender Office is a statewide office located in Topeka that represents indigent felony defendants on appeal. Funding for death penalty appeals

handled by the Appellate Defender Office is included in the budget for the Death Penalty Defense Unit. The Office makes use of paralegals and law school interns.

FIGURE 15
APPELLATE DEFENDER, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Governor FY 2022	Governor FY 2023
Outcome Measure:					
1.Prevent ineffective assistance of counsel due to case overload.*	All Offices	All Offices	All Offices	All Offices	All Offices
2.Monitor average case units per attorney to avoid caseload overload.*	41	29	36.3	29	29
3.Maintain standard of excellence in legal services with a zero tolerance for ethics violations on case work.*	No Violations	No Violations	No Violations	No Violations	No Violations
Output Measure:					
4.Number of in-house attorney training CLEs for public defenders.*	2	3	2.3	2	2
5.Number of Appeals Docketed*	750	704	802.7	704	704
6.Number of Appeals Completed *	981	981	1,027.3	981	981
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 2,287,109	\$ 2,113,378		\$ 2,116,521	\$ 2,168,097
Federal Funds	-	-		-	-
All Other Funds	241,588	215,981		250,000	250,000
TOTAL	<u>\$ 2,528,697</u>	<u>\$ 2,329,359</u>		<u>\$ 2,366,521</u>	<u>\$ 2,418,097</u>
Percentage Change:					
SGF	3.2 %	(7.6) %		0.1 %	2.4 %
All Funds	1.1 %	(7.9) %		1.6 %	2.2 %
FTE Positions	23.0	23.0		24.0	24.0

*The Governor's Office does not utilize this measure for evaluation purposes.

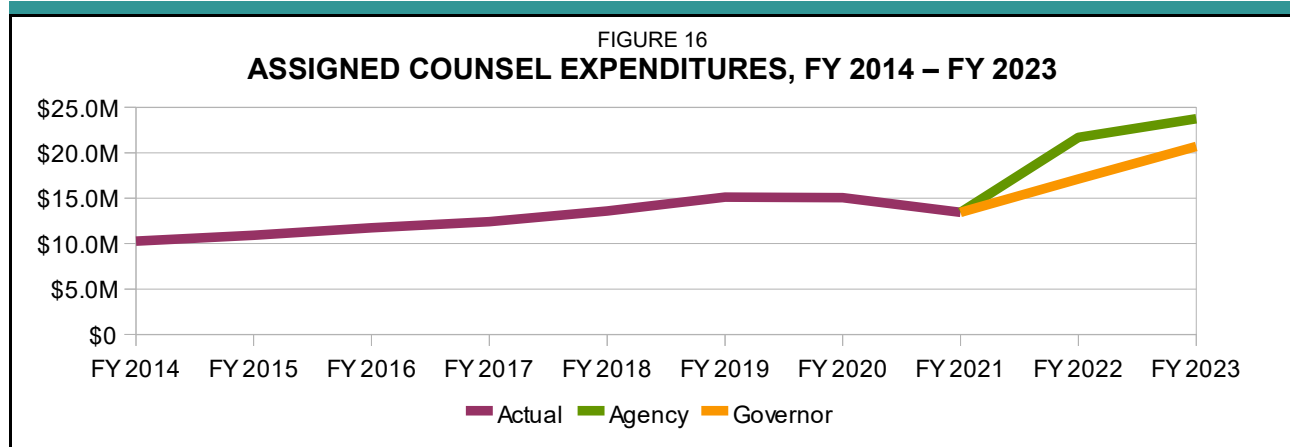
BUDGET ANALYSIS

The **agency** requests Appellate Defender program expenditures of \$2.4 million, including \$2.2 million SGF, for FY 2023. This is an SGF increase of \$51,576, or 2.2 percent, above the FY 2022 revised estimate. This primarily due to court reporting fee expenditures.

The request includes 24.0 FTE positions, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency's request for FY 2023.

ASSIGNED COUNSEL



STATUTORY BASIS: • 6th Amendment of the *U.S. Constitution*; Sections 5 and 10 of the *Kansas Constitution Bill of Rights*; KSA 22-4501; KSA 22-4503(c)

PROGRAM GOALS: • Manage the average annual cost of assigned counsel expenditures while maintaining quality defense services.

The Assigned Counsel system of providing indigent felony defense is used in geographic areas where it is not cost effective to open a public defender office and in cases where the public defenders have a conflict of interest and are therefore unable to provide defense services. Attorneys are either selected and

assigned to cases by judges or are assigned by judges from a pool of attorneys with whom the agency has negotiated contracts. When contracts are involved, the agency is able to realize a cost savings and has made a concerted effort to expand the number of assigned counsel who serve under contract.

FIGURE 17
ASSIGNED COUNSEL, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Maintain level of dollars saved by audit procedures on assigned counsel vouchers.*	\$ 243,185	\$ 291,488	\$ 253,776	\$ 291,488	\$ 291,488
2. Maintain increase in average cost per case for private attorney services to 5% or less.	\$ 993	\$ 898	\$ 944	\$ 898	\$ 898
Output Measure:					
3. Number of Judicial Districts reviewed for cost effective delivery of defense services.*	31	31	31	31	31
4. Number of counties covered by assigned counsel contracts/agreements.*	19	19	25.7	19	19
5. Number of agency CLE programs offered to appointed panel attorneys.	2	2	2	2	2

	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ 14,656,845	\$ 13,062,084		\$ 16,862,796	\$ 20,679,164
Federal Funds	-	-		-	-
All Other Funds	402,174	391,935		250,000	250,000
TOTAL	<u>\$ 15,059,019</u>	<u>\$ 13,454,019</u>		<u>\$ 17,112,796</u>	<u>\$ 20,929,164</u>
Percentage Change:					
SGF	(0.5) %	(10.9) %		29.1 %	22.6 %
All Funds	(0.3) %	(10.7) %		27.2 %	22.3 %
FTE Positions	--	--		--	--

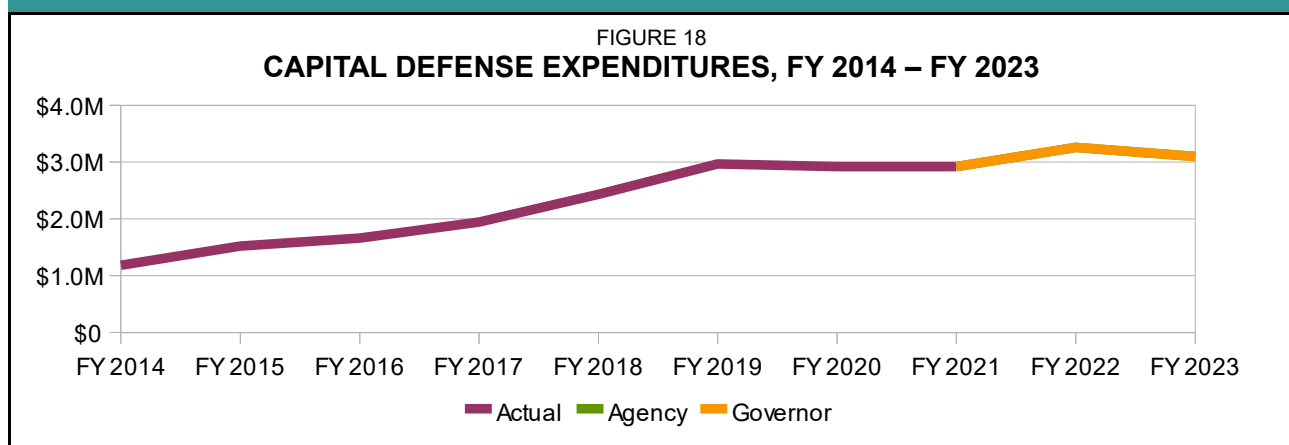
*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests Assigned Counsel program expenditures of \$23.7 million, including \$23.5 million SGF, for FY 2023. This is an SGF increase of \$2.0 million, or 9.4 percent, above the FY 2022 revised estimate. The increase is due to the agency's FY 2023 enhancement request for funding to increase the assigned counsel rate up to \$120 per hour.

The **Governor** recommends expenditures of \$20.7 million, including \$20.4 million SGF, for FY 2023. This is a decrease of \$3.1 million, or 12.9 percent, all SGF, below the agency's request. The decrease is attributable to the fall 2021 assigned counsel caseload adjustment.

CAPITAL DEFENSE



STATUTORY BASIS: • 6th Amendment of the *U.S. Constitution*; Sections 5 and 10 of the *Kansas Constitution Bill of Rights*; KSA 22-4522(b); KSA 22-4506(d)

PROGRAM GOALS: • Provide high-quality and economically efficient constitutionally required defense services to capital clients.
• Monitor caseloads of public defenders to ensure compliance with professional ethical rules.

The Capital Defense program represents individuals charged with capital cases, administers a system by which courts may appoint qualified attorneys to represent indigents charged with capital offenses, serves as a resource for attorneys assigned to capital cases, develops training programs and materials for persons involved in capital cases, maintains statistical records about the use of capital punishment, and provides expert and investigative services to trial counsel in capital cases. Expenditures for the unit include costs of in-house defense, contracts with private attorneys in conflict cases or because of staff

overload, and costs associated with capital cases on appeal.

Attorneys can only defend capital cases when they meet the standards set by the American Bar Association. Previously, that standard included the requirement that an attorney have previously handled a death penalty case as a second chair. That standard was changed. Currently, attorneys are qualified to defend a capital case when they have 1) experience defending homicide cases to a jury, and 2) taken specific continuing legal education coursework on capital defense.

FIGURE 19
CAPITAL DEFENSE, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Prevent ineffective assistance of counsel due to case overload.*	All Offices	All Offices	All Offices	All Offices	All Offices
2.Maintain standard of excellence in legal services with a zero tolerance for ethics violations on case work.*	No Violations	No Violations	No Violations	No Violations	No Violations
Output Measure:					
3.Number of new cases filed with a potential sentence of death.*	6	3	5	6	6

FIGURE 19
CAPITAL DEFENSE, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
4. Number of cases tried or pled during the fiscal year.*	2	1	5	5	5
5. Number of in-house attorney training CLEs available for capital public defenders.*	3	5	3	3	3
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 2,903,305	\$ 2,917,892		\$ 3,255,160	\$ 3,099,512
Federal Funds	-	201		-	-
All Other Funds	16,638	5,175		2,000	2,000
TOTAL	\$ 2,919,943	\$ 2,923,268		\$ 3,257,160	\$ 3,101,512
Percentage Change:					
SGF	(1.7) %	0.5 %		11.6 %	(4.8) %
All Funds	(1.6) %	0.1 %		11.4 %	(4.8) %
FTE Positions	27.0	27.0		27.0	27.0

*The Governor's Office does not utilize this measure for evaluation purposes.

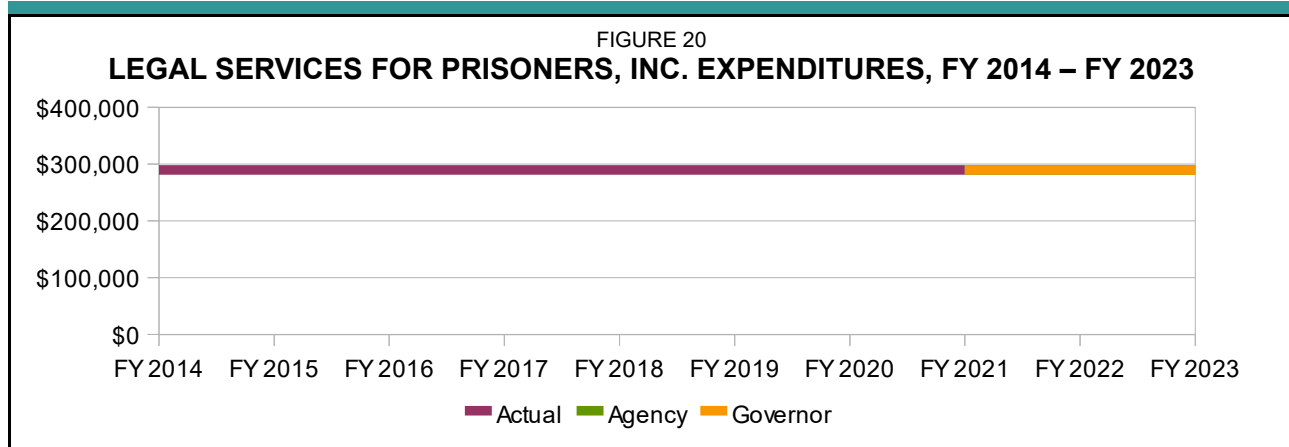
BUDGET ANALYSIS

The **agency** requests Capital Defense program expenditures of \$3.1 million, including \$3.1 million SGF, for FY 2023. This is an SGF decrease of \$155,648, or 4.8 percent, below the FY 2022 revised estimate. The decrease is primarily attributable to decreased expert witness fees and assigned counsel expenditures.

The request includes 27.0 FTE positions, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency's request for FY 2023.

LEGAL SERVICES FOR PRISONERS, INC.



STATUTORY BASIS: • KSA 22-4514a

- PROGRAM GOALS:**
- Provide individuals incarcerated in the Kansas Department of Corrections with constitutionally required meaningful access to the courts.
 - Identify and assist those incarcerated residents with real legal problems concerning the validity of convictions and sentences, civil rights, and conditions of confinement.
 - Discourage frivolous and unsubstantial litigation.
 - Assist state courts and the Board of Indigents' Defense Services in meeting their program goals.
 - Assist incarcerated residents in successfully completing their sentences, parole, and post-release supervision. Those whose legal problems are taken care of prior to their release are more apt to successfully complete their term of parole or post-release supervision.

The Legal Services for Prisoners, Inc. is a nonprofit corporation organized to provide legal assistance to indigent inmates of Kansas correctional institutions. The Board of Indigents' Defense Services is a pass-through agency for funding purposes and has no administrative or policy control over the corporation. The corporation is governed by a board composed of a representative of each of the Kansas law schools, four representatives of the Kansas Bar

Association, one representative of the Kansas Trial Judges Association, and the Judicial Administrator of the Court. Expenditures for the corporation are from the SGF. Legal Services for Prisoners has an office in Topeka and offices in the correctional facilities located in Lansing and El Dorado. These offices also provide assistance to inmates at correctional facilities located in Ellsworth, Larned, Norton, Osawatomie, Wichita, and Winfield.

FIGURE 21
LEGAL SERVICES FOR PRISONERS, INC., PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Cases administratively resolved*	1,042	1,058	1,107	1,508	1,508
2. Cases judicially resolved *	6	1	3.7	1	1
3. Cases rejected by LSP *	376	467	410	467	467
4. Cases still open at the end of the fiscal year.*	-	4	5	4	4
Output Measure:					
5. Total Cases handled by LSP *	1,463	1,530	1,543	1,530	1,530
6. Total Hours spent on cases *	1,759	2,013	1,889	2,013	2,013

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 289,592	\$ 289,592		\$ 289,592	\$ 289,592
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 289,592	\$ 289,592		\$ 289,592	\$ 289,592
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	-- %		-- %	-- %
FTE Positions	--	--		--	--

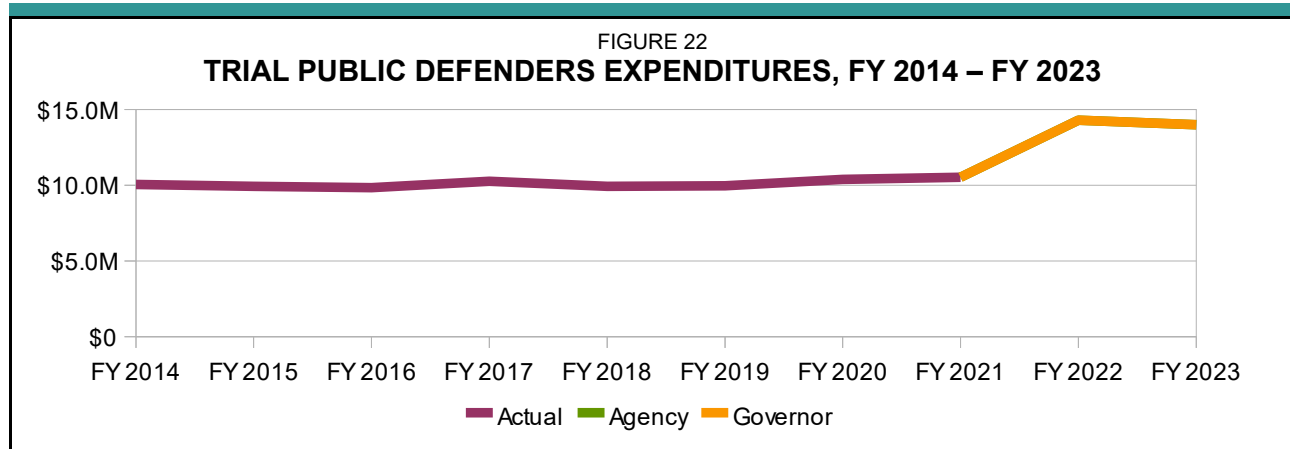
*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests Legal Services for Prisoners, Inc. program expenditures of \$289,592 SGF for FY 2023. This is the same as the FY 2022 revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

TRIAL PUBLIC DEFENDERS



STATUTORY BASIS: • 6th Amendment of the *U.S. Constitution*; Sections 5 and 10 of the *Kansas Constitution Bill of Rights*; KSA 22-4522(b)

PROGRAM GOALS: • Maintain statewide costs per case while maintaining quality service to clients.
• Monitor caseloads and performance of public defenders for quality services.

The Trial Public Defenders offices are located around the state and provide services in counties to indigents on a regional basis. Offices are located in Chanute, Garden City, Hutchinson, Johnson County, Junction City, Salina, Topeka, and Wichita. There are two conflict offices: the Northeast Kansas Conflict Office in Topeka and the Sedgwick County Conflict Office in Wichita. The Conflict Offices

become involved in conflicts cases when there are multiple indigent defendants and one of the defendants is already being represented by a public defender or assigned counsel. Former Public Defender Offices that have been closed are the Johnson County Satellite Office in Miami County and the Southwest Public Defender Office in Liberal.

FIGURE 23
TRIAL PUBLIC DEFENDERS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Prevent ineffective assistance of counsel due to case overload.*	All Offices	All Offices	All Offices	All Offices	All Offices
2.Maintain increase in average cost per case for public defender services to 5% or less.	\$ 818	\$ 1,032	\$ 836	\$ 1,032	\$ 1,032
3.Maintain standard of excellence in legal services with a zero tolerance for ethics violations on case work.*	No Violations	No Violations	No Violations	No Violations	No Violations
Output Measure:					
4.Number of in-house attorney training CLEs for public defenders.*	2	3	2.3	2	2
5.Number of Judicial Districts reviewed for cost effective delivery of defense services.*	31	31	31	31	31
6.Number of contacts with Chief Defenders regarding caseloads.*	35	33	29.3	33	33

FIGURE 23

TRIAL PUBLIC DEFENDERS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
7. Number of contacts with Court regarding assignment of public defenders to other jurisdictions.*	20	18	15	18	18
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 10,138,750	\$ 10,260,120		\$ 14,167,753	\$ 13,882,746
Federal Funds	-	159		-	-
All Other Funds	243,924	260,322		109,749	102,000
TOTAL	\$ 10,382,674	\$ 10,520,601		\$ 14,277,502	\$ 13,984,746
Percentage Change:					
SGF	3.9 %	1.2 %		38.1 %	(2.0) %
All Funds	4.4 %	1.3 %		35.7 %	(2.1) %
FTE Positions	139.5	139.0		244.3	244.3

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests Trial Public Defenders program expenditures of \$14.0 million, including \$13.9 million SGF, for FY 2023. This is an all funds decrease of \$292,756, or 2.1 percent, and an SGF decrease of \$285,007, or 2.0 percent, below the FY 2022 revised estimate. The decrease is primarily attributable to expert witness fees and one-time expenditures for furnishings and equipment for new hires in FY 2022 that do not occur in FY 2023.

The request includes 174.5 FTE positions, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency's request for FY 2023.

DEPARTMENT OF ADMINISTRATION

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 100,899,482	\$ 115,890,652	\$ 591,921,802	\$ 114,381,404	\$ 103,172,758
Federal Funds	1,400,819	712,367	712,367	716,899	716,899
All Other Funds	41,668,754	44,599,546	44,599,546	43,346,335	39,461,845
Subtotal	\$ 143,969,055	\$ 161,202,565	\$ 637,233,715	\$ 158,444,638	\$ 143,351,502
Capital Improvements:					
State General Fund	\$ 40,730,825	\$ 39,504,696	\$ 355,899,696	\$ 44,635,669	\$ 147,252,457
Federal Funds	873,274	-	-	-	-
All Other Funds	10,546,243	16,232,975	16,232,975	11,991,788	-
Subtotal	\$ 52,150,342	\$ 55,737,671	\$ 372,132,671	\$ 56,627,457	\$ 147,252,457
Off-Budget*	\$ 92,421,173	\$ 87,693,789	\$ 87,693,789	\$ 87,693,789	\$ 89,474,900
Total On-Budget	\$ 196,119,397	\$ 216,940,236	\$ 1,009,366,386	\$ 215,072,095	\$ 290,603,959
Total Off-Budget	92,421,173	87,693,789	87,693,789	87,693,789	89,474,900
GRAND TOTAL	\$ 288,540,570	\$ 304,634,025	\$ 1,097,060,175	\$ 302,765,884	\$ 380,078,859
Percentage Change:					
State General Fund	5.4 %	9.7 %	569.2 %	2.3 %	(73.6) %
All Funds	18.5 %	5.6 %	280.2 %	(0.6) %	(65.4) %
FTE Positions	464.0	462.7	467.7	462.7	470.7

*Staff note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless otherwise specified.

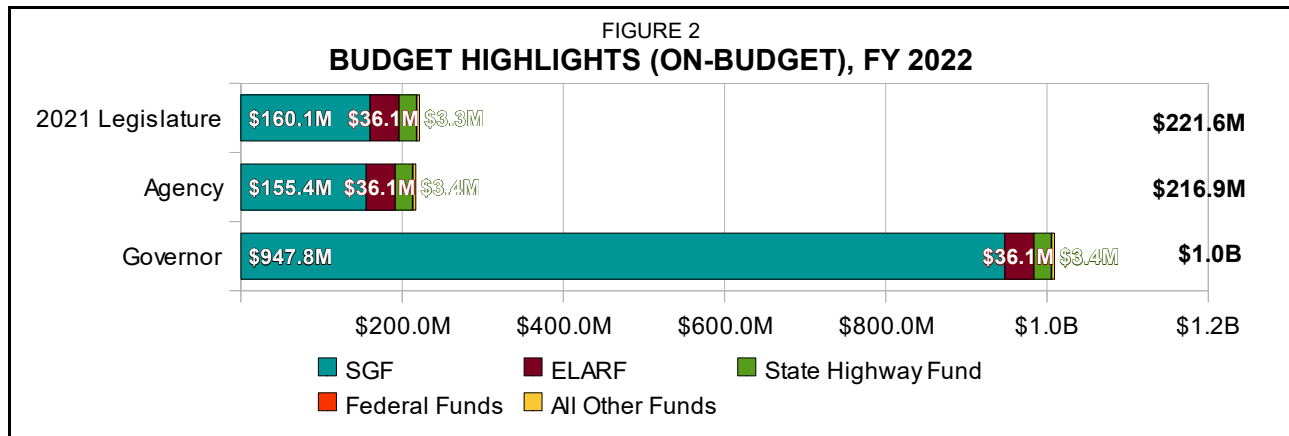
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Department of Administration provides central services for state agencies and also includes a number of other entities and programs for administrative purposes. The Secretary of Administration, who is appointed by and serves at the pleasure of the Governor, manages the Department with the assistance of a deputy secretary. Through its different divisions, the Department provides a centralized accounting system, administers a centralized purchasing system, maintains a uniform personnel system, oversees the design and construction of all state buildings, operates the state printing plant, and maintains and operates state buildings and grounds in Topeka.

The Department submits a two-part budget: an on-budget budget, which reflects expenditures for agency operations, and an off-budget budget, which includes expenditures for services performed for other state agencies. The off-budget budget is reflected in the on-budget expenditures of other state agencies and such expenditures are not reflected in the Department's on-budget expenditures to avoid double counting the same expenditures. Administration of the state employee Workers Compensation program and Health Care Benefits program was transferred into the Department of Administration from the Kansas Department of Health and Environment as part of a 2019 reorganization and consolidation of health care programs.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$221.2 million in on-budget expenditures and 92.2 on-budget FTE positions for the Department of Administration in FY 2022, including \$159.8 million from the State General Fund (SGF), \$36.1 million from the Expanded Lottery Act Revenues Fund (ELARF), and \$21.3 million in transfers from the State Highway Fund. Subsequent to the 2021 Session, \$324,544 in unspent SGF was shifted from FY 2021 to FY 2022. Included within that amount are \$316,995 for the Division of the Budget, \$2,720 for the Office of the Long-Term Care Ombudsman, \$620 for the rehabilitation and repair of state facilities, and \$4,210 for miscellaneous operating expenditures. This adjustment changes the current year approved amount without any legislative action required.



The **agency** requests a revised estimate of \$216.9 million in on-budget expenditures and 89.0 on-budget FTE positions in FY 2022, including \$155.4 million SGF, \$36.1 million from the ELARF, and \$21.3 million in transfers from the State Highway Fund. This represents a reduction of \$4.6 million, or 2.1 percent, below the amount approved by the 2021 Legislature.

The reduction is primarily attributable to a lapse of \$4.6 million SGF for savings related to the **issuance of pension obligation bonds**. The 2021 Legislature added \$28.8 million SGF for estimated debt service payments for bonds issued pursuant to 2021 HB 2405, which authorized the issuance of up to \$500.0 million in bonds, plus costs, at an interest rate not to exceed 4.3 percent. In August 2021, the Kansas Development Finance Authority finalized and executed the bond purchase agreement at an interest rate of 2.7 percent. Accordingly, debt service payments decrease from \$28.8 million, which was estimated at the interest cap of 4.3 percent, to \$24.2 million, at the lower rate of 2.7 percent. The revised estimate includes a lapse of the difference, \$4.6 million, in FY 2022. Additionally, the revised estimate includes a lapse of \$29,954 SGF to reflect a decrease in Kansas Public Employees Retirement System (KPERs) employer contribution rates from 15.09 percent to 14.33 percent in FY 2022, based on the issuance of those bonds, pursuant to 2021 SB 159.

The revised estimate also includes \$87.7 million in off-budget expenditures and 373.7 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2022, off-budget expenditures increase by \$1.8 million, or 2.1 percent, above the FY 2022 approved amount. The increase is primarily due to maintenance and servicing fees across many of the agency's programs (\$1.7 million).

The **Governor** recommends \$1.0 billion in on-budget expenditures and 94.0 on-budget FTE positions in FY 2022, including \$947.8 million SGF, \$36.1 million from the ELARF, and \$21.3 million in transfers from the State Highway Fund. This represents an increase of \$792.4 million, or 365.3 percent, above the agency's revised estimate. The most significant increase is attributable to the

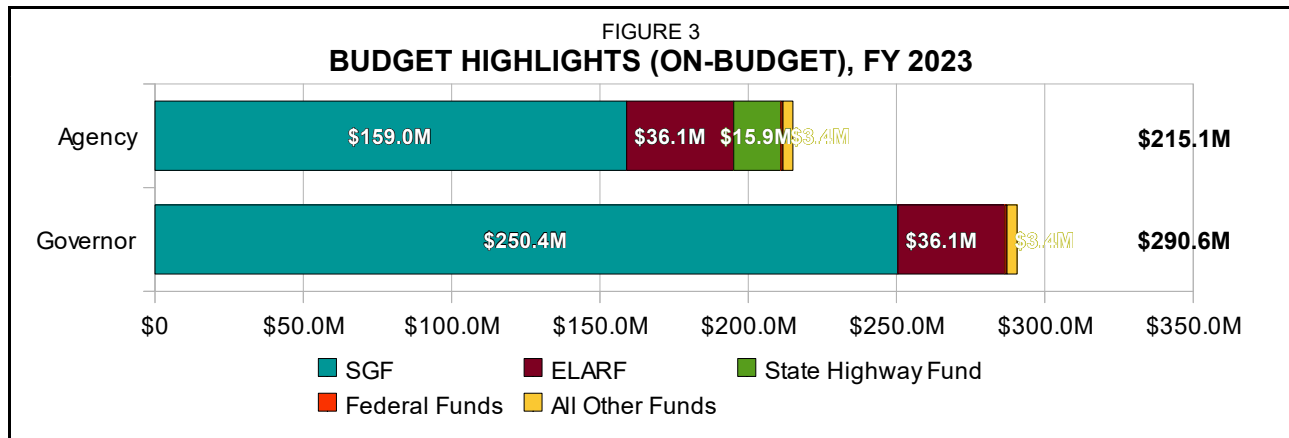
Governor's recommendation to expend \$460.0 million SGF for a one-time **\$250 tax rebate to eligible Kansas residents** (\$500 for residents that filed jointly). This rebate occurs as a one-time direct payment, and all Kansas residents who filed a 2020 tax return in 2021 would be eligible. The Office of the Governor estimates that this payment would affect over 1.2 million resident taxpayers. The recommended amount includes expenditures for the rebate itself as well as for administrative costs.

The Governor's recommendation also includes \$332.2 million SGF to pay off two bonds early, ahead of scheduled final debt service payments in FY 2035. First, the recommendation includes \$160.5 million SGF to pay off **Series 2015A**, which consists of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building. The recommendation includes debt service payments (\$27.8 million) and the remaining balance (\$132.7 million) for FY 2023. Second, the recommendation includes \$171.8 million SGF to pay off **Series 2015G**, which is a debt service bond for the State's portion of the National Bio and Agro-Defense Facility located in Manhattan, Kansas. The recommendation includes debt service payments (\$17.4 million) and the remaining balance (\$154.3 million) for FY 2023. Debt service payments in FY 2022 for both bonds are already included in the agency's revised estimate, and the Governor does not recommend adjustments to that amount.

The Governor's recommendation also includes \$200,000 SGF and 5.0 FTE positions for the Division of the Child Advocate within the Office of Public Advocates. Executive Order 21-27 created the Office of Public Advocates within the agency and transferred the following entities to it:

- **OFFICE OF THE LONG-TERM CARE OMBUDSMAN.** This program currently exists within the Department of Administration. Estimated expenditures are already included in the agency's revised estimate and total \$729,446 in FY 2022.
- **KANCARE OMBUDSMAN.** This program would be transferred from the Kansas Department for Aging and Disability Services (KDADS). Its responsibilities include assisting in the resolution of concerns about services, coverage, access, and rights related to KanCare, the Medicaid program for the State of Kansas. Estimated expenditures are included in the KDADS revised estimate in FY 2022.
- **DIVISION OF THE CHILD ADVOCATE.** Executive Order 21-28 created this program within the Department of Administration to provide oversight for the child welfare system in Kansas. Estimated expenditures are not included in the agency's revised estimate. The recommendation includes salary (\$122,207) and fringe benefit (\$77,793) expenditures for five new positions within the agency.

The recommendation also includes \$87.7 million in off-budget expenditures and 373.7 off-budget FTE positions, which is the same as the agency's revised estimate in FY 2022.



The **agency** requests \$215.1 million in on-budget expenditures and 89.0 on-budget FTE positions for FY 2023, including \$159.0 million SGF, \$36.1 million from the ELARF, and \$15.9 million in transfers from the State Highway Fund. This represents a reduction of \$1.9 million, or 0.9 percent, below the agency's revised estimate in FY 2022.

The request includes an overall reduction of \$2.0 million for changes in debt service expenditures. Of that amount, there is an increase of \$3.5 million SGF, offset by reductions of \$4,031 from the ELARF and \$5.5 million in transfers from the State Highway Fund. There are five sets of bonds included within this adjustment: (1) **Statehouse Renovation Bonds** (\$2.3 million reduction), which were issued for the renovation of the Kansas Statehouse; (2) **Series 2015A** (\$1.0 million increase), which includes four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building; (3) **Series 2015G** (\$3.3 million reduction), which is the State's portion of the National Bio and Agro-Defense Facility (NBAF) located in Manhattan, Kansas; (4) **Series 2020R** (\$3.1 million reduction), which refunded bonds related to renovations of the Kansas Statehouse, the NBAF, and public broadcasting facilities; and (5) **Series 2021P** (\$5.8 million increase), which refunded bonds related to renovations of the Kansas Statehouse, the NBAF, Kansas State Fairgrounds, and Kansas Department of Wildlife and Parks facilities.

The request also includes \$89.5 million in off-budget expenditures and 373.7 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2023, off-budget expenditures increase by \$1.8 million, or 2.0 percent, above the FY 2022 revised estimate. The increase is primarily due to higher expenditures for workers' compensation claims (\$420,387) and building rent (\$863,500).

The **Governor** recommends \$290.6 million in on-budget expenditures and 96.9 on-budget FTE positions for FY 2023, including \$250.4 million SGF, \$36.1 million from the ELARF, and no State Highway Fund appropriations. This represents an increase of \$75.5 million, or 26.0 percent, above the agency request.

The most significant increase is attributable to the Governor's recommendation to appropriate \$120.0 million SGF for the rehabilitation and repair of the **Docking State Office Building**. The 2021 Legislature added language authorizing the Department of Administration to issue up to \$120.0 million in bonds for the Docking Building, subject to approval from the State Finance Council. Incorporating recommendations from the Joint Committee on State Building Construction, the State Finance Council approved the renovation of the Docking Building into a three-story building with office and meeting space. The Office of the Governor indicates this proposal would utilize the budget surplus to fund the project in its entirety rather than incurring additional debt.

The Governor also recommends **ending extraordinary transfers from the Kansas Department of Transportation** beginning in FY 2023. For the Department of Administration, this includes an increase of \$15.9 million SGF and a corresponding decrease of \$15.9 million in transfers from the State Highway Fund. The \$15.9 million allocated to this agency funds debt service payments for the state, and adopting the recommendation would result in such payments being primarily made from the SGF instead.

The recommendation also includes a reduction of \$45.2 million SGF to account for the Governor's proposal to pay off **Series 2015A** (\$27.8 million SGF) and **Series 2015G** (\$17.4 million SGF) bonds in FY 2022. If those bonds are paid off in FY 2022, then those budgeted expenditures would not continue into FY 2023 and onward.

The recommendation also includes an increase of \$724,814 SGF and 8.0 FTE positions for the **Office of Public Advocates**. This includes expenditures for the KanCare Ombudsman (\$224,814 SGF, 3.0 FTE positions) and the Division of the Child Advocate (\$500,000 SGF, 5.0 FTE positions).

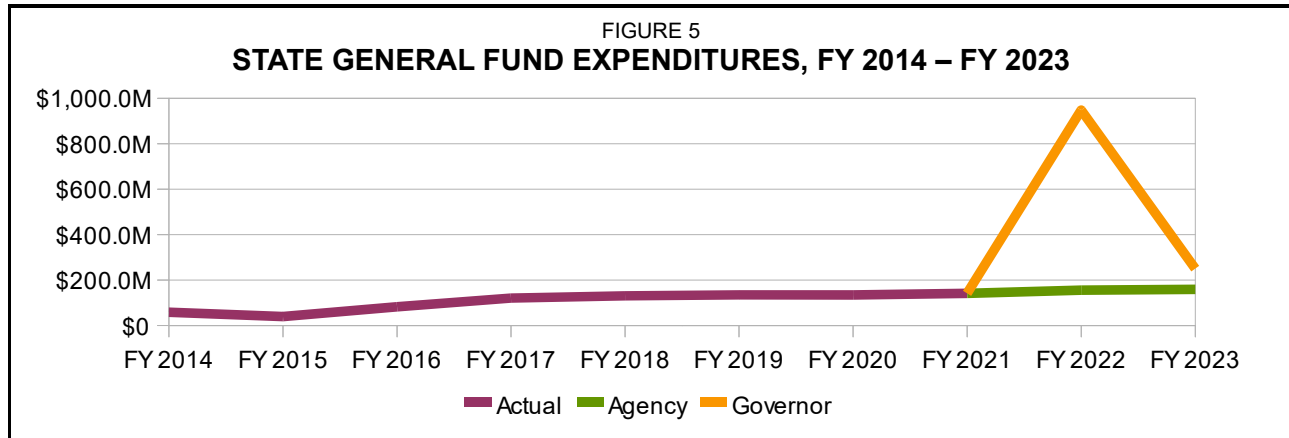
The recommendation also includes \$89.5 million in off-budget expenditures and 373.7 off-budget FTE positions, which is the same as the agency request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (ON-BUDGET)
FY 2021 – FY 2023**

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 7,247,312	\$ 7,502,593	\$ 7,702,593	\$ 7,511,888	\$ 8,208,702
Contractual Services	2,637,649	2,263,753	2,276,953	2,426,816	2,454,816
Commodities	138,811	315,175	315,175	315,175	315,175
Capital Outlay	272,805	74,500	74,500	24,500	24,500
Debt Service Interest	88,277,540	93,716,544	109,534,494	92,756,259	76,938,309
Subtotal	\$ 98,574,117	\$ 103,872,565	\$ 119,903,715	\$ 103,034,638	\$ 87,941,502
Aid to Local Units	382,299	250,000	250,000	250,000	250,000
Other Assistance	6,067,639	160,000	460,160,000	160,000	160,000
Subtotal—Operating	\$ 105,024,055	\$ 104,282,565	\$ 580,313,715	\$ 103,444,638	\$ 88,351,502
Capital Improvements	3,617,019	3,450,113	3,450,113	3,449,493	123,449,493
Debt Service Principal	87,478,323	109,207,558	425,602,558	108,177,964	78,802,964
TOTAL	\$ 196,119,397	\$ 216,940,236	\$ 1,009,366,386	\$ 215,072,095	\$ 290,603,959
Financing:					
State General Fund	\$ 141,630,307	\$ 155,395,348	\$ 947,821,498	\$ 159,017,073	\$ 250,425,215
ELARF	36,546,903	36,114,485	36,114,485	36,110,453	36,110,453
State Highway Fund	12,964,005	21,344,868	21,344,868	15,876,278	-
Federal Funds	2,274,093	712,367	712,367	716,899	716,899
All Other Funds	2,704,089	3,373,168	3,373,168	3,351,392	3,351,392
TOTAL	\$ 196,119,397	\$ 216,940,236	\$ 1,009,366,386	\$ 215,072,095	\$ 290,603,959
FTE Positions	92.2	88.9	93.9	88.9	96.9

STATE GENERAL FUND



FY 2022 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE*
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 159,810,179	\$ 61,439,229	\$ 221,249,408	463.0
1. SGF Reappropriation	324,545	-	324,545	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 160,134,724</i>	<i>\$ 61,439,229</i>	<i>\$ 221,573,953</i>	<i>463.0</i>
Agency Revised Estimate:				
2. SGF Reappropriation	\$ (154,494)	\$ -	\$ (154,494)	--
3. SGF Lapse—2021K KPERS Bonds	(4,570,203)	-	(4,570,203)	--
4. SGF Lapse—Fringe Benefit Adjustment	(14,679)	-	(14,679)	--
5. All Other Adjustments	-	105,659	105,659	(0.4)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 155,395,348</i>	<i>\$ 61,439,229</i>	<i>\$ 216,940,236</i>	<i>462.7</i>
Governor's Recommendation:				
6. Resident Tax Rebate	\$ 460,000,000	\$ -	\$ 460,000,000	--
7. Bond Payoff—2015A	160,460,850	-	160,460,850	--
8. Bond Payoff—2015G NBAF	171,765,300	-	171,765,300	--
9. Office of Public Advocates	200,000	-	200,000	5.0
TOTAL	\$ 947,821,498	\$ 61,439,229	\$ 1,009,366,386	467.7

* Staff Note: this number represents both on- and off-budget FTE positions.

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the \$221.2 million in on-budget expenditures appropriated to the Department of Administration for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** \$324,544 in unspent SGF was shifted from FY 2021 to FY 2022. Included within that amount are \$316,995 for the Division of the Budget, \$2,720 for the Office of the Long-Term Care Ombudsman, \$620 for the rehabilitation and repair of state facilities, and \$4,210 for miscellaneous operating expenditures.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$216.9 million in on-budget expenditures and 89.0 on-budget FTE positions in FY 2022, including \$155.4 million SGF, \$36.1 million from the Expanded Lottery Act Revenues Fund (ELARF), and \$21.3 million in transfers from the State Highway Fund. This represents a reduction of \$4.6 million, or 2.1 percent, below the amount approved by the 2021 Legislature. The revised estimate includes the following adjustments:

2. **SGF REAPPROPRIATION.** The revised estimate includes a reduction of \$154,494 SGF for budgeted unspent funds within the Division of the Budget that would shift from FY 2022 to FY 2023.
3. **SGF LAPSE—2021K KPERS PENSION OBLIGATION BONDS.** The revised estimate includes a lapse of \$4.6 million SGF for savings related to the issuance of pension obligation bonds. The 2021 Legislature added \$28.8 million SGF for estimated debt service payments for bonds issued pursuant to 2021 HB 2405, which authorized the issuance of up to \$500.0 million in bonds, plus costs, at an interest rate not to exceed 4.3 percent. In August 2021, the Kansas Development Finance Authority finalized and

executed the bond purchase agreement at an interest rate of 2.7 percent. Accordingly, debt service payments decrease from \$28.8 million, which was estimated at the interest cap of 4.3 percent, to \$24.2 million, at the lower rate of 2.7 percent. The revised estimate includes a lapse of the difference, \$4.6 million, in FY 2022.

4. **SGF LAPSE–FRINGE BENEFIT ADJUSTMENT.** The revised estimate includes a lapse of \$14,679 SGF for fringe benefit expenditures. This adjustment includes a reduction of \$29,954 SGF to reflect revised KPERS employer contribution rates for FY 2022. SB 159 (2021) included language to adjust employer contribution rates based on the issuance of the \$500.0 million in pension obligation bonds authorized by 2021 HB 2405. Accordingly, KPERS employer contribution rates decreased from 15.09 percent to 14.33 percent in FY 2022. The reductions in employer contribution rates are offset by a \$15,275 increase in the unemployment insurance rate, from 0.08 to 0.46 percent.
5. **ALL OTHER ADJUSTMENTS.** The revised estimate includes an increase of \$105,659 in a variety of other expenditures, primarily from distributions in fee funds and federal funds that exceed approved amounts. Examples of such funds include the Purchasing Fee Fund (\$100,845 increase), the Federal Cash Management Fund (\$40,936 decrease), and federal funds within the Office of the Long-Term Care Ombudsman (\$31,840 increase). The revised estimate also includes an overall reduction of 0.4 FTE positions for personnel changes in the Office of Financial Management (1.1 FTE reduction) and the Office of Systems Management (0.8 FTE increase).

The revised estimate also includes \$87.7 million in off-budget expenditures and 373.7 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2022, off-budget expenditures increase by \$1.8 million, or 2.1 percent, above the FY 2022 approved amount. The decrease is primarily due to maintenance and servicing fees across many of the agency's programs (\$1.7 million).

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$1.0 billion in on-budget expenditures and 94.0 on-budget FTE positions in FY 2022, including \$947.8 million SGF, \$36.1 million from the ELARF, and \$21.3 million in transfers from the State Highway Fund. This represents an increase of \$792.4 million, or 365.3 percent, above the agency's revised estimate.

The **Governor's** recommendation includes the following adjustments:

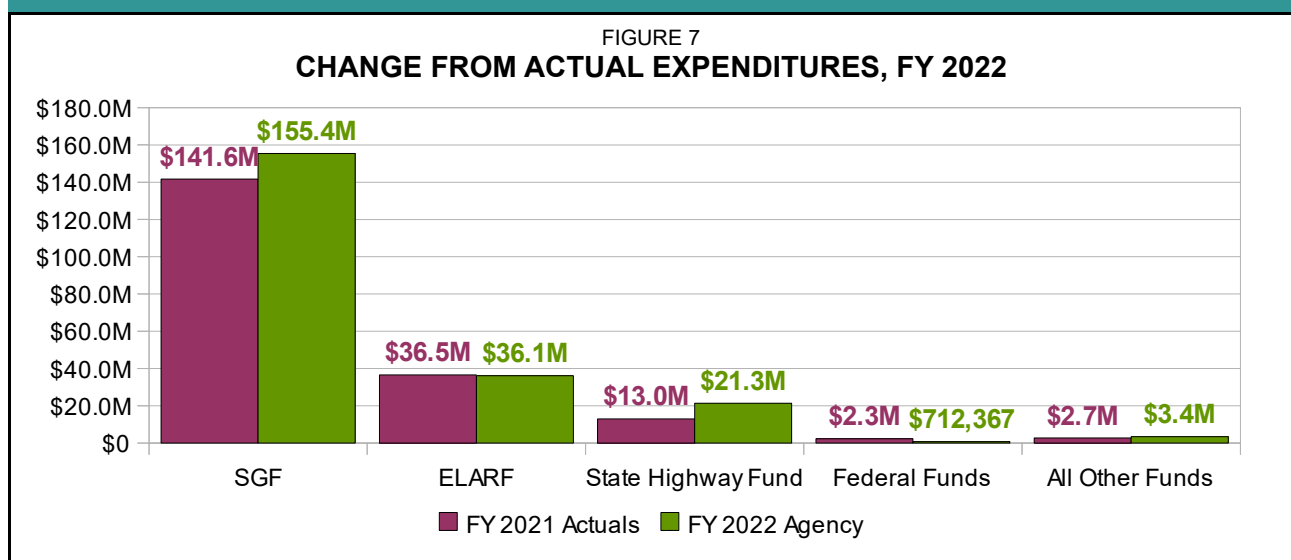
6. **RESIDENT TAX REBATE.** The Governor's recommendation includes an increase of \$460.0 million SGF for a one-time \$250 tax rebate to eligible Kansas residents (\$500 for residents that filed jointly). This rebate occurs as a one-time direct payment, and all Kansas residents who filed a 2020 tax return in 2021 are eligible. The Office of the Governor estimates that this payment would affect over 1.2 million resident taxpayers. The recommended amount includes expenditures for the rebate itself as well as for administrative costs.
7. **BOND PAYOFF–2015A.** The Governor's recommendation includes an increase of \$160.5 million SGF to pay off Series 2015A bonds early, ahead of the scheduled final debt service payment in FY 2035. Series 2015A consists of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building. The recommendation includes debt service payments (\$27.8 million) and the remaining balance (\$132.7 million) for FY 2023. Debt service payments in FY 2022 are already included in the agency's revised

estimate, and the Governor does not recommend adjustments to that amount. The next call date for these bonds is May 1, 2023.

8. **BOND PAYOFF–2015G.** The Governor's recommendation also includes an increase of \$171.8 million SGF to pay off Series 2015G bonds early, ahead of the scheduled final debt service payment in FY 2035. Series 2015G is a debt service bond for the state's portion of the National Bio and Agro-Defense Facility located in Manhattan, Kansas. The recommendation includes debt service payments (\$17.4 million) and the remaining balance (\$154.3 million) for FY 2023. Debt service payments in FY 2022 are already included in the agency's revised estimate, and the Governor does not recommend adjustments to that amount. The next call date for these bonds is April 1, 2023.
9. **OFFICE OF PUBLIC ADVOCATES.** The Governor's recommendation includes an increase of \$200,000 SGF and 5.0 FTE positions for the Division of the Child Advocate within the Office of Public Advocates. Executive Order 21-27 created the Office of Public Advocates within the Department of Administration and transferred the following entities to it:
 - **Office of the Long-Term Care Ombudsman.** This program was established pursuant to KSA 75-7301, *et seq.*, and currently exists within the Department of Administration. Estimated expenditures are already included in the agency's revised estimate and total \$729,446 in FY 2022.
 - **KanCare Ombudsman.** This program would be transferred from the Kansas Department for Aging and Disability Services (KDADS). Its responsibilities include assisting in the resolution of concerns about services, coverage, access, and rights related to KanCare, the Medicaid program for the State of Kansas. Estimated expenditures are included in the KDADS revised estimate in FY 2022.
 - **Division of the Child Advocate.** Executive Order 21-28 created this program within the Department of Administration to provide oversight for the child welfare system in Kansas. Estimated expenditures are not included in the agency's revised estimate. The recommendation includes salary (\$122,207) and fringe benefit (\$77,793) expenditures for five new positions within the agency.

The recommendation also includes \$87.7 million in off-budget expenditures and 373.7 off-budget FTE positions, which is the same as the agency's revised estimate in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The **agency** requests a revised estimate of \$216.9 million in on-budget expenditures and 89.0 on-budget FTE positions in FY 2022, including \$155.4 million SGF, \$36.1 million from the Expanded Lottery Act Revenues Fund (ELARF), and \$21.3 million in transfers from the State Highway Fund. This represents an increase of \$20.8 million, or 10.6 percent, above FY 2021 actual expenditures, primarily due to the addition of \$28.8 million SGF for debt service payments on pension obligation bonds issued during the 2021 Interim. HB 2405 (2021) authorized the Kansas Development Finance Authority to issue up to \$500.0 million in bonds, plus costs. The bond agreement was finalized and executed in August 2021. The increase is partially offset by a reduction of \$6.0 million SGF in one-time costs related to a Securities Act Fee Fund lawsuit in FY 2021. Those expenditures do not continue into FY 2022.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 155,395,348	\$ 61,439,229	\$ 216,940,236	462.7
Agency Request:				
1. SGF Reappropriation	\$ 154,494	\$ -	\$ 154,494	--
2. Debt Service Adjustments	3,491,550	(5,461,500)	(1,969,950)	--
3. All Other Adjustments	(24,319)	(28,366)	(52,685)	--
<i>Subtotal—Agency Request</i>	<i>\$ 159,017,073</i>	<i>\$ 55,949,363</i>	<i>\$ 215,072,095</i>	<i>462.7</i>
Governor's Recommendation:				
4. Docking State Office Building	\$ 120,000,000	\$ -	\$ 120,000,000	--
5. Debt Service Funding Switch	15,876,278	(15,876,278)	-	--
6. Bond Payoff—2015A	(27,779,250)	-	(27,779,250)	--
7. Bond Payoff—2015G	(17,413,700)	-	(17,413,700)	--
8. Office of Public Advocates	724,814	-	724,814	8.0
TOTAL	\$ 250,425,215	\$ 55,949,363	\$ 290,603,959	470.7

AGENCY REQUEST

The **agency** requests \$215.1 million in on-budget expenditures and 89.0 on-budget FTE positions for FY 2023, including \$159.0 million SGF, \$36.1 million from the ELARF, and \$15.9 million in transfers from the State Highway Fund. This represents a reduction of \$1.9 million, or 0.9 percent, below the agency's revised estimate in FY 2022. The agency request includes the following adjustments:

1. **SGF REAPPROPRIATION.** The request includes an increase of \$154,494 SGF for budgeted unspent funds within the Division of the Budget that shifted over from FY 2022 to FY 2023. The request also includes \$150,000 SGF in expenditures within the Division of the Budget for gubernatorial transition expenditures, as required by KSA 75-137.
2. **DEBT SERVICE ADJUSTMENTS.** The request includes an overall reduction of \$2.0 million for changes in debt service expenditures. Of that amount, there is an increase of \$3.5 million SGF, offset by a reductions of \$4,031 from the ELARF and \$5.5 million in transfers from the State Highway Fund. Bonds with significant expenditure changes are as follows:
 - **Statehouse Renovation Bonds.** The request includes a reduction of \$2.3 million in transfers from the State Highway Fund for bonds issued for the renovation of the Kansas Statehouse.
 - **2015A.** The request includes an increase of \$1.0 million SGF in debt service expenditures for Series 2015A bonds, which includes four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building.
 - **2015G.** The request includes a reduction of \$3.3 million SGF in debt service expenditures for Series 2015G bonds, which is the State's portion of the National Bio and Agro-Defense Facility (NBAF) located in Manhattan, Kansas.

- **2020R.** The request includes a reduction of \$3.1 million in transfers from the State Highway Fund for Series 2020R bonds, which refunded bonds related to renovations of the Kansas Statehouse, NBAF, and public broadcasting facilities.
 - **2021P.** The request includes an increase of \$5.8 million SGF for the issuance of Series 2021P bonds, which refunded bonds related to renovations of the Kansas Statehouse, NBAF, Kansas State Fairground, and Kansas Department of Wildlife and Parks facilities.
3. **ALL OTHER ADJUSTMENTS.** The request includes a reduction of \$52,685 in a variety of other expenditures such as employer contributions for group health insurance.

The request also includes \$89.5 million in off-budget expenditures and 373.7 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2023, off-budget expenditures increase by \$1.8 million, or 2.0 percent, above the FY 2022 revised estimate. The increase is primarily due to higher expenditures for workers' compensation claims (\$420,387) and building rent (\$863,500).

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$290.6 million in on-budget expenditures and 96.9 on-budget FTE positions for FY 2023, including \$250.4 million SGF, \$36.1 million from the ELARF, and no transfers from the State Highway Fund. This represents an increase of \$75.5 million, or 26.0 percent, above the agency request.

The **Governor's** recommendation includes the following adjustments:

4. **DOCKING STATE OFFICE BUILDING.** The Governor's recommendation includes \$120.0 million SGF for the rehabilitation and repair of the Docking State Office Building. The 2021 Legislature added language authorizing the Department of Administration to issue up to \$120.0 million in bonds for the Docking Building, subject to approval from the State Finance Council. Incorporating recommendations from the Joint Committee on State Building Construction, the State Finance Council approved the renovation of the Docking Building into a three-story building with office and meeting space. The Office of the Governor indicates this proposal would utilize the budget surplus to fund the project in its entirety rather than incurring additional debt.
5. **DEBT SERVICE FUNDING SWITCH.** The Governor's recommendation includes an increase of \$15.9 million SGF and a corresponding decrease of \$15.9 million in State Highway Fund appropriations to end extraordinary transfers from the Kansas Department of Transportation beginning in FY 2023. The \$15.9 million allocated to the Department of Administration funds debt service payments for the State, and adopting the recommendation would result in such payments being primarily made from the SGF instead.
6. **BOND PAYOFF–2015A.** The Governor's recommendation includes a reduction of \$27.8 million SGF to account for the proposal to pay off Series 2015A bonds in FY 2022. These bonds consist of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building.
7. **BOND PAYOFF–2015G.** The Governor's recommendation includes a reduction of \$17.4 million SGF to account for the proposal to pay off Series 2015G bonds in FY 2022.

These bonds are debt service payments for the State's portion of the National Bio and Agro-Defense Facility in Manhattan, Kansas.

8. **OFFICE OF PUBLIC ADVOCATES.** The Governor's recommendation includes an increase of \$724,814 SGF and 8.0 FTE positions for the Office of Public Advocates. This includes expenditures for the KanCare Ombudsman (\$224,814 SGF, 3.0 FTE positions) and the Division of the Child Advocate (\$500,000 SGF, 5.0 FTE positions).

The recommendation also includes \$89.5 million in off-budget expenditures and 373.7 off-budget FTE positions, which is the same as the agency request for FY 2023.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

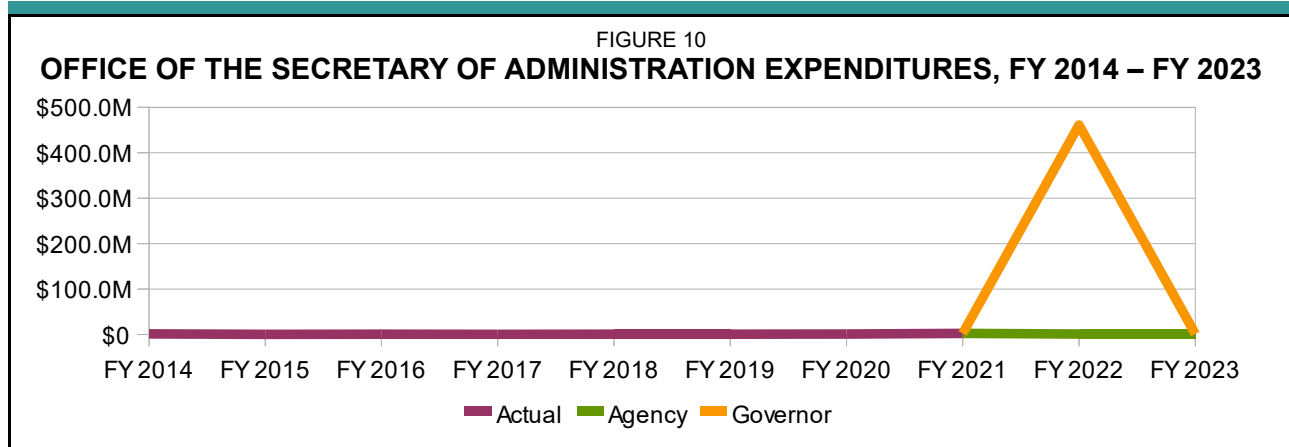
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures					
Secretary	\$ 2,275,041	\$ 667,800	\$ 460,667,800	\$ 668,221	\$ 668,221
Chief Counsel	253,613	375,660	375,660	375,655	375,655
Facilities	837,651	801,288	801,288	801,569	801,569
Printing and Mailing	272,575	454,000	454,000	430,536	430,536
Procurement	7,356,286	1,559,243	1,559,243	1,560,898	1,560,898
Financial Management	561,384	433,292	433,292	433,441	433,441
Personnel Services	1,306,710	1,547,261	1,547,261	1,550,215	1,550,215
Accounts and Reports	2,001,072	1,953,658	1,953,658	1,955,629	1,955,629
Systems Management	534,291	270,359	270,359	264,347	264,347
Division of the Budget	1,650,870	1,774,014	1,774,014	1,916,155	1,916,155
Public Advocates	727,118	729,446	929,446	731,713	1,456,527
Debt Service	175,755,863	202,924,102	535,150,252	200,934,223	155,741,273
Capital Improvements	2,586,923	3,450,113	3,450,113	3,449,493	123,449,493
<i>Total–On-Budget</i>	<i>\$ 196,119,397</i>	<i>\$ 216,940,236</i>	<i>\$ 1,009,366,386</i>	<i>\$ 215,072,095</i>	<i>\$ 290,603,959</i>
Off-Budget*	92,421,173	87,693,789	87,693,789	89,474,900	89,474,900
GRAND TOTAL	\$ 288,540,570	\$ 304,634,025	\$ 1,097,060,175	\$ 304,546,995	\$ 380,078,859
FTE Positions:					
Secretary	5.2	5.0	5.0	5.0	5.0
Chief Counsel	2.0	2.0	2.0	2.0	2.0
Facilities	1.0	1.0	1.0	1.0	1.0
Procurement	15.0	15.0	15.0	15.0	15.0
Financial Management	1.9	1.9	1.9	1.9	1.9
Personnel Services	15.1	15.1	15.1	15.1	15.1
Accounts and Reports	27.0	24.0	24.0	24.0	24.0
Systems Management	1.0	1.0	1.0	1.0	1.0
Division of the Budget	13.0	13.0	13.0	13.0	13.0
Public Advocates	11.0	11.0	16.0	11.0	19.0
<i>Total–On-Budget</i>	<i>92.2</i>	<i>89.0</i>	<i>94.0</i>	<i>89.0</i>	<i>97.0</i>
Off-Budget*	371.9	373.7	373.7	373.7	373.7
GRAND TOTAL	464.1	462.7	467.7	462.7	470.7

*Staff note: Off-budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless otherwise specified.

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

OFFICE OF THE SECRETARY OF ADMINISTRATION



STATUTORY BASIS: • KSA 75-3701 *et seq.*, 75-3702a

PROGRAM GOALS: • Establish the vision and mission for the agency, direct agency operations to reflect those priorities, and allocate resources to execute those operations.

The Office of the Secretary of Administration manages the Department of Administration, supervises various offices and their functions, establishes agency priorities, and allocates resources based on agency goals. This Office includes the following subprograms:

SECRETARY OF ADMINISTRATION

The Secretary of Administration, among other statutory duties, establishes the vision of the agency and works with the Office Directors to move agency operations to reflect that vision and mission. The Secretary of Administration also serves as a member of the Kansas State Employees Health Care Commission, the Capitol Plaza Authority, and the State Finance Council. The Office of the Secretary also manages the Department of Administration, supervises office responsibilities, and allocates resources accordingly.

STATE FINANCE COUNCIL

The State Finance Council is a joint committee composed of the legislative leadership from the House and Senate and the Governor that is empowered to make some

financial decisions while the Legislature is not in session. KSA 75-3708 governs membership of the council.

OFFICE OF PUBLIC AFFAIRS

The Office of Legislative and Public Affairs executes internal and external communications for the agency, including contact with the media, assisting with Kansas Open Records Act requests, and coordinating with other agency public information officers. The Office also serves as the legislative liaison between the agency and the Legislature.

KANSAS CRIMINAL JUSTICE INFORMATION SYSTEM (KCJIS) ADMINISTRATION

The Secretary of Administration serves as a co-chairperson of the KCJIS Committee, pursuant to KSA 74-5701. The Secretary's responsibilities include the administration and distribution of federal funds. KCJIS provides the criminal justice and law enforcement community with access to the National Crime Information Center (NCIC) and delivers Kansas driver's license information, vehicle registration information, and criminal history records.

FIGURE 11
OFFICE OF THE SECRETARY OF ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
There are no performance measures submitted for this program.					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ 599,137	\$ 679,282		\$ 460,524,277	\$ 524,716
Federal Funds	72,258	1,454,722		-	-
All Other Funds	143,012	141,037		143,523	143,505
Subtotal—On-Budget	\$ 814,407	\$ 2,275,041		\$ 460,667,800	\$ 668,221
Off-Budget*	270,031	146,771		335,164	335,342
GRAND TOTAL	\$ 1,084,438	\$ 2,421,812		\$ 461,002,964	\$ 1,003,563
Percentage Change:					
SGF	12.5 %	13.4 %		67,695.7 %	(99.9) %
All Funds	48.6 %	123.3 %		18,935.5 %	(99.8) %
FTE Positions	5.0	7.0		7.0	7.0

BUDGET ANALYSIS

The **agency** requests \$668,221 in on-budget expenditures and 5.0 on-budget FTE positions for the Office of the Secretary of Administration for FY 2023. This represents an increase of \$421, or 0.1 percent, above the agency's revised estimate in FY 2022. The request includes a \$2,406 increase for employer contributions for group health insurance, offset by a \$1,515 decrease in unemployment compensation and a \$714 decrease in employer contributions to the public employees retirement system.

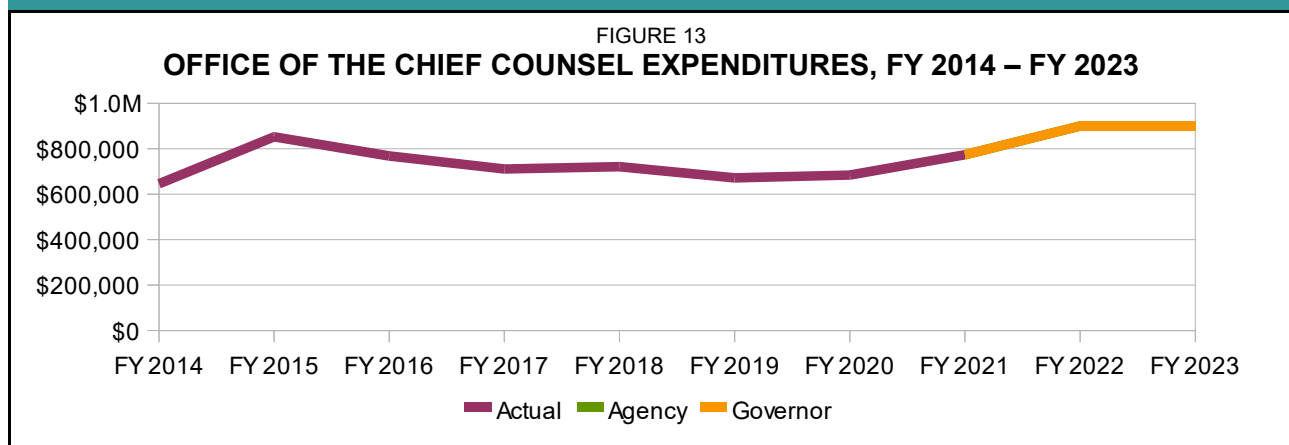
The request also includes \$335,342 in off-budget expenditures and 2.0 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 12
**OFFICE OF THE SECRETARY OF ADMINISTRATION SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

Item	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Administration	\$ 524,063	\$ 363,433	\$ 460,363,433	\$ 363,616	\$ 363,616
State Finance Council	3,520	3,000	3,000	3,000	3,000
Public Information	195,730	209,161	209,161	209,356	209,356
KCJIS Administration	96,508	92,206	92,206	92,249	92,249
COVID-19 Transactions	1,455,220	-	-	-	-
Subtotal	\$ 2,275,041	\$ 667,800	\$ 460,667,800	\$ 668,221	\$ 668,221
Off-Budget:					
Administration	\$ 253,792	\$ 335,164	\$ 335,164	\$ 335,342	\$ 335,342
COVID-19 Transactions	(107,021)	-	-	-	-
Subtotal	\$ 146,771	\$ 335,164	\$ 335,164	\$ 335,342	\$ 335,342
TOTAL	\$ 2,421,812	\$ 1,002,964	\$ 461,002,964	\$ 1,003,563	\$ 1,003,563

OFFICE OF THE CHIEF COUNSEL



STATUTORY BASIS: • KSA 75-3701 *et seq.*, 75-3705a, 75-3702j

PROGRAM GOALS: • Provide departmental offices and customer agencies with timely preparation and review of requested agreements, opinions, policies, procedures and other items requiring the services of counsel.

- Provide state agency and other governmental attorneys with relevant, cost-effective continuing legal education (CLE) and training opportunities.
- Provide agencies with cost-effective means to prepare and obtain required departmental approval of regulations.

The Office of the Chief Counsel provides legal services for the Department of Administration and is responsible for all legal work arising from the agency's activities. Its primary objective includes providing departmental offices and customer agencies with the timely preparation and review of requested agreements, opinions, policies, and procedures. Pursuant to KSA 75-3705a, the Secretary of Administration may appoint

attorneys for the Department of Administration, including the chief attorney. Services include providing legal opinions and advice to the Secretary of Administration; advising the Office of Facilities and Property Management regarding real estate, construction, and property management issues; and advising the Office of Procurement and Contracts regarding procurement, negotiation, and contracting issues.

FIGURE 14
OFFICE OF THE CHIEF COUNSEL, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Regulations Submitted	225	398	293	375	375
2.Number of Contracts Completed*	90	104	92	90	90
3.Number of KORA Requests Closed*	120	152	113	120	120
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 302,848	\$ 250,995		\$ 352,660	\$ 352,655
Federal Funds	-	-		-	-
All Other Funds	4,082	2,618		23,000	23,000
Subtotal–On-Budget	\$ 306,930	\$ 253,613		\$ 375,660	\$ 375,655
Off-Budget*	377,118	519,968		524,445	524,310
GRAND TOTAL	\$ 684,048	\$ 773,581		\$ 900,105	\$ 899,965

Percentage Change:					
SGF	(43.2) %	(17.1) %		40.5 %	(0.0) %
All Funds	1.8 %	13.1 %		16.4 %	(0.0) %
FTE Positions	7.0	7.0		7.0	7.0

* The Office of the Governor does not utilize this measure for evaluation purposes.

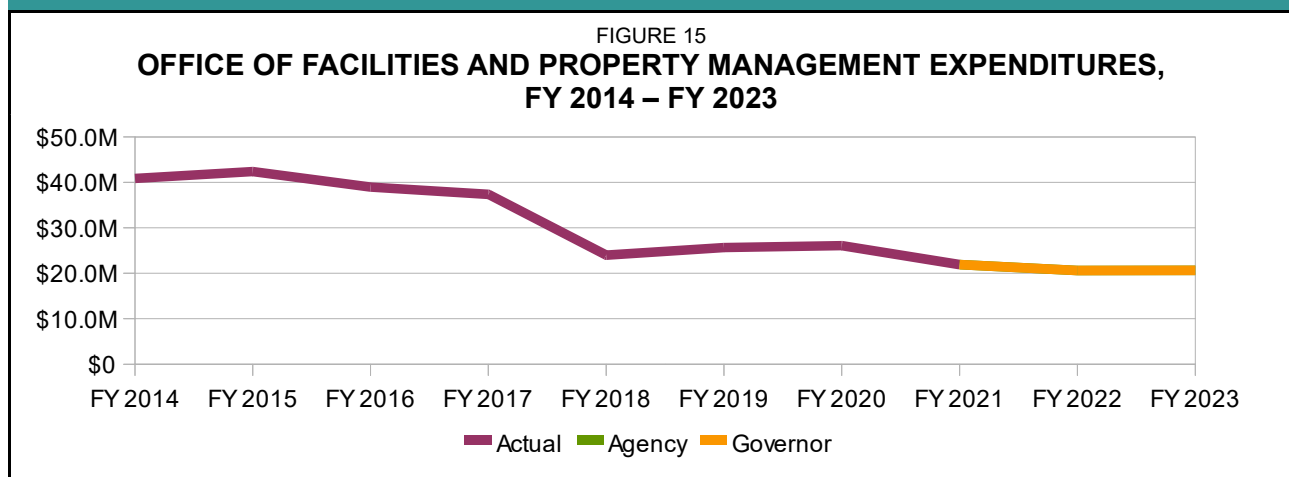
BUDGET ANALYSIS

The **agency** requests \$375,655 in on-budget expenditures and 2.0 on-budget FTE positions for the Office of the Chief Counsel for FY 2023. This represents a decrease of \$5, or less than 0.1 percent, below the agency's revised estimate in FY 2022. The request includes a \$568 increase for employer contributions for group health insurance, offset by a \$374 decrease in unemployment compensation and a \$228 decrease in employer contributions to the public employees retirement system.

The request also includes \$524,310 in off-budget expenditures and 5.0 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

OFFICE OF FACILITIES AND PROPERTY MANAGEMENT



STATUTORY BASIS: • KSA 75-3762, 75-1250 *et seq.*, 75-5801 *et seq.*, 75-3739, 75-3765(a)(1)

PROGRAM GOALS:

- Respond to all tenant building maintenance, unscheduled cleanups, and emergency services in an efficient manner (including mechanical, electrical and plumbing systems) in the Capitol Complex, Forbes, and Cedar Crest.
- Efficiently provide quality housekeeping services to Capitol Complex buildings, Forbes and leased buildings, Zibell, Scott, Mills, and the State Defense Building. In addition, complete Statehouse and Statehouse Grounds event setup and teardown as required.
- Track number of actions processed for project code review, bid posting, and administration by Planning and Administration staff.

The Office of Facilities and Property Management centrally administers state-owned and state-leased facilities and protects the State's interest in all state facilities planning, design, and construction activities. The Office provides engineering services, maintenance and construction, building services and housekeeping, design and compliance services, asset management, and state employee parking. The Office was established in 2013 to ensure state employees enjoy a clean, safe, efficient, and comfortable environment in state-owned buildings. Its previous incarnation, the Division of Facilities Management, was created in 1989 to consolidate functions relating to state facilities and space requirements for state agencies.

ENGINEERING SERVICES

The Office provides engineering services to protect the State's interest in all state facilities planning, design, and construction activities. The Engineering section assists in monitoring state buildings to keep them safe and comfortable. This section also helps plan and oversee projects done by outside vendors on

state-owned buildings to ensure quality of workmanship and adherence to contracts;

MAINTENANCE AND CONSTRUCTION

The Office maintains the buildings by providing plumbing, heating and cooling, painting, landscaping, carpentry, electrical work, and other services to help maintain the buildings. This is done mostly through a preventive maintenance schedule that helps ensure all building systems are operating normally and are in good working condition. These preventive maintenance schedules help find and fix problems before they cause issues or system failure.

BUILDING SERVICES

The Building Services subprogram provides housekeeping services for state-owned and state-leased buildings in Topeka. Buildings include the Kansas Statehouse, Kansas Judicial Center, Docking, Landon, Memorial, Curtis, Eisenhower, Forbes, 1020 Kansas, Kansas Insurance Building, and Cedar Crest. Leased buildings include Zibell, Scott, Mills, and the State Defense Building.

DESIGN AND COMPLIANCE

The Design and Compliance subprogram provides planning, design reviews, and construction administration for all statewide capital improvement projects totaling approximately \$100.0 million annually. Design and Compliance administers architectural and engineering firm selection. KSA 75-1250 *et seq.* established the requirements for contracts regarding architectural services. KSA 75-5801 *et seq.* established the requirements for engineering services.

ASSET MANAGEMENT

The Asset Management subprogram administers and approves state leases for all

state agencies, pursuant to KSA 75-3739, which states that no state agency shall enter into any lease of real property without prior approval of the Secretary of Administration.

GROUND SERVICES

The Grounds Services subprogram administers parking for the Capitol Complex. This includes waiting lists for free employee surface parking as well as waiting lists and billing for parking in the Curtis State Office Building parking garage. Surface lots are maintained through funds collected in the Monumental Building Surcharge, and the Curtis State Office Building Garage is maintained with fees collected through reserved parking fees.

FIGURE 16

OFFICE OF FACILITIES AND PROPERTY MANAGEMENT, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Events Scheduled at the Statehouse	466	315	372	350	400
2.Number of Work Orders	6,582	4,963	5,985	5,690	6,530
3.Cost Per Square Foot Cleaned	\$ 1.34	\$ 1.36	\$ 1.34	\$ 1.38	\$ 1.40
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 393,851	\$ 305,728		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	589,677	531,923		801,288	801,569
Subtotal-On-Budget	\$ 983,528	\$ 837,651		\$ 801,288	\$ 801,569
Off-Budget*	24,122,845	21,077,941		19,790,886	19,824,460
GRAND TOTAL	\$ 25,106,373	\$ 21,915,592		\$ 20,592,174	\$ 20,626,029
Percentage Change:					
SGF	62.7 %	(22.4) %		(100.0) %	-- %
All Funds	2.1 %	(12.7) %		(6.0) %	0.2 %
FTE Positions	188.0	188.0		188.0	188.0

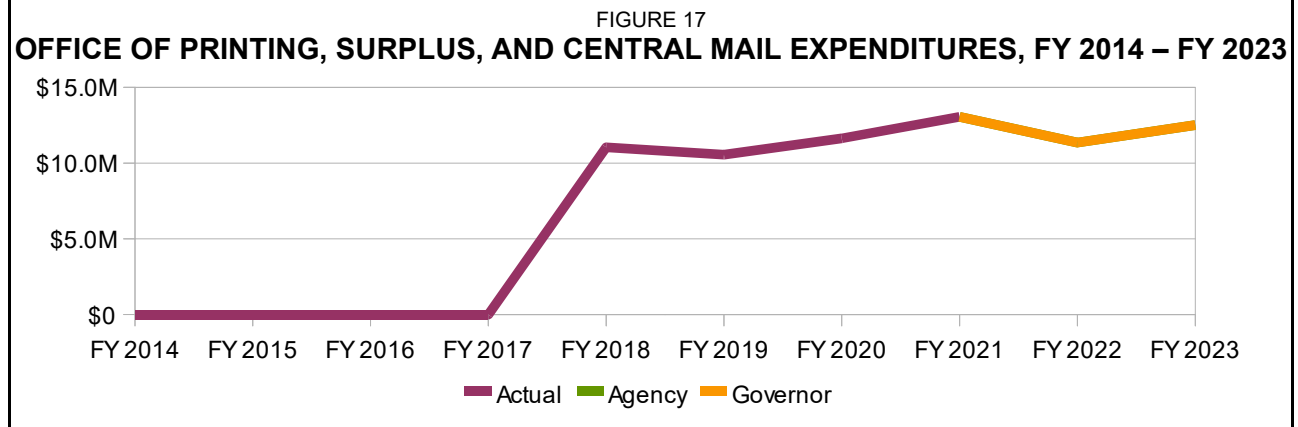
BUDGET ANALYSIS

The **agency** requests \$801,569 in on-budget expenditures and 1.0 on-budget FTE position for the Office of Facilities and Property Management for FY 2023. This represents an increase of \$281, or less than 0.1 percent, above the agency's revised estimate in FY 2022. The request includes a \$569 increase for employer contributions for group health insurance, offset by a \$189 decrease in unemployment compensation and a \$115 decrease in employer contributions to the public employees retirement system.

The request also includes \$19.8 million in off-budget expenditures and 187.0 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL



STATUTORY BASIS: • KSA 75-1005, 75-1001a, 75-4512, 75-6601

PROGRAM GOALS:

- Excel and increase the number of digital impressions to state agencies, producing a quality product that is cost-effective and delivered on time.
- Increase state agency surplus reimbursements.
- Increase number of donees and sales of surplus property.
- Increase pieces of mail processed and promote convenient, cost-effective mail services to state agencies to maximize volume capacity.

The Office of Printing, Surplus, and Central Mail provides printing, copying, binding, fulfillment, and mail services for state agencies and operates the Surplus Property program. KSA 75-1005 grants the State Printer to do all the printing and binding required by the Legislature, Supreme Court, Governor, or any state agency. Additionally, KSA 75-4512 allows the Secretary of Administration to provide and maintain central and consolidated mail services for state agencies. This Office includes the following subprograms:

PRINTING

The State Printing Plant provides printing, copying, and binding services for state agencies. It produces a variety of prints, ranging from business cards and letterhead to bound statute volumes, legislative printing, maps, and tax forms.

SURPLUS

The Surplus subprogram facilitates the disposition and reallocation of excess and surplus state and federal property. The State

Surplus Property Act, KSA 75-6601 *et seq.*, establishes the Surplus Property program. In FY 2005, the Surplus Property program was transferred from the Department of Corrections to the Department of Administration, and in FY 2007, the Surplus Property program merged with the Division of Printing. Additionally, this subprogram enables and encourages the reutilization of agency excess property to reduce expenditures for supply and capital outlay items and provides a mechanism for state agencies, local units of government, and nonprofit organizations to acquire surplus materials and equipment in a cost-effective manner.

CENTRAL MAIL

Central Mail provides mail and packaging services, and processes incoming and outgoing mail in Topeka for state agencies. Services provided to those agencies include the following: pickup, sorting, and delivery of building mail; applying postage for letters, flats, and packages on outgoing U.S. Postal Service mail; and pickup of stamped mail.

FIGURE 18 OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of Agencies Using State Printer	84.0 %	84.0 %	86.0 %	85.0 %	85.0 %
2. Number of Pieces of Mail Handled (in Millions)	9.6	9.3	9.2	10.0	10.0
3. Total Surplus Sales	\$ 632,841	\$ 658,495	\$ 710,283	\$ 700,000	\$ 725,000
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	606,526	272,575		454,000	430,536
<i>Subtotal—On-Budget</i>	\$ 606,526	\$ 272,575		\$ 454,000	\$ 430,536
Off-Budget*	11,597,679	12,776,640		10,895,079	12,077,044
GRAND TOTAL	\$ 12,204,205	\$ 13,049,215		\$ 11,349,079	\$ 12,507,580
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	18.5 %	(55.1) %		66.6 %	(5.2) %
FTE Positions	53.0	53.0		53.0	53.0

BUDGET ANALYSIS

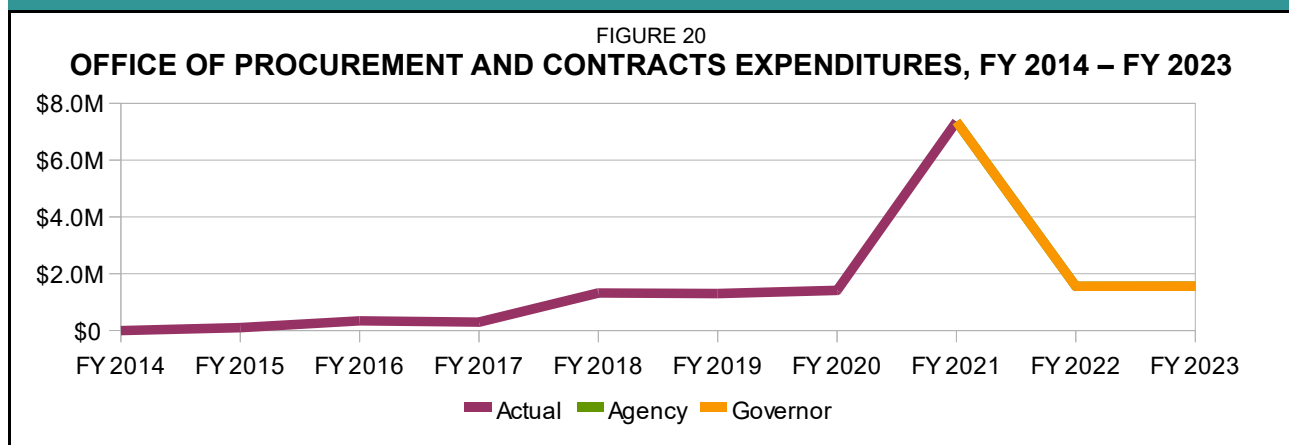
The **agency** requests \$430,536 in on-budget expenditures and no on-budget FTE positions for the Office of Printing, Surplus, and Central Mail for FY 2023. This represents a decrease of \$23,464, or 5.2 percent, below the agency's revised estimate in FY 2022. The request includes a \$15,536 increase for rent and a \$10,000 increase for freight expenditures, partially offset by a \$50,000 decrease to account for a truck that was purchased in the previous fiscal year.

The request also includes \$10.9 million in off-budget expenditures and 53.0 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 19 OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL SUBPROGRAMS SUMMARY OF EXPENDITURES, FY 2021 – FY 2023					
Item	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Surplus Property	\$ 272,575	\$ 454,000	\$ 454,000	\$ 430,536	\$ 430,536
Off-Budget:					
Surplus Property	\$ 346,732	\$ 366,178	\$ 366,178	\$ 367,723	\$ 367,723
Central Mail	7,864,368	5,460,009	5,460,009	5,592,247	5,592,247
Printing	4,565,540	5,068,892	5,068,892	6,117,074	6,117,074
<i>Subtotal</i>	\$ 12,776,640	\$ 10,895,079	\$ 10,895,079	\$ 12,077,044	\$ 12,077,044
TOTAL	\$ 13,049,215	\$ 11,349,079	\$ 11,349,079	\$ 12,507,580	\$ 12,507,580

OFFICE OF PROCUREMENT AND CONTRACTS



STATUTORY BASIS: • KSA 75-3737a–75-3744; 75-37.130; 75-37,102; 75-3739(a), 75-3317–75-3322c

PROGRAM GOALS:

- Provide information on the amount of procurement activity generated through the Office of Procurement and Contracts. All purchase requisitions.
- Minimize the number of non-competitive bid requests approved.
- Maximize the number of state contracts that are managed in a fiscal year by the Office of Procurement and Contracts.
- Maximize the number of statewide contracts available to political subdivisions within the state.
- Implement strategic sourcing of state contracts for goods and services when practicable.

The Office of Procurement and Contracts is responsible for procuring goods and services at the best price for the agencies of the State of Kansas and when appropriate establishing contracts that are available to political subdivisions of the State of Kansas. In addition, the Office of Procurement and Contracts

provides oversight for the State's Purchasing Card program. The Office is also involved in the State Use Program, which prioritizes sales of certain goods and services by qualified vendors, who employ people with disabilities, as set forth in KSA 75-3317 to 75-33-22c.

FIGURE 21
OFFICE OF PROCUREMENT AND CONTRACTS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Prior Authorization Contracts Approved*	3,989	3,489	3,753	3,600	3,600
2.Number of Open State Contracts**	3,670	3,887	3,787	3,800	3,800
3.Number of Requisitions Received**	7,569	6,624	7,114	7,200	7,200
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 2,300	\$ 6,001,300		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,370,150	1,354,986		1,559,243	1,560,898
Subtotal–On-Budget	\$ 1,372,450	\$ 7,356,286		\$ 1,559,243	\$ 1,560,898
Off-Budget*	-	-		-	-
GRAND TOTAL	\$ 1,372,450	\$ 7,356,286		\$ 1,559,243	\$ 1,560,898

Percentage Change:					
SGF	(23.9) %	260,826.1 %		(100.0) %	-- %
All Funds	9.0 %	436.0 %		(78.8) %	0.1 %
FTE Positions	15.0	15.0		15.0	15.0

* These prior authorization contract approvals do not include grants and utility encumbrances.

** The Office of the Governor does not utilize this measure for evaluation purposes.

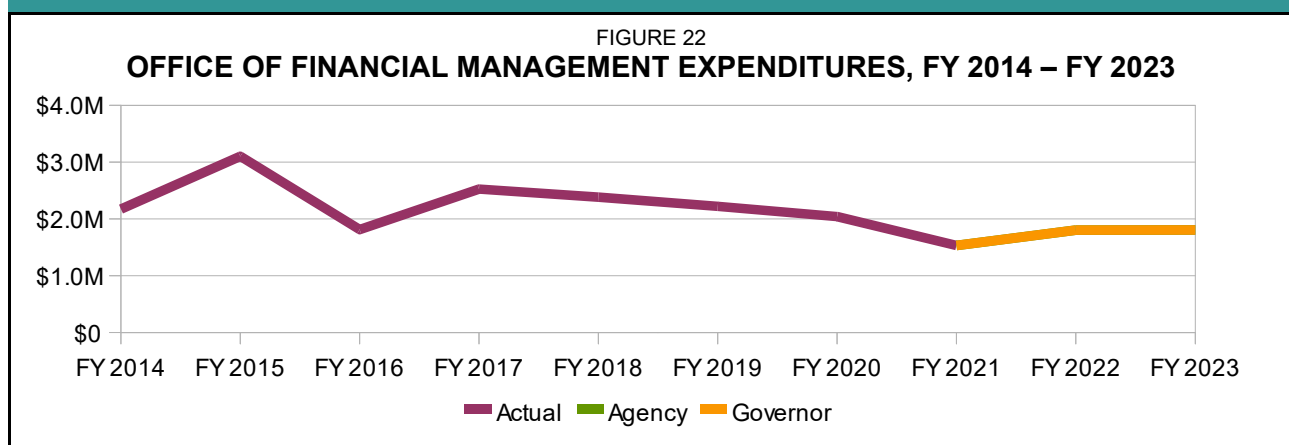
BUDGET ANALYSIS

The **agency** requests \$1.6 million in on-budget expenditures and 15.0 on-budget FTE positions for the Office of Procurement and Contracts for FY 2023. This represents an increase of \$1,655, or 0.1 percent, above the agency's revised estimate in FY 2022. The request includes a \$6,627 increase for employer contributions for group health

insurance, partially offset by a \$3,275 decrease in unemployment compensation and a \$2,000 decrease in employer contributions to the public employees retirement system.

The **Governor** concurs with the agency request for FY 2023.

OFFICE OF FINANCIAL MANAGEMENT



STATUTORY BASIS: • KSA 75-3701 *et seq.*

PROGRAM GOALS: • Provide accounting and fiscal management services to the Department of Administration and other state agencies.
• Provide timely services for our agency and to our customers.

The Office of Financial Management provides accounting services for the agency, serves as the central budgeting office for all departmental offices, and maintains the Small Agency Service Center. The Office was established in FY 2013 to enhance the efficiency of financial management system processing for state agencies and to help attain cost savings for the State.

FINANCIAL MANAGEMENT

The Financial Management subprogram conducts the primary operations for the Office of Financial Management and is composed of two sections—Accounting and Budgeting. General duties include consulting, supporting, and assisting in monitoring and improving the financial health of the Agency, along with administering the security of the SMART system for agency processors, paying the debt service for the State, and compiling the necessary data for the SWCAP (Statewide Cost Allocation Plan).

ACCOUNTING SERVICES

The Accounting Services section provides accounting services to all offices within the agency, including accounts payable (approving requisitions, entering and approving payments, entering assets, general ledger entries, and travel and expense reimbursements) and

accounts receivable services (entering deposits, receiving credit cards, preparing billings, and tracking outstanding accounts receivable balances).

BUDGETING SERVICES

The Budget Services section serves as the agency's central budgeting office, coordinating the development and submission of the agency's budget, providing an agency-wide perspective on policy, revenue, and expenditure issues. The Budget Services section is also involved in the development of various rates charged to other state agencies for internal services. These rates are forecast for future years and used in budget development by all agencies.

AGENCY SERVICE CENTER

During the implementation of the State's financial management system project, which created SMART, an opportunity was identified for the Department of Administration to provide accounting support by processing accounting transactions on behalf of numerous non-cabinet agencies, boards, and commissions. Accordingly, the Agency Service Center's goal is to enhance the efficiency of financial management system processing for these agencies and help attain cost savings for the State of Kansas.

FIGURE 23 OFFICE OF FINANCIAL MANAGEMENT, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Savings to State from Operating Small Agency Service Center	\$ 221,835	\$ 221,835	\$ 220,082	\$ 222,000	\$ 222,000
2.Late Charges Paid on Invoices*	\$ -	\$ -	\$ -	\$ 200	\$ 200
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 110,237	\$ 139,378		\$ 142,586	\$ 142,671
Federal Funds	332,681	382,299		250,000	250,000
All Other Funds	38,655	39,707		40,706	40,770
Subtotal–On-Budget	\$ 481,573	\$ 561,384		\$ 433,292	\$ 433,441
Off-Budget*	1,058,699	971,485		1,369,420	1,371,609
GRAND TOTAL	\$1,540,272	\$ 1,532,869		\$ 1,802,712	\$ 1,805,050
Percentage Change:					
SGF	(18.3) %	26.4 %		2.3 %	0.1 %
All Funds	(10.6) %	16.6 %		(22.8) %	0.0 %
FTE Positions	22.0	19.0		17.9	17.9

BUDGET ANALYSIS

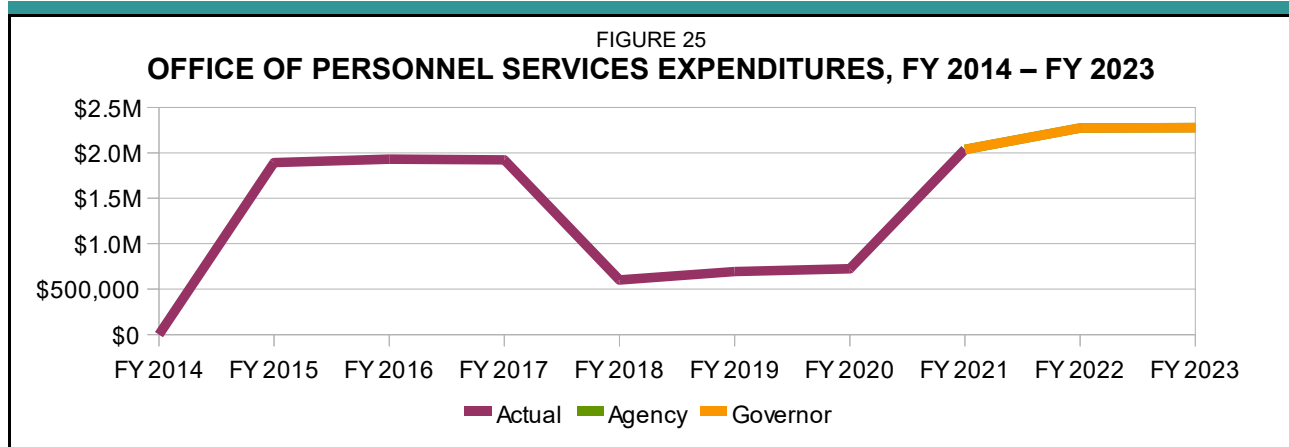
The **agency** requests \$433,441 in on-budget expenditures and 1.9 on-budget FTE positions for the Office of Financial Management for FY 2023. The request includes a \$885 increase for employer contributions for group health insurance, offset by a \$479 decrease in unemployment compensation and a \$294 decrease in employer contributions to the public employees retirement system.

The request also includes \$1.4 million in off-budget expenditures and 16.1 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 24 OFFICE OF FINANCIAL MANAGEMENT SUBPROGRAMS SUMMARY OF EXPENDITURES, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Financial Management	\$ 561,384	\$ 433,292	\$ 433,292	\$ 433,441	\$ 433,441
Off-Budget:					
Financial Management	\$ 796,487	\$ 1,054,192	\$ 1,054,192	\$ 1,055,976	\$ 1,055,976
Agency Service Center	174,998	315,228	315,228	315,633	315,633
Subtotal	\$ 971,485	\$ 1,369,420	\$ 1,369,420	\$ 1,371,609	\$ 1,371,609
TOTAL	\$ 1,532,869	\$ 1,802,712	\$ 1,802,712	\$ 1,805,050	\$ 1,805,050

OFFICE OF PERSONNEL SERVICES



STATUTORY BASIS: • KSA 75-3701; 75-3746; 75-2925 *et seq.*; 75-37,115; 75-37,105; 75-4362, 75-7363

PROGRAM GOALS: • Provide quality services and information that meets the human resources needs of customer agencies.
• Reduce the amount of time that it takes for agencies to fill both classified and unclassified positions.
• Provide enhanced and expanded training and staff development opportunities for state employees.

The Office of Personnel Services (OPS) administers the Kansas Civil Service Act and other related statutes to provide a comprehensive human resources (HR) program for the State. The Office was established in FY 2013 to strengthen and sustain an HR system that is consistent, efficient, and meets the needs of state agencies. Its prior incarnation, the Office of Human Resources, was created by Executive Order 11-04, which directed all non-Regents HR staff in agencies under the Governor's jurisdiction to report to the Director of Human Resources and established the Office to implement consistent HR policies, procedures, and practices for the state workforce.

STATE AGENCY HR MANAGEMENT

The Office assists state agencies by providing technical and expert assistance on recruitment, selection, performance and position management, classification, compensation, employee relations, guidance and discipline, employee recognition, employee development and training, layoffs, furloughs, time and leave, payroll, benefits, federal Family and Medical Leave Act (FMLA) requirements, federal Americans with Disabilities Act (ADA) requirements, the Shared Leave program, and retirement.

DATA MANAGEMENT

The Data Management Unit administers the Statewide Human Resource and Payroll (SHARP) System, Data Warehouse and HR-related internet application development, and maintenance. Data Management staff provide assistance to both employees and fellow Office staff members on information requests and on transaction entry in SHARP.

POLICY AND COMPLIANCE

The Policy and Compliance Unit is responsible for the administration of the State's classification, compensation, and performance management policies, as well as compliance with the federal Fair Labor Standards Act (FLSA) and FMLA in a continuing effort to establish consistent and efficient HR policies for all agencies. Staff members from this section work in teams with Office staff assigned to agencies, as well as state agency management and operations staff to review and, where necessary, propose changes to HR policies and practices in order to provide more efficient and consistent policies across the state workforce. This section is also responsible for conducting compliance examinations to ensure HR policies are being implemented and administered consistently throughout the state workforce.

FIGURE 26
OFFICE OF PERSONNEL SERVICES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Non-Cabinet Agencies Receiving HR Assistance	52	57	53	57	57
2.Percentage of Customer Agencies Satisfied with OPS Services	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
3.Number of Queries and Reports Provided for Agencies, KORA, and Legislative Inquiries	1,485	1,770	1,481	1,800	1,850
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 1,400,797	\$ 1,299,572		\$ 1,530,171	\$ 1,533,173
Federal Funds	-	-		-	-
All Other Funds	5,337	7,138		17,090	17,042
<i>Subtotal—On-Budget</i>	<i>\$ 1,406,134</i>	<i>\$ 1,306,710</i>		<i>\$ 1,547,261</i>	<i>\$ 1,550,215</i>
Off-Budget*	703,135	730,763		725,665	726,569
GRAND TOTAL	\$ 2,109,269	\$ 2,037,473		\$ 2,272,926	\$ 2,276,784
Percentage Change:					
SGF	(2.4) %	(7.2) %		17.7 %	0.2 %
All Funds	0.1 %	(3.4) %		11.6 %	0.2 %
FTE Positions	24.0	24.0		24.0	24.0

BUDGET ANALYSIS

The **agency** requests \$1.6 million in on-budget expenditures and 15.1 on-budget FTE positions for the Office of Personnel Services for FY 2023. The request includes a \$7,691 increase for employer contributions for group health insurance, partially offset by a \$3,131 decrease in unemployment compensation and a \$1,848 decrease in employer contributions to the public employees retirement system.

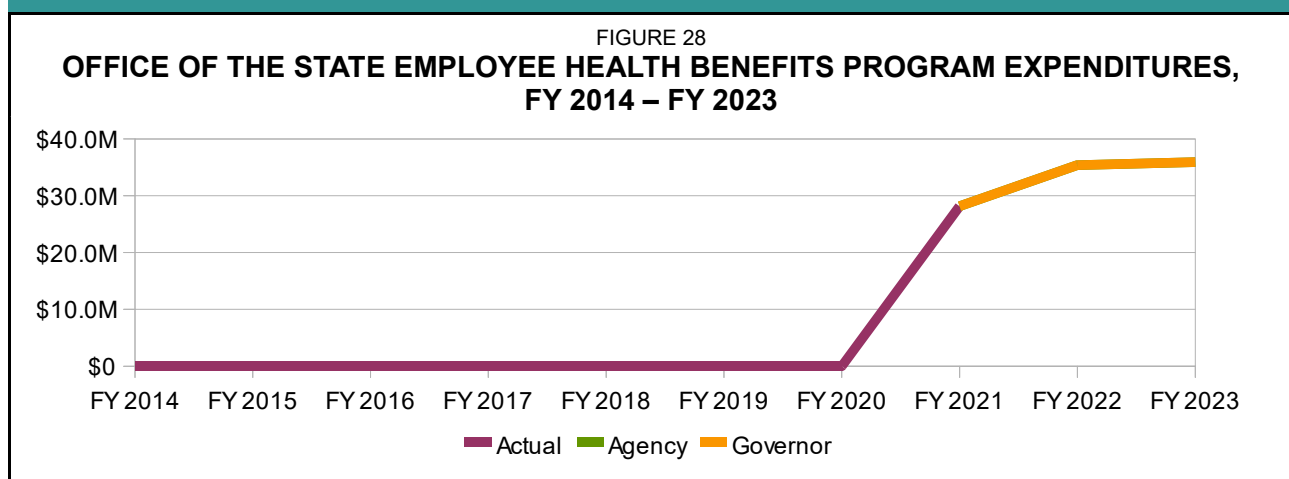
The request also includes \$726,569 in off-budget expenditures and 8.9 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 27
**OFFICE OF PERSONNEL SERVICES SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Personnel Services	\$ 10,390	\$ -	\$ -	\$ -	\$ -
State Agency HR Mgmt.	904,238	1,060,503	1,060,503	1,062,057	1,062,057
Data Management	83,303	168,757	168,757	170,073	170,073
Policy and Compliance	308,779	318,001	318,001	318,085	318,085
<i>Subtotal</i>	<i>\$ 1,306,710</i>	<i>\$ 1,547,261</i>	<i>\$ 1,547,261</i>	<i>\$ 1,550,215</i>	<i>\$ 1,550,215</i>
Off-Budget:					
Personnel Services	\$ 178,678	\$ 168,073	\$ 168,073	\$ 168,332	\$ 168,332
State Agency HR Mgmt.	445,079	449,448	449,448	449,954	449,954
Data Management	107,006	108,144	108,144	108,283	108,283
<i>Subtotal</i>	<i>\$ 730,763</i>	<i>\$ 725,665</i>	<i>\$ 725,665</i>	<i>\$ 726,569</i>	<i>\$ 726,569</i>
TOTAL	\$ 2,037,473	\$ 2,272,926	\$ 2,272,926	\$ 2,276,784	\$ 2,276,784

OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM



STATUTORY BASIS: • KSA 75-6501 *et seq.*

PROGRAM GOALS: • Manage the fund balance to be 10.0 to 13.0 percent of plan expenditures over the preceding three years.
• Improve the health of members of the plan.
• Integrate the Nurse Triage Program to reduce claim expense in the State Self-Insurance Fund.

The Office of the State Employee Health Benefits Program includes expenditures for the State Employee Health Plan (SEHP) and the State Self-Insurance Fund (SSIF). During the 2020 Legislative Session, Governor Laura Kelly submitted Executive Reorganization Order (ERO) No. 45, which moved both the SEHP and SSIF from the Kansas Department of Health and Environment to the Department of Administration.

STATE EMPLOYEE HEALTH PLAN

The agency administers the SEHP on behalf of the Health Care Commission (HCC). The HCC was statutorily created in 1984 to design and implement a health care benefits program. For the SEHP, the HCC contracts with an actuarial service to provide guidance in setting rates and insuring the financial stability of the program and manages the plan on a long-term basis through establishing funds in the positive years to help pay for shortages in negative years and maintaining minimal rate increases.

As of July 1, 2020, there are 134 public employers participating in SEHP. These non-state public employers included 20 school districts; 56 cities, counties, or townships; 24 extension offices or libraries; 16 public hospitals; 4 water districts; 9 housing

authorities; and 9 miscellaneous local government entities. The number of members in the groups range from 1 to 453. There are 12 groups who have more than 200 members, and 20 groups have between 100 and 200 members.

STATE SELF-INSURANCE FUND

The workers compensation program for state employees, called the SSIF, was implemented in 1974. It is a self-insured, self-administered program funded by agencies based on an experience rating. The agency rates are developed by an actuarial service using claims experience, payroll history, and caps on expenses. Rates are approved by the Department of Administration and published by the Division of the Budget. The program manages and processes claims for injuries that arise out of and in the course of employment. Medical compensation to treat the employee's injury does not have a cap. Medical payments to providers are based on a fee schedule developed by the Workers Compensation Division of the Kansas Department of Labor. On average, 247 accident reports are received monthly. In FY 2019, the SSIF spent about \$17.8 million on claims expenditures with about 87.3 percent for medical services and 12.7 percent for indemnity.

FIGURE 29 OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Preventative Dental Cleanings	84,594	86,286	90,559	88,000	91,500
2.Number of Member Wellness Visits	33,840	34,517	34,821	35,200	35,900
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal-On-Budget	\$ -	\$ -		\$ -	\$ -
Off-Budget*	31,746,352	28,147,570		35,383,201	35,925,002
GRAND TOTAL	\$ 31,746,352	\$ 28,147,570		\$ 35,383,201	\$ 35,925,002
Percentage Change:					
SGF	N/A	-- %		-- %	-- %
All Funds	N/A	(11.3) %		25.7 %	1.5 %
FTE Positions	N/A	45.0		45.0	45.0

PERFORMANCE AND BUDGET ANALYSIS

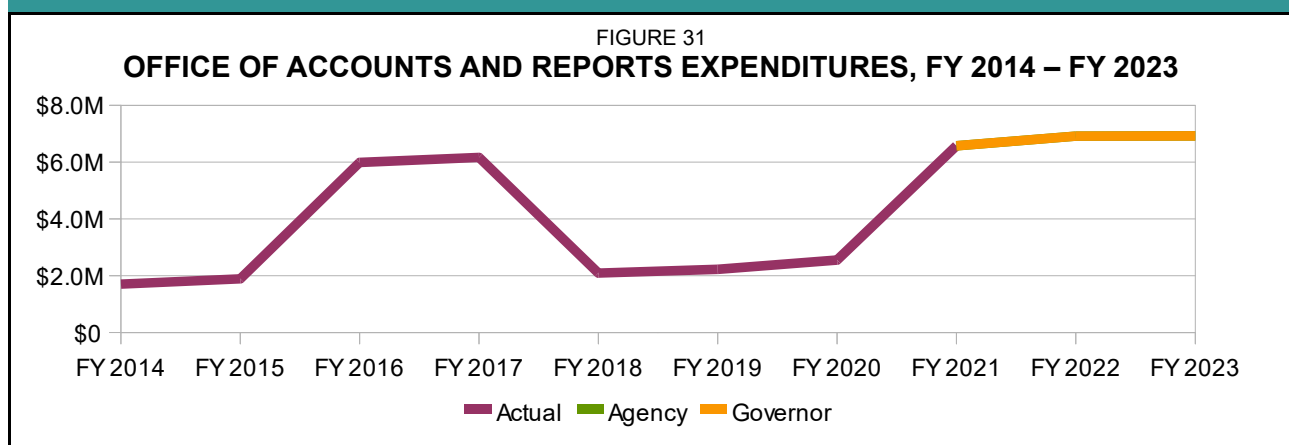
The **agency** requests \$35.9 million in off-budget expenditures and 45.0 off-budget FTE positions for the Office of the State Employee Health Benefits Program for FY 2023. This represents an increase of \$541,801, or 1.5 percent, above the agency's revised estimate in FY 2022. The request includes \$14.4 million in expenditures for workers' compensation claims, which represents an increase of \$420,397

above the previous fiscal year. The request also includes \$15.7 million in expenditures for various professional services, which is a slight increase of \$105,600 above the previous fiscal year.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 30 OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM SUBPROGRAMS SUMMARY OF EXPENDITURES, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget	\$ -	\$ -	\$ -	\$ -	\$ -
Off-Budget:					
Director's Office	\$ 674,748	\$ 1,025,871	\$ 1,025,871	\$ 1,029,960	\$ 1,029,960
Health Management	9,316,021	10,572,229	10,572,229	10,571,227	10,571,227
Health Plan Operations	3,222,003	3,214,661	3,214,661	3,324,801	3,324,801
Design and Fiscal	382,140	1,352,370	1,352,370	1,353,609	1,353,609
Membership Services	1,398,280	1,128,162	1,128,162	1,119,089	1,119,089
Workers Compensation	13,154,378	18,089,908	18,089,908	18,526,316	18,526,316
Subtotal	\$ 28,147,570	\$ 35,383,201	\$ 35,383,201	\$ 35,925,002	\$ 35,925,002
TOTAL	\$ 28,147,570	\$ 35,383,201	\$ 35,383,201	\$ 35,925,002	\$ 35,925,002

OFFICE OF ACCOUNTS AND REPORTS



STATUTORY BASIS: • KSA 75-3701 *et seq.*, 75-3083 *et seq.*, 40-2301 *et seq.*, 75-5501 *et seq.*, 75-3728

PROGRAM GOALS:

- Identify and implement solutions that support transparency to taxpayers and other interested groups.
- Provide appropriate guidance and support for minimized findings on external audits while ensuring compliance with statutory deadlines.
- Provide quality customer service to agencies, taxpayers and others served and supported through the KDRS/KTOP programs with the goal of maximizing collection of outstanding debt accounts for the State of Kansas, municipalities and foreign state agencies.
- Reduce the cost of printing and mailing by encouraging employees to opt for electronic W-2s and encouraging suppliers to receive payments by ACH.
- Ensure statewide statutory, regulatory, and accounting policy compliance while developing and maintaining an effective and efficient audit plan that minimizes risks for the state.

The Office of Accounts and Reports is responsible for preparing the State of Kansas' official Comprehensive Annual Financial Report (CAFR) and performing audits over state agencies' expenditures, local funds, assets, accounts receivable, and other financial activities. The Office also oversees statewide accounting and payroll functions.

The Office is organized into three sections: Statewide Controls, Reporting, and Collections; Statewide Agency Audits and Municipals; and Statewide Payroll and Accounting. Statutory requirements assigned to the Office include the development and maintenance of KanView, the State's taxpayer transparency website.

FIGURE 32
OFFICE OF ACCOUNTS AND REPORTS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. CAFR Submitted Prior to Dec. 31 with an Unmodified Audit Opinion	Yes	Yes	Yes	Yes	Yes
2. Percent of Electronic W-2 Employee Consents Statewide	49.0 %	51.2 %	49.0 %	51.0 %	52.0 %
3. Number of New Debts Entered into Kansas Debt Recovery System	447,728	385,596	447,141	484,200	434,900

	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ 2,096,013	\$ 1,691,923		\$ 1,619,340	\$ 1,621,557
Federal Funds	-	-		-	-
All Other Funds	384,657	309,149		334,318	334,072
<i>Subtotal—On-Budget</i>	<i>\$ 2,480,670</i>	<i>\$ 2,001,072</i>		<i>\$ 1,953,658</i>	<i>\$ 1,955,629</i>
Off-Budget*	4,296,186	4,574,447		4,961,692	4,967,184
GRAND TOTAL	\$ 6,776,856	\$ 6,575,519		\$ 6,915,350	\$ 6,922,813
Percentage Change:					
SGF	(81.3) %	(19.3) %		(4.3) %	0.1 %
All Funds	(56.6) %	(3.0) %		5.2 %	0.1 %
FTE Positions	61.0	63.0		62.0	62.0

BUDGET ANALYSIS

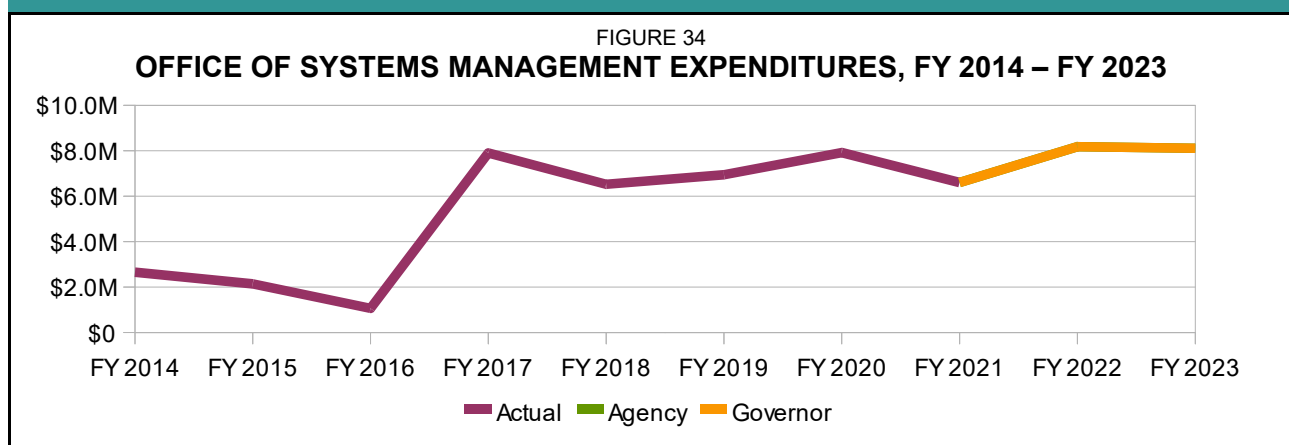
The **agency** requests \$2.0 million in on-budget expenditures, which is an increase of \$1,971, or 0.1 percent, above the FY 2022 revised estimate and 24.0 on-budget FTE positions for the Office of Accounts and Reports for FY 2023. The request includes a \$8,400 increase for employer contributions for group health insurance, partially offset by decreases of \$4,467 in unemployment compensation and \$2,733 in employer contributions for retirement.

The request also includes \$5.0 million in off-budget expenditures and 38.0 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 33 OFFICE OF ACCOUNTS AND REPORTS SUBPROGRAMS SUMMARY OF EXPENDITURES, FY 2021 – FY 2023					
Item	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Chief Financial Officer	\$ 108,329	\$ 73,835	\$ 73,835	\$ 73,928	\$ 73,928
Audit Services	408,475	373,657	373,657	374,079	374,079
Financial Integrity	350,656	464,619	464,619	465,255	465,255
Internal Controls	161,342	178,465	178,465	178,912	178,912
Federal Reporting	169,542	160,000	160,000	160,000	160,000
Municipal Services	266,865	174,318	174,318	174,072	174,072
Statewide Payroll	81,669	82,722	82,722	82,973	82,973
Statewide Accounting	425,826	446,042	446,042	446,410	446,410
Setoff	28,368	-	-	-	-
<i>Subtotal</i>	<i>\$ 2,001,072</i>	<i>\$ 1,953,658</i>	<i>\$ 1,953,658</i>	<i>\$ 1,955,629</i>	<i>\$ 1,955,629</i>
Off-Budget:					
Chief Financial Officer	\$ 610,189	\$ 438,165	\$ 438,165	\$ 437,783	\$ 437,783
Audit Services	251,775	178,005	178,005	177,914	177,914
Financial Integrity	184,947	541,220	541,220	541,220	541,220
Revolving Fund	211,157	238,410	238,410	238,699	238,699
Internal Controls	118,452	85,181	85,181	85,181	85,181
Federal Reporting	14,700	188,742	188,742	189,222	189,222
Statewide Payroll	1,008,780	1,039,424	1,039,424	1,040,942	1,040,942
Statewide Accounting	1,543,082	1,650,072	1,650,072	1,652,620	1,652,620
Setoff	631,365	602,473	602,473	603,603	603,603
<i>Subtotal</i>	<i>\$ 4,574,447</i>	<i>\$ 4,961,692</i>	<i>\$ 4,961,692</i>	<i>\$ 4,967,184</i>	<i>\$ 4,967,184</i>
TOTAL	\$ 6,575,519	\$ 6,915,350	\$ 6,915,350	\$ 6,922,813	\$ 6,922,813

OFFICE OF SYSTEMS MANAGEMENT



STATUTORY BASIS: • KSA 75-3701 *et seq.*

- PROGRAM GOALS:**
- Maintain or improve performance of the SHARP and SMART batch cycles and ensure uptime during business hours.
 - Address and resolve programmatic abends (program crashes), application defects, user enhancement requests, and application updates.
 - Identify, research, and resolve agency user issues at both a Tier 1 and a Tier 1.5 level for the PeopleSoft ERP, including SMART, and SHARP, as well Employee Self Service, eSupplier, and Candidate Gateway.
 - Safeguard end-user and application security of the SMART and SHARP systems.

The Office of Systems Management provides state agencies with centralized system services, including purchasing, accounting, human resources, payroll, and a reporting database for business intelligence software. The Office was established in FY 2012 to control costs for the systems it maintains and to provide effective customer service. Services rendered by the office include support for the Statewide Management, Accounting and Reporting Tool (SMART) and the Statewide Human Resource and Payroll System (SHARP). SMART is a PeopleSoft software product purchased from Oracle and modified to meet the needs of the State of Kansas.

SYSTEMS MANAGEMENT

The Systems Management subprogram conducts the primary operations for the Office of Systems Management and is composed of three teams: The Systems Development team includes PeopleSoft development for the SMART and SHARP systems; the System Architecture, Security, and Workflow team provides system infrastructure support, security, and workflow for systems supported by the Oracle Communications Order and Service Management system, and batch job scheduling; and the Governance of Managed Services and

Hosting Partner team ensures the Master Hosting Agreement is accurately provided by Sierra-Cedar.

STATE SERVICE DESK

The State Service Desk team provides assistance to SMART and SHARP users to address problems encountered while utilizing the systems. This includes password changes for SMART/SHARP and Employee Self-Service, maintaining auto notifications and system announcements, monitoring, and adding solutions.

SYSTEM ARCHITECTURE, SECURITY, AND WORKFLOW

The System Architecture, Security, and Workflow team provides system security setup and access to users of SMART, SHARP, and Data Warehouse/BI Analytics, as well as workflow setup and modifications to ensure accurate notifications of next-step processing within the systems. The scheduling of batch jobs is included in this team's responsibilities, which includes a complex setup of dependencies and job error handling.

GOVERNANCE OF MANAGED SERVICES AND HOSTING PARTNER

The Governance of Managed Services and Hosting Partner Team is responsible for working with the Upgrade and Hosting teams of Sierra-Cedar, the managed services and hosting partner. These responsibilities include tracking

service level agreement metrics, monitoring contractual obligations for both the State of Kansas and Sierra-Cedar, and monitoring the progress of development and future implementation of Oracle Business Intelligence Analytics 12g.

FIGURE 35
OFFICE OF SYSTEMS MANAGEMENT, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Percent Uptime During Business Hours–SMART	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
2.Percent Uptime During Business Hours–SHARP	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 73,447	\$ 534,291		\$ 270,359	\$ 264,347
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal–On-Budget</i>	<i>\$ 73,447</i>	<i>\$ 534,291</i>		<i>\$ 270,359</i>	<i>\$ 264,347</i>
Off-Budget*	7,846,606	6,067,665		7,908,237	7,843,801
GRAND TOTAL	\$7,920,053	\$ 6,601,956		\$ 8,178,596	\$ 8,108,148
Percentage Change:					
SGF	(89.4) %	627.5 %		(49.4) %	(2.2) %
All Funds	14.0 %	(16.6) %		23.9 %	(0.9) %
FTE Positions	19.0	19.0		19.8	19.8

BUDGET ANALYSIS

The **agency** requests \$264,347 in on-budget expenditures and 1.0 on-budget FTE position for the Office of Systems Management for FY 2023. The request includes a \$6,156 decrease in equipment repair and servicing expenditures.

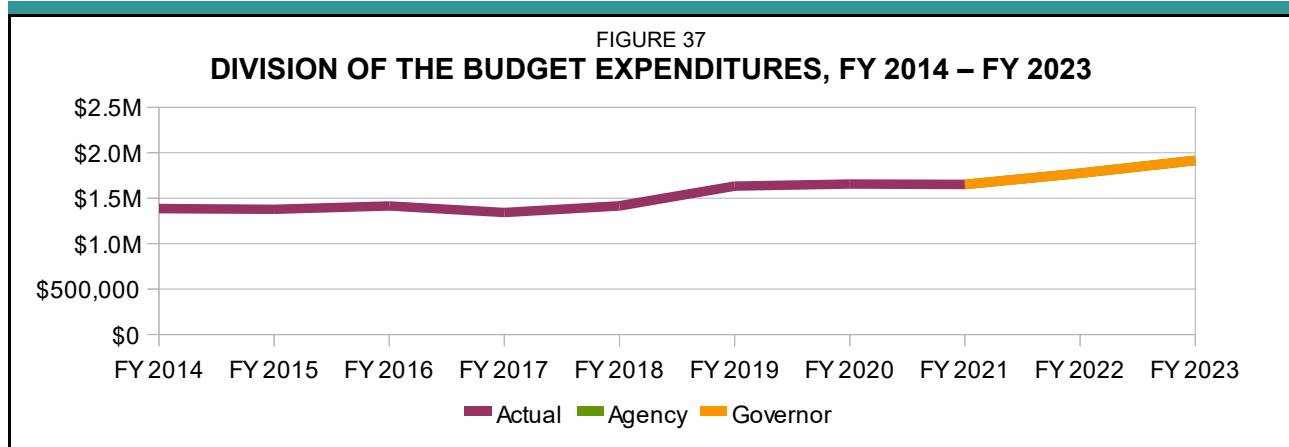
The request also includes \$7.8 million in off-budget expenditures and 18.8 off-budget FTE positions for FY 2023.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 36
**OFFICE OF SYSTEMS MANAGEMENT SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

Item	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Systems Management	\$ 461,311	\$ 196,719	\$ 196,719	\$ 190,563	\$ 190,563
State Service Desk	72,980	73,640	73,640	73,784	73,784
<i>Subtotal</i>	<i>\$ 534,291</i>	<i>\$ 270,359</i>	<i>\$ 270,359</i>	<i>\$ 264,347</i>	<i>\$ 264,347</i>
Off-Budget:					
Systems Management	\$ 5,840,730	\$ 7,671,239	\$ 7,671,239	\$ 7,606,341	\$ 7,606,341
State Service Desk	226,935	236,998	236,998	237,460	237,460
<i>Subtotal</i>	<i>\$ 6,067,665</i>	<i>\$ 7,908,237</i>	<i>\$ 7,908,237</i>	<i>\$ 7,843,801</i>	<i>\$ 7,843,801</i>
TOTAL	\$ 6,601,956	\$ 8,178,596	\$ 8,178,596	\$ 8,108,148	\$ 8,108,148

DIVISION OF THE BUDGET



STATUTORY BASIS: • KSA 75-3715, 75-3721, 75-3722, 75-4802, 11-201, 75-6701, 75-6704, 75-137

PROGRAM GOALS:

- Perform comprehensive policy, management, and fiscal analysis.
- Produce an accurate budget reflecting the Governor's priorities.
- Balance state receipts and expenditures.
- Provide accurate budget and policy information in a timely manner.
- Provide assistance to state agencies in budget development and execution, including strategic planning and performance measurement.

The Division of the Budget has central responsibility for the state budget process, including related policy issues, and for providing management services to state agencies. Because of its central role in budget formulation, the Division serves as a source of explanation to the Legislature and to legislative staff and committees while the Governor's proposals are being considered for adoption. The Division performs a series of duties related to budget execution and financial administration. The staff monitors cash flow and takes appropriate steps to ensure State General Fund solvency throughout the year. The Division interprets appropriations language and counsels agency managers when questions arise about legislative intent and the management of state government.

The Division issues instructions and directives that determine how agencies propose and justify requests for expenditure authority. Requests submitted according to those instructions are analyzed by Division staff. Findings and conclusions arising from that analysis are submitted to the Governor and

become the basis for the Governor's recommendations to the Legislature. Agency budget requests are guided by expected revenues that will support a base budget with limited adjustments for such statewide costs as group health insurance, KPERS rates, and so on. In some years, agencies must also submit a reduced resource budget, using estimates provided by the Division, based on the assumption that revenues might decline enough to make a base budget unsupportable. Additionally, if agencies are proposing a new program or expansion of an existing program, a request for funds and positions related to such an enhancement is submitted as a discrete adjustment.

The 2018 Legislature granted new duties to the Division of the Budget in the process of agencies adopting administrative rules and regulations. Prior to submitting a new or revised administrative rule or regulation to the Department of Administration, state agencies must now obtain the approval of the proposed regulations and the economic impact statement from the Director of the Budget.

FIGURE 38					
DIVISION OF THE BUDGET, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of Agency Budgets that Include at Least One Outcome Measure for Each Program	91.4 %	90.3 %	88.9 %	90.3 %	90.3 %
2. Percent of Fiscal Notes Completed by Bill Hearing Date	100.0 %	100.0 %	99.9 %	100.0 %	100.0 %
Output Measure:					
3. Number of Fiscal Notes Completed	580	761	662	600	600
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 1,655,379	\$ 1,650,870		\$ 1,774,014	\$ 1,916,155
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal—On-Budget	\$ 1,655,379	\$ 1,650,870		\$ 1,774,014	\$ 1,916,155
Off-Budget*	-	-		-	-
GRAND TOTAL	\$ 1,655,379	\$ 1,650,870		\$ 1,774,014	\$ 1,916,155
Percentage Change:					
SGF	1.4 %	(0.3) %		7.5 %	8.0 %
All Funds	1.4 %	(0.3) %		7.5 %	8.0 %
FTE Positions	13.0	13.0		13.0	13.0

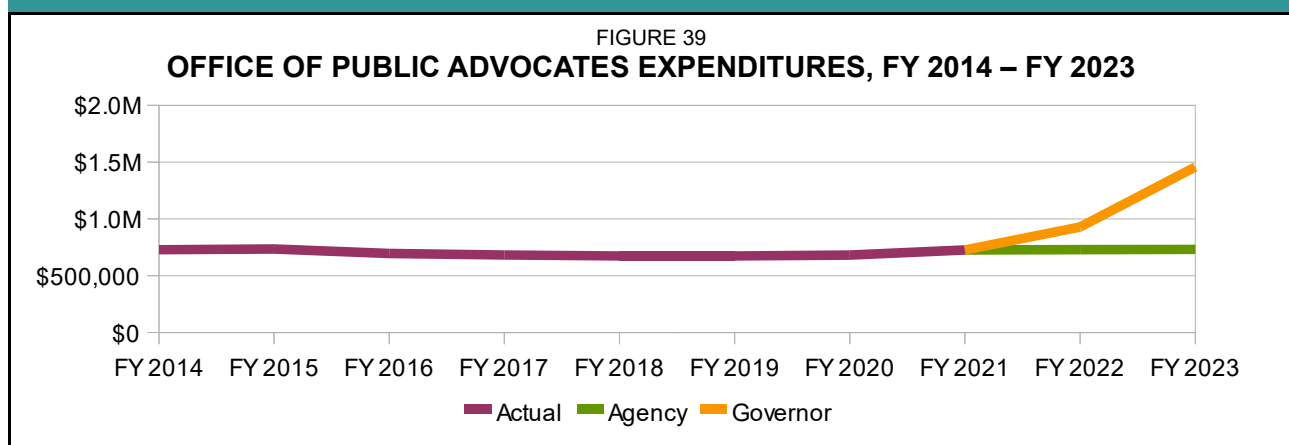
BUDGET ANALYSIS

The **agency** requests \$1.9 million in expenditures and 13.0 FTE positions for the Division of the Budget for FY 2023. This represents an increase of \$142,141, or 8.0 percent, above the agency's revised estimate in FY 2022. The increase is primarily attributable to \$150,000 SGF allocated to the Division for gubernatorial transition expenditures, as required by KSA 75-137. The request also includes a \$5,922 increase for employer

contributions for group health insurance, offset by a \$4,248 decrease in unemployment compensation and a \$2,588 decrease in employer contributions to the public employees retirement system.

The **Governor** concurs with the agency request for FY 2023.

OFFICE OF PUBLIC ADVOCATES*



* *Staff Note:* Expenditures other than the Governor's recommendation for FY 2022 and FY 2023 reflect only the Office of the Long-Term Care Ombudsman. The Office of Public Advocates was created in October 2021 by Executive Order 21-27.

STATUTORY BASIS: • 42-USC 3001 *et seq.*, KSA 75-5916 to 75-5922
• Executive Order No. 21-27, 21-28

PROGRAM GOALS: • Provide advocacy, self-empowerment, and education services to each resident in a Kansas long-term care facility.

Executive Order 21-27 created the Office of Public Advocates within the Department of Administration and transferred the following entities to it:

OFFICE OF THE LONG-TERM CARE OMBUDSMAN

The Office of the Long-Term Care Ombudsman (LTCO) protects and improves the quality of care and quality of life for residents of long-term care communities through advocacy for and on behalf of residents. The LTCO is a resident-centered advocacy program. The resident of a long-term care community is the client regardless of the source of the complaint or request for service. The LTCO is funded by a combination of State General Fund moneys and federal funds, including Medicaid under the

Social Security Act, and the Older Americans Act.

KANCARE OMBUDSMAN

Prior to the creation of the Office of Public Advocates, the KanCare Ombudsman existed within the Kansas Department for Aging and Disability Services. Its responsibilities include assisting in the resolution of concerns about services, coverage, access, and rights related to KanCare, the Medicaid program for the State of Kansas.

DIVISION OF THE CHILD ADVOCATE

Executive Order 21-28 created this program within the Department of Administration to provide oversight for the child welfare system in Kansas.

FIGURE 40 OFFICE OF PUBLIC ADVOCATES, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Visits by Ombudsman to Long-Term Care Facilities	1,974	37	1,678	1,900	3,000
2.Total Complaints Investigated	1,134	1,293	1,219	1,300	1,300
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 292,451	\$ 290,046		\$ 467,079	\$ 989,628
Federal Funds	388,960	437,072		462,367	466,899
All Other Funds	-	-		-	-
Subtotal-On-Budget	\$ 681,411	\$ 727,118		\$ 929,446	\$ 1,456,527
Off-Budget*	-	-		-	-
GRAND TOTAL	\$ 681,411	\$ 727,118		\$ 929,446	\$ 1,456,527
Percentage Change:					
SGF	1.9 %	(0.8) %		61.0 %	111.9 %
All Funds	1.2 %	6.7 %		27.8 %	56.7 %
FTE Positions	11.0	11.0		16.0	19.0

BUDGET ANALYSIS

The **agency** requests \$731,713 in expenditures and 11.0 FTE positions for the Office of the Long-Term Care Ombudsman for FY 2023. The agency submitted its budget request prior to the issuance of Executive Orders 21-27 and 21-28. Accordingly, reorganization of the program into the Office of Public Advocates is not reflected in the agency request. The request represents a \$2,267 increase in expenditures, about 0.3 percent, and is primarily attributable to a \$4,597 increase for employer contributions for group health insurance, partially offset by a \$1,648 decrease in unemployment compensation and a \$901 decrease in employer contributions to the public employees retirement system.

The **Governor** recommends \$1.5 million in expenditures and 19.0 FTE positions for the Office of Public Advocates for FY 2023. This represents an increase of \$724,814 SGF and 8.0 FTE positions due to the implementation of Executive Order 21-27, which organized the Office of the Long-Term Care Ombudsman, the KanCare Ombudsman (\$224,814 SGF in expenditures and 3.0 FTE positions) and the Division of the Child Advocate (\$500,000 SGF in expenditures and 5.0 FTE positions) within the newly created Office of Public Advocates.

FIGURE 41 OFFICE OF PUBLIC ADVOCATES SUBPROGRAMS SUMMARY OF EXPENDITURES, FY 2021 – FY 2023					
Item	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Long-Term Care Ombudsman	\$ 727,118	\$ 729,446	\$ 729,446	\$ 731,713	\$ 731,713
KanCare Ombudsman	-	-	-	-	224,814
Division of the Child Advocate	-	-	200,000	-	500,000
TOTAL	\$ 727,118	\$ 729,446	\$ 929,446	\$ 731,713	\$ 1,456,527

DEBT SERVICE

FIGURE 42
DEBT SERVICE, GOVERNOR'S RECOMMENDATION, FY 2022 – FY 2023

	Principal	FY 2022 Interest	Total	Principal	FY 2023 Interest	Total
On-Budget:						
KPERS Pension Bonds	\$ 56,920,000	\$ 67,377,868	\$ 124,297,868	\$ 55,000,000	\$ 69,290,482	\$ 124,290,482
Statehouse Renovations	1,765,000	583,000	2,348,000	-	-	-
John Redmond Reservoir	1,080,000	594,750	1,674,750	-	-	-
KU Medical Ed. Bldg.	940,000	922,750	1,862,750	-	-	-
2015A Refinancing	168,995,000	14,662,800	183,657,800	-	-	-
2015G NBAF	174,220,000	18,264,050	192,484,050	-	-	-
2016H Refinancing	4,935,000	1,353,000	6,288,000	5,190,000	1,099,875	6,289,875
2019F/G Refinancing	4,257,558	2,329,726	6,587,284	4,437,964	2,137,502	6,575,466
2020R Refinancing	11,960,000	3,200,950	15,160,950	9,380,000	2,667,450	12,047,450
2020S Refinancing	530,000	245,600	775,600	550,000	224,000	774,000
2021P Refinancing	-	-	-	4,245,000	1,519,000	5,764,000
<i>Subtotal</i>	<u>\$ 425,602,558</u>	<u>\$ 109,534,494</u>	<u>\$ 535,137,052</u>	<u>\$ 78,802,964</u>	<u>\$ 76,938,309</u>	<u>\$ 155,741,273</u>
Off-Budget:						
2019F/G Eisenhower	\$ 1,052,442	\$ 575,894	\$ 1,628,336	\$ 1,097,037	\$ 528,378	\$ 1,625,415
2020K Curtis	2,860,901	655,726	3,516,627	3,002,735	591,642	3,594,377
2020K DCF Service Center	554,112	100,925	655,037	571,274	88,513	659,787
<i>Subtotal</i>	<u>\$ 4,467,455</u>	<u>\$ 1,332,545</u>	<u>\$ 5,800,000</u>	<u>\$ 4,671,046</u>	<u>\$ 1,208,533</u>	<u>\$ 5,879,579</u>
TOTAL	<u>\$ 430,070,013</u>	<u>\$ 110,867,039</u>	<u>\$ 540,937,052</u>	<u>\$ 83,474,010</u>	<u>\$ 78,146,842</u>	<u>\$ 161,620,852</u>
Financing:						
SGF	\$ 391,234,583	\$ 86,443,116	\$ 477,677,699	\$ 59,697,964	\$ 59,932,856	\$ 119,630,820
ELARF	18,135,000	17,979,485	36,114,485	19,105,000	17,005,453	36,110,453
State Highway Fund	16,232,975	5,111,893	21,344,868	-	-	-
SBOF	4,467,455	1,332,545	5,800,000	4,671,046	1,208,533	5,879,579
TOTAL	<u>\$ 430,070,013</u>	<u>\$ 110,867,039</u>	<u>\$ 540,937,052</u>	<u>\$ 83,474,010</u>	<u>\$ 78,146,842</u>	<u>\$ 161,620,852</u>

The Department of Administration budgets and pays the debt service on a number of different bonds issued for a variety of reasons. Debt service expenditures account for the majority of the Department of Administration's budget. Except for principal payments for KPERS bonds, debt service principal payments are included within agency budgets as a capital improvements expense, whereas interest payments are included as an operating expense.

Pursuant to the Kansas Development Finance Authority (KDFA) Act, KSA 74-8901 *et seq.*, bonds are defined as any bonds, leases, notes, debentures, interim certificates, grant and revenue anticipation notes, interest in a lease, lease certificate of participation, or other evidences of indebtedness issued by the KDFA pursuant to the Act, whether or not the interest is subject to federal income taxation.

KPERS BONDS (2004C, 2015H, 2021K)

The Legislature has authorized the issuance of pension obligation bonds to improve the funded status of the Kansas Public Employees Retirement System (KPERS) on three occasions. The 2003 and 2021 Legislature authorized the issuance of up to \$500.0 million in bonds, while the 2015 Legislature authorized the issuance of up to \$1.0 billion. Each bond issue was a 30-year taxable bond, the proceeds of which were invested across the KPERS portfolio.

STATEHOUSE RENOVATIONS

Since 2001, the agency has paid the debt service on bonds issued for renovation of the Kansas Statehouse. There have been 16 subsequent bond issuances for the Statehouse.

JOHN REDMOND RESERVOIR

In FY 2014, the Governor endorsed a plan to issue \$25.0 million in bonds for the dredging of 3.0 million cubic yards of sediment from this

reservoir to restore water supply lost to sedimentation. During legislative deliberations, portions of the project were reduced, lowering the need for bond issuance to \$20.0 million. The project restored water supply storage in John Redmond Reservoir near Burlington in Coffey County.

KU MEDICAL EDUCATION BUILDING

In FY 2015, the Legislature relocated debt service for the University of Kansas (KU) Medical Education Building to the Department of Administration to consolidate debt service funded by the SGF.

NATIONAL BIO AND AGRO-DEFENSE FACILITY (NBAF)

In 2015, the agency became responsible for the **Series 2015G** bond issuance for a total of \$203.6 million. This issuance provided additional funding for NBAF.

CURTIS STATE OFFICE BUILDING, DCF TOPEKA SERVICE CENTER (2020K)

In 2020, the agency became responsible for the **Series 2020K** bond issuance for a total of \$37.2 million. 2020K transferred ownership of the Curtis State Office Building and the Department for Children and Families (DCF) Topeka Service Center from the Topeka Public Building Commission to the State of Kansas.

DEBT SERVICE REFINANCING

The Department of Administration also pays the debt service on refinanced, or refunded, bonds, which are frequently issued to achieve

savings on outstanding bonds. The following bonds that refinance prior obligations are included in the Governor's recommendation:

Series 2015A was issued for a total of \$240.5 million and refinances bonds originally issued for the Kansas Department of Transportation's Comprehensive Transportation Program, renovation of the Kansas Statehouse, the KU Medical Education Building, and the John Redmond Reservoir.

Series 2016H was issued for a total of \$51.5 million and refinances bonds originally issued for the Kansas Law Enforcement Training Center, restoration of the Capitol Complex, renovation of the National Guard Armory, renovations for Department of Corrections facilities, and the construction and remodeling of KU pharmacy facilities.

Series 2019F/G were issued for a total of \$74.5 million and refinance bonds originally issued for the Eisenhower State Office Building and previous bond restructuring.

Series 2020R and **2020S** were issued for a total of \$87.9 million and refinance bonds originally issued for debt service on a variety of projects such as renovations to the Kansas Statehouse and public broadcasting facilities.

Series 2021P was issued for a total of \$38.9 million and refinances bonds originally issued for restoration of the Capitol Complex.

FIGURE 43

SUMMARY OF OUTSTANDING BONDS, GOVERNOR'S RECOMMENDATION, FY 2023			
Series	Items	June 30, 2023 Balance	Final Payment
2004C	KPERS Pension Obligation Bonds	\$ 291,985,000	FY 2034
2015H	KPERS Pension Obligation Bonds	857,485,000	FY 2045
2016H	Refinancing (2007M, 2008L)	31,395,000	FY 2029
2019F	Refinancing (2009A, 2009M-1, M-2)	55,155,000	FY 2035
2019G	Refinancing (2009N)	2,205,000	FY 2025
2020K	Curtis State Office Building, Myriad Building	26,790,038	FY 2029
2020R	Refinancing (2010E-1, E-2, 2010O-2, 2011B)	55,265,000	FY 2035
2020S	Refinancing (2010F)	5,330,000	FY 2032
2021K	KPERS Pension Obligation Bonds	475,305,000	FY 2051
2021P	Refinancing (2013A)	30,075,000	FY 2033
TOTAL		\$ 1,830,990,038	

CAPITAL IMPROVEMENTS

Each year, the Department of Administration conducts projects it deems important for the upkeep of the buildings within its control, using funding from its maintenance reserve funds and from the State General Fund. The following projects are included in FY 2022 and for FY 2023:

CAPITOL COMPLEX REHAB AND REPAIR

This project includes maintenance, asbestos abatement, minor building refurbishments, and replacement of major equipment components that break down during operations. The agency indicates the ramifications of not performing these projects are a decrease of system availability, costly damage, and the potential inability to continue operations. Capitol Complex buildings include the Landon State Office Building, the Eisenhower State Office

Building, Memorial Hall, the Statehouse, the Judicial Center, and Cedar Crest.

DOCKING STATE OFFICE BUILDING

The 2021 Legislature added language authorizing the Department of Administration to issue up to \$120.0 million in bonds for Docking, subject to approval from the State Finance Council. Incorporating recommendations from the Joint Committee on State Building Construction, the State Finance Council approved the renovation of Docking into a three-story building with office and meeting space.

Additionally, each year, the agency also budgets and pays for the principal debt service on bonds issued for a variety of reasons. Details on those bonds may be found in the previous section.

FIGURE 44 CAPITAL IMPROVEMENTS (ON-BUDGET), FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Capital Projects:					
Capitol Complex R&R	\$ 3,617,019	\$ 3,450,113	\$ 3,450,113	\$ 3,449,493	\$ 3,449,493
Docking State Office Bldg.	-	-	-	-	120,000,000
<i>Subtotal–Projects</i>	\$ 3,617,019	\$ 3,450,113	\$ 3,450,113	\$ 3,449,493	\$ 123,449,493
Debt Service Principal:					
Public Broadcasting	\$ 425,000	\$ -	\$ -	\$ -	\$ -
Debt Restructuring	525,000	-	-	-	-
Statehouse Renovations	7,940,000	1,765,000	1,765,000	-	-
John Redmond Reservoir	1,025,000	1,080,000	1,080,000	1,130,000	-
KU Medical Ed. Bldg.	895,000	940,000	940,000	990,000	-
2015A Refinancing	16,640,000	16,180,000	168,995,000	18,020,000	-
2015G NBAF	11,790,000	10,640,000	174,220,000	9,235,000	-
2016H Refinancing	4,695,000	4,935,000	4,935,000	5,190,000	5,190,000
2019F/G Refinancing	4,598,323	4,257,558	4,257,558	4,437,964	4,437,964
2020R Refinancing	-	11,960,000	11,960,000	9,380,000	9,380,000
2020S Refinancing	-	530,000	530,000	550,000	550,000
2021P Refinancing	-	-	-	4,245,000	4,245,000
<i>Subtotal–Debt</i>	\$ 48,533,323	\$ 52,287,558	\$ 368,682,558	\$ 53,177,964	\$ 23,802,964
TOTAL	\$ 52,150,342	\$ 55,737,671	\$ 372,132,671	\$ 56,627,457	\$ 147,252,457
SGF	\$ 40,730,825	\$ 39,504,696	\$ 355,899,696	\$ 44,635,669	\$ 147,252,457
ELARF	425,000	-	-	-	-
State Highway Fund	10,076,287	16,232,975	16,232,975	11,991,788	-
Federal Funds	873,274	-	-	-	-
All Other Funds	44,956	-	-	-	-
TOTAL	\$ 52,150,342	\$ 55,737,671	\$ 372,132,671	\$ 56,627,457	\$ 147,252,457

FY 2022 CAPITAL IMPROVEMENTS

The **agency** requests a revised estimate of \$55.7 million in on-budget capital improvement expenditures in FY 2022, including \$39.5 million SGF and \$16.2 million in transfers from the State Highway Fund. In FY 2022, capital project expenditures include only rehabilitation and repair expenditures for Capitol Complex buildings (\$3.5 million). This funding includes maintenance, asbestos abatement, minor building refurbishments, and replacement of major equipment components that break down during operations. Debt service expenditures include principal payments for bonds related to debt service refinancing (\$36.7 million) and the National Bio and Agro-Defense Facility (NBAF) (\$10.1 million).

The **Governor** recommends \$372.1 million in on-budget capital improvement expenditures in FY 2022, including \$355.9 million SGF and \$16.2 million in transfers from the State Highway Fund. This represents an increase of \$316.4 million, or 525.5 percent, above the agency's revised estimate and is attributable to the Governor's proposal to pay off **Series 2015A** (\$169.0 million) and **Series 2015G** (\$174.2 million) bonds early, ahead of the scheduled final debt service payment in FY 2035. Series 2015A consists of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building, while Series 2015G includes the State's portion of NBAF debt service.

FY 2023 CAPITAL IMPROVEMENTS

The **agency** requests \$56.6 million in on-budget capital improvement expenditures for FY 2023, including \$44.6 million SGF and \$12.0 million in transfers from the State Highway Fund. For FY 2023, capital project expenditures include only rehabilitation and repair expenditures for Capitol Complex buildings (\$3.4 million), while debt service expenditures include various bond refinances (\$40.4 million) and NBAF (\$9.2 million).

The **Governor** recommends \$147.3 million SGF in on-budget capital improvement expenditures for FY 2023. No transfers from the State Highway Fund are included in this recommendation. This represents an increase of \$90.6 million, or 147.8 percent, above the agency request for FY 2023, primarily due to the Governor's recommendation to add \$120.0 million SGF for the issuance of bonds to renovate the Docking State Office Building at the recommendation of the Joint Committee of State Building Construction and the State Finance Council.

FIGURE 45

CAPITAL IMPROVEMENTS (OFF-BUDGET), FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Principal:					
Facilities Improvements	\$ 725,000	\$ -	\$ -	\$ -	\$ -
2019F/G Eisenhower	1,136,677	1,052,442	1,052,442	1,097,037	1,097,037
2020K Curtis, Myriad Bldg.	3,495,802	3,415,013	3,415,013	3,574,009	3,574,009
<i>Subtotal–Debt</i>	<i>\$ 5,357,479</i>	<i>\$ 4,467,455</i>	<i>\$ 4,467,455</i>	<i>\$ 4,671,046</i>	<i>\$ 4,671,046</i>
TOTAL	\$ 5,357,479	\$ 4,467,455	\$ 4,467,455	\$ 4,671,046	\$ 4,671,046
Financing:					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	5,357,479	4,467,455	4,467,455	4,671,046	4,671,046
TOTAL	\$ 5,357,479	\$ 4,467,455	\$ 4,467,455	\$ 4,671,046	\$ 4,671,046

FY 2022 CAPITAL IMPROVEMENTS (OFF-BUDGET)

The **agency's** revised estimate also includes \$4.5 million in off-budget capital improvements expenditures in FY 2022. These expenditures include only debt service principal payments on bonds related to the Eisenhower State Office Building, the Curtis State Office Building, and

the Myriad Building where the DCF Topeka Service Center is located.

The **Governor** concurs with the agency's revised estimate in FY 2022.

FY 2023 CAPITAL IMPROVEMENTS (OFF-BUDGET)

The **agency** request also includes \$4.7 million in off-budget capital improvements expenditures for FY 2023. These expenditures include only debt service payments on bonds related to the Eisenhower State Office Building, the Curtis State Office Building, and the Myriad

Building where the DCF Topeka Service Center is located.

The **Governor** concurs with the agency request for FY 2023.

OFFICE OF INFORMATION AND TECHNOLOGY SERVICES

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 11,626,649	\$ 4,250,190	\$ 4,250,190	\$ 4,250,000	\$ 4,250,000
Federal Funds	2,064,484	-	-	-	-
All Other Funds	-	43,000	43,000	43,000	43,000
Subtotal	\$ 13,691,133	\$ 4,293,190	\$ 4,293,190	\$ 4,293,000	\$ 4,293,000
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
Off-Budget*	\$ 53,159,956	\$ 51,536,946	\$ 51,536,946	\$ 51,457,210	\$ 51,457,210
Total On-Budget	\$ 13,691,133	\$ 4,293,190	\$ 4,293,190	\$ 4,293,000	\$ 4,293,000
Total Off-Budget	53,159,956	51,536,946	51,536,946	51,457,210	51,457,210
GRAND TOTAL	\$ 66,851,089	\$ 55,830,136	\$ 55,830,136	\$ 55,750,210	\$ 55,750,210
Percentage Change:					
State General Fund	(24.3) %	(63.4) %	(63.4) %	(0.0) %	(0.0) %
All Funds	1.8 %	(16.5) %	(16.5) %	(0.1) %	(0.1) %
FTE Positions	113.0	115.0	115.0	117.0	117.0

*Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless otherwise specified.

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

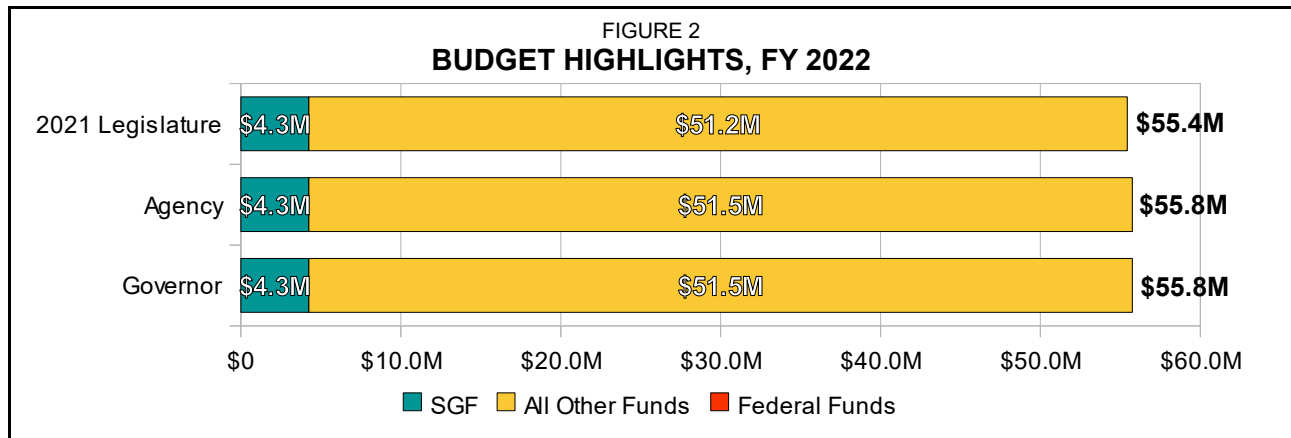
The Office of Information and Technology Services (OITS) is responsible for providing efficient and effective electronic information processing and technical management services to all state agencies in a uniform and cost-effective manner. OITS functions like a utility by providing phone, computer, and data communication services on demand to offices across the state, while maintaining job resource accounting systems to accurately charge customers based on their use of shared resources. As of September 2020, OITS services more than 450 offices, 17,000 data communication users, and 10,000 phone users.

The OITS budget includes both on-budget expenditures and off-budget expenditures. On-budget expenditures reflect programs that are not financed by OITS rate charges, but primarily State General Fund (SGF) appropriations, and have historically been expended on statewide information technology (IT) infrastructure projects, including substantial upgrades to the State's network. Off-budget expenditures include services performed for other state agencies or local units of government and are historically expended to support such services. OITS supports its operations via recharge billings for the services it provides and the expenses it incurs. Expenditures are classified as off-budget to avoid double counting of appropriations because these funds are captured in the budgets of state agencies paying for OITS services. These shared services create efficacy and cost savings by reducing duplication of hardware, software, and technical staff. OITS sets rates and maintains accounts according to federal regulations set by the

Office of Management and Budget (OMB) and overseen by the Federal Health and Human Services Office of Cost Allocation (OCA). Federal guidelines include OMB Circular A-87 and A-25. In 2020, the agency revised its rate structure, with the intent of increasing transparency and communication and providing clarity and predictability for state agencies with regard to information technology service rates. OITS continues to review and revise its rates to better align with the cost of service.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$55.4 million, including \$4.3 million SGF, for the Office of Information and Technology Services for FY 2022. The only adjustment that was subsequently made to that amount was a reappropriation of \$190 SGF from FY 2021 to FY 2022, which changes the current year approved amount to \$4.3 million without any legislative action required.

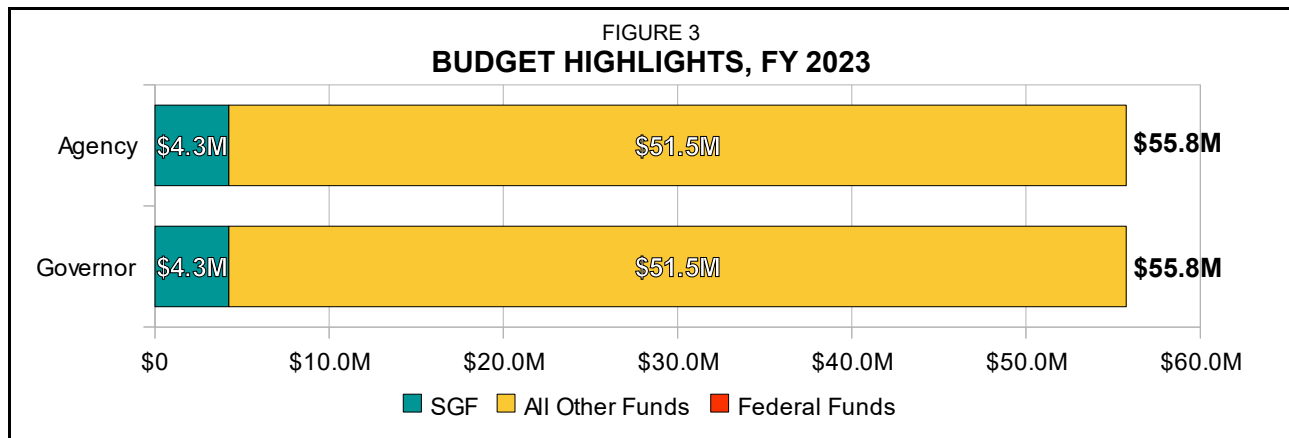


The **agency** requests a revised estimate of \$4.3 million, including \$4.3 million SGF, for on-budget expenditures in FY 2022. The revised estimate is the same as the FY 2022 approved budget. Included in this amount is \$43,000 in expenditures from the GIS Contracting Services Fund to support state geographic information systems for the user community in Kansas.

The **agency** revised estimate also includes \$51.5 million in off-budget expenditures, all from special revenue funds, which is an increase of \$396,964, or 0.8 percent, above the FY 2022 approved budget. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The increase can primarily be attributed the agency adding \$1.0 million to its salary and wages expenditures by eliminating its shrinkage rate, expenditures related to desktop as a service and purchases of equipment for other state agencies (\$700,000), increased utilization of data center as a services offered by OITS (\$720,000), implementation of IT projects for OITS programs (\$365,000), contractual service costs associated with Cisco SMARTnet and State network maintenance (\$100,000), and increased travel and sustenance (\$66,000).

The increase is partially offset by the cancellation of a planned IT security project (\$1.0 million); fluctuations in utilization of OITS services and indirect costs related to such services (\$625,000); reduced rent expenditures related to the Landon Building Data Center exit (\$301,000); elimination of computer equipment purchases (\$225,000); decreased expenditures for salaries, wages, and fringe benefits (\$203,036); and reduced purchases of telecommunication equipment for state network maintenance (\$150,000). The revised estimate also includes 115.0 off-budget FTE positions for FY 2022, which is an increase of 1.8 FTE positions above the FY 2022 approved number. The increase is due to the conversion of part-time and temporary staff to full-time employees.

The **Governor** concurs with the agency request in FY 2022



The **agency** request is \$4.3 million, including \$4.3 million SGF, for on-budget expenditures for FY 2023. The revised estimate is the same as the FY 2022 revised estimate. Included in this amount is \$43,000 from the GIS Contracting Services Fund.

For FY 2023, the request also includes \$51.5 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$79,736, or 0.2 percent, below the FY 2022 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The decrease can primarily be attributed to reduced expenditures associated with purchases made on the behalf of other agencies for IT equipment and peripherals (\$415,000), payments to third-party vendors for operation of the Unisys data center and state mainframe (\$250,000), completion of internal IT projects present in the FY 2022 revised estimate for implementation of new ServiceNow modules and Apptio (\$200,000), elimination of rent for a data center previously located in the Landon State Office Building (\$150,000), and the absence of expenditures for passenger vehicles that were present in the FY 2022 revised request (\$50,000).

The decrease is partially offset by increased off-budget expenditures for a three-year license renewal of the IT security product offered by Splunk (\$800,000) for the Kansas Information Security Offices (KISO), increase cost for project management software licenses (\$50,000), and salaries, wages, and associated benefits costs across the agencies programs (\$135,764). The request also includes 117.0 off-budget FTE positions for FY 2023, which is a an increase of 2.0 FTE positions above the FY 2022 agency request number. The increase is to accommodate increased use of services offered by the Hosted Services program for the Unisys data center.

The **Governor** concurs with the agency request for FY 2023

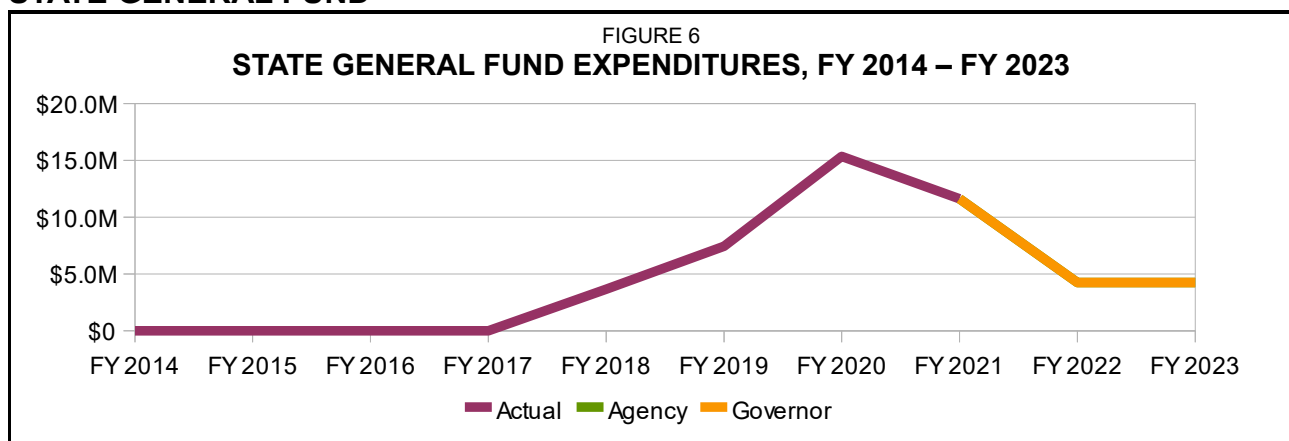
EXPENDITURES AND FINANCING

FIGURE 4 BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (ON-BUDGET), FY 2021 – FY 2023					
Category of Expenditure:	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services	9,310,932	43,190	43,000	43,000	43,000
Commodities	4,965	-	-	-	-
Capital Outlay	4,376,036	4,250,000	4,250,000	4,250,000	4,250,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 13,691,933</i>	<i>\$ 4,293,190</i>	<i>\$ 4,293,000</i>	<i>\$ 4,293,000</i>	<i>\$ 4,293,000</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 13,691,933</i>	<i>\$ 4,293,190</i>	<i>\$ 4,293,000</i>	<i>\$ 4,293,000</i>	<i>\$ 4,293,000</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 13,691,933	\$ 4,293,190	\$ 4,293,000	\$ 4,293,000	\$ 4,293,000
Financing:					
State General Fund	\$ 11,626,649	\$ 4,250,190	\$ 4,250,190	\$ 4,250,000	\$ 4,250,000
GIS Contracting	-	43,000	43,000	43,000	43,000
Service Fund					
Federal Funds—	2,064,484	-	-	-	-
COVID-19 Relief					
All Other Funds	-	-	-	-	-
TOTAL	\$ 13,691,133	\$ 4,293,190	\$ 4,293,190	\$ 4,293,000	\$ 4,293,000
FTE Positions	--	--	--	--	--

FIGURE 5
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (OFF BUDGET),
FY 2021 – FY 2023**

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 9,787,447	\$ 11,227,446	\$ 11,227,446	\$ 11,363,210	\$ 11,363,210
Contractual Services	26,435,487	33,976,500	33,976,500	34,231,000	34,231,000
Commodities	16,417,119	5,946,000	5,946,000	5,531,000	5,531,000
Capital Outlay	519,903	387,000	387,000	332,000	332,000
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 53,159,956	\$ 51,536,946	\$ 51,536,946	\$ 51,457,210	\$ 51,457,210
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 53,159,956	\$ 51,536,946	\$ 51,536,946	\$ 51,457,210	\$ 51,457,210
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 53,159,956	\$ 51,536,946	\$ 51,536,946	\$ 51,457,210	\$ 51,457,210
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Information Technology Fund	52,440,900	50,886,946	50,886,946	50,807,210	50,807,210
GIS Contracting Services Fund	716,148	650,000	650,000	650,000	650,000
Federal Funds—COVID-19 Relief	2,908	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 53,159,956	\$ 51,536,946	\$ 51,536,946	\$ 51,457,210	\$ 51,457,210
FTE Positions	113.0	115.0	115.0	117.0	117.0

STATE GENERAL FUND



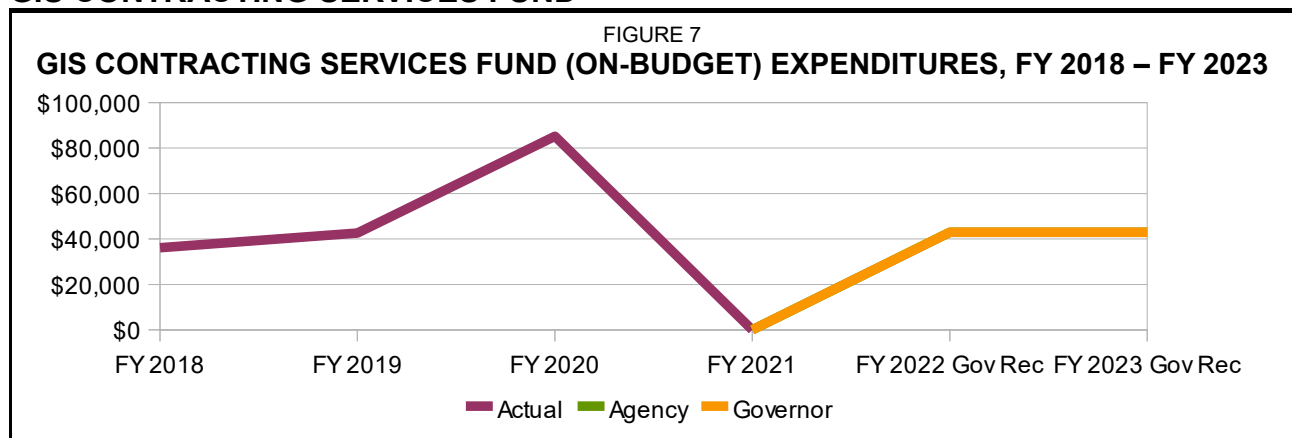
For the Office of Information and Technology Services, SGF expenditures averaged \$9.5 million from FY 2018 to FY 2021. Historically, the majority of OITS expenditures are supported by off-budget funds received for services performed for other state agencies or local units of government. The appropriation of SGF moneys that began in FY 2018 and peaked in FY 2020 is a result of the following legislative actions:

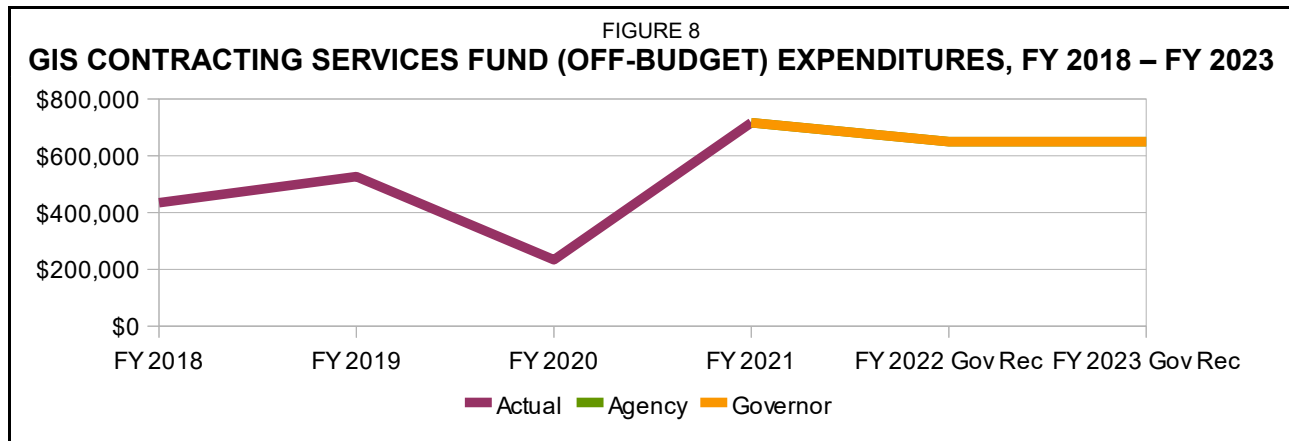
- The **2017 Legislature** added \$4.1 million in FY 2018 and \$5.4 million for FY 2019, all SGF, for the agency's IT modernization strategy, which included moving to an "as-a-service" model;
- The **2018 Legislature** added \$4.9 million in FY 2018 and \$3.5 million for FY 2019, all SGF, for continued IT modernization and Kansas Department of Corrections Office 365 expenditures;
- The **2019 Legislature** added \$6.1 million, including \$4.0 million SGF for additional IT modernization funding in FY 2020;
- The **2020 Legislature** added \$10.4 million in FY 2020 and \$5.4 million for FY 2021, all SGF, for network infrastructure upgrades and data center migration activities. Additionally, during the 2020 Session, the agency requested continued appropriations of funding for IT rehabilitation and repair similar to dedicated funding appropriated to the Department of Administration for the rehabilitation and repair of state buildings. Accordingly, the 2020 Legislature added \$4.5 million, all SGF, to establish a dedicated funding source for the rehabilitation and repair of IT equipment in FY 2020 and FY 2021; and
- The **2021 Legislature** added \$1.8 million in FY 2021, all SGF, for a supplemental request from OITS to pay an order from the federal government for improper rate setting in the distribution of IT services in FY 2016. The 2021 Legislature also adopted the proposed reduced resources package for FY 2022, decreasing the SGF appropriation for the dedicated rehabilitation and repair of IT equipment by \$250,000.

The decline in SGF expenditures after FY 2020 is due to the completion of projects associated with network upgrades to accommodate information technology modernization strategy and data center migration activities. These funds have essentially been replaced with off-budget funds as agencies have begun utilizing the modernized infrastructure to subscribe to OITS technology services.

In FY 2022 and for FY 2023, the agency request includes \$4.3 million for continued rehabilitation and repair funding of IT equipment.

GIS CONTRACTING SERVICES FUND





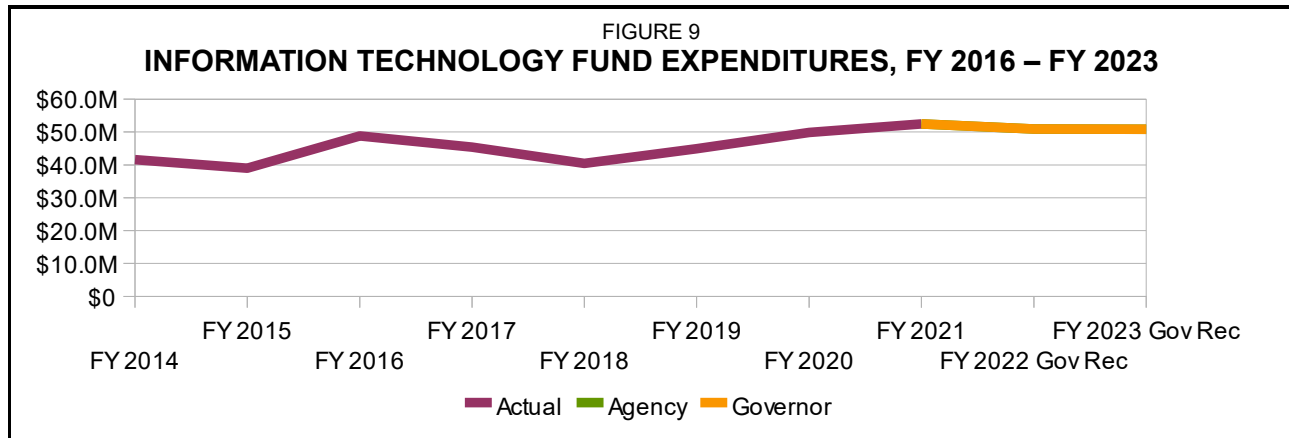
In 1989, Executive Order 06-08 established the Kansas Geographical Information Systems (GIS) Policy Board, which currently directs the Kansas Geological Survey and the University of Kansas to monitor contracted services and funding. Pursuant to KSA-74-99f08, OITS is required to fund the state geographic information system data access and support center, while the Kansas GIS Policy Board is required to house and support those services.

The GIS Contracting Services Fund refers to two special revenue funds, one on-budget and one off-budget, that generate revenue from licensing fees for the Geographic Information Systems subprogram within the Administration program. The on-budget fund collects fees from non-state entities, while the off-budget fund generates revenue from fees charged to state agencies and other intra-governmental entities. On-budget expenditures, which reflect programs that are not financed by rates charged for OITS services, have historically been expended on statewide IT infrastructure projects including substantial upgrades to the State’s network; and off-budget expenditures, which are financed from services performed for other state agencies or local units of government are used to support and recover costs such services.

The agency’s on-budget expenditures average \$40,986 from FY 2018 to FY 2021. OITS made no on-budget expenditures from this fund in FY 2021. The agency estimates it will collect \$43,000 from non-state entities in FY 2022 and for FY 2023,

The agency’s off-budget expenditures average \$477,962 from FY 2018 to FY 2021, and the agency estimates it will collect \$650,000 from state agencies in FY 2022 and for FY 2023 for this subprogram.

INFORMATION TECHNOLOGY FUND



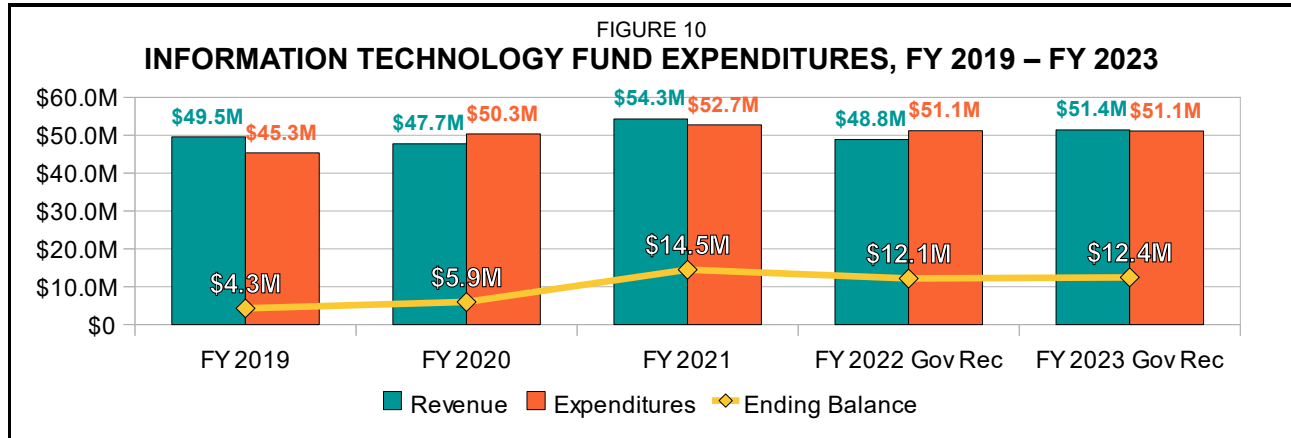
The Information Technology Fund is an off-budget special revenue fund that accounts for the provision of IT goods and services to other state agencies. This fund generates revenue from rates and charges for services, as established by the Executive Chief Information Technology Officer pursuant to KSA 75-4703(a). Revenue may fluctuate as the result of monthly receipts based on seasonal user activity and a need to react to consumer demand for additional resources or special products. Moreover, there may be year-to-year variations in revenue due to changes in agency use and demand of resources; cost increases as new efficiency initiatives, such as the consolidated service model, are developed; and changes in software maintenance, utility, and server costs.

Rates are based on the agency's approved budget for the upcoming year and are set to closely reflect the actual cost of delivering services. Costs are allocated across rate centers based on direct costs and FTE positions. Information Technology Fund expenditures averaged \$45.3 million between FY 2014 to FY 2021. The agency estimates it will expend \$50.9 million in FY 2022 and \$50.8 million for FY 2023.

Rates are intended only to recover costs and comply with federal audit and cost accounting guidelines, as outlined in Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments. Pursuant to those guidelines, the State of Kansas is required to file a Statewide Cost Allocation Plan (SWCAP) with the U.S. Department of Health and Human Services (HHS) annually, and the State currently contracts with Maximus Consulting Services to manage the process. The SWCAP report details the direct and allocated indirect costs of services provided to other state agencies that may use federal funds. HHS monitors each service to ensure that the amount charged reflects actual costs incurred. Presently, OITS self-reports 8 services (previously 15), for each of which the SWCAP report details an annualized beginning balance, revenue earned, allowable costs, and ending balance.

In FY 2021, OITS returned \$1.8 million, all SGF, to HHS for a SWCAP repayment settlement. The repayment was for the federal share of an excess fund balance of \$5.6 million for Telecommunications Data Services in FY 2016. The 2021 Legislature appropriated SGF moneys for this purpose.

INFORMATION TECHNOLOGY FUND



According to the agency, its general practice is to maintain a balance of 90 days of operating expenditures to accommodate any unforeseen circumstance that may impact its cash flow.

Projected Revenue (FY 2021 – FY 2023)			
Item	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Cloud/0365	\$ 7,050,259	\$ 8,012,327	\$ 9,406,632
Network Telecommunications	18,674,341	14,222,926	13,591,740
Mainframe	4,096,415	3,962,562	4,314,739
State-owned Data Centers	1,257,532	396,480	342,000
Data Center as a Service (Unisys)	2,744,924	9,868,645	11,889,960
Project Management	660,195	739,875	908,793
Surcharges	944,646	955,000	1,007,000
Direct Billings	15,990,863	5,915,000	5,500,000
TOTAL	\$ 51,419,175	\$ 44,072,815	\$ 46,960,864

FY 2022 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 4,250,000	\$ 51,182,982	\$ 55,432,982	113.2
1. SGF Reappropriations	190	--	190	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 4,250,190</i>	<i>\$ 51,182,982</i>	<i>\$ 55,433,172</i>	<i>113.2</i>
Agency Revised Estimate,				
2. Salaries and Wages*	-	796,964	796,964	1.8
3. Data Center and Mainframe *	-	720,000	720,000	--
4. Direct Billed Services*	-	700,000	700,000	--
5. OITS IT Projects*	-	365,000	365,000	--
6. Network Maintenance*	-	100,000	100,000	--
7. Travel*	-	66,000	66,000	--
8. IT Security Project Postponement*	-	(1,050,000)	(1,050,000)	--
9. Landon Data Center Exit*	-	(301,000)	(301,000)	--
10. Computer Equipment Purchases*	-	(225,000)	(225,000)	--
11. Network/Telecommunication Equipment*	-	(150,000)	(150,000)	--
12. All Other Adjustments*	-	(625,000)	(625,000)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 4,250,190</i>	<i>\$ 51,579,946</i>	<i>\$ 55,830,136</i>	<i>115.0</i>
Governor's Recommendation:				
13. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 4,250,190	\$ 51,579,946	\$ 55,830,136	115

* Staff Note: These items reflect off-budget expenditures.

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the \$4.3 million SGF, for on-budget expenditures, appropriated to the Office of Information and Technology Services for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATIONS.** The agency carried over \$190 SGF from FY 2021 to FY 2022. This brings the approved SGF amount to \$4.3 million in FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$4.3 million, including \$4.3 million SGF, for on-budget expenditures in FY 2022. The revised estimate is the same as the FY 2022 approved budget. Included in this amount is \$43,000 in expenditures from the GIS Contracting Services Fund to support state geographic information systems for the user community in Kansas.

The agency revised estimate also includes \$51.5 million in off-budget expenditures, all from special revenue funds, which is an increase of \$396,964, or 0.8 percent, above the FY 2022 approved budget. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The revised estimate also includes 115.0 off-budget FTE positions for FY 2022, which is an increase of 1.8 FTE positions above the FY 2022 approved number. The increase is due to the conversion of part-time and temporary staff to full-time employees.

The agency off-budget revised estimates include the following adjustments:

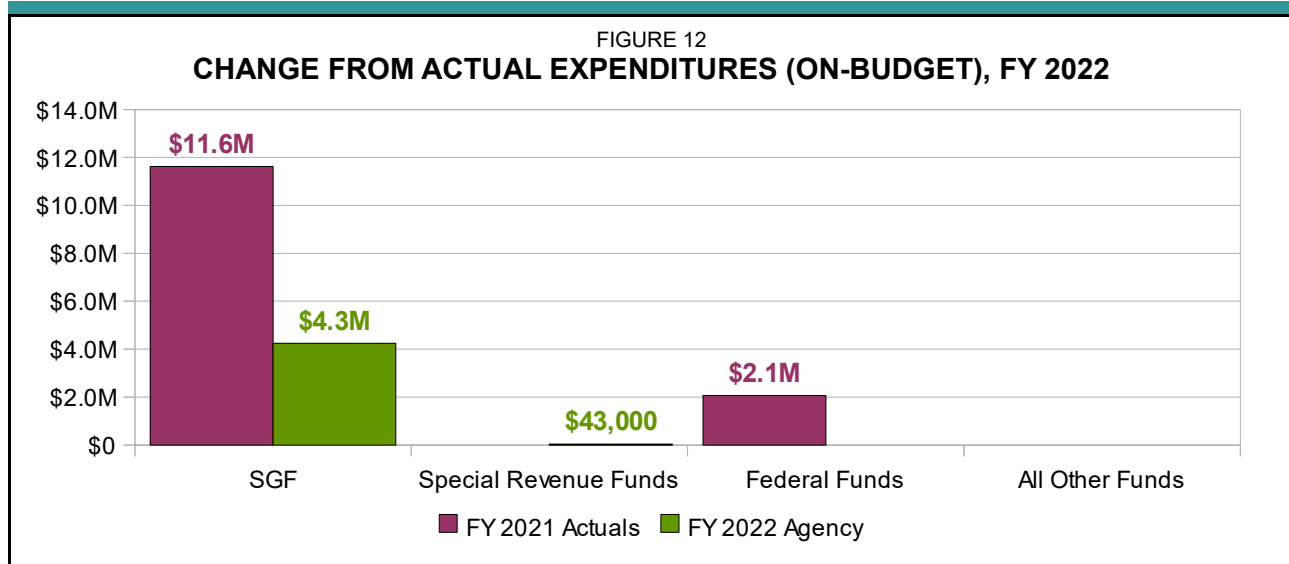
2. **SALARIES AND WAGES.** An increase in salaries and wages and associated benefits across the agency's programs totaling \$796,964, or 7.6 percent, all from off-budget sources. The increase can primarily be attributed to the agency adding \$1.0 million to its salary and wage expenditures by eliminating its shrinkage rate. The increase is partially offset by adjustments made by the agency related to its staffing needs (\$203,036). The adjustments result in the addition of 1.8 FTE above the FY 2022 approved budget.
3. **DATA CENTER AND MAINFRAME.** A \$720,000 increase, all from off-budget sources primarily attributed to increased utilization of the Unisys Data Center (DcaaS) and costs related to operation of the State Mainframe. The agency estimates total expenditures for the DcaaS and the mainframe to be \$14.3 million in FY 2022.
4. **DIRECT BILLED SERVICES.** A \$700,000 increase, all from off-budget sources, attributed to increased purchasing of certain commodities the agency procures on behalf of other state agencies such as desktop as a service devices, and other electronic peripherals (e.g., keyboards, mice, and webcams), and a change in how the agency records expenditures for purchase of Microsoft Licenses not associated with the Office 365 agreement. The agency estimates total expenditures for direct billed services to be \$5.9 million in FY 2022.
5. **OITS IT PROJECTS.** A \$365,000 increase, all from off-budget sources, for the agency's Apptio implementation project (\$160,000) and ServiceNow upgrade (\$200,000). Apptio is a financial and operational data platform used by OITS for budgeting, reporting analysis and tracking of expenditures. OITS is currently implementing "Bill of IT" module, a new way to communicate agency billing and invoice material. ServiceNow, among other things, is an incident management tool used by the agency to create, diagnose, and troubleshoot technical support issues reported by agencies utilizing OITS services.
6. **NETWORK MAINTENANCE.** A \$100,000 increase, all from off-budget sources, for Cisco SMARTnet service. This service provides OITS with ongoing technical support for various networking devices, such as switches and routers utilized by the agency's Network and Telecommunications program. Additionally, the service acts as a type of warranty for diagnosis and replacement of critical pieces of network equipment.
7. **TRAVEL.** A \$66,000 increase, all from off-budget sources, for agency travel. In FY 2022, the agency request for travel is \$150,000.
8. **IT SECURITY PROJECT POSTPONEMENT.** A \$1.1 million decrease, all from off-budget sources, attributable to the agency canceling an identity access management solution consolidation project. The agency indicated due to other ongoing projects the work would not have been possible to complete at this time. The agency currently offers similar services to Executive Branch agencies such as multi-factor authentication, and single sign-on capabilities, but these service are *ad-hoc*. The agency estimates total FY 2022 expenditures for the Kansas Information security Office to be \$4.3 million.
9. **LANDON DATA CENTER EXIT.** A \$301,000 decrease attributable to the elimination of rent payments no longer required due to OITS ceasing operation of a data center in the Landon State Office Building. The building was able to be exited as a result of the migration of this data to the Unisys Data center. OITS still operates state-owned data centers in the Eisenhower Office Building. The FY 2022 revised agency request includes \$1.2 million for rent payments.

10. **COMPUTER EQUIPMENT PURCHASES.** A \$225,000 decrease, all from off-budget sources, attributable to the elimination of computer equipment purchased with Coronavirus Relief Fund moneys for the Kansas Information Security Office. The FY 2022 revised agency request includes.
11. **NETWORK/TELECOMMUNICATIONS EQUIPMENT.** A \$150,000 decrease, all from off-budget sources, attributable to fewer one-time purchases of equipment for the maintenance and repair of the state network. In FY 2022, the revised agency request includes \$4.3 million, all SGF, for ongoing maintenance and repair of the state network.
12. **ALL OTHER ADJUSTMENTS.** A decrease of \$625,000, all from off-budget sources, primarily attributable to fluctuations in utilization of OITS services and indirect costs related to such services. Indirect costs include but are not limited to fees for certain services, communications devices, office supply purchases, utilities, and vehicles.

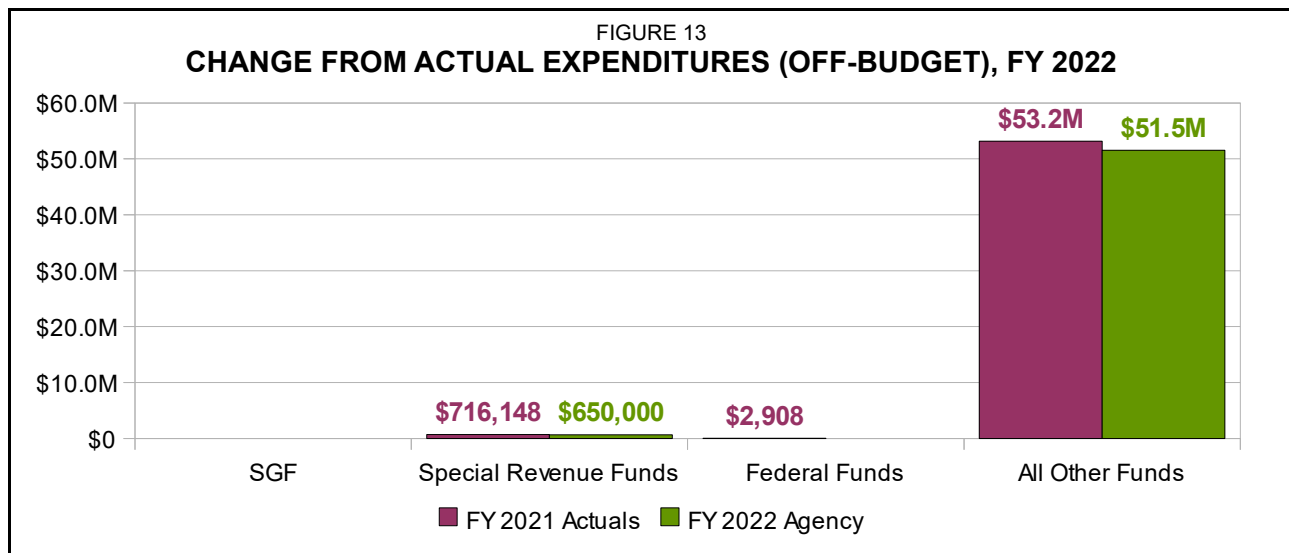
GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency request for FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised FY 2022 on-budget expenditures of \$4.3 million, including \$4.3 million SGF. This is an all funds decrease of \$9.4 million, or 69.0 percent, and an SGF decrease of \$7.4 million, or 63.4 percent, from the FY 2021 actual expenditures. The decrease is primarily due to financing commitments and one-time expenditures incurred in FY 2021 that are not present for FY 2022. These commitments and expenditures include SGF expenditures for data center migration (\$2.0 million), upgrades to the state network infrastructure (\$3.4 million), the Statewide Cost Allocation Plan settlement payment (\$1.7 million), and federal Coronavirus Relief Fund moneys used for remote workforce enhancements and IT security (\$2.1 million).



The agency estimates revised FY 2022 off-budget expenditures of \$51.5 million, all from special revenue funds, which is a decrease of \$1.6 million, or 3.1 percent, below FY 2021 actual expenditures. The decrease can be attributed to reduced expenditures on certain commodities the agency purchases on behalf of other state agencies, such as software licenses, cables, other electronic equipment, and peripherals (\$10.5 million). The decrease is partially offset by increased expenditures for salaries and wages (\$1.4 million) primarily due to the agency adding \$1.0 million to its salary and wages expenditures by eliminating its shrinkage rate, and contractual services for use of the Unysis data center (\$7.5 million).

FY 2023 ANALYSIS

FIGURE 14
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 4,250,190	\$ 51,579,946	\$ 55,830,136	115.0
Agency Request:				
1. Software License Renewal*	-	800,000	800,000	--
2. Salaries and Wages*	-	135,764	135,764	2.0
3. New Software Licenses*	-	50,000	50,000	--
4. Direct Billed Services*	-	(415,000)	(415,000)	--
5. Data Center Contract	(190)	(250,000)	(250,190)	--
6. OITS IT Projects*	-	(200,000)	(200,000)	--
7. Landon Data Center Exit*	-	(150,000)	(150,000)	--
8. All Other Adjustment*	-	(50,500)	(50,500)	--
<i>Subtotal—Agency Estimate</i>	<i>\$ 4,250,000</i>	<i>\$ 51,500,210</i>	<i>\$ 55,750,210</i>	<i>117.0</i>
Governor's Recommendation:				
9. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 4,250,000	\$ 51,500,210	\$ 55,750,210	117.0

* Staff note: These items reflect off-budget expenditures.

AGENCY REQUEST

The **agency** requests \$4.3 million, including \$4.3 million SGF, for on-budget expenditures in FY 2023. The revised estimate is the same as the FY 2022 revised estimate. Included in this amount is \$43,000 from the Contracting Services Fund.

The **agency** request also includes \$51.5 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$79,736, or 0.2 percent, below the FY 2022 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The request includes 117.0 off-budget FTE positions, for FY 2023, which is an increase of 2.0 FTE positions above the FY 2022 revised request.

The **agency** request includes the following adjustments:

1. **SOFTWARE LICENSE RENEWAL.** An \$800,000, increase all from off-budget sources, primarily attributed to the three-year renewal of software licenses for the IT security services offered by the vendor Splunk. These licenses were last renewed in FY 2020.
2. **SALARIES AND WAGES.** A increase in salaries and wages and associate benefits across the agency's programs totaling \$135,764, or 1.2 percent, all from off-budget sources. The increase can primarily be attributed to the addition of 2.0 FTE positions in the agency Hosted Services program (\$104,097). Salaries and wage expenditures also increased for the KITO office (\$58,078). The increases are partially offset by decrease in all other programs (\$26,411).
3. **NEW SOFTWARE LICENSES.** A \$50,000 increase, all from off-budget sources, primarily attributable to the purchase of additional Servicenow licenses for the Kansas Information Technology Office (KITO). The FY 2023 agency request for the KITO program is \$944,206.
4. **DIRECT BILLED SERVICES.** A \$415,000 decrease, all from off-budget sources, attributed to reduced expenditures on certain commodities the agency purchases on

behalf of other state agencies such as desktop as a service equipment and one-time requests for software and other electronic peripherals. The agency anticipates less demand for these purchase in FY 2023 due to heavy use in FY 2022. The FY 2023 agency request for the direct billed services program is \$5.5 million.

5. **DATA CENTER CONTRACT.** A \$250,000 decrease in contract expenditures, all from off-budget sources, primarily attributed to less expenditures for third-party vendors for mainframe and data center services such as the vendor-managed Unisys Data center. The FY 2023 agency request for the Hosted Services program is \$14.5 million.
6. **OITS IT PROJECTS.** A \$200,00 decrease from all off-budget sources, attributable to the completion of IT projects related to the use of ServiceNow and Apptio.
7. **LANDON DATA CENTER EXIT.** A \$150,00 decrease attributable to the elimination of rent payments no longer required due to OITS no longer operating a data center in the Landon State Office Building. The FY 2023 agency request includes total rent payments of \$1.0 million.
8. **ALL OTHER ADJUSTMENTS.** A decrease of \$50,500, primarily attributable to the absence of expenditures for passenger vehicles, used for service calls to other state agencies, in the FY 2022 revised estimate that are no longer present in the FY 2023 request (\$50,000).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency request for FY 2023.

SPECIAL TOPICS

TOPIC 1

OITS RATE CHANGES FOR FY 2022

In a presentation presented to the Joint Committee on Information Technology on August 19, 2021, the Executive Chief Information Technology Officer indicated no agencies will experience a net cost increase for FY 2022 OITS services. A total of 69 state agencies will experience a cost decrease totaling \$1.1 million due to a reduction in the network/telecommunication device rate. The ten agencies with the largest dollar decreases are listed in the table below:

FY 2022 RATE CHANGE AMOUNTS					
Agency	FY 2022 Published Rates ¹	FY 2022 Proposed Rates ²	Difference in Dollars	Difference in Percent	
Department for Children and Families	\$ 9,458,703	\$ 9,271,176	\$ (187,527)	(2.0) %	
Kansas Department of Transportation	5,472,303	5,296,832	(175,471)	(3.2) %	
Kansas Department of Health and Environment	5,010,622	4,839,037	(171,585)	(3.4) %	
Kansas Department of Revenue	4,390,789	4,265,878	(124,911)	(2.8) %	
Legislature	404,856	360,745	(44,111)	(10.9) %	
OITS	1,729,666	1,693,197	(36,469)	(2.1) %	
Judicial Branch	325,843	289,380	(36,463)	(11.2) %	
Department of Administration	601,835	569,825	(32,010)	(5.3) %	
Kansas Department for Aging and Disability Services	681,213	655,820	(25,393)	(3.7) %	
Kansas State Department of Education	262,549	240,824	(21,725)	(8.3) %	
All Other Agencies	9,979,112	9,720,102	(259,010)	(2.6) %	
TOTAL	\$ 38,317,491	\$ 37,202,816	\$ (1,114,675)	(3.0) %	

Staff Note: According to OITS the figures provided were calculated using quantities of services based on usage as of April 2021 and fluctuate based on agency need. Additionally they do not include all charges an agency may incur from OITS, such as direct billings, security services level agreements, Chief Information Officer payroll and other miscellaneous charges that are not directly associated with rated service.

¹ These rates were published in FY 2021.

² These rates were revised in FY 2022.

In calendar year 2020, OITS was in the process of reviewing its rate structure, which at the time consisted of 119 rates. For FY 2021, the agency combined these rates to 30 individual services. This process resulted in the establishment of several "all in rates" for FY 2021 and FY 2022. These "all in rates" include:

- **COMMUNICATION DEVICES-PHONES AND PHONE JACKS.** OITS collapsed several previous rates such as voicemail, dial tone, and long distance and international calls into a single rate.
- **DATACENTER AS A SERVICE.** Prior to the restructure, each of the four levels of service (Platinum, Gold, Silver, Bronze) had numerous steps based on usage, effectively resulting in over 70 unique rates. Those have all been collapsed into four respective core rates.
- **SITEFINITY HOSTING AND WEB SERVICES.** Previously, there were individual rates for this service based on the size of a website and additional charges for adding various functions such as web application hosting and backups.

SPECIAL TOPICS

TOPIC 2

OITS RATE CHANGES FOR FY 2023

According to OITS, in FY 2023, 45 agencies experience a net cost increase of \$3.3 million. Seven agencies account for \$3.0 million of this increase and, of that amount, \$2.0 million can be associated with increased costs for Data Center as a Service and \$1.0 million for Office 365 licenses. Additionally, 31 agencies will experience a net cost decrease totaling \$122,000. No agency will be cost neutral. The table below contains the 10 agency's with the largest dollar increases.

FY 2023 RATE CHANGE AMOUNTS				
Agency	FY 2022 Proposed Rates ¹	FY 2023 Proposed Rates ²	Difference in Dollars	Difference in Percent
Department for Children and Families	\$ 9,271,176	\$ 10,118,146	\$ 846,970	9.1 %
Kansas Department of Transportation	5,296,832	5,806,062	509,230	9.6 %
Kansas Department of Health and Environment	4,839,037	5,260,363	421,326	8.7 %
Kansas Department of Labor	2,457,290	2,851,625	394,335	16.0 %
Kansas Department of Revenue	4,265,878	4,649,523	383,645	9.0 %
Kansas Department of Corrections	1,832,560	2,147,832	315,272	17.2 %
OITS	1,693,197	1,825,144	131,947	7.8 %
Larned State Hospital	410,851	484,776	73,925	18.0 %
Kansas Highway Patrol	714,266	773,811	59,545	8.3 %
Kansas Department for Aging and Disability Services	655,820	706,002	50,182	7.7 %
All Other Agencies	5,765,908	5,830,579	64,671	1.1 %
TOTAL	\$ 37,202,815	\$ 40,453,863	\$ 3,251,048	8.0 %

Staff Note: According to OITS the figures provided were calculated using quantities of services based on usage as of April 2021 and fluctuate based on agency need. Additionally they do not include all charges an agency may incur from OITS, such as direct billings, security services level agreements, Chief Information Officer payroll and other miscellaneous charges that are not directly associated with rated service.

¹ These rates were published in FY 2021.

² These rates were revised in FY 2022.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 15

EXPENDITURES AND FTE POSITIONS BY PROGRAM (ALL FUNDS), FY 2021 – FY 2023

Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration*	\$ 9,808,063	\$ 5,539,794	\$ 5,539,794	\$ 5,332,463	\$ 5,332,463
Business Productivity Tools (O365)	5,438,862	7,958,679	7,958,679	7,955,449	7,955,449
Hosted Services	14,034,512	14,765,291	14,765,291	14,449,388	14,449,388
Kansas Information Security Office	4,243,355	4,311,004	4,311,004	5,101,444	5,101,444
Kansas Information Technology Office	503,377	836,128	836,128	944,206	944,206
Network and Telecommunication*	12,808,456	12,708,450	12,708,450	12,706,465	12,706,465
Professional Services	3,631,857	3,795,790	3,795,790	3,760,795	3,760,795
Direct Billed Services	16,383,407	5,915,000	5,915,000	5,500,000	5,500,000
TOTAL	\$ 66,851,889	\$ 55,830,136	\$ 55,830,136	\$ 55,750,210	\$ 55,750,210
FTE Positions**:					
Administration	30.0	30.0	30.0	30.0	30.0
Business Productivity Tools (O365)	6.0	7.0	7.0	7.0	7.0
Hosted Services	6.0	5.0	5.0	7.0	7.0
Kansas Information Security Office	17.0	17.0	17.0	17.0	17.0
Kansas Information Technology Office	6.0	6.0	6.0	6.0	6.0
Network and Telecommunication	23.0	23.0	23.0	23.0	23.0
Professional Services	25.0	27.0	27.0	27.0	27.0
Direct Billed Services	-	-	-	-	-
TOTAL	113.0	115.0	115.0	117.0	117.0

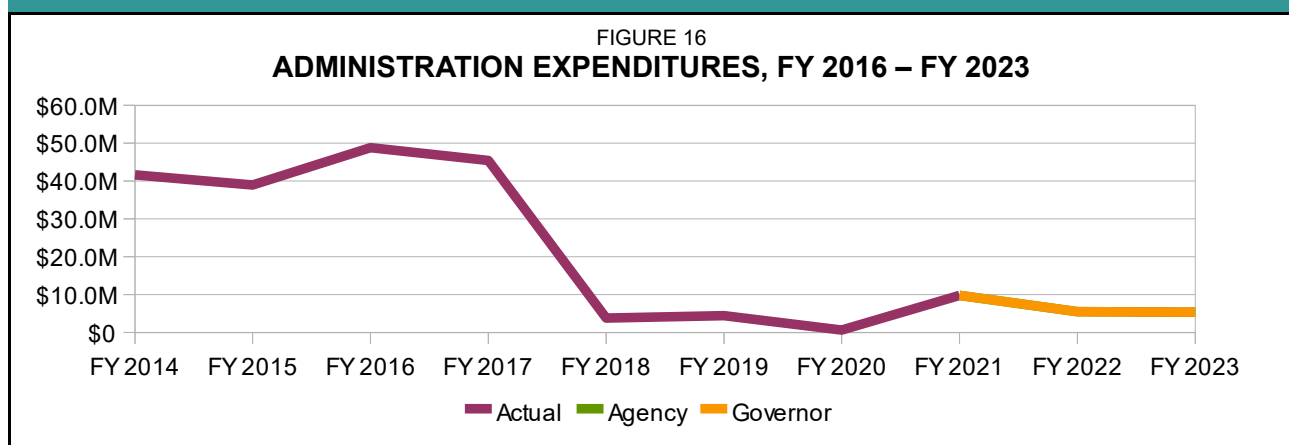
*Program receives SGF.

**All FTE positions are funded with off-budget funds.

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



Staff note: In FY 2014 and FY 2015, the OITS budget was presented as part of the Department of Administration (DoA). In FY 2016 and FY 2017, the budget was presented independently from DoA. In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. As a result, the graph above depicts all of the agency's expenditures between FY 2014 and FY 2017 as occurring within the Administration subprogram before being spread across programs created after OITS began budgeting as an individual agency.

STATUTORY BASIS: • KSA 75-4701 *et seq.*, 75-4703, 75-7201 *et seq.*

PROGRAM GOALS: • Facilitate strategic development of vision, mission and roadmap for OITS.
• Ensure administrative and operational needs of OITS are met including human resources, finance, contract and vendor management, asset management, project management and agency communication.

The Administration program establishes the vision for the Office of Information Technology Services and works with each department to ensure agency operations meet needs related to travel, human resources, finance, contract management, and agency communication.

The Geographic and Information Services subprogram within the Administration program works to ensure a technological environment where geographical information systems (GIS) are recognized as an integral and indispensable tool for government and businesses to serve

the information needs of citizens and customers. Kansas provides a broad contingency of GIS users with open access to complete and accurate framework data with appropriate guidelines to protect individual privacy and other sensitive information. The Kansas GIS Policy Board formed a cooperative relationship with the Federal Geographic Data Committee (FGDC) by becoming a Cooperating Partner of the FGDC in support of the National Spatial Data Infrastructure, resulting in the establishment of the Data Access and Support Center.

FIGURE 17
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.% of requested EB agencies submitting 3-year IT plans*	91.8 %	87.1 %	59.6 %	95.0 %	100.0 %
2.Number of contracts and RFPs executed*	19	2	13	15	15
3.Employee turnover rate*	18.8 %	23.7 %	--	18.0 %	18.0 %
4.Number of OITS projects*	526	10	14	18	18
5.% of A/P Invoices Paid on Time*	99.8 %	100.0 %	99.8 %	100.0 %	100.0 %

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ 1,728,850		\$ 190	\$ -
Federal Funds	-	2,065,484		-	-
All Other Funds	48,544	-		43,000	43,000
<i>Subtotal-On Budget</i>	<u>\$ 48,544</u>	<u>\$ 3,794,334</u>		<u>\$ 43,190</u>	<u>\$ 43,000</u>
Off-Budget	6,605,513	6,013,729		5,496,604	5,289,463
GRAND TOTAL	<u>\$ 6,654,057</u>	<u>\$ 9,808,063</u>		<u>\$ 5,539,794</u>	<u>\$ 5,332,463</u>
Percentage Change:					
SGF	(100.0) %	-- %		(100.0) %	(100.0) %
All Funds	48.2 %	47.4 %		(43.5) %	(3.7) %
FTE Positions	28.0	30.0		30.0	30.0

*The Governor's Office does not utilize this measure for evaluation purposes.

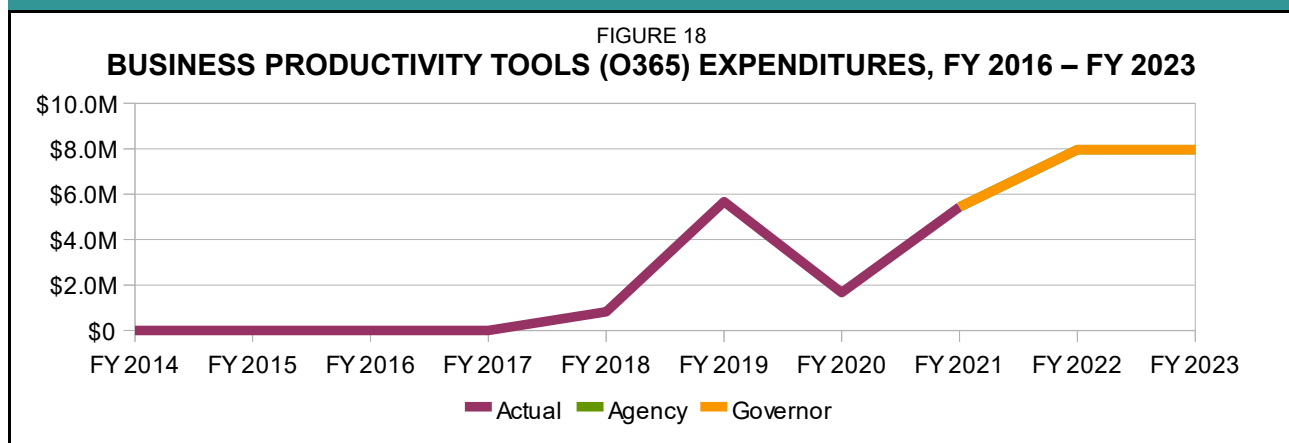
BUDGET ANALYSIS

The agency requests FY 2023 Administration program expenditures of \$5.3 million, all from special revenue funds. The request includes \$5.3 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$207,331, or 3.7 percent, below the FY 2022 revised estimate. The decrease can primarily be attributed to the elimination of one-

time expenditures present in the FY 2022 revised estimate for the agency's Servicenow upgrade, and implementation of Apptio's "Bill of IT" functionality (\$200,000).

The **Governor** concurs with the agency request for the Administration program in FY 2022 and for FY 2023.

BUSINESS PRODUCTIVITY TOOLS (O365)



Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • KSA 75-4701 *et seq.*, 75-4703

PROGRAM GOALS:

- Provide secure, standardized, and redundant email services for Executive Branch agency customers.
- Provide secure, standardized, and redundant collaboration services (Teams/SharePoint) for Executive Branch agency customers.
- Provide standardized email and a collaboration feature set for Executive Branch agency customers.

The Business Productivity Tools (O365) program is responsible for providing a redundant, hosted email and collaboration platform built and hosted by Microsoft in a secure multi-tenant solution. These services replace the Exchange Email service and other email systems operated by individual state agencies. Microsoft offers various plans based on customer needs.

FIGURE 19
BUSINESS PRODUCTIVITY TOOLS (O365), PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of time O365 is available	100.0 %	100.0 %	100.0 %	99.9 %	99.9 %
2. Number of O365 users*	17,700	19,681	18,302	19,681	19,681
3. Teams Meetings hosting in O365*	N/A	264,000	--	250,000	250,000
4. Collaboration Teams Sites*	N/A	1,471	--	1,500	1,500
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 250,187	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal-On Budget</i>	<i>\$ 250,187</i>	<i>\$ -</i>		<i>\$ -</i>	<i>\$ -</i>
Off-Budget	1,416,542	5,438,862		7,958,679	7,955,449
GRAND TOTAL	\$ 1,666,729	\$ 5,438,862		\$ 7,958,679	\$ 7,955,449
Percentage Change:					
SGF	(91.6) %	(100.0) %		-- %	-- %
All Funds	(70.6) %	226.3 %		46.3 %	(0.0) %
FTE Positions	8.0	6.5		7.0	7.0

*The Governor's Office does not utilize this measure for evaluation purposes.

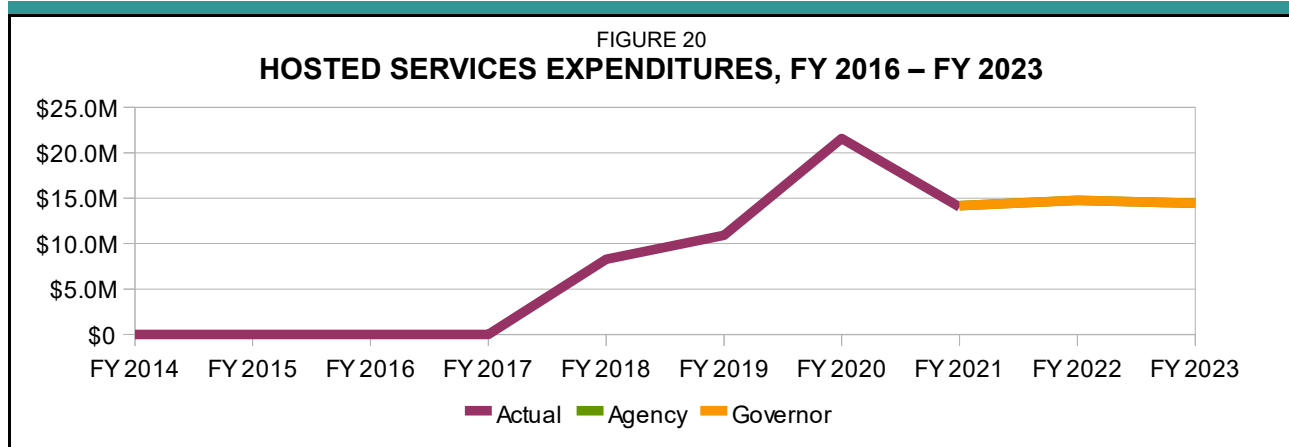
BUDGET ANALYSIS

The agency requests FY 2023 Business Productivity Tools (O365) expenditures of \$8.0 million, all from special revenue funds, which is \$3,230, or less than 0.0 percent, below the FY 2022 revised estimate. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The Business Productivity Tools program

request also includes 7.0 FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for the Business Productivity Tools program in FY 2022 and for FY 2023.

HOSTED SERVICES



Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • KSA 75-4701 *et seq.*, 75-4703

PROGRAM GOALS:

- Provide secure, standardized, and redundant mainframe services for Executive Branch agency customers through a partner solution.
- Provide secure, standardized, and redundant managed data center services for Executive Branch agency customers through a partner solution.
- Provide secure and standardized data center hosting services for State of Kansas agency customers in the Eisenhower State Office Building.
- Provide standardized Microsoft Azure public cloud guidance and support for Executive Branch agency customers.

The Hosted Services program provides data center hosting services and manages usage of the state mainframe for customers.

In 2017, the agency contracted with Unisys to provide data center hosting facilities, which would centralize most existing physical and virtual environments into a more secure environment. The contract with Unisys includes hardware, virtual machines, server operating systems, and associated support and administration, including a backup solution for data recovery and 24/7 monitoring of the environment. Moreover, services provided by Unisys are consumption-based and will provide a predictable cost model for future expenses. The agency indicates migration to the Unisys environment will centralize existing physical and virtual environments in a more secure data

center ecosystem, improving attention to hardware and system maintenance; reliability and performance of state applications; and an improved information security posture for the State of Kansas.

In CY 2018, the agency began migrating state data centers to Unisys. In CY 2019, however, the agency notes it took a strategic pause in migration activities upon discovering three performance-impacting issues attributable to the age and complexity of the State's network. Accordingly, the agency requests additional funding in FY 2020 and for FY 2021 to resolve the network infrastructure issues preventing migration activities. The migration project resumed in August 2020 and was completed in late CY 2021.

FIGURE 21
HOSTED SERVICES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of time mainframe service is available	100.0 %	100.0 %	100.0 %	99.9 %	99.9 %
2. Average percentage of utilization of mainframe CPU*	52.0 %	40.0 %	56.0 %	40.0 %	40.0 %
3. Average percentage of utilization of mainframe storage	64.0 %	72.0 %	72.0 %	70.0 %	70.0 %
4. Percent of successfully completed mainframe backup jobs	95.0 %	95.0 %	95.0 %	95.0 %	95.0 %
5. Average communication line latency to Unisys DCaaS (minutes)*	22	4	--	4	4
6. Percentage of time Unisys DCaaS is available*	N/A	N/A	--	100.0 %	100.0 %
7. Percentage of time Microsoft Azure is available*	N/A	N/A	--	99.5 %	99.5 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 14,360,840	\$ 5,400,000		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal-On Budget</i>	<i>\$ 14,360,840</i>	<i>\$ 5,400,000</i>		<i>\$ -</i>	<i>\$ -</i>
Off-Budget	7,205,475	8,634,512		14,765,291	14,449,388
GRAND TOTAL	\$ 21,566,315	\$ 14,034,512		\$ 14,765,291	\$ 14,449,388
Percentage Change:					
SGF	367.6 %	(62.4) %		(100.0) %	-- %
All Funds	97.2 %	(34.9) %		5.2 %	(2.1) %
FTE Positions	7.0	6.5		5.0	7.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

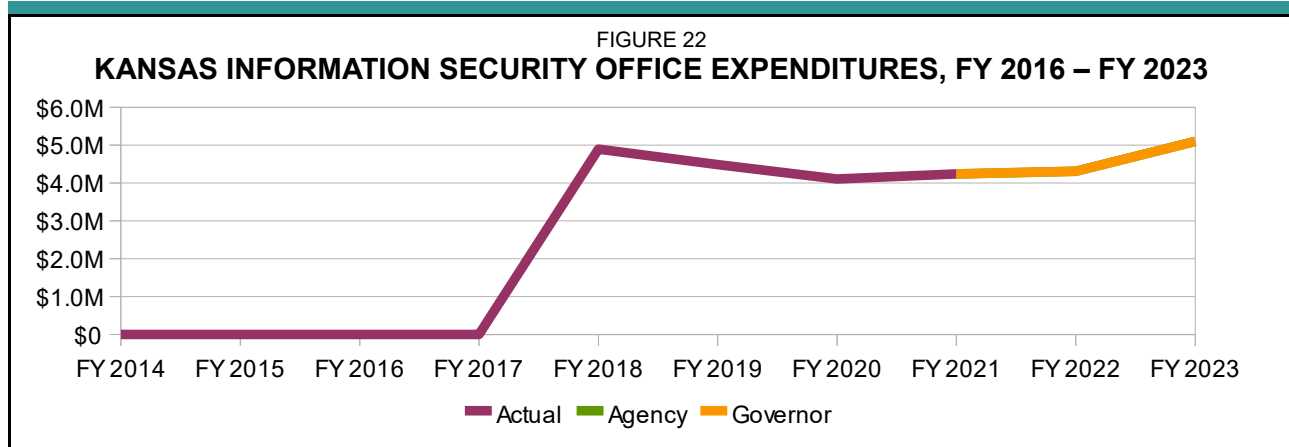
The agency requests FY 2023 Hosted Services program expenditures of \$14.4 million, all from special revenue funds. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$315,903, or 2.1 percent, from the FY 2022 revised estimate. The decrease can primarily be attributed to a change in the contract rate for operation of the Unysis Data Center (\$200,000), reduced rent payments resulting from ceasing operation of the Landon State Office Building Data Center (\$150,000), and the

elimination of a one-time purchase of a vehicle (\$25,000). The request also includes an increase in salaries and wages (\$87,693) and associated benefits (\$65,368).

The Hosted Services program request also includes 7.0 FTE positions for FY 2023, which is an increase of 2.0 FTE positions above the FY 2022 revised estimate amount.

The **Governor** concurs with the agency request for the Hosted Services program in FY 2022 and for FY 2023.

KANSAS INFORMATION SECURITY OFFICE



Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • KSA 75-7236 through 75-7243

PROGRAM GOALS:

- Continue to ensure KISO staff is prepared for and can quickly response to critical events to ensure that they do not become full blown cybersecurity incidents.
- Continue to drive a cybersecurity aware culture among State of Kansas employees through various education and awareness campaigns. These efforts will ultimately culminate in a lower risk to the State of Kansas by reducing employee susceptibility to phishing attacks.
- Continue to raise awareness of cybersecurity standards and practices to raise the State of Kansas cyber hygiene. The results of the efforts will lead to a better cyber risk rating.

The Kansas Information Security Office (KISO) program works to ensure the State's digital transformation is achieved in a secure manner. Accordingly, KISO provides technical and nontechnical IT security services for state agencies. Technical services include management of firewalls, intrusion prevention systems, forensics, security information, and event management, while nontechnical services include information security officers as a service, audits, and security consulting. KISO provides the following services:

ENTERPRISE SECURITY SERVICES (ESS). KISO provides security for connections to and use of the KanWIN network, including support for hardware, software, and licensing. Common expenses include technician time, which includes security engineering, network monitoring, review logging, incident response and security control installation, and operation and maintenance services. Expenses are currently included in the NTS connection rate, but the agency indicates a dedicated ESS rate has been establish for use in future fiscal years.

SECURITY CONSULTING SERVICES (SCS). KISO provides security engineering and technical support services for state agencies and, where applicable, local units of government. Services are provided on an hourly basis and include support for security controls, such as firewalls, intrusion prevention, and vulnerability scanning.

INFORMATION SECURITY OFFICER SERVICES (ISO). KISO provides a number of services, including security policy development and maintenance, information security risk assessment, compliance management, disaster recovery and business continuity planning assistance, development of digital incident management and response, configuration management, cybersecurity awareness and training, and continuous monitoring services. Accordingly, KISO functions as the State's point of contact with federal and national IT security organizations with regard to cybersecurity issues affecting local units of government. Expenses are based on service level

agreements and are based on the size and complexity of the customer organization.

TECHNICAL SECURITY SERVICES (TSS). KISO provides a number of technical services, including custom vulnerability scanning and reporting, firewall management, managed intrusion detection and prevention, log management and continuous monitoring, security consulting, and engineering services. Though these services may be provided separately, they are frequently provided alongside KISO offerings.

Expenses are based on service level agreements and are based on the size and complexity of the customer organization.

CENTRAL ACTIVE DIRECTORY SECURITY SERVICES (CADSS). KISO provides a variety of select security services for organizations part of the OITS Central Active Directory Solution. Services include vulnerability scanning, firewall management, managed intrusion detection and prevention, web content filtering, log management, and continuous monitoring services. Expenses are currently included in the Professional Services network user rate.

FIGURE 23 KANSAS INFORMATION SECURITY OFFICE, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Respond to high priority incidents/requests within 8 hours per Service Level Agreements 100% of the time*	N/A	100.0 %	--	100.0 %	100.0 %
2. Yearly ticket resolution should be no less than 90% of the yearly opened*	90.0 %	95.0 %	92.0 %	93.0 %	93.0 %
3. Achieve and maintain a 3% "phished" rate in email security testing of service participating agency state employees*	6.0 %	6.0 %	6.7 %	4.0 %	3.0 %
4. Maintain a minimum information risk rating of 730 for state government agencies*	680	730	683	750	760
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal-On Budget</i>	<i>\$ -</i>	<i>\$ -</i>		<i>\$ -</i>	<i>\$ -</i>
Off-Budget	4,105,146	4,243,355		4,311,004	5,101,444
GRAND TOTAL	\$ 4,105,146	\$ 4,243,355		\$ 4,311,004	\$ 5,101,444
Percentage Change:					
SGF	--%	-- %		-- %	-- %
All Funds	(8.5) %	3.4 %		1.6 %	18.3 %
FTE Positions	17.0	17.0		17.0	17.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The agency requests FY 2023 Kansas Information Security Office (KISO) program expenditures of \$5.1 million, all from special revenue funds. The request includes only off-budget expenditures, which are categorized as

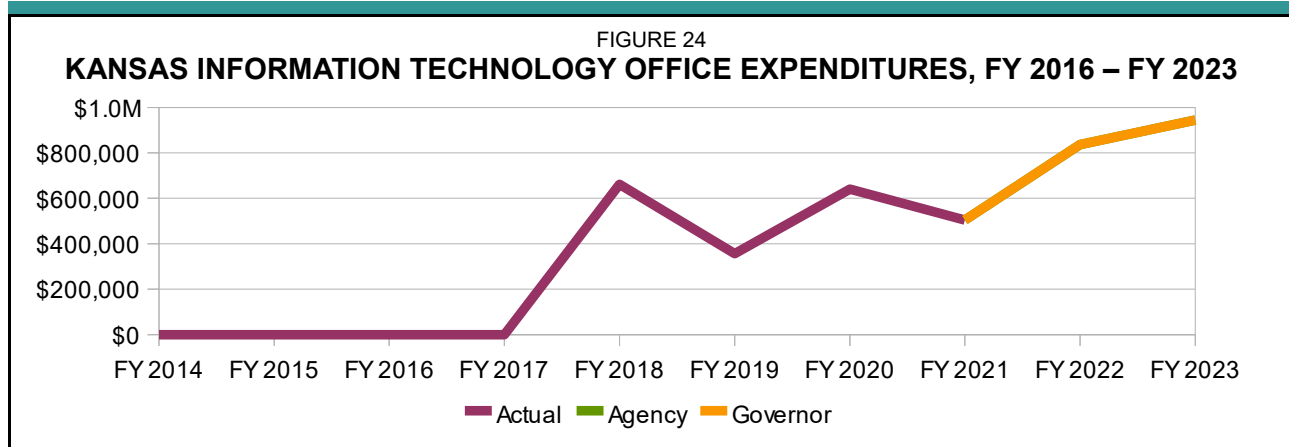
such to avoid double counting payments from one state agency to another. The request is an all funds increase of \$790,440, or 18.3 percent, above the FY 2022 revised estimate. The increase can primarily be attributed to the three-

year license renewal for IT security services provided by the vendor, Splunk (\$800,000). These licenses were last renewed in FY 2020. The KISO program request also includes 17.0

FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for the KISO program in FY 2022 and for FY 2023.

KANSAS INFORMATION TECHNOLOGY OFFICE



Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018..

STATUTORY BASIS: • KSA 75-7204, 75-7201 *et seq.*

PROGRAM GOALS:

- Review project submissions for completeness and facilitate CITO review/approval within 20 days of agency submission.
- Promote Project Management best practices by facilitating regular offerings of the Kansas Project Management Methodology Certification class and by supporting participants throughout the certification.
- Promote and provide training for the Accessibility Management Platform (AMP) for agency use when modifying a website.

The Kansas Information Technology Office (KITO), also known as the Enterprise Project Management Office, supports the statutory responsibilities of the Executive, Judicial, and Legislative Branch Chief Information Technology Officers (CITOs) and the Chief Information Technology Architect (CITA). KITO responsibilities include providing oversight of IT projects as outlined in statute, Information Technology Executive Council (ITEC) policies, and Joint Committee on Information Technology (JCIT) guidelines. Services provided by the KITO include IT project management and

assistance to state agencies, including project planning assistance; review of requests for proposals (RFPs) prior to release; project execution, monitoring, and reporting; and training.

In FY 2021, the KITO implemented an automated IT strategic planning system for state agencies. The system provides for the automated planning of IT expenditures within a three-year budgetary time frame, providing a more streamlined view of IT needs throughout the State of Kansas.

FIGURE 25
KANSAS INFORMATION TECHNOLOGY OFFICE, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Project plans are reviewed, and approval provided to the agency within 20 days of receipt*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
2. Number of participants successfully completing certification in the Kansas Project Management Methodology Certification class*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

3. Number of agencies running the Accessibility Management Platform (AMP)*	71.0 %	66.0 %	72.0 %	75.0 %	75.0 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal-On Budget</i>	\$ -	\$ -		\$ -	\$ -
Off-Budget	640,247	503,377		836,128	944,206
GRAND TOTAL	\$ 640,247	\$ 503,377		\$ 836,128	\$ 944,206
Percentage Change:					
SGF	--%	-- %		-- %	-- %
All Funds	79.7 %	(21.4) %		66.1 %	12.9 %
FTE Positions	5.5	5.5		6.0	6.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

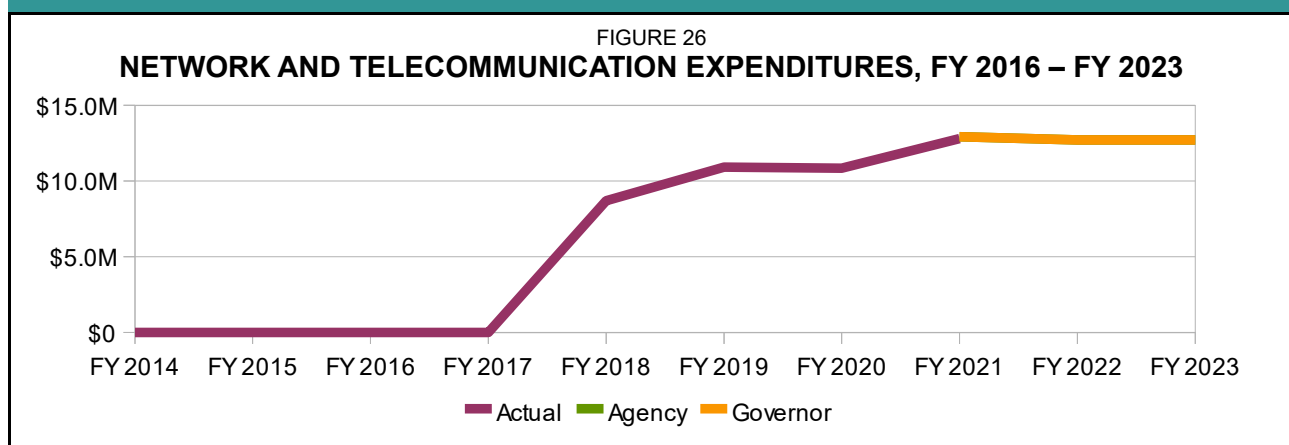
The agency requests FY 2023 Kansas Information Technology Office (KITO) expenditures of \$944,206, all from special revenue funds. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds increase of \$108,078, or 12.9 percent, above the FY 2022 revised estimate. The increase can be attributed to the purchase of additional Servicenow licenses (\$50,000), and

unclassified regular wages (\$41,601) and associate fringe benefit costs (\$16,477).

The KITO program request also includes 6.0 FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for the KITO program in FY 2022 and for FY 2023.

NETWORK AND TELECOMMUNICATION



Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • KSA 75-4709 *et seq.*, 75-4701 *et seq.*, 75-4703

PROGRAM GOALS:

- Provide secure, standardized, and redundant local, metro, and wide area network (LAN, MAN, WAN) services for State of Kansas Agency customers.
- Provide standardized network circuits across the State of Kansas to allow for secured communication between agency customers.
- Provide secure, standardized, and redundant voice over internet protocol (VoIP) telephone services for State of Kansas agency customers.

The Network and Telecommunication (NTS) program provides state agencies with communications services, including daytime telephone and network services; after-hours support and monitoring; off-hour batch job processing for the Statewide Management, Accounting and Reporting Tool (SMART), the Statewide Human Resources and Payroll (SHARP) system, and mainframe operations; and security and environmental monitoring of on-site and off-site data centers. NTS offerings are facilitated by an infrastructure consisting of more than 7.0 million feet of cable, roughly the same distance as driving from Topeka to Los Angeles, California.

NTS operates the Kansas Wide-Area Information Network (KanWIN), the single largest internet protocol network in the State of Kansas. Its staff ensures 24/7 monitoring and response capabilities, as well as the routine planning, expansion, repair, and maintenance of the State's primary network. KanWIN

currently services all three branches of government through 17,000 data jacks at more than 1,500 locations worldwide and wireless connectivity at more than 60 locations statewide. In addition to managing internet connectivity and switching equipment to state facilities, NTS also provides for network engineering, firewall management, load balancers, and routers. NTS also provides domain name services for ks.gov, kansas.gov, and more than 50 other domains throughout the state.

NTS also provides state agencies with telecommunications services, including Voice over Internet Protocol (VoIP) technology, which provides a combined voice and data solution sharing a common network infrastructure. Additional services include voicemail and automated call distribution. Coverage currently includes more than 10,000 voice handsets throughout state offices and call centers.

FIGURE 27					
NETWORK AND TELECOMMUNICATION, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Percentage of network uptime in the capitol*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
2.Percentage of network uptime in the metropolitan*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
3.Percentage of network uptime in the wide area*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
4.Percentage of uptime in the voice environment*	98.1 %	99.9 %	- -	99.9 %	99.9 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 232,583	\$ 4,500,000		\$ 4,250,000	\$ 4,250,000
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal-On Budget	\$ 232,583	\$ 4,500,000		\$ 4,250,000	\$ 4,250,000
Off-Budget	10,856,498	8,308,456		8,456,465	8,456,465
GRAND TOTAL	\$11,089,081	\$ 12,808,456		\$ 12,706,465	\$ 12,706,465
Percentage Change:					
SGF	-- %	1,834.8 %		(5.6) %	-- %
All Funds	1.7 %	15.5 %		(0.8) %	-- %
FTE Positions	21.0	22.7		23.0	23.0

*The Governor's Office does not utilize this measure for evaluation purposes.

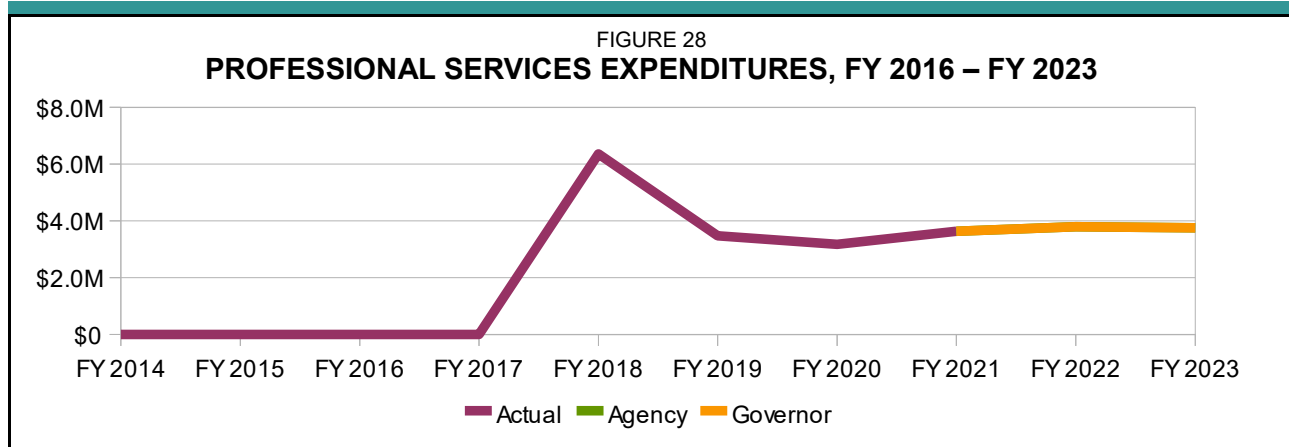
BUDGET ANALYSIS

The agency requests FY 2023 Network and Telecommunication program expenditures of \$12.7 million, including \$4.3 million SGF. The request includes \$8.5 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is a decrease of \$1,985, or less than 0.1 percent, below the FY 2022 revised estimate for both on and off-budget items.

The Network and Telecommunications program request also includes 23.0 FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for the Network and Telecommunication program in FY 2022 and for FY 2023.

PROFESSIONAL SERVICES



Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • KSA 75-4701 *et seq.*, KSA 75-4703

PROGRAM GOALS: • Reduce customer wait time at OITS and across all agencies that use our services.
• Continue to support non-cabinet agencies with quality support.

The Professional Services program is composed of high-performance teams that provide technical support to various state agencies that fulfill statutory requirements for the State of Kansas. These services are supported through rates developed to recover operating costs. Presently, the agency offers the following services through this program:

USER SERVICES. This service is responsible for supporting the gateway for end-user access via a user account. This service provides management for several resources such as: software, user accounts, user security, shared file permissions, and end-user device management for desktops, mobile devices and printers. This service also works with the Data Center as a Service vendor to provide oversight of OITS Professional Services managed servers in vendor-hosted environment.

UNIFIED ENDPOINT MANAGEMENT (UEM). This service provides the ability to remotely manage endpoint devices in a modern, secure setting encompassing one management portal. This portal has the capability for delegated access for all O365-tenet agencies to manage their own end-user devices through one unified application. The product that is being utilized is Microsoft Intune,

which works in conjunction with the O365-tenet licensing system.

DESKTOP-AS-A-SERVICE (DTAAS). This area functions as a liaison between the DtaaS vendor(s) and State agencies. They work closely with the DtaaS vendor to ensure service level agreements are being met and work with agencies to provide accurate forecasting of device requirements and availability. They also coordinate licensing of O365 select products (such as Visio, Project, and Teams) as well as other enterprise licensed third-party applications.

CONSOLIDATED IT SERVICE DESK. The consolidated service desk is the first point of contact for IT communications for all Executive Branch state agencies. Each incident and service request is categorized and prioritized for resolution, and the Service Desk team will provide the initial investigation and diagnosis of incidents, escalating to the appropriate IT support team when necessary. These responsibilities continue through the duration of the incident, and closure of the incident ticket does not occur until the user is satisfied that their service has been restored to normal service levels.

OTHER SERVICE OFFERINGS.

Professional Services also offers a variety of miscellaneous functions, including GovDelivery by Granicus (a digital communication suite), which is used to send emails and digital newsletters to specific groups; Windows Update

Service, which provides an environment where state agencies can update servers and desktops with the latest Microsoft updates; and Professional Technical Services, which provides technician support to state agencies.

FIGURE 29 PROFESSIONAL SERVICES, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Service Desk hold time less than or equal to 2 minutes	99.0 %	99.0 %	--	99.0 %	99.0 %
2.Number of tickets closed by Client Services team *	N/A	20,959	--	21,000	21,000
3.Number of non-Cabinet agencies receiving services from the Client Services*	14	16	14	17	17
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ (2,401)		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal-On Budget	\$ -	\$ (2,401)		\$ -	\$ -
Off-Budget	3,178,681	3,634,258		3,795,790	3,760,795
GRAND TOTAL	\$ 3,178,681	\$ 3,631,857		\$ 3,795,790	\$ 3,760,795
Percentage Change:					
SGF	(100.0) %	-- %		(100.0) %	-- %
All Funds	(8.6) %	14.3 %		4.5 %	(0.9) %
FTE Positions	27.0	25.0		27.0	27.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

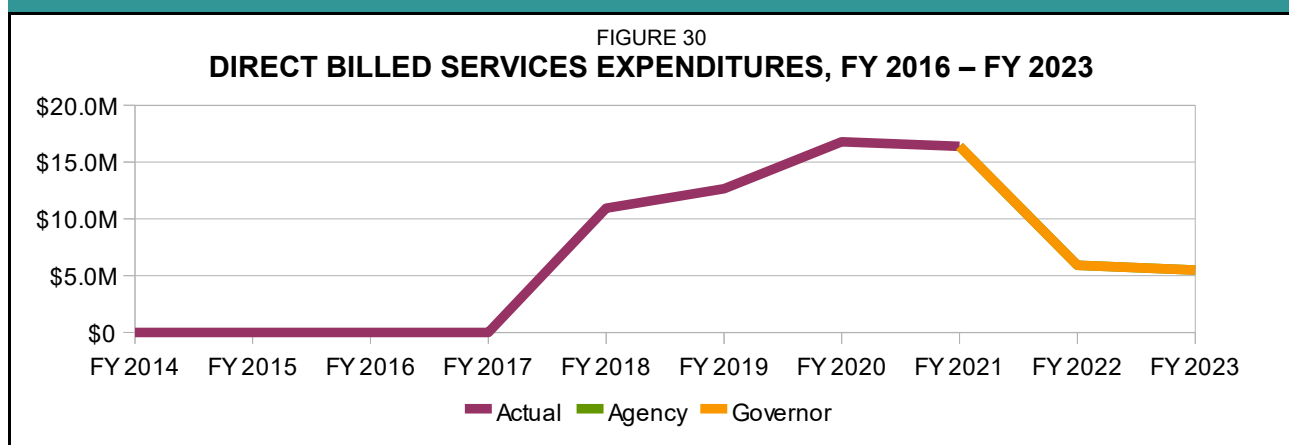
The agency requests FY 2023 Professional Services program expenditures of \$3.8 million, all from special revenue funds. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$34,995, or 0.9 percent, below the FY 2022 revised estimate. The decrease can be attributed to elimination of the purchase of a vehicle (\$25,000) for OITS staff to travel to service calls and adjustments for fringe benefits (\$15,097. The decrease is partially offset by

increased expenditures for group health insurance (\$9,796).

The Professional Services program request also includes 27.0 FTE positions for FY 2023, which is the same as the FY 2022 revised estimate number.

The **Governor** concurs with the agency request for the Professional Services program in FY 2022 and for FY 2023.

DIRECT BILLED SERVICES



Staff note: In FY 2018, OITS was separated from DoA and began budgeting as an individual state agency. Prior to this, all expenditures are shown as occurring within the agency's Administration program, resulting in the graph above appearing as if there were no expenditures for this program until FY 2018.

STATUTORY BASIS: • No statutory basis was submitted for this program.

PROGRAM GOALS: • No goals were submitted for this program.

The Direct Billed Services program allows for OITS to bill costs directly to state agencies and is not part of a monthly billing rate. Upon establishment in 1972, the Division of Information Systems and Communications (now OITS) was charged with providing data processing services for other divisions,

departments, and agencies of the State. Expenditures for this program are expected to increase as more state agencies utilize desktop as a service. Accordingly, the agency began eliminating some rates and now bills costs directly to customers.

FIGURE 31
DIRECT BILLED SERVICES, PERFORMANCE MEASURES

No performance measures were submitted for this program

	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ 505,189	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal-On Budget</i>	<u>\$ 505,189</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>
Off-Budget	16,269,581	16,383,407		5,915,000	5,500,000
GRAND TOTAL	<u>\$16,774,770</u>	<u>\$16,383,407</u>		<u>\$5,915,000</u>	<u>\$5,500,000</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	32.4 %	(2.3) %		(63.9) %	(7.0) %
FTE Positions	--	--		--	--

BUDGET ANALYSIS

The agency requests FY 2023 Direct Billed Services program expenditures of \$5.5 million, all from special revenue funds. The request includes only off-budget expenditures, which

are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$415,000, or 7.0 percent, below the FY 2022

revised estimate. The decrease can be attributed to reduced expenditures on certain commodities the agency purchases on behalf of other state agencies, such as software licenses, cables, and other electronic equipment.

The Direct Billed Services program request does not include any FTE positions for FY 2023.

The **Governor** concurs with the agency request for the Direct Billed Services program in FY 2022 and for FY 2023.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	217,615	-	-	-	-
All Other Funds	50,468,187	63,113,341	63,113,341	67,680,426	67,680,426
<i>Subtotal</i>	<u>\$ 50,685,802</u>	<u>\$ 63,113,341</u>	<u>\$ 63,113,341</u>	<u>\$ 67,680,426</u>	<u>\$ 67,680,426</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 50,685,802</u>	<u>\$ 63,113,341</u>	<u>\$ 63,113,341</u>	<u>\$ 67,680,426</u>	<u>\$ 67,680,426</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	4.5 %	24.5 %	24.5 %	7.2 %	7.2 %
FTE Positions	98.4	98.4	98.4	98.4	98.4

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

Pursuant to KSA 74-4901, the Kansas Public Employees Retirement System (KPERS) is to "provide an orderly means whereby employees of the participating employers who have attained retirement age as herein set forth may be retired from active service without prejudice and without inflicting a hardship upon the employees retired and to enable such employees to accumulate reserves for themselves and their dependents to provide for old age, death and termination of employment, and for the purpose of effecting economy and efficiency in the administration of governmental affairs."

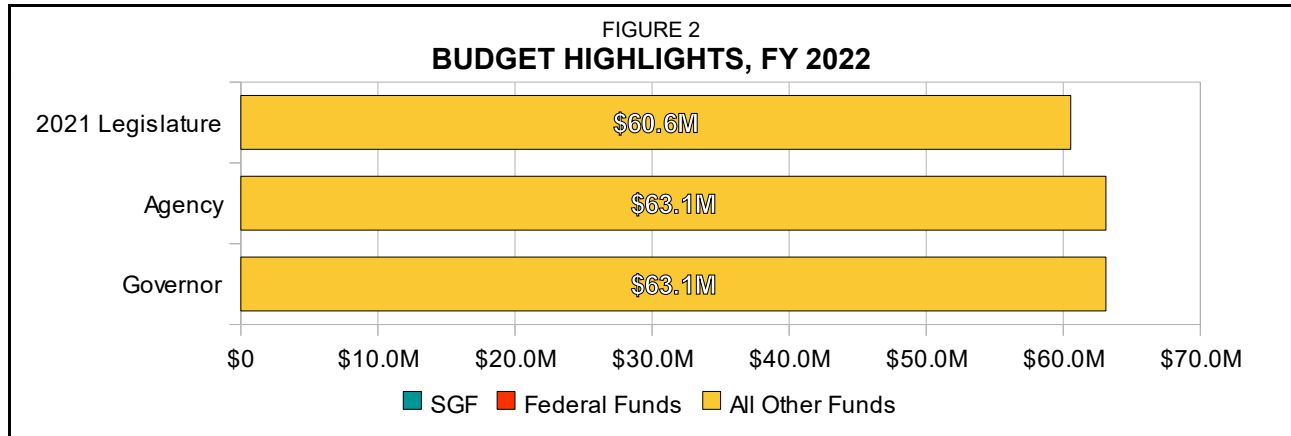
KPERS administers three statewide coverage groups: **KPERS–State**, **KPERS–School**, and **KPERS–Local** (for regular state and local public employees, school district, technical college, and community college employees; Regents classified employees and certain Regents unclassified staff with pre-1962 service; and state correctional officers); the **Kansas Police and Firemen's Retirement System** (for certain designated state and local public safety employees); and the **Kansas Retirement System for Judges** (for the State's judicial system judges and justices). All coverage groups are defined benefit, contributory retirement plans and have most public employees in Kansas as members. KPERS also administers other employee benefit programs, including the State Deferred Compensation program; a public employee death and long-term disability benefits plan; an optional term life insurance program; a Kansas City, Kansas, annuitant program; and a legislative session-only employees retirement program.

KPERS also performs duties beyond the retirement system in managing investments of non-KPERS moneys that include two funds: the Kansas Endowment for Youth Fund and the Treasurer's Unclaimed Property Fund. A nine-member Board of Trustees is the governing body for KPERS. Four members are appointed by the Governor and confirmed by the Senate, one member is appointed by the President of the Senate, one member is appointed by the Speaker of the House of Representatives, two members are elected by KPERS members, and one member is the

State Treasurer. The Board appoints the Executive Director, who administers the agency operations for the Board.

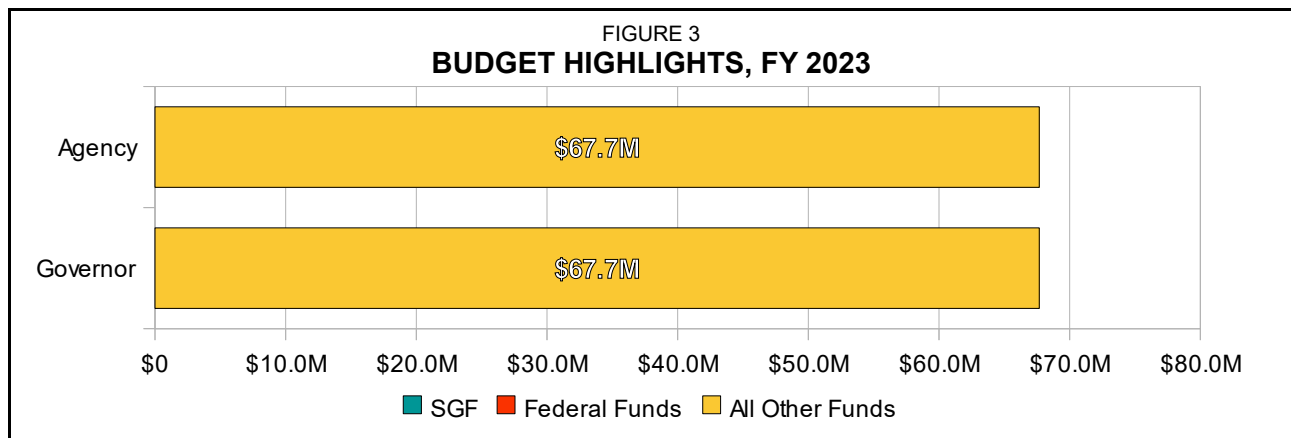
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$60.6 million, including \$59.7 million from the Kansas Public Employees Retirement Fund, for the Kansas Public Employees Retirement System for FY 2022. No adjustments have been subsequently made to that amount.



The **agency** submits a revised estimate of \$63.1 million in expenditures and 98.4 FTE positions in FY 2022, including \$62.2 million from the Kansas Public Employees Retirement Fund. This represents an increase of \$2.6 million, or 4.2 percent, above the amount approved by the 2021 Legislature. The revised estimate includes an increase of \$2.6 million in expenditures from the Kansas Public Employees Retirement Fund for **investment management expenses**. Each year, the submitted budget assumes a 7.75 percent return, with associated investment management expenses. When the system's investment portfolio experiences higher returns, investment-related expenses also increase.

The **Governor** concurs with the agency's revised estimate and recommends \$63.1 million in expenditures and 98.4 FTE positions in FY 2022.



The **agency** requests \$67.7 million in expenditures and 98.4 FTE positions for FY 2023, including \$66.8 million from the Kansas Public Employees Retirement Fund. This represents an increase of \$4.6 million, or 7.2 percent, above the agency's revised estimate in FY 2022. The request includes an increase of \$2.6 million in expenditures for modernization of the **pension**

administration system. For FY 2023, the agency has budgeted \$9.2 million for the project, with increased costs included for contractual expenditures with the company Sagitec as it develops the new system. Major efforts include employer web portal updates, administration system upgrades, business process management, data profiling and cleaning, and development of the member web portal. The request also includes an increase of \$1.8 million in expenditures from the Kansas Public Employees Retirement Fund for **investment management expenses**. Each year, the submitted budget assumes a 7.75 percent return, with associated investment management expenses. When the system's investment portfolio experiences higher returns, investment-related expenses also increase.

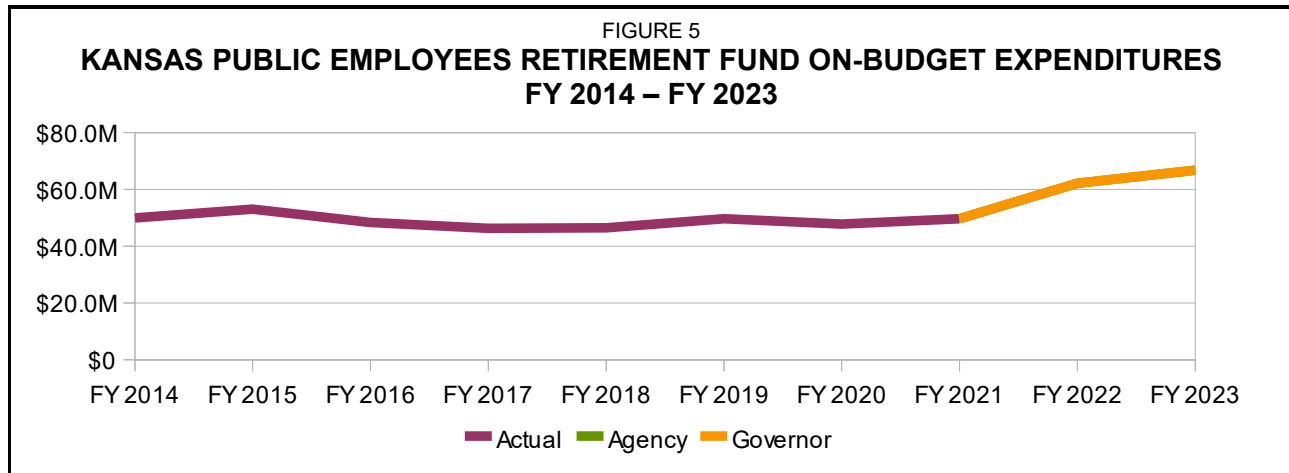
The **Governor** concurs with the agency request and recommends \$67.7 million in expenditures and 98.4 FTE positions for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 12,171,574	\$ 13,831,217	\$ 13,831,217	\$ 13,825,079	\$ 13,825,079
Contractual Services	37,560,905	48,657,174	48,657,174	53,230,397	53,230,397
Commodities	83,585	124,950	124,950	124,950	124,950
Capital Outlay	790,988	500,000	500,000	500,000	500,000
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 50,607,052	\$ 63,113,341	\$ 63,113,341	\$ 67,680,426	\$ 67,680,426
Aid to Local Units	-	-	-	-	-
Other Assistance	78,750	-	-	-	-
Subtotal—Operating	\$ 50,685,802	\$ 63,113,341	\$ 63,113,341	\$ 67,680,426	\$ 67,680,426
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 50,685,802	\$ 63,113,341	\$ 63,113,341	\$ 67,680,426	\$ 67,680,426
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
KPER Fund	49,698,035	62,196,901	62,196,901	66,760,405	66,760,405
Deferred Comp. Fund	451,773	581,216	581,216	584,810	584,810
Group Ins. Res. Fund	318,379	335,224	335,224	335,211	335,211
Federal Funds	217,615	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 50,685,802	\$ 63,113,341	\$ 63,113,341	\$ 67,680,426	\$ 67,680,426
FTE Positions	98.4	98.4	98.4	98.4	98.4

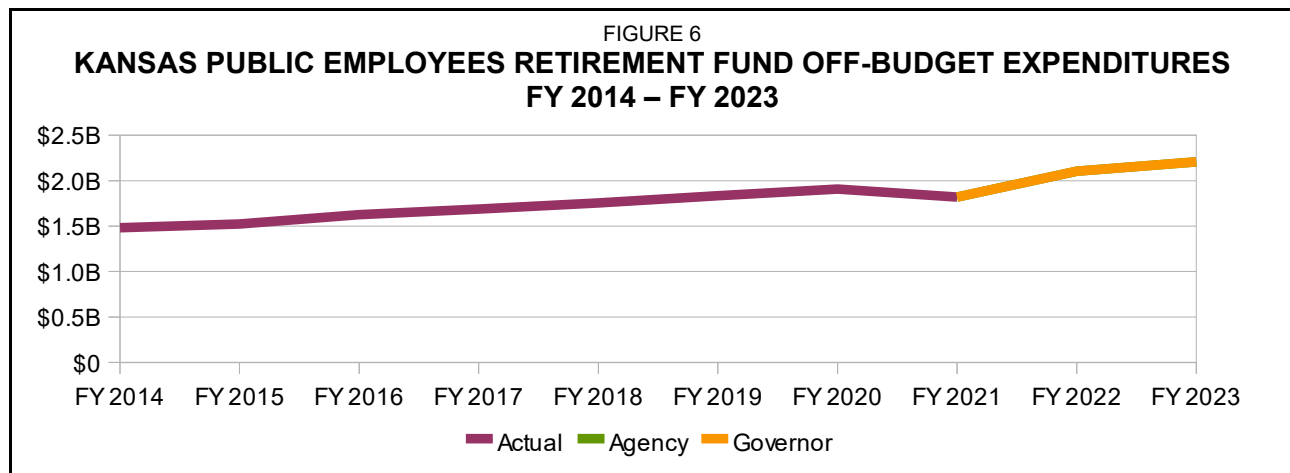
KANSAS PUBLIC EMPLOYEES RETIREMENT FUND



KSA 74-4902 and KSA 74-4921 establish the Kansas Public Employees Retirement Fund for the payment of expenses and benefits under the retirement system. KSA 74-4920 provides that the Division of the Budget and the Governor shall include in the budget appropriations for personal services amounting to the sum required to satisfy the State's obligation under the Retirement Act, as certified by the Board of Trustees, presenting the same to the Legislature for allowance of appropriation. Additionally, KSA 74-4939 provides that, before September 15 of each year, school employers shall certify to the State Board of Education the anticipated total compensation to be paid during the next fiscal year to employees who are or are to become members.

KSA 74-4920 establishes the state employer contribution rate and the local employer contribution rate. The combined state/school group employer contribution rate is 14.23 percent in FY 2021 and 14.09 percent for FY 2022. The FY 2021 employer contribution rate reflects the full actuarial required contribution (ARC) rate. The local employer rate is 8.87 percent in calendar year (CY) 2021 and 8.90 percent for CY 2022. Local employers have been contributing the full actuarial rate since CY 2015 and are scheduled to pay the full actuarial required contribution rate in CY 2021 and for CY 2022.

In addition to regular employer contributions, the State is in the process of making additional payments on delayed contributions from FY 2017 and FY 2019. The delayed contributions were approved by the 2017 Legislature and include \$64.0 million for FY 2017 and \$194.0 million for FY 2019, to be repaid on a level-dollar amortization over 20 years. Additional payments include \$6.4 million per year through FY 2038 and \$19.4 million through FY 2040.



During recent years, the Legislature has taken action to increase state and local employer contributions to provide enhanced resources for the long-term financing of KPERS. In 2004, the Legislature authorized issuance of \$500.0 million in pension obligation bonds to be repaid from the State General Fund (SGF) in order to augment state employer contributions. In 2015, the Legislature authorized issuance of \$1.0 billion in pension obligation bonds, and in 2021, the Legislature authorized issuance of another \$500.0 million in such bonds.. The pension obligation bonds are reflected in the Department of Administration's budget rather than in the KPERS budget.

At a 7.75 percent assumed rate of return, KPERS estimates investment earnings totaling \$1.93 billion in FY 2022 and \$2.08 billion for FY 2023. Total combined employee and employer contributions for pension, death and disability, and optional group life insurance are estimated to be \$2.06 billion in FY 2022 and \$1.59 billion for FY 2023. This reflects the employer contribution adjustment set by 2021 SB 159, which includes a State/School contribution rate of 13.33 percent in FY 2022 and 13.11 percent for FY 2023. Those rates were adjusted based on the assumption that the pension funding bonds would be sold during CY 2021 and applied the additional assets to the FY 2022 employer contribution rates.

GROUP INSURANCE RESERVE FUND

Each employer contributes to the Group Insurance Reserve Fund. Established in KSA 74-4927, the employer contribution rate is 1.0 percent of compensation. On occasion, the Legislature has placed a moratorium on contributions to the Group Insurance Reserve Fund, most recently in FY 2016. The employer contribution rate is scheduled to be 1.0 percent for FY 2021 through FY 2023. The Governor's July 2020 allotment included a full-year moratorium on state/school employer contributions to the Group Insurance Reserve Fund in FY 2021.

FY 2022 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 60,555,156	\$ 60,555,156	98.4
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 60,555,156	\$ 60,555,156	98.4
Agency Revised Estimate:				
2. Investment Fees and Expenses	\$ -	\$ 2,529,613	\$ 2,529,613	--
3. All Other Adjustments	-	28,572	28,572	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 63,113,341	\$ 63,113,341	98.4
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 63,113,341	\$ 63,113,341	98.4

LEGISLATIVE APPROVED

The 2021 Legislature approved \$60.6 million in expenditures and 98.4 FTE positions for the Kansas Public Employees Retirement System for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no changes were made to the \$60.6 million appropriated to the Kansas Public Employees Retirement System for FY 2022.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$63.1 million in expenditures and 98.4 FTE positions in FY 2022, including \$62.2 million from the Kansas Public Employees Retirement Fund. This represents an increase of \$2.6 million, or 4.2 percent, above the amount approved by the 2021 Legislature. The revised estimate includes the following adjustments:

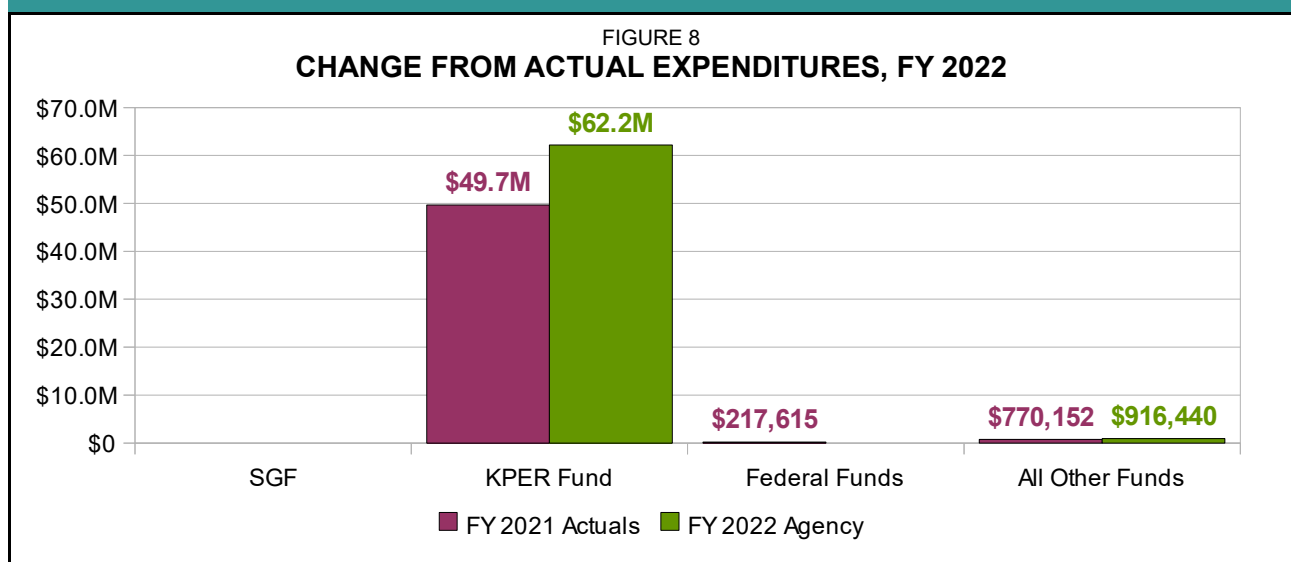
2. **INVESTMENT FEES AND EXPENSES.** The revised estimate includes an increase of \$2.6 million in expenditures from the Kansas Public Employees Retirement Fund for investment management expenses. Each year, the submitted budget assumes a 7.75 percent return, with associated investment management expenses. When the system's investment portfolio experiences higher returns, investment-related expenses also increase.
3. **ALL OTHER ADJUSTMENTS.** The revised estimate also includes an increase of \$28,572 for a variety of other expenditures, including regular and temporary pay in the Deferred Compensation (\$19,529) and Death and Disability (\$10,886) programs, partially offset by lower estimated travel expenses (\$4,000).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate and recommends \$63.1 million in expenditures and 98.4 FTE positions in FY 2022.

4. **NO CHANGES.** The Governor does not recommend any changes to the agency's revised estimate in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The **agency** submits a revised estimate of \$63.1 million in expenditures and 98.4 FTE positions in FY 2022, including \$62.2 million from the Kansas Public Employees Retirement Fund. This represents an increase of \$12.4 million, or 24.5 percent, above FY 2021 actual expenditures, largely due to the following items:

- PENSION ADMINISTRATION SYSTEM MODERNIZATION.** The 2021 Legislature added \$6.6 million for expenditures related to the modernization of the Pension Administration System in FY 2022. These expenditures include integrating and automating portions of the system (\$3.8 million), data management and governance (\$1.0 million), temporary staffing (\$789,000), establishing a contingency fund (\$389,708), creating a member web portal (\$359,200), information technology support (\$272,800), and residual expenditures for technical and infrastructure groundwork necessary for the modernization project (\$24,000).
- INVESTMENT FEES AND EXPENSES.** The revised estimate includes a \$5.5 million increase in expenditures from the Kansas Public Employees Retirement Fund for investment management expenses, which are based on performance of investments. Each year, the submitted budget assumes a 7.75 percent return, with associated investment management expenses. When the system's investment portfolio experiences higher returns, investment-related expenses also increase.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 63,113,341	\$ 63,113,341	98.4
Agency Request:				
1. Pension Administration System	\$ -	\$ 2,596,533	\$ 2,596,533	--
2. Investment Fees and Expenses	-	1,793,882	1,793,882	--
3. All Other Adjustments	-	176,670	176,670	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 67,680,426	\$ 67,680,426	98.4
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 67,680,426	\$ 67,680,426	98.4

AGENCY REQUEST

The **agency** requests \$67.7 million in expenditures and 98.4 FTE positions for FY 2023, including \$66.8 million from the Kansas Public Employees Retirement Fund. This represents an increase of \$4.6 million, or 7.2 percent, above the agency's revised estimate in FY 2022. The agency request includes the following adjustments:

- PENSION ADMINISTRATION SYSTEM.** The request includes an increase of \$2.6 million in expenditures for modernization of the pension administration system. For FY 2023, the agency has budgeted \$9.2 million for the project, with increased costs included for contractual expenditures with the company Sagitec as it develops the new system. Major efforts include employer web portal updates, administration system upgrades, business process management, data profiling and cleaning, and development of the member web portal.
- INVESTMENT FEES AND EXPENSES.** The request includes an increase of \$1.8 million in expenditures from the Kansas Public Employees Retirement Fund for investment management expenses. Each year, the submitted budget assumes a 7.75 percent return, with associated investment management expenses. When the system's investment portfolio experiences higher returns, investment-related expenses also increase.
- ALL OTHER ADJUSTMENTS.** The request also includes an increase of \$176,670 for a variety of other expenditures, including for the repair and servicing of the agency's computer system (\$57,880) and higher travel and subsistence costs as staff travel adjusts upward after being suppressed during the COVID-19 pandemic (\$59,000).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency request and recommends \$67.7 million in expenditures and 98.4 FTE positions for FY 2023.

- NO CHANGES.** The Governor does not recommend any changes to the agency request for FY 2023.

SPECIAL TOPICS

TOPIC 1

PENSION ADMINISTRATION SYSTEM MODERNIZATION PROJECT

The agency maintains a pension administration software application that provides the functionality needed to collect data and moneys from employers and to process and pay benefits. KPERS partnered with Sagitec Solutions to implement the current software system, which has been in continuous use since 2005. Over the past 15 years, additional system customization has been necessitated by plan design changes, including both internal changes, such as implementing solutions for business processes, and external changes, such as legislative actions. Significant plan design changes include the creation of the KPERS 2 and KPERS 3 plans, which required moving to pay period reporting for employee and employer contributions. The agency indicates that while the existing system is still capable of executing mission-critical processes, it has nonetheless become less efficient and unstable over time, due to the implementation of required customizations.

In 2020, KPERS engaged in a request for proposal for a complete business assessment of KPERS and the current pension administration system, which was completed by The Segal Group. Part of Segal's assessment was to determine whether KPERS needed to invest in a completely new pension administration system or whether the existing vendor, Sagitec, could meet the future needs of the system. KPERS determined that Sagitec has the capacity to continue supporting the current system but, at Segal's recommendation, asked that Sagitec complete a "proof of concept" project to demonstrate whether they could execute the modernization features KPERS requires. The project selected would update the existing member annual statement process to make it more automated, provide flexibility in controls to KPERS business units, and decrease dependence on IT developers.

In 2021, Sagitec completed the "proof of concept" project, and KPERS elected to retain Sagitec as the project vendor. Because of the extensive customization of the existing base system, it has been decided that the new pension administration system will be based on a new base platform using Sagitec's platform, NeoSpin. KPERS indicates the total cost of this approach will be similar to the estimate of hiring a new vendor to implement a replacement pension administration system.

For FY 2022 and FY 2023, KPERS budget estimates are based on the plan to implement a new pension administration system, shifting operations from the current system over time. During this time, the agency will incur an increase in contractual services expenditures, as most of the work will be completed by Sagitec. KPERS indicates there will be staffing positions that are back-filled to allow for internal staff to focus on the modernization project; however, those positions will be contract positions until necessary staffing levels are determined later in the project. In **FY 2022**, the agency anticipates expending \$6.6 million for modernization, which is the same as the amount approved by the 2021 Legislature. Those expenditures will primarily involve setting requirements, design, and business process improvements. For **FY 2023**, the agency anticipates expending \$9.2 million for modernization. The increase is primarily for contractual expenditures with Sagitec as it develops the new system. Major efforts include employer web portal updates, administration system upgrades, business process management, data profiling and cleaning, and development of the member web portal. Prospectively, the agency anticipates about \$9.0 million in project costs for **FY 2024** and **FY 2025**, before tapering off in **FY 2026** as the modernization project nears completion.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

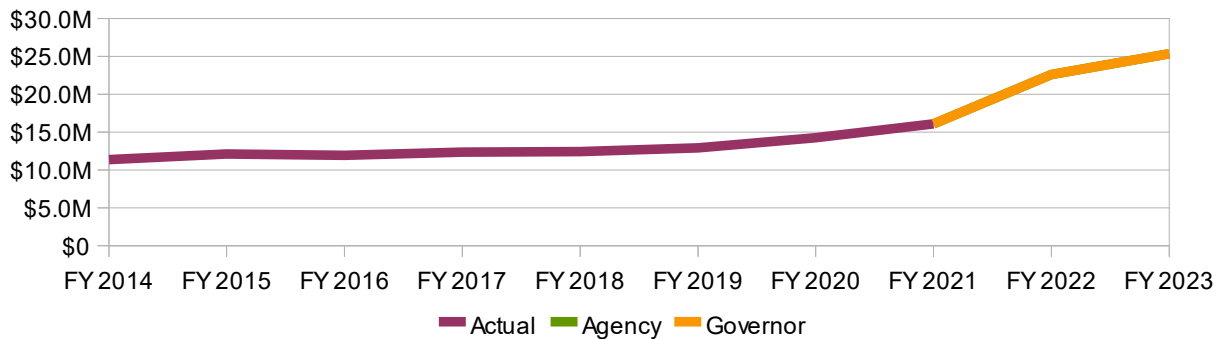
FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 16,061,878	\$ 22,578,549	\$ 22,578,549	\$ 25,348,171	\$ 25,348,171
KPERS Investments	33,853,772	39,618,352	39,618,352	41,412,234	41,412,234
Deferred Comp.	451,773	581,216	581,216	584,810	584,810
Death and Disability	318,379	335,224	335,224	335,211	335,211
TOTAL	\$ 50,685,802	\$ 63,113,341	\$ 63,113,341	\$ 67,680,426	\$ 67,680,426
FTE Positions:					
Administration	83.1	83.1	83.1	83.1	83.1
KPERS Investments	9.4	9.4	9.4	9.4	9.4
Deferred Comp.	2.6	2.6	2.6	2.6	2.6
Death and Disability	3.3	3.3	3.3	3.3	3.3
TOTAL	98.4	98.4	98.4	98.4	98.4

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 11
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 74-4920 *et seq.*

PROGRAM GOALS:

- Pay retirement and death and disability benefits earned by KPERS members.
- Prudently manage the investments of the KPERS Trust Fund (pension plan) and group insurance reserve fund (death and disability plan).
- Collect all statutorily required employer and employee contributions to the pension plan and all statutorily required employer contributions to the death and disability plan.

The Administration program provides a centralized resource to accumulate funds and statistical information on active, inactive, and retired members of the various systems under its jurisdictions. Additionally, this program provides operations support—excluding

investments—for management, statistical information, service records, contributions, payment, and customer service. The Executive Director administers this program and reports to the KPERS Board of Trustees.

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Annual Cost of Administrative Operations as a Percentage of Trust Fund Assets*	0.068 %	0.063 %	0.064 %	0.085 %	0.088 %
2. Annual Cost of Administrative Operations as a Percentage of Benefit Payments	0.767 %	0.786 %	0.752 %	1.073 %	1.149 %
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	1,429	217,615		-	-
All Other Funds	14,223,365	15,844,263		22,578,549	25,348,171
TOTAL	\$ 14,224,794	\$ 16,061,878		\$ 22,578,549	\$ 25,348,171
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	10.4 %	12.9 %		40.6 %	12.3 %
FTE Positions	83.8	83.1		83.1	83.1

* The Office of the Governor does not utilize this measure for evaluation purposes.

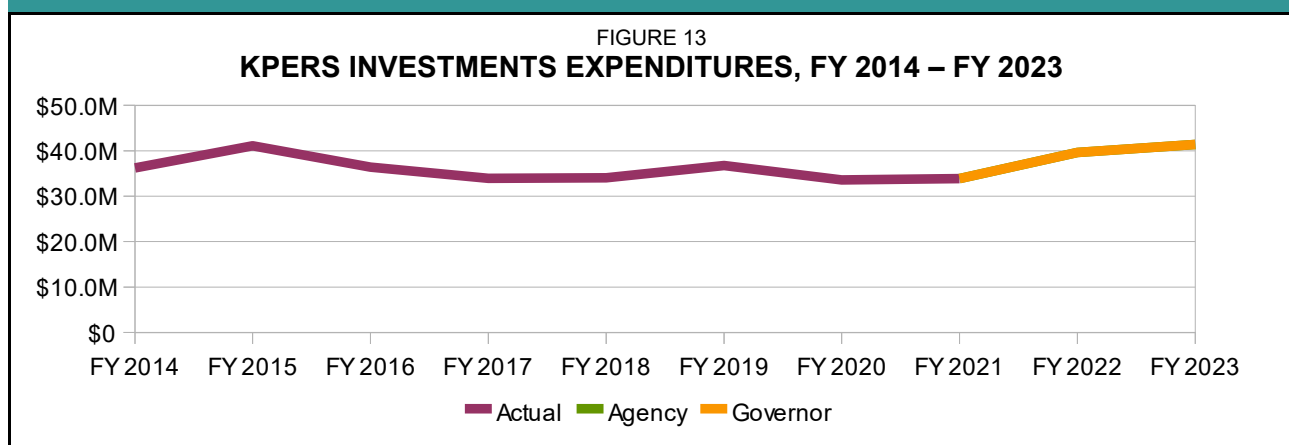
BUDGET ANALYSIS

The **agency** requests \$25.3 million in expenditures and 83.1 FTE positions for the Administration program for FY 2023. This represents an increase of \$2.8 million, or 12.3 percent, above the agency's revised estimate in FY 2022. The change is primarily due to a \$3.3 million increase for additional staffing for modernization of the pension administration system. The agency anticipates filling these positions with contract personnel, subsequently

determining if those positions will be necessary on an ongoing basis. The increase is partially offset by a \$665,117 decrease in repair and servicing expenditures for the agency's computer systems.

The **Governor** concurs with the agency request and recommends \$25.3 million in expenditures and 83.1 FTE positions for the Administration program for FY 2023.

KPERS INVESTMENTS



STATUTORY BASIS: • KSA 74-4920 *et seq.*

PROGRAM GOALS: • Prudently manage the investments of the KPERS Trust Fund.

The KPERS Investments program coordinates investment-related activities, including supervision of investment managers under contract to the KPERS Board of Trustees and management of a portion of the investment portfolio not assigned to the outside investment managers. This unit is supervised by the Chief Investment Officer, who reports to the Executive Director. KPERS staff charge a portion of their time and operating expenditures for non-KPERS investment management in order to secure reimbursement for managing investments of the State's Unclaimed Property

Fund and the Kansas Endowment for Youth Fund.

In FY 2021, the system's rate of return totaled 26.3 percent, which is more than the Policy Index return of 25.0 percent. However, KPERS indicates that, as interest rates remain at historic lows, the Meketa Investment Group's Capital Market Assumptions have declined and now forecast a 6.0 percent total expected return for the system's investment portfolio over the next ten years.

FIGURE 14
KPERS INVESTMENTS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Investment-Related Fees as a Percentage of Trust Fund Assets	0.159 %	0.133 %	0.150 %	0.148 %	0.144 %
2. KPERS Portfolio Rate of Return	2.1 %	26.3 %	11.3 %	7.8 %	7.8 %
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	33,580,465	33,853,772		39,618,352	41,412,234
TOTAL	\$ 33,580,465	\$ 33,853,772		\$ 39,618,352	\$ 41,412,234
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(8.6) %	0.8 %		17.0 %	4.5 %
FTE Positions	9.3	9.4		9.4	9.4

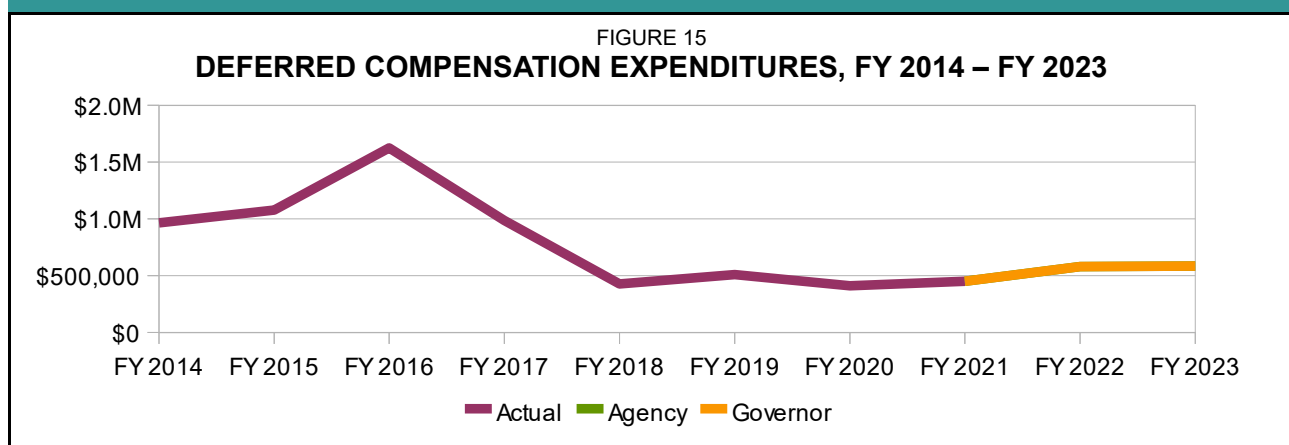
BUDGET ANALYSIS

The **agency** requests \$41.4 million in expenditures and 9.4 FTE positions for the KPERS Investments program for FY 2023. This represents an increase of \$1.8 million, or 4.5 percent, above the agency's revised estimate in FY 2022. The increase is primarily due to investment management expenses on the \$26.0 billion in total trust fund assets.

Investment expense projections are developed using the market value of the portfolio on June 30, 2021, and an assumed 7.75 percent actuarial investment return, less benefit, investment, and administrative expenses.

The **Governor** concurs with the agency request for FY 2023.

DEFERRED COMPENSATION



STATUTORY BASIS: • KSA 74-49b01 *et seq.*

PROGRAM GOALS: • Ensure that the plan is administered and operated according to its terms and to keep the plan compliant with federal as well as applicable state laws.
• Prudently manage the investments of the KPERS Trust Fund (pension plan) and group insurance reserve fund (death and disability plan).
• Increase the number of deferring employees.

The Deferred Compensation program is a voluntary, tax-deferred retirement program for state employees. In addition, many local public employers offer the plan to their employees.

The 2007 Legislature transferred administration of the program from the Department of Administration to KPERS. The KPERS Board of Trustees is assigned responsibility to administer the plan. The Director of Accounts and Reports retains responsibility for payroll deferrals and deductions for state employees who participate in the plan. The Administrative Oversight Committee on Deferred Compensation was abolished and the KPERS Board of Trustees assumed the responsibilities of monitoring the plan. Local units of government also are authorized for their employees to participate in the program. Only the administrative cost portion of this program is included in the agency's budget request since it operates as an employee savings plan, with a small portion of those revenues used to finance operating expenditures of the plan for personnel and service provider contracts.

The KPERS Board of Trustees created a Deferred Compensation Committee to oversee administration of the Plan and make recommendations to the full Board for consideration and action. The oversight and recommendations relate to management of plan assets, selection and monitoring of investment options, and selection and evaluation of service providers. KPERS staff manages operations in conjunction with the plan's service provider, Empower. Empower is responsible for participant account record keeping and direct services, such as enrollments, phone inquiries, and investment transactions.

Total plan assets increase from \$1.02 billion in March 2020 to \$1.39 billion in March 2021. Of that amount, \$930.0 million was in assets of state employees and \$462.0 million was in assets of local government employees. Additionally, the number of actively deferring participants increased from 13,083 in March 2020 to 13,303 in March 2021.

FIGURE 16
DEFERRED COMPENSATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measures:					
1.Total Actively Deferring Members*	13,280	13,068	13,165	N/A	N/A
2.Percent of Active Members from Participating Employers in All Retirement Systems*	23 %	23 %	23 %	N/A	N/A
3.Total KPERS 457 Plan Assets (in Billions)*	\$ 1.17	\$ 1.46	\$ 1.26	N/A	N/A
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	410,980	451,773		581,216	584,810
TOTAL	<u>\$ 410,980</u>	<u>\$ 451,773</u>		<u>\$ 581,216</u>	<u>\$ 584,810</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(4.6) %	9.9 %		28.7 %	0.6 %
FTE Positions	2.6	2.6		2.6	2.6

* The Office of the Governor does not utilize this measure for evaluation purposes.

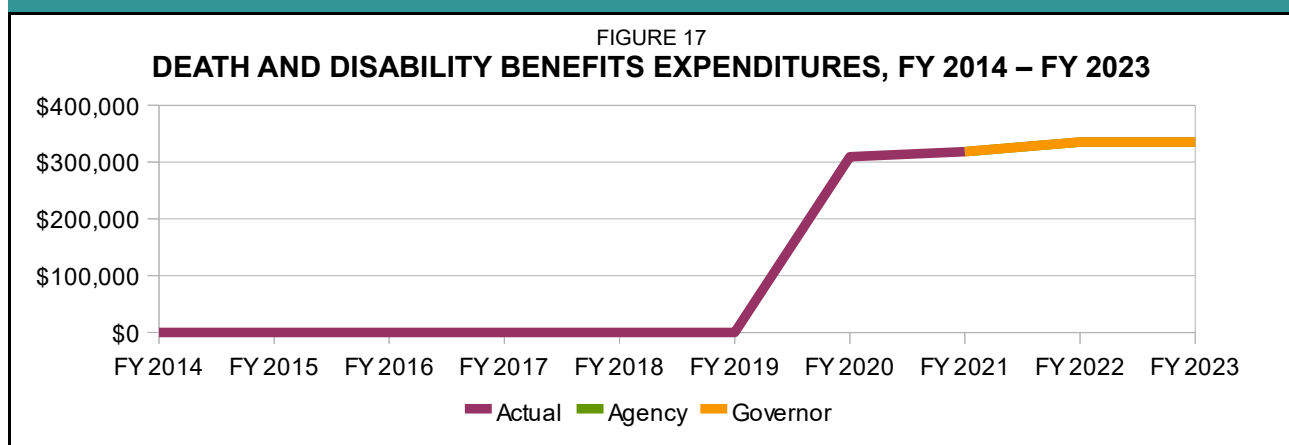
BUDGET ANALYSIS

The **agency** requests \$584,810 in expenditures and 2.6 FTE positions for the Deferred Compensation program for FY 2023. This represents an increase of \$3,594, or 0.6 percent, above the agency's revised estimate in FY 2022, largely due to a \$4,000 increase in

travel and subsistence expenses as staff travel adjusts from reductions during the COVID-19 pandemic.

The **Governor** concurs with the agency request for FY 2023.

DEATH AND DISABILITY BENEFITS



**Staff Note:* Prior to FY 2020, reportable expenditures for this program were included in the Administration program.

STATUTORY BASIS: • KSA 74-4920 *et seq.*

PROGRAM GOALS:

- Pay all death and disability benefits earned by KPERS members.
- Prudently manage the investments of the Group Insurance Reserve Fund.
- Collect statutorily required employer contributions to the death and disability plan.

Since 1966, the Death and Disability Benefits program has provided death and disability benefits for active KPERS members and unclassified employees of the Board of Regents and its institutions. Employers currently contribute a statutory rate of 1.0 percent of covered payroll to pay for basic group life insurance and long-term disability protection. Employees do not pay for the basic benefits, but may choose to purchase optional term life insurance on an individual basis. The 2005 Legislature adopted a number of changes in the program in order to make it self-sustaining on a pay-as-you-go basis, including an increase in

the employer contribution rate from 0.6 percent to 1.0 percent, effective in FY 2007.

To carry out the legislative intent to provide, within the funds made available, the broadest possible coverage, the KPERS Board of Trustees may adjust the plan from time to time. KPERS contracts with the insurance company The Standard to underwrite the group life insurance benefits. Disability Management Services, Inc. is the third-party administrator for the disability program. In FY 2020, more than \$45.5 million in insurance premiums and disability payments were made.

FIGURE 18

DEATH AND DISABILITY BENEFITS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
There are no performance measures submitted for this program.					
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	309,331	318,379		335,224	335,211
TOTAL	\$ 309,331	\$ 318,379		\$ 335,224	\$ 335,211
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	2.9 %		5.3 %	(0.0) %
FTE Positions	2.6	3.3		3.3	3.3

Staff Note: Prior to FY 2020, reportable expenditures for this program were included in the Administration program.

BUDGET ANALYSIS

The **agency** requests \$335,211 in expenditures and 3.3 FTE positions for the Death and Disability Benefits program for FY 2023. This represents a decrease of \$13, or less than 0.1 percent, below the agency's revised estimate in FY 2022. The decrease is largely due to lower expenditures for unemployment compensation (\$892) and

employer contributions to the public employees retirement system (\$557), partially offset by higher expenditures for group health insurance (\$1,422).

The **Governor** concurs with the agency request for FY 2023.

KANSAS LOTTERY

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	354,097,296	375,316,768	375,316,768	376,421,496	376,233,632
<i>Subtotal</i>	<u>\$ 354,097,296</u>	<u>\$ 375,316,768</u>	<u>\$ 375,316,768</u>	<u>\$ 376,421,496</u>	<u>\$ 376,233,632</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 354,097,296</u>	<u>\$ 375,316,768</u>	<u>\$ 375,316,768</u>	<u>\$ 376,421,496</u>	<u>\$ 376,233,632</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	12.0 %	6.0 %	6.0 %	0.3 %	0.2 %
FTE Positions	90.0	90.0	90.0	93.0	90.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

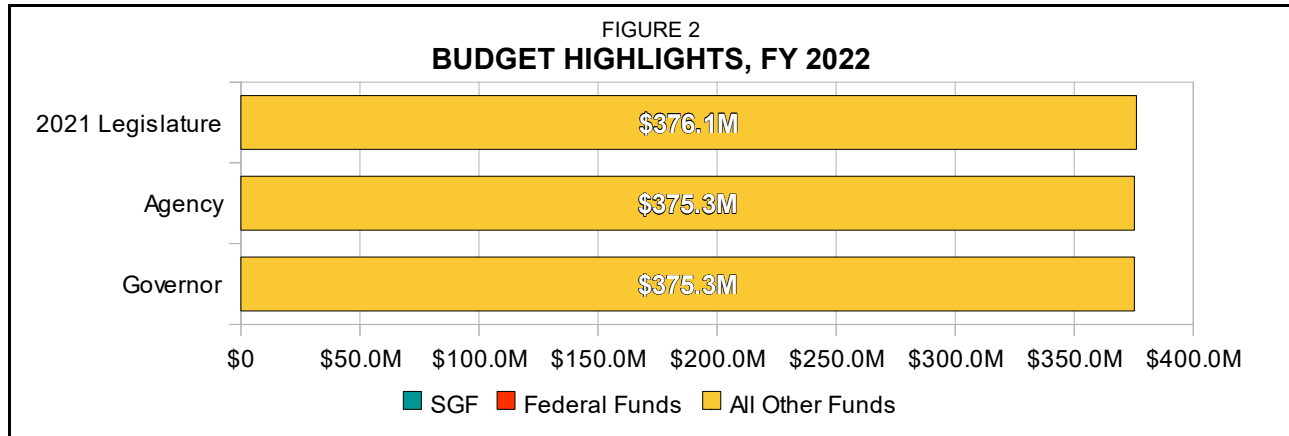
Article 15, Section 3c of the *Kansas Constitution* authorizes a lottery that is owned and operated by the State. KSA 74-8710(a) allows, by rule and regulation, the establishment of the types of lottery games to be conducted, including, but not limited to, instant lottery, online, and traditional games. The Kansas Lottery has established multiple types of traditional games, including instant tickets, Powerball, Mega Millions, Super Kansas Cash, 2 by 2, Keno, Racetrax, Lucky for Life, and Pick 3. The agency also engages in partnerships, including with the Kansas City Chiefs, Sporting Kansas City, Kansas City Royals, Kansas Speedway, and the Kansas State Fair for special instant games and second chance prize drawings.

The 2007 Legislature repealed a provision prohibiting games on video lottery machines and established the Expanded Lottery Act to provide for gaming at racetracks and casinos in limited jurisdictions where approved by local voters. This allows the Kansas Lottery to own and operate electronic gaming machines at designated locations. The Kansas Racing and Gaming Commission is given authority to regulate the gaming activities at racetracks and casinos.

The agency has seven budget programs that support its operations. These programs are Administration, Information Technology, Sales, Security, Cost of Sales, Expanded Lottery Act, and Marketing. All are detailed in this budget analysis.

EXECUTIVE SUMMARY

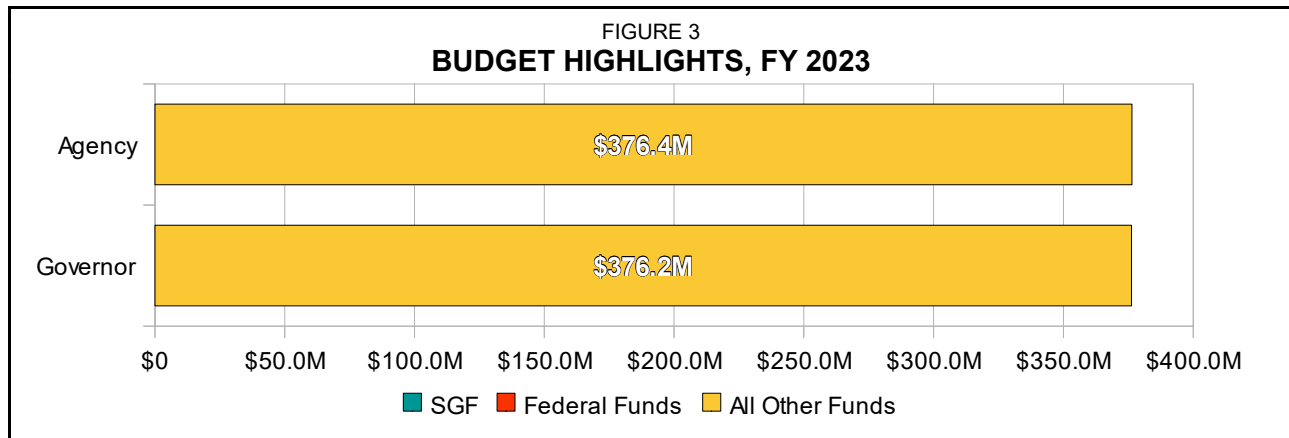
The 2021 Legislature approved a budget of \$376.1 million, all from special revenue funds, for the Kansas Lottery for FY 2022. No adjustments have been made subsequently to that amount.



The **agency** requests a revised estimate of \$375.3 million, all from special revenue funds, in FY 2022. This is a decrease of \$812,250, or 0.2 percent, below the FY 2022 approved amount. The agency estimates a decrease in Expanded Lottery revenue from the four state-owned casinos of \$912,000 below the FY 2022 approved amount. This decrease is primarily attributable to a decrease in the Gaming Facility Manager Fee expenditures, which are proportional to total sales and are paid to casino operators. The estimate for this expenditure was lowered from the original estimate due to unknown conditions related to the COVID-19 pandemic at the state-owned casinos. This estimate will be reevaluated during subsequent consensus revenue estimates. The remaining adjustments include an increase of \$99,750, which is primarily attributable to an increase in ticket printing and shipping costs based on increased ticket sales in FY 2022.

The agency revised estimate also includes 90.0 FTE positions, which is unchanged from the FY 2022 approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$376.4 million, all from special revenue funds, for FY 2023. This is an increase of \$1.1 million, or 0.3 percent, above the FY 2022 revised estimate. The agency estimates \$38.0 million in lottery prizes paid by the State, which is an increase of \$1.0 million above the FY 2022 revised estimate. The agency requests additional increases of \$104,728, all from special revenue funds, for FY 2023. These adjustments primarily comprise increases in salaries and wages expenditures (\$377,928) and contractual services (\$926,000). However, these increases are partially offset by a decrease of \$1.2 million for capital outlay expenditures due to the purchase of additional lottery vending machines in FY 2022 that does not reoccur for FY 2023.

The **agency** request also includes 93.0 FTE positions, which is an increase of 3.0 FTE positions above the FY 2022 revised estimate.

The **Governor** recommends expenditures of \$376.2 million, all from special revenue funds, for FY 2023. This is a decrease of \$187,864, or less than 0.1 percent, below the agency's FY 2023 request. This decrease is due to the Governor directing the agency to use existing resources and vacant FTE positions, rather than additional expenditures, to support the enhancement request for 3.0 additional FTE positions in the Administration program.

The **Governor's** recommendation includes 90.0 FTE positions, which is a decrease of 3.0 FTE positions below the agency's FY 2023 request. The decrease is due to the Governor not recommending the enhancement request for an additional 3.0 FTE positions in the Administration program.

EXPENDITURES AND FINANCING

FIGURE 4					
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 6,504,696	\$ 7,420,968	\$ 7,420,968	\$ 7,798,896	\$ 7,611,032
Contractual Services	296,534,150	316,491,900	316,491,900	317,417,900	317,417,900
Commodities	320,172	737,200	737,200	737,200	737,200
Capital Outlay	84,900	1,702,700	1,702,700	467,500	467,500
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 303,443,918</i>	<i>\$ 326,352,768</i>	<i>\$ 326,352,768</i>	<i>\$ 326,421,496</i>	<i>\$ 326,233,632</i>
Aid to Local Units	11,096,672	11,964,000	11,964,000	12,000,000	12,000,000
Other Assistance	39,556,706	37,000,000	37,000,000	38,000,000	38,000,000
<i>Subtotal—Operating</i>	<i>\$ 354,097,296</i>	<i>\$ 375,316,768</i>	<i>\$ 375,316,768</i>	<i>\$ 376,421,496</i>	<i>\$ 376,233,632</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 354,097,296	\$ 375,316,768	\$ 375,316,768	\$ 376,421,496	\$ 376,233,632
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Expanded Lottery	282,268,759	303,088,000	303,088,000	304,000,000	304,000,000
Receipts Fund	-	-	-	-	-
Lottery Prize	39,471,936	37,000,000	37,000,000	38,000,000	38,000,000
Payment Fund	-	-	-	-	-
Lottery Operating	32,356,601	35,228,768	35,228,768	34,421,496	34,233,632
Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 354,097,296	\$ 375,316,768	\$ 375,316,768	\$ 376,421,496	\$ 376,233,632
FTE Positions	90.0	90.0	90.0	93.0	90.0

FY 2022 ANALYSIS

FIGURE 5
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 376,129,018	\$ 376,129,018	90.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 376,129,018	\$ 376,129,018	90.0
Agency Revised Estimate:				
2. IT Software	\$ -	\$ 100,000	\$ 100,000	--
3. All other adjustments	-	(912,250)	(912,250)	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 375,316,768	\$ 375,316,768	90.0
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 375,316,768	\$ 375,316,768	90.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$376.1 million FY 2022 approved amount.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$375.3 million, all from special revenue funds, in FY 2022. This is a decrease of \$812,250 below the FY 2022 approved amount.

The **agency** estimate includes the following adjustments:

2. **IT SOFTWARE.** The agency requests \$100,000, all from special revenue funds, for information technology (IT) software updates for FY 2022. The agency anticipates updating IT software to support continued remote work for FY 2022.
3. **ALL OTHER ADJUSTMENTS.** The agency estimates a decrease in Expanded Lottery revenue from the four state-owned casinos of \$912,000 below the FY 2022 approved amount. This resulted in a decrease in the Gaming Facility Manager Fee expenditures, which are proportional to total sales and are paid to casino operators. The estimate for this expenditure was lowered from the original estimate due to unknown conditions related to COVID-19 at the state-owned casinos. This estimate will be reevaluated during subsequent consensus revenue estimates. The remaining adjustments include a decrease of \$250, which is primarily attributable to a decrease in salaries and wages expenditures.

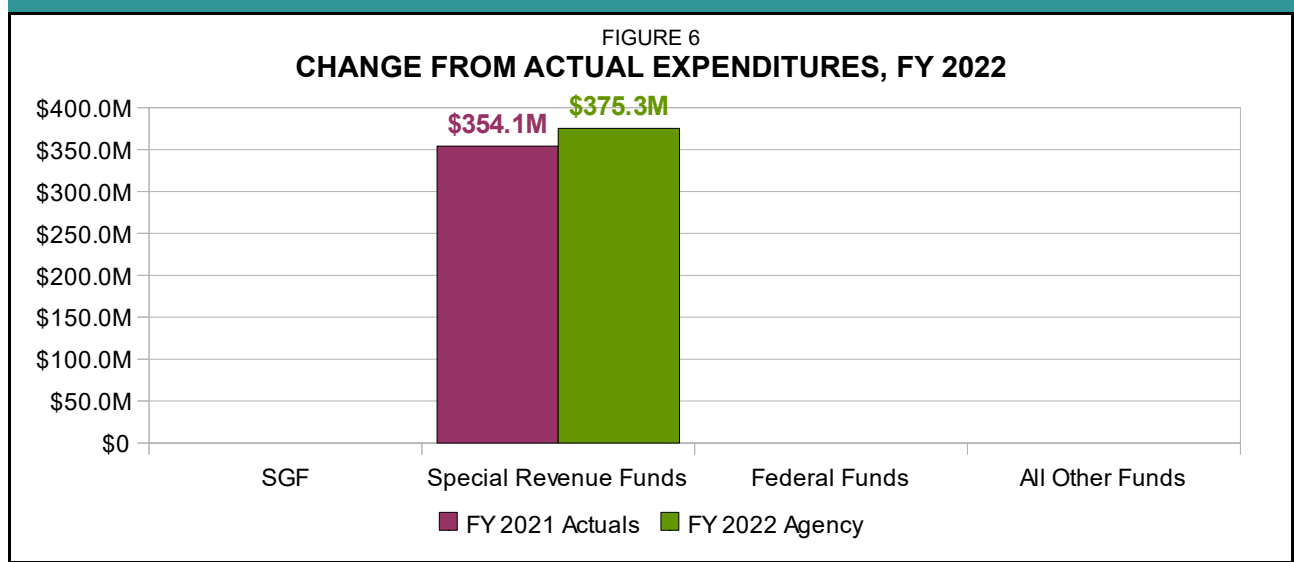
The **agency** estimate also includes 90.0 FTE positions, which is unchanged from the FY 2022 approved number.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2022.

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency requests \$375.3 million, all from special revenue funds, in FY 2022. This is an increase of \$21.2 million above the FY 2021 actual amount. This increase is primarily attributable to an increase of \$20.0 million in Gaming Facility Manager Fee , which is proportional to total sales and is paid to casino operators as part of the Expanded Lottery Act. Increased expenditures for lottery operating costs, including lottery ticket printing and shipping, as well as an increase in salaries and wages expenditures for merit-based adjustments and expected increases in fringe benefits costs, comprise the majority of the remaining adjustment.

FY 2023 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 375,316,768	\$ 375,316,768	90.0
Agency Request:				
1. Lottery Prize Payments	\$ -	\$ 1,000,000	\$ 1,000,000	--
2. Enhancement—New FTE Positions	-	187,864	187,864	3.0
3. All Other Adjustments	-	(83,386)	(83,386)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 376,421,246	\$ 376,421,246	93.0
Governor's Recommendation:				
4. Enhancement—New FTE Positions	\$ -	\$ (187,864)	\$ (187,864)	(3.0)
TOTAL	\$ -	\$ 376,233,382	\$ 376,233,382	90.0

AGENCY REQUEST

The **agency** requests \$376.4 million, all from special revenue funds, for FY 2023. This is an increase of \$1.1 million above the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

- LOTTERY PRIZE PAYMENTS.** The agency estimates \$38.0 million in lottery prizes paid by the State, which is an increase of \$1.0 million above the FY 2022 revised estimate.
- ENHANCEMENT—NEW FTE POSITIONS.** The agency requests \$187,864 for 3.0 FTE positions for FY 2023. These additional FTE positions would include an additional Casino Audit Manager, a Sales and Marketing Program Associate, and an Administration and Business Operations Program Specialist.
- ALL OTHER ADJUSTMENTS.** All other adjustments include a decrease of \$83,386, all from special revenue funds. This decrease is primarily attributable to a decrease in contractual services expenditures due to a decrease in the Gaming Facility Manager Fee, which is proportional to total sales and is paid to casino operators.

The **agency** request also includes 93.0 FTE positions, which is an increase of 3.0 FTE positions above the FY 2022 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$376.2 million, all from special revenue funds, for FY 2023. This is a decrease of \$187,864, or less than 0.1 percent, below the agency's request for FY 2023.

- ENHANCEMENT—NEW FTE POSITIONS.** The Governor does not recommend the addition of 3.0 FTE positions. Rather, the recommendation directs the agency to utilize existing resources and vacant FTE positions to hire a Casino Audit Manager, Sales and Marketing Program Associate, and Administration and Business Operations Program Specialist.

The **Governor's** recommendation includes 90.0 FTE positions, which is a decrease of 3.0 FTE positions below the agency's FY 2023 request. The decrease is due to the Governor not recommending an enhancement for the addition of 3.0 FTE in the Administration program.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

REQUEST 1 IT REMOTE WORK SUPPORT

The agency requests \$100,000, all from special revenue funds, in FY 2022 for the Information Technology program to purchase hardware and software to support remote work and disaster recovery capabilities. These expenditures include hardware such as servers and laptops, as well as software updates to support secure remote operations with adequate speed and bandwidth.

The Governor recommends adoption of this supplemental request.

REQUEST 2 FTE POSITIONS

The agency requests \$187,864, all from special revenue funds, for the addition of 3.0 FTE positions in the Administration Division, for FY 2023. These positions include a Casino Audits Manager, a Sales and Marketing Program Associate, and an Administration and Business Operations Program Specialist.

FY 2023 ENHANCEMENTS - AGENCY ESTIMATE

Item	SGF	All Funds	FTE
Casino Audits Manager	\$ -	\$ 87,980	1.0
Sales and Marketing Program Associate	-	48,715	1.0
Administration and Business Operations Program Specialist	-	51,169	1.0
TOTAL	\$ -	\$ 187,864	3.0

Casino Audits Manager. Currently, the agency has one Casino Audits Manager that travels weekly to the four state-owned casinos located in Dodge City, Mulvane, Kansas City, and Pittsburg. An additional Casino Audits Manager would provide more targeted supervision and oversight of staff and operations as each Casino Audits Manager would be responsible for two of the four state-owned casinos.

Sales and Marketing Program Associate. Events, promotions, and other activities that enhance player involvement and numbers have increased, and the agency anticipates these activities will continue to grow. This position would provide administrative support to high-level positions including the Sales Support Coordinator and other Sales and Marketing department staff. The position would also have duties related to event planning, coordination, and execution as well as other program-related activities and services.

Administration and Business Operations Program Specialist. This position would be responsible for directly carrying out and overseeing a variety of administrative functions that impact each department and employee in the agency. Responsibilities of this position would include activities related to procurement and contracts, policy development, human resources, audits, and facility and vehicle management.

The Governor does not recommend this enhancement request. The Governor recommends the agency fill the 3.0 FTE positions for FY 2023 using existing resources and vacant FTE positions.

SPECIAL TOPICS

TOPIC 1

EXPANDED LOTTERY ACT REVENUES AND TRANSFERS

FY 2022

The agency estimates revenues of \$398.8 million, which is a decrease of \$1.2 million below the FY 2022 approved amount from the four state-owned casinos due to uncertain revenue projections caused by the COVID-19 pandemic. If revenue targets are achieved, the agency will make the following transfers in FY 2022:

- \$87.7 million to the Expanded Lottery Act Revenues Fund;
- \$8.0 million to the Problem Gambling and Addictions Grant Fund; and
- \$12.0 million to local cities and counties that host gaming facilities.

FY 2023

The agency estimates revenues of \$400.0 million, which is a decrease of \$9.1 million below the FY 2023 approved amount from the four state-owned casinos. If revenue targets are achieved, the agency will make the following transfers in FY 2022:

- \$88.0 million to the Expanded Lottery Act Revenues Fund;
- \$8.0 million to the Problem Gambling and Addictions Grant Fund; and
- \$12.0 million to local cities and counties that host gaming facilities.

SPECIAL TOPICS

TOPIC 2

TRADITIONAL LOTTERY REVENUES AND TRANSFERS

FY 2022

For FY 2022, the agency estimates total net sales of \$317.6 million, which is a decrease of \$8.6 million below the FY 2021 actual amount. This is a net profit ratio of 23.7 percent after player prizes and operating costs. The net profits from the sale of regular lottery tickets are deposited in the following funds:

- \$42.4 million, 85.0 percent, to the Economic Development Initiatives Fund;
- \$7.5 million, 15.0 percent, to the Correctional Institutions Building Fund and Juvenile Alternatives to Detention Fund;
- \$19.6 million to the State General Fund (SGF);
- \$1.3 million to the Kansas Commission on Veterans' Affairs Office; and
- \$80,000 to the Problem Gambling and Addictions Grant Fund.

In addition to the transfers to the SGF and other special revenue funds from traditional lottery sales, up to the first \$8.0 million of the net revenue from lottery ticket vending machines is to be used for mental health programs and is transferred to the Kansas Department for Aging and Disability Services to support the Clubhouse Model (25.0 percent) and Crisis Intervention Centers (75.0 percent). The agency estimates a \$6.0 million transfer to the Kansas Department for Aging and Disability Services to support the Clubhouse Model (\$1.5 million) and Crisis Intervention Centers (\$4.5 million) for FY 2022.

FY 2023

For FY 2023, the agency estimates total net sales of \$319.6 million, which is an increase of \$2.0 million above the FY 2022 revised estimate. This is a net profit ratio of 23.3 percent after player prizes and operating costs. The net profits from the sale of regular lottery tickets are deposited in the following funds:

- \$42.4 million, 85.0 percent, to the Economic Development Initiatives Fund;
- \$7.5 million, 15.0 percent, to to the Correctional Institutions Building Fund and Juvenile Alternatives to Detention Fund;
- \$18.0 million to the SGF;
- \$1.3 million to the Kansas Commission on Veterans' Affairs Office; and
- \$80,000 to the Problem Gambling and Addictions Grant Fund.

In addition to the transfers to the SGF and other special revenue funds from traditional lottery sales, up to the first \$8.0 million of the net revenue from lottery ticket vending machines is to be used for mental health programs and is transferred to the Kansas Department for Aging and Disability Services to support the Clubhouse Model (25.0 percent) and Crisis Intervention Centers (75.0 percent). The agency estimates an \$8.0 million transfer to the Kansas Department for Aging and Disability Services to support the Clubhouse Model (\$2.0 million) and Crisis Intervention Centers (\$6.0 million) for FY 2023.

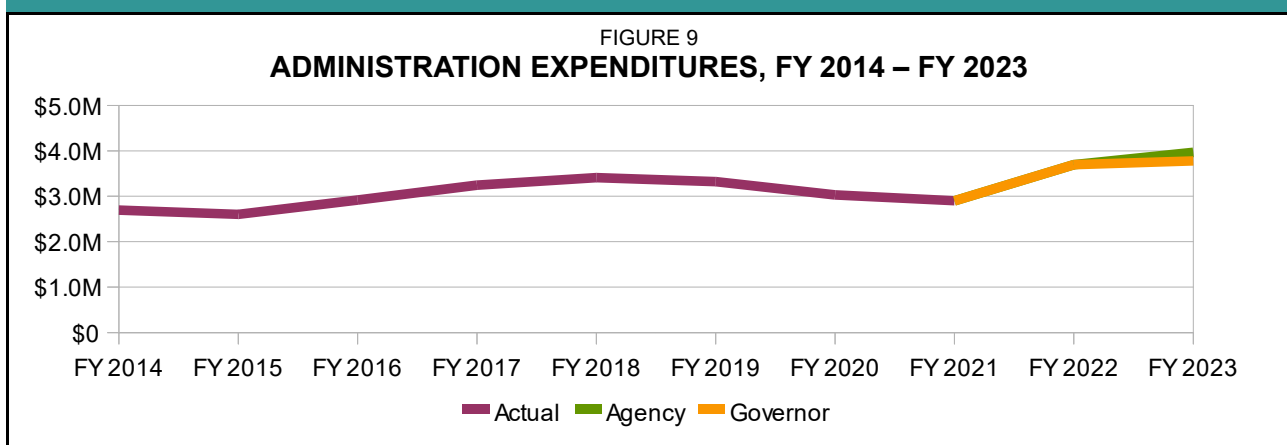
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 8 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 2,901,109	\$ 3,694,838	\$ 3,694,838	\$ 3,966,443	\$ 3,778,579
Cost of Sales	54,929,968	53,080,200	53,080,200	52,845,000	52,845,000
Expanded Lottery Act	286,541,174	307,280,780	307,280,780	308,232,638	308,232,638
Information Technology	1,114,783	1,504,654	1,504,654	1,538,530	1,538,530
Marketing	6,064,223	6,691,187	6,691,187	6,708,661	6,708,661
Sales	2,070,552	2,535,328	2,535,328	2,589,063	2,589,063
Security	475,487	529,781	529,781	541,161	541,161
TOTAL	\$ 354,097,296	\$ 375,316,768	\$ 375,316,768	\$ 376,421,496	\$ 376,233,632
FTE Positions:					
Administration	25.8	25.8	25.8	28.8	25.8
Cost of Sales	-	-	-	-	-
Expanded Lottery Act	17.0	17.0	17.0	17.0	17.0
Information Technology	5.8	5.8	5.8	5.8	5.8
Marketing	7.4	7.4	7.4	7.4	7.4
Sales	28.4	28.4	28.4	28.4	28.4
Security	5.6	5.6	5.6	5.6	5.6
TOTAL	90.0	90.0	90.0	93.0	90.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 74-8701 through 74-8780

PROGRAM GOALS: • There were no goals submitted for this program.

The Administration program is responsible for human resources, procurement, facility and vehicles, and policy information and distribution that supports the Lottery. The program ensures Lottery personnel are knowledgeable of the newest and most effective products,

technologies, security operations, marketing, advertising strategies, and legal issues within the gaming and lottery industry. Additionally, the program provides service, information, and ticket shipments to current retailers.

FIGURE 10
ADMINISTRATION, PERFORMANCE MEASURES

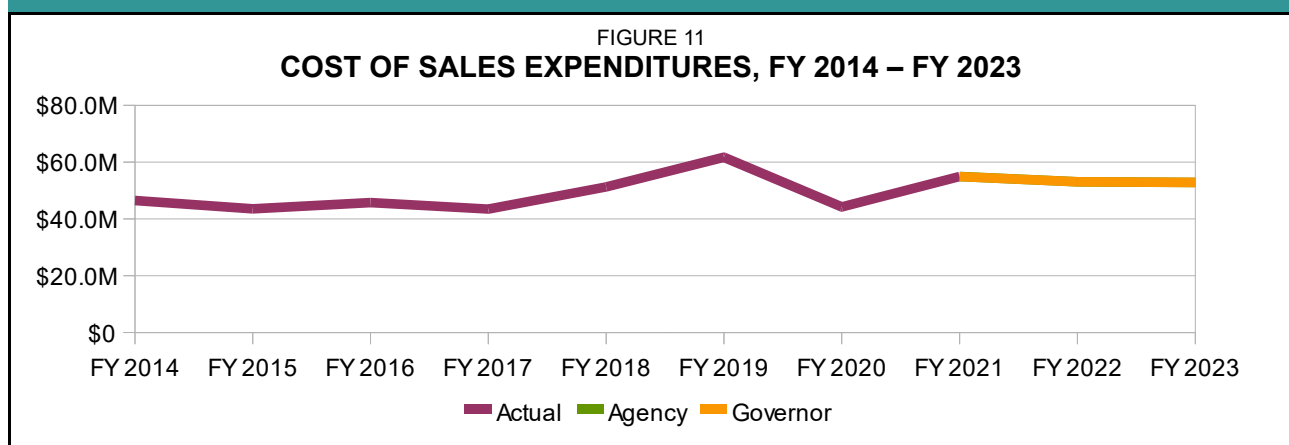
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
There were no agency performance measures submitted for this program.					
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	3,029,630	2,901,109		3,694,838	3,778,579
TOTAL	<u>\$ 3,029,630</u>	<u>\$ 2,901,109</u>		<u>\$ 3,694,838</u>	<u>\$ 3,778,579</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	8.8 %	(4.2) %		27.4 %	2.3 %
FTE Positions	31.7	25.8		25.8	25.8

BUDGET ANALYSIS

The **agency** requests FY 2023 expenditures of \$4.0 million, all from special revenue funds, for the Administration program. This is an increase of \$271,605 above the FY 2022 revised estimate. This increase is partially attributable to an increase in salaries and wages expenditures (\$241,605), the employee recognition program (\$51,000) and for increases in employer contributions for fringe benefits such as group health insurance. The remaining increase is due to an increase in rent for the agency's office.

The **Governor** recommends FY 2023 expenditures of \$3.8 million, all from special revenue funds, for the Administration program. This is a decrease of \$187,864 below the agency's request for FY 2023. This decrease is due to the Governor not recommending the agency's request for 3.0 new FTE positions. The recommendation directs the agency to fill the new positions using vacant FTE positions and existing resources.

COST OF SALES



STATUTORY BASIS: • KSA 74-8701 through 74-8780

PROGRAM GOALS: • There were no goals submitted for this program.

The Cost of Sales program captures the contractual services and commodities expenditures necessary to operate a state lottery. Other assistance expenditures within this program are prize claims between \$600 and \$5,000 paid instantly at the Lottery headquarters from the Lottery Prize Payment

Fund. Other assistance expenditures also include the payment of prize claims more than \$5,000 via state checks from the Lottery Prize Payment Fund. Approximately 30.0 percent of player prizes are paid from this fund; the remaining prizes are paid by Lottery retailers.

FIGURE 12
COST OF SALES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
1. Traditional Lottery Ticket Prize Payments (Dollars in Millions)	\$ 166.5	\$ 200.2	\$ 179.8	\$ 194.9	\$ 197.3
2. Commissions Earned by Retailers from Traditional Lottery (Dollars in Millions)*	\$ 16.2	\$ 19.2	\$ 17.6	\$ 18.6	\$ 18.8
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds (Dollars in Millions)	44.2	54.1		53.0	52.8
TOTAL	\$ 44.2	\$ 54.1		\$ 53.0	\$ 52.8
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(28.4) %	22.4 %		(2.0) %	(0.4) %
FTE Positions	--	--		--	--
* Indicates performance measure not utilized by the Governor.					

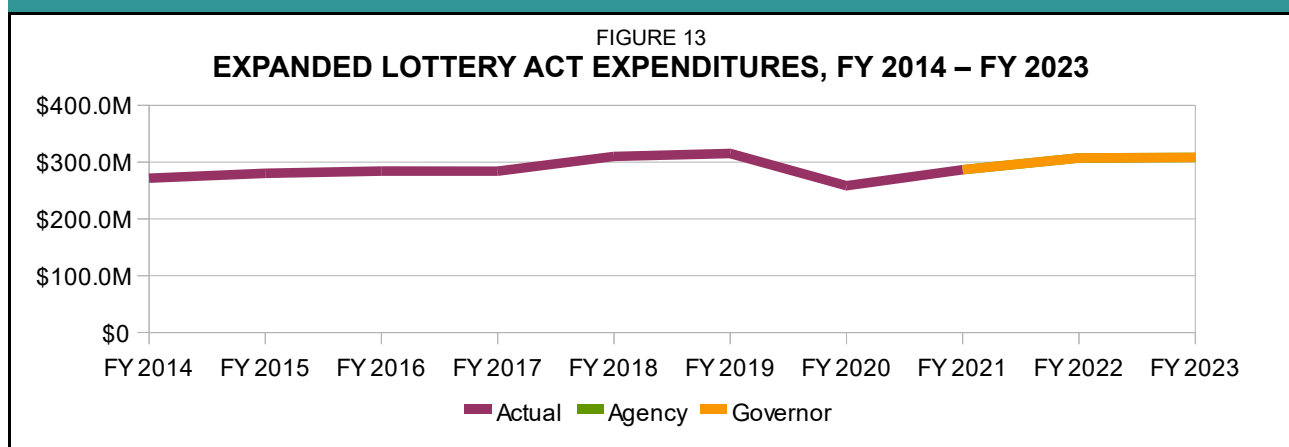
BUDGET ANALYSIS

The **agency** requests \$52.8 million, all from special revenue funds, for the Cost of Sales program for FY 2023. This is a decrease of \$235,200 below the FY 2022 revised estimate. This decrease is due to capital outlay expenditures that occur in FY 2022 for the purchase of lottery vending machines, which

does not reoccur for FY 2023. This program includes lottery prize claim payments of \$38.0 million, which is an increase of \$1.0 million.

The **Governor** concurs with the agency's request for FY 2023.

EXPANDED LOTTERY ACT



STATUTORY BASIS: • KSA 74-8701 through 74-8780

PROGRAM GOALS:

- Maintain public confidence in all casino gaming and provide services that meet or exceed the expectations of the Kansas citizenry.
- Produce the greatest amount of revenue possible for the State of Kansas while ensuring the integrity of all games.

The 2007 Legislature passed SB 66, which authorized expanded gaming activities with the Kansas Lottery designated as the owner and operator of the expanded lottery games. The Expanded Lottery Act program ensures the

integrity of electronic gaming devices, accurate reporting of net expanded gaming revenues, and compliance with management contracts, as well as duties and responsibilities prescribed within the Kansas Expanded Lottery Act.

FIGURE 14
EXPANDED LOTTERY ACT, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Transfers to the Expanded Lottery Act Revenues Fund (Dollars in Millions)*	\$ 6.7	\$ 7.5	\$ 7.5	\$ 8.0	\$ 8.2
2. Transfers to the Problem Gambling and Addictions Grant Fund (Dollars in Millions)*	\$ 10.0	\$ 11.2	\$ 11.2	\$ 12.0	\$ 12.3
3. Transfers to City and County Governments*	\$ 73.6	\$ 82.4	\$ 82.2	\$ 88.0	\$ 90.0
4. Amounts captured for Setoff (Dollars in Millions)*	\$ -	\$ 3.1	--	\$ 3.0	\$ 3.0
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds (Dollars in Millions)	258.5	286.5		307.3	308.2
TOTAL	\$ 258.5	\$ 286.5		\$ 307.3	\$ 308.2
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(18.0) %	10.8 %		7.3 %	0.3 %
FTE Positions	17.4	17.0		17.0	17.0
* Indicates performance measure not utilized by the Governor.					

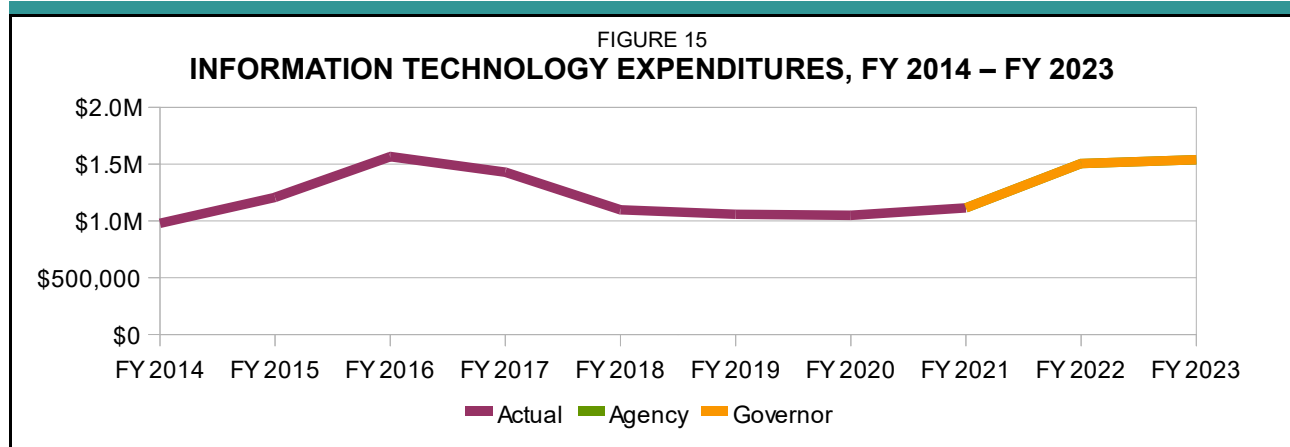
BUDGET ANALYSIS

The **agency** requests \$308.2 million, all from special revenue funds, for the Expanded Lottery Act Program for FY 2023. This is an increase of \$951,858 above the FY 2022 revised estimate. This increase is primarily attributable to \$876,000 in additional contractual services expenditures due to increased revenue estimates made during the April consensus revenue estimating process. The total anticipated amount to be sent to lottery facility managers is \$294.6 million. The remaining increase includes an increase in expenditures

for salaries and wages (\$39,858), which includes \$19,500 for the employee recognition program and increases for employer contributions for fringe benefits such as group health insurance. Additionally, there is an increase of \$36,000 due to revenue estimates, which is to be paid to local governments. The total anticipated moneys to be sent to local governments is \$12.0 million for FY 2023.

The **Governor** concurs with the agency's request for FY 2023.

INFORMATION TECHNOLOGY



STATUTORY BASIS: • KSA 74-8701 through 74-8780

PROGRAM GOALS: • There were no goals submitted for this program.

The Information Technology program of all Lottery computer operations to ensure provides technological infrastructure in support retailer and player satisfaction.

FIGURE 16
INFORMATION TECHNOLOGY, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
There were no agency performance measures submitted for this program.					
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ --	\$ --		\$ -	\$ -
Federal Funds	--	--		-	-
All Other Funds (Dollars in Millions)	1.0	1.1		1.5	1.5
TOTAL	\$ 1.0	\$ 1.1		\$ 1.5	\$ 1.5
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	5.4 %	10.0 %		36.4 %	-- %
FTE Positions	4.6	5.8		5.8	5.8

BUDGET ANALYSIS

The **agency** requests \$1.5 million, all from special revenue funds, for the Information Technology program for FY 2023. This is an increase of \$33,876 above the FY 2022 revised estimate. The increase is attributable to an increase of \$13,876 in salaries and wages expenditures. Of this increase, \$9,000 is for the employee recognition program.

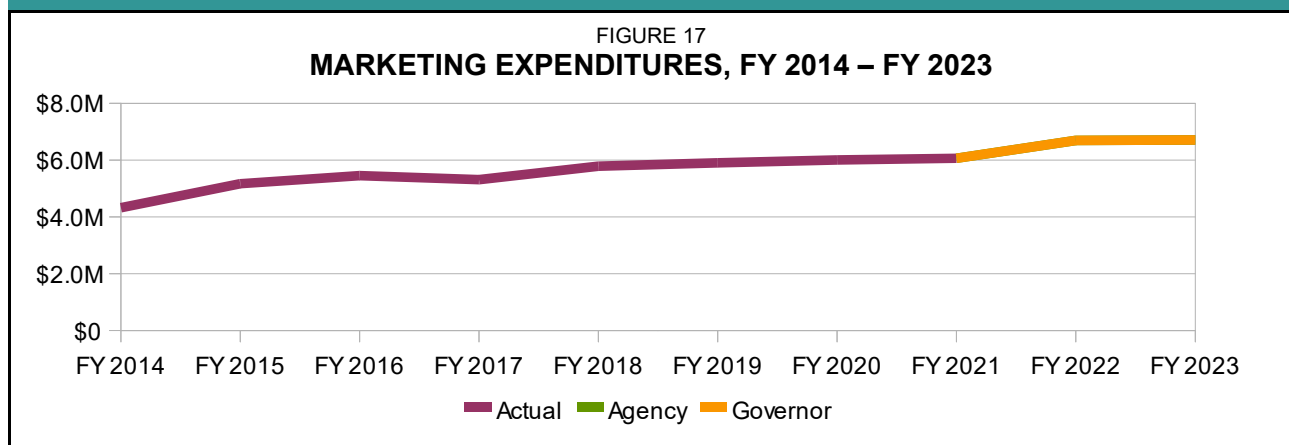
The increase is also attributable to increases in employer contributions for fringe benefits such as group health insurance. The remaining increase is attributable to an increase in

contractual services expenditures for communications and computer maintenance costs.

Other major expenditures in this program include upgrades to security access controls and monitoring equipment, computer supplies, operating costs for three vehicles, and expenditures for repairs, travel, and service fees.

The **Governor** concurs with the agency's request for FY 2023.

MARKETING



STATUTORY BASIS: • KSA 74-8701 through 74-8780

PROGRAM GOALS: • There were no goals submitted for this program.

The Marketing program works to promote the Kansas Lottery and its games in a responsible and effective manner. To achieve this, the program works to produce advertising media messages across a variety of platforms to maximize sales and returns to the state; produce a wide variety of scratch games; and coordinate special events programs, fairs, and other community events.

FIGURE 18
MARKETING, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.PlayOn - Increase in members*	25.0 %	32.0 %	29.0 %	10.0 %	10.0 %
2.PlayOn - Increase in tickets entered*	6.0 %	35.0 %	21.0 %	10.0 %	10.0 %
3.PlayOn - Average monthly engagement*	23.0 %	24.0 %	24.0 %	25.0 %	25.0 %
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ --	\$ --		\$ -	\$ -
Federal Funds	--	--		-	-
All Other Funds (Dollars in Millions)	6.0	6.1		6.7	6.7
TOTAL	\$ 6.0	\$ 6.1		\$ 6.7	\$ 6.7
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	1.7 %	1.7 %		9.8 %	-- %
FTE Positions	7.4	7.4		7.4	7.4

* Indicates performance measure not utilized by the Governor.

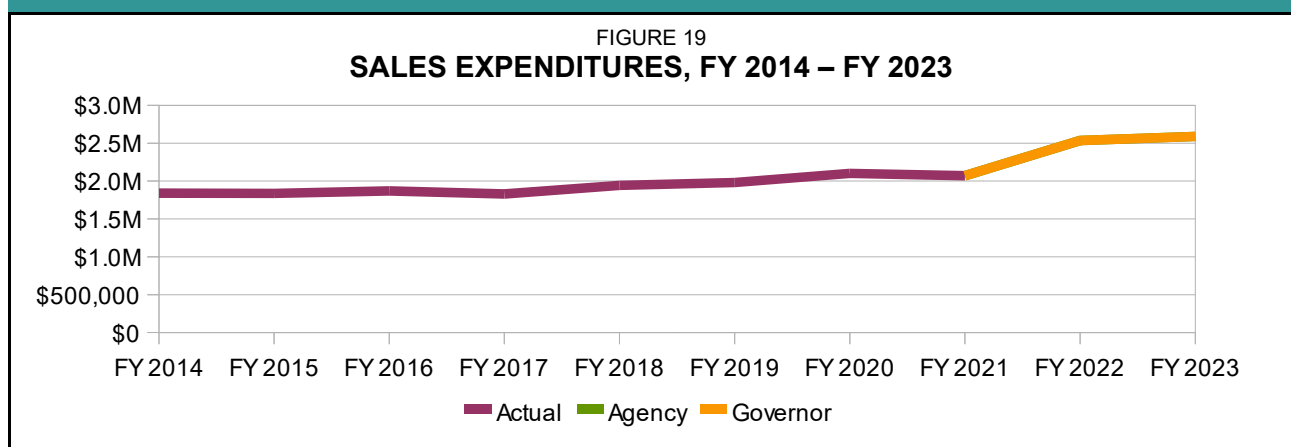
BUDGET ANALYSIS

The **agency** requests \$6.7 million for the Marketing program for FY 2023. This is an increase of \$17,474 above the FY 2022 revised estimate. The increase is attributable to increased salaries and wages expenditures that include \$12,000 for the employee recognition

program and increases for employer contributions for fringe benefits such as group health insurance.

The **Governor** concurs with the agency's request for FY 2023.

SALES



STATUTORY BASIS: • KSA 74-8701 through 74-8780

PROGRAM GOALS: • There were no goals submitted specific to this program.

The Sales program works to increase sales of all Lottery products through the training of sales staff on Lottery products, retailer recruitment and training, promoting player awareness of

available Lottery products, and increasing corporate account involvement in Lottery advertising and promotions.

FIGURE 20
SALES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Transfers to State Gaming Revenue Fund and SGF (Dollars in Millions)*	\$ 66.2	\$ 69.7	\$ 69.9	\$ 69.6	\$ 68.0
2. Transfers for Mental Health from Lottery Vending Machines (Dollars in Millions)*	\$ 1.7	\$ 5.6	\$ 2.4	\$ 6.0	\$ 8.0
3. Transfers to Veterans' Programs (Dollars in Millions)*	\$ 1.3	\$ 1.3	\$ 1.2	\$ 1.3	\$ 1.3
4. Total Transfers From the Sale of Lottery Tickets (Dollars in Millions)	\$ 69.2	\$ 76.5	\$ 73.5	\$ 76.8	\$ 77.3
5. Amounts Captured for Setoff Program*	\$ 192,334	\$ 347,149	287,699	250,000	250,000
6. State of Kansas Withholding (Dollars in Millions)*	\$ 0.7	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0
7. Sales of lottery tickets (Dollars in Millions)	\$ 273.8	\$ 326.1	\$ 298.8	\$ 317.6	\$ 319.6
8. Lottery Vending Machines in Service*	176	204	129	300	400
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ --	\$ --		\$ -	\$ -
Federal Funds	--	--		-	-
All Other Funds (Dollars in Millions)	2.1	2.1		2.5	2.6
TOTAL	\$ 2.1	\$ 2.1		\$ 2.5	\$ 2.6
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	-- %		19.0 %	4.0 %
FTE Positions	27.4	28.4		28.4	28.4

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

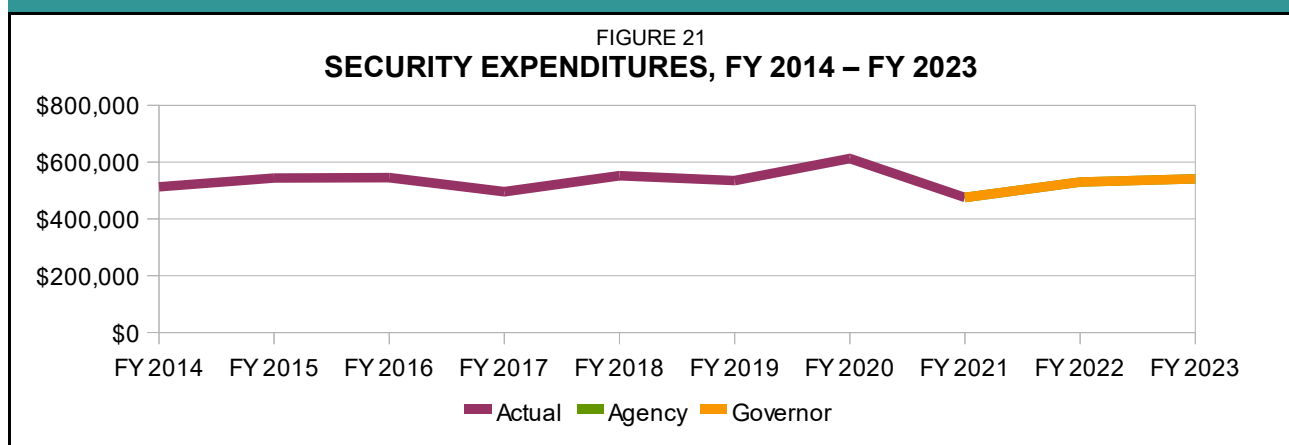
The **agency** requests \$2.6 million, all from special revenue funds, for the Sales program for FY 2023. This is an increase of \$53,735 above the FY 2022 revised estimate. This increase is attributable to increases in salaries and wages expenditures for merit-based salary increases and increases in employer contributions for fringe benefits such as group health insurance.

Beyond salaries and wages, major expenditures include professional supplies to

implement the agency's merchandising standards and to provide new retailers with necessary equipment as well as other supplies needed for promotional efforts. Additionally, the agency has budgeted \$117,500 as part of a two-year vehicle replacement plan involving five minivans that are used by the sales department to service retailer accounts, recruitment, and other Lottery duties.

The **Governor** concurs with the agency's request for FY 2023.

SECURITY



STATUTORY BASIS: • KSA 74-8714

PROGRAM GOALS: • There were no goals submitted for this program.

The Security program provides security to Lottery personnel and property, investigates and prosecutes criminal violations related to the Lottery, and preserves the integrity of the Lottery and all of its activities. To accomplish these goals, the program ensures all enforcement agents receive training and remain

knowledgeable of changing techniques, procedures, and statutes; conducts background investigation on all vendors and retailers; and visits Lottery retail locations to advise and inform retailers of proper security and product inventory practices.

FIGURE 22
SECURITY, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
There were no performance measures submitted for this program.					
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	612,547	475,487		529,781	541,161
TOTAL	\$ 612,547	\$ 475,487		\$ 529,781	\$ 541,161
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	14.5 %	(22.4) %		11.4 %	2.1 %
FTE Positions	6.5	5.8		5.8	5.8

BUDGET ANALYSIS

The agency requests \$541,161, all from special revenue funds, for the Security program for FY 2023. This is an increase of \$11,380 above the FY 2022 revised estimate. The increase is attributable to increases in salaries and wages expenditures, which includes \$9,000 for the employee recognition program. The remaining increase in salaries and wages expenditures is for increases in employer contributions for fringe benefits such as group

health insurance. Other major expenditures in this program include building security monitoring and recording equipment, building access control and alarm systems, as well as travel for investigations and costs associated with background checks.

The **Governor** concurs with the agency's request for FY 2023.

KANSAS RACING AND GAMING COMMISSION

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	18,989	-	-	-	-
All Other Funds	7,526,779	8,951,810	8,951,810	8,963,708	8,963,708
<i>Subtotal</i>	<u>\$ 7,545,768</u>	<u>\$ 8,951,810</u>	<u>\$ 8,951,810</u>	<u>\$ 8,963,708</u>	<u>\$ 8,963,708</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 7,545,768</u>	<u>\$ 8,951,810</u>	<u>\$ 8,951,810</u>	<u>\$ 8,963,708</u>	<u>\$ 8,963,708</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(3.0) %	18.6 %	18.6 %	0.1 %	0.1 %
FTE Positions	99.5	99.5	99.5	99.5	99.5

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

In 1986, Kansas voters approved Article 15, Section 3b of the *Kansas Constitution*, which authorizes the regulation, licensing, and taxation of horse and dog racing and parimutuel wagering. The Legislature established the Kansas Racing Commission in 1987 as the entity charged with implementing provisions of the Kansas Parimutuel Racing Act. The Kansas Racing Commission was redesignated as the Kansas Racing and Gaming Commission (KRGC) on July 1, 1996, when the State Gaming Agency was attached for administrative and budgetary purposes. A portion of the budget request reflects the expenditures associated with this agency and the oversight of tribal casinos. The 2007 Legislature expanded the authority of KRGC by assigning regulatory duties with respect to expanded gaming activities defined in 2007 SB 66 and by appropriating expenditures from the Expanded Lottery Act Regulation Fund for staffing. The agency's budget includes the following three programs:

- **Expanded Gaming Regulation Program.** The Kansas Racing and Gaming Commission regulates each gaming facility, including oversight of internal controls, security, and background checks and auditing gaming facility revenues. The Kansas Expanded Lottery Act requires lottery and racetrack gaming facility managers to pay for all costs of oversight and regulation;
 - **Gaming Regulation Subprogram.** The Gaming Regulation Subprogram provides internal support and monitors compliance with gaming operations rules and regulations. Enforcement agents investigate alleged violations of gaming statutes and regulations and conduct background investigations of licensees;
 - **Responsible Gaming Subprogram.** The Responsible Gaming Subprogram administers the voluntary exclusion program for people with gambling problems in the state of Kansas. The subprogram also audits and approves each lottery gaming

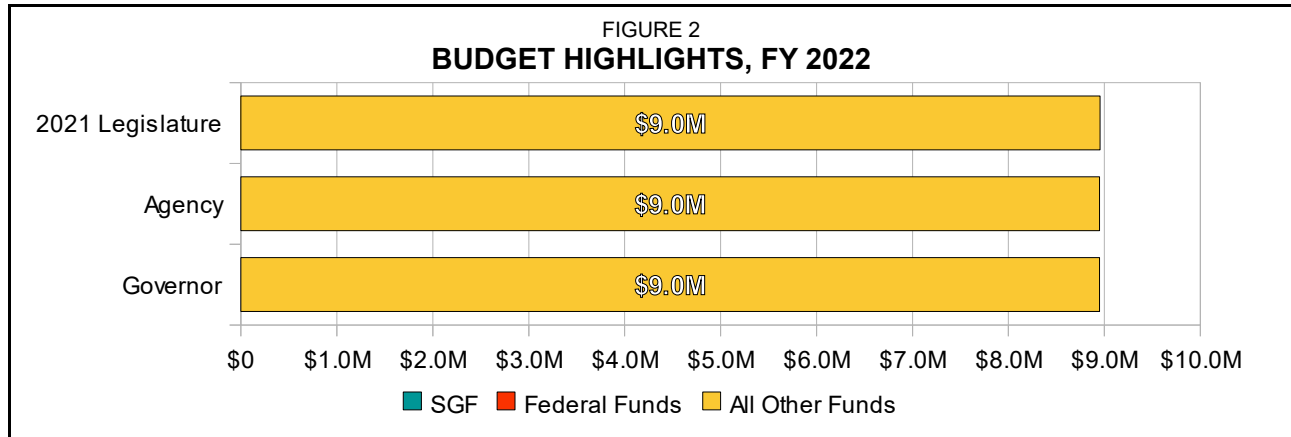
facility's responsible gaming plan and ensures the facility's advertising satisfies KRGK regulations;

- **Illegal Gaming Subprogram.** The Illegal Gaming Subprogram focuses on the reduction and elimination of illegal gaming activity; and
- **Parimutuel Gaming Program.** KRGK administers provisions of the Parimutuel Racing Act and serves as the regulatory entity for horse and greyhound racing. Although there currently are no operating racetracks in the state, the KRGK has the authority to issue racing dates, promulgate racing regulations as required to maintain public confidence in the parimutuel wagering system, ensure the safety and welfare of racing animals, monitor the public health and safety at Kansas racetracks, and encourage the growth of the horse and greyhound breeding industry; and
- **Tribal Gaming Regulation Program.** The 1996 Tribal Gaming Oversight Act created the State Gaming Agency in order to fulfill the duties in the gaming compacts and to enforce the provisions of the compacts and state laws, including general criminal statutes and specific criminal gaming statutes in the Tribal Gaming Oversight Act. The agency performs all necessary background investigations prior to licensing for casino employees, management contractors, manufacturers, and distributors at gaming facilities. In addition, the agency ensures gaming is conducted in accordance with the tribal compacts as well as applicable state and federal laws. The agency's staff may examine and inspect all tribal gaming facilities as well as the records, books, papers, machines, equipment, electronic records, surveillance and security tapes, and logs.

Four casinos have been opened in Kansas under provisions of the compacts: the Kickapoo Nation of Kansas casino, located on the tribe's land in southern Brown County, east of U.S. 75 on K-20; the Prairie Band Potawatomi Nation casino, located on tribal land in Jackson County off U.S. 75; the Sac and Fox Nation of Missouri casino in Brown County on U.S. 75; and the Iowa Tribe of Kansas and Nebraska casino near White Cloud in the northeast corner of the state.

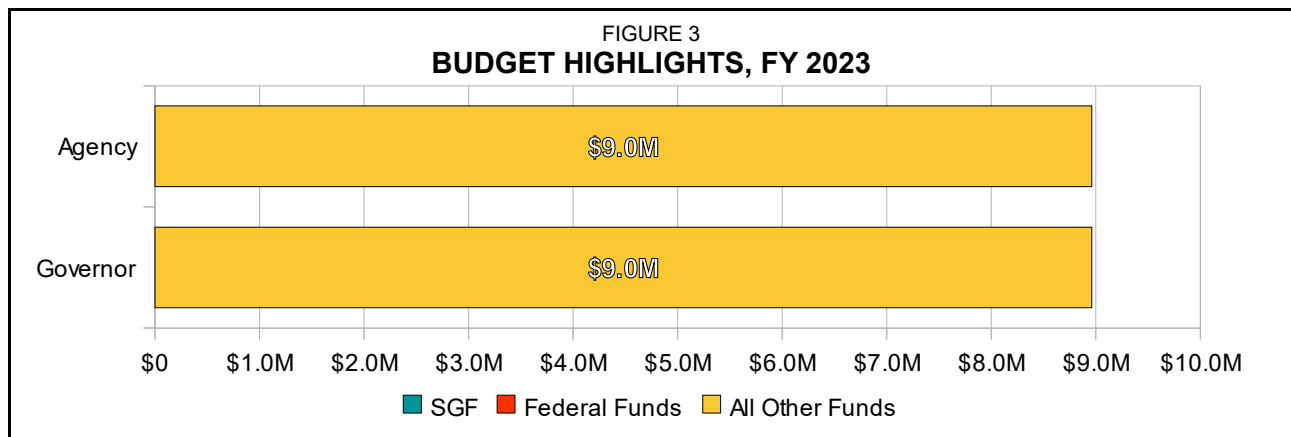
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$9.0 million, all from special revenue funds, for the Kansas Racing and Gaming Commission for FY 2022.



The **agency** requests \$9.0 million, all from special revenue funds, in FY 2022. This is a decrease of \$3,457 below the FY 2022 approved amount. This decrease is due to a decrease of \$5,938 in salaries and wages expenditures, which is partially offset by an increase of \$2,481 in contractual services expenditures. The agency's revised estimate includes 99.5 FTE positions, which is unchanged from the FY 2022 approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$9.0 million, all from special revenue funds, for FY 2023. This is an increase of \$11,898 above the FY 2022 revised estimate. This increase is primarily attributable to increased expenditures for employer contributions for fringe benefits such as group health insurance. The agency request also includes 99.5 FTE positions, which is unchanged from the FY 2022 revised estimate.

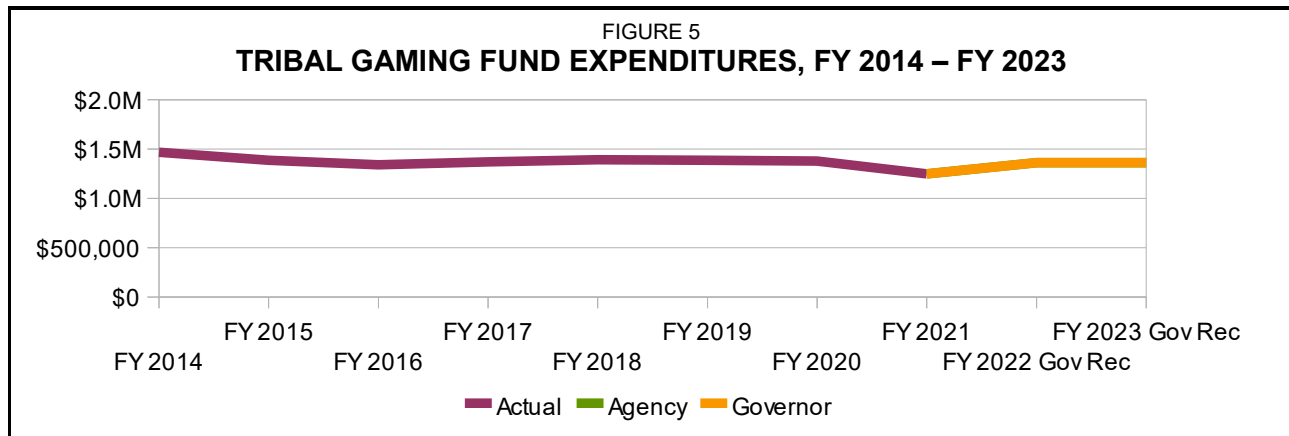
The **Governor** concurs with the agency's request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

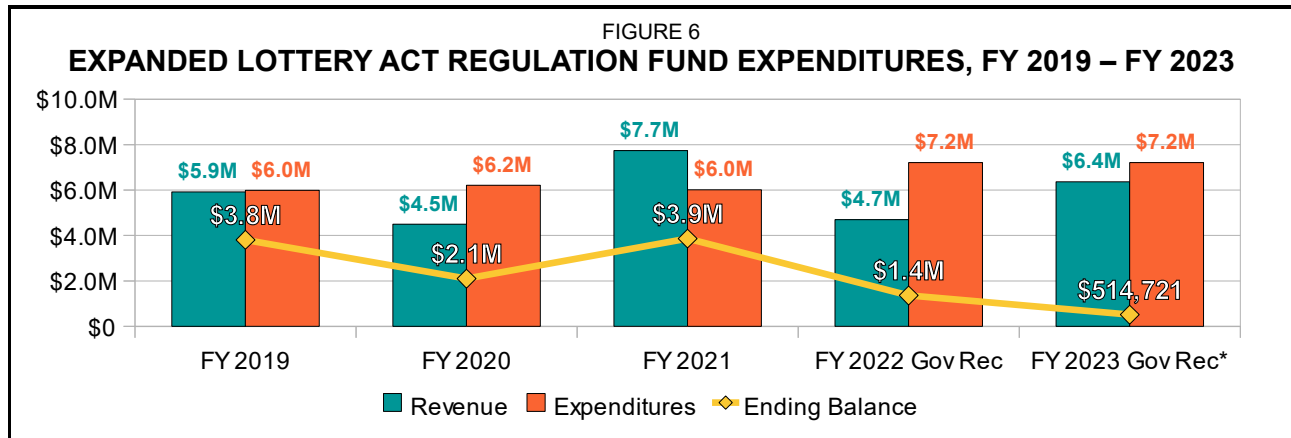
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 6,515,416	\$ 7,351,254	\$ 7,351,254	\$ 7,363,152	\$ 7,363,152
Contractual Services	909,378	1,271,286	1,271,286	1,271,286	1,271,286
Commodities	33,327	164,620	164,620	164,620	164,620
Capital Outlay	87,647	164,650	164,650	164,650	164,650
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 7,545,768</i>	<i>\$ 8,951,810</i>	<i>\$ 8,951,810</i>	<i>\$ 8,963,708</i>	<i>\$ 8,963,708</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 7,545,768</i>	<i>\$ 8,951,810</i>	<i>\$ 8,951,810</i>	<i>\$ 8,963,708</i>	<i>\$ 8,963,708</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 7,545,768	\$ 8,951,810	\$ 8,951,810	\$ 8,963,708	\$ 8,963,708
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	18,989	-	-	-	-
All Other Funds	7,526,779	8,951,810	8,951,810	8,963,708	8,963,708
TOTAL	\$ 7,545,768	\$ 8,951,810	\$ 8,951,810	\$ 8,963,708	\$ 8,963,708
FTE Positions	99.5	99.5	99.5	99.5	99.5

TRIBAL GAMING FUND



The Tribal Gaming Fund is funded by assessments paid three times a year by the four tribal casinos. On July 1 of each fiscal year, the State Gaming Agency receives \$450,000, all from the State General Fund, to cover operational costs for July, August, and September before the first assessments are submitted from the tribes in September. As revenues become available, the State General Fund cash advance is repaid.

EXPANDED LOTTERY ACT REGULATION FUND



* For FY 2023, the lowest month ending balance for the Expanded Lottery Act Regulation Fund will occur in July, with a balance of \$1.4 million.

The Expanded Lottery Act stipulates the cost of regulation is to be incurred by the lottery gaming facility managers. Revenue to the Expanded Lottery Act Regulation Fund includes billings and payments from the currently operating state-owned casinos for KRGC's direct and indirect costs associated with the operations of the casinos. Payments are received in advance of expenditures on a quarterly billing cycle.

FY 2022 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 8,955,267	\$ 8,955,267	99.5
1. No changes			-	
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 8,955,267	\$ 8,955,267	99.5
Agency Revised Estimate:				
2. All Other Adjustments	-	(3,457)	(3,457)	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 8,951,810	\$ 8,951,810	99.5
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 8,951,810	\$ 8,951,810	99.5

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$9.0 million appropriated to the Kansas Racing and Gaming Commission in FY 2022.

AGENCY ESTIMATE

The agency requests \$9.0 million, all from special revenue funds, which is a decrease of \$3,457, or less than 0.1 percent, below the FY 2022 approved budget.

The **agency** request includes the following adjustments:

2. **ALL OTHER ADJUSTMENTS.** Other adjustment includes a decrease of \$5,938 in salaries and wages expenditures, primarily relating to employer contributions to the Kansas Public Employees Retirement System (KPERS) and group health insurance. This decrease is partially offset by an increase of \$2,481 in contractual services expenditures.

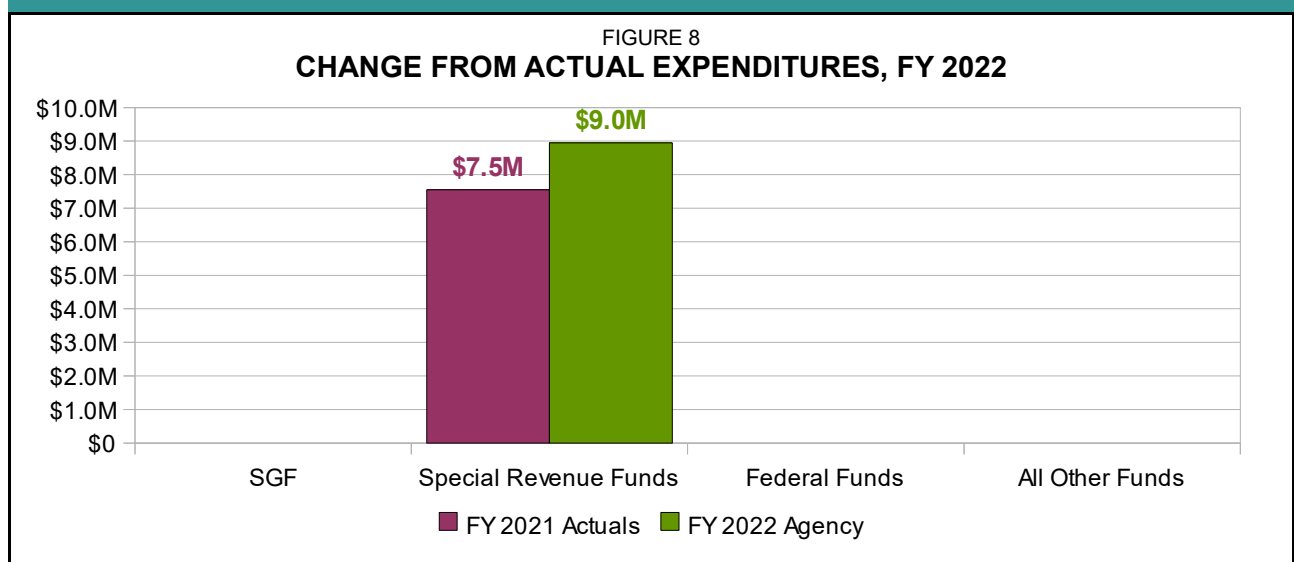
The agency request also includes 99.5 FTE positions, which is unchanged from the FY 2022 approved number.

GOVERNOR'S RECOMMENDATION

The **Governor** concur with the agency's revised estimate in FY 2022.

3. **NO CHANGES.** The Governor recommends no changes to the agency's revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency requests \$9.0 million, all from special revenue funds, in FY 2022. This is an increase of \$1.4 million above the FY 2021 actual amount. This increase is primarily attributable to an increase of \$835,838 for salaries and wages expenditures. The agency had a decrease in salaries and wages expenditures in FY 2021 due to unfilled positions that have since been filled. The remaining increase is primarily attributable to an increase in contractual services (\$361,908) for rent and the State Building Capital Charge, and other fees related to background investigations.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 8,951,810	\$ 8,951,810	99.5
Agency Request:				
1. All Other Adjustments	-	11,898	11,898	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 8,963,708	\$ 8,963,708	99.5
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 8,963,708	\$ 8,963,708	99.5

AGENCY REQUEST

The **agency** requests \$9.0 million, all from special revenue funds, for FY 2023. This is an increase of \$11,898 above the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

1. **ALL OTHER ADJUSTMENTS.** The agency requests an increase of \$11,898 for salaries and wages expenditures. This increase is primarily attributable to an increase in expenditures for employer contributions to employee fringe benefits such as group health insurance.

The **agency** request also includes 99.5 FTE positions, which is unchanged from the FY 2022 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2023.

2. **NO CHANGES.** The Governor recommends no changes to the agency's request.

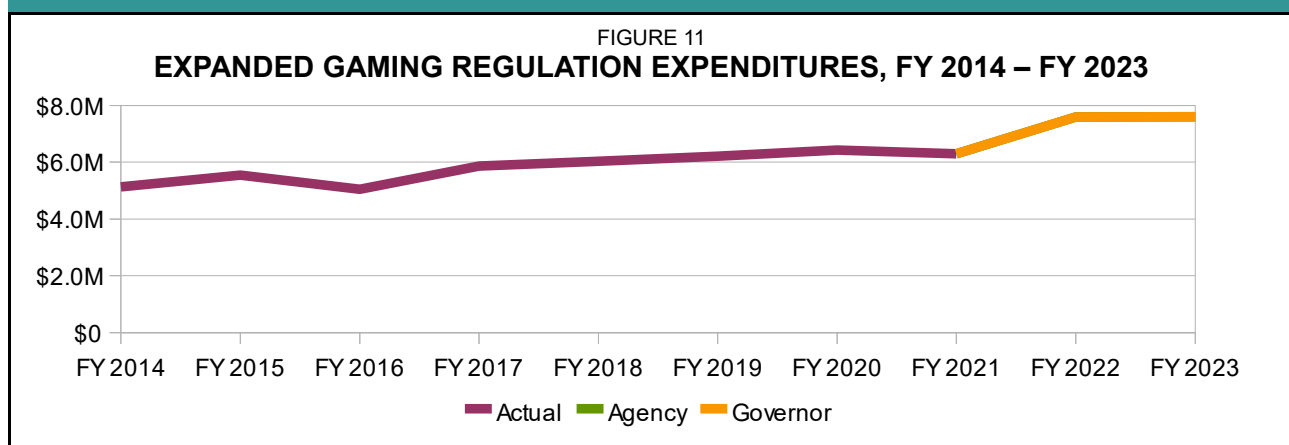
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Gaming Regulation	\$ 6,293,285	\$ 7,586,794	\$ 7,586,794	\$ 7,597,167	\$ 7,597,167
Parimutuel Racing	2,826	3,972	3,972	3,986	3,986
Tribal Gaming	1,249,657	1,361,044	1,361,044	1,362,555	1,362,555
TOTAL	\$ 7,545,768	\$ 8,951,810	\$ 8,951,810	\$ 8,963,708	\$ 8,963,708
FTE Positions:					
Gaming Regulation	86.5	86.5	86.5	86.5	86.5
Parimutuel Racing	0.1	0.1	0.1	0.1	0.1
Tribal Gaming	13.0	13.0	13.0	13.0	13.0
TOTAL	99.5	99.5	99.5	99.5	99.5

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

EXPANDED GAMING REGULATION



STATUTORY BASIS: • KSA 74-8733 through 74-8773

- PROGRAM GOALS:**
- Uphold and promote the integrity of gaming at lottery and racetrack gaming facilities.
 - Protect gaming operations from the influence of individuals or entities seeking to harm the integrity of gaming in Kansas.
 - Protect the state of Kansas and its citizens from criminal activity and other potential issues related to the operation of lottery and racetrack gaming facilities.
 - Investigate complaints and alleged violations of KRGC rules and regulations and applicable state and federal laws.
 - Coordinate with other state agencies and local authorities to reduce and minimize illegal gaming in Kansas.
 - Promote responsible gambling in the state of Kansas.

The Expanded Gaming Regulation program provides regulatory oversight of lottery and racetrack gaming facility managers and their operations in Kansas. There currently are no operating racetrack gaming facilities. There are, however, four lottery gaming facilities: the Northeast Gaming Zone in Wyandotte County houses the Hollywood Casino; the South

Central Gaming Zone located in Sedgwick and Sumner counties houses the Kansas Star Casino; the Southwest Gaming Zone located in Ford County houses the Boot Hill Casino & Resort; and the Southeast Gaming Zone located in Crawford and Cherokee counties houses the Kansas Crossing Casino.

FIGURE 12
EXPANDED GAMING REGULATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of Employee Licenses Denied by the Commission*	1.0 %	0.5 %	0.8 %	2.0 %	2.0 %
2. Number of Voluntary Exclusion Program (VEP) Enrollees Granted Access to Lottery Gaming*	86	99	90	95	95
3. Improper Gaming Outcomes Discovered After Complaint*	0	0	0	0	0

FIGURE 12
EXPANDED GAMING REGULATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
4. Number of Criminal Case Reports*	409	457	451	550	550
5. Number of Background Investigations Completed (Individual and Corporate)	927	606	885	1,260	1,260
6. Number of initial Electronic Gaming Machine (EGM) Inspections and Certifications	375	108	425	300	500
7. Illegal Gaming Machines Seized*	39	6	31	25	25
8. Illegal Gambling Complaints Received*	143	145	155	157	160
9. Number of New VEP Enrollments*	200	174	221	200	200
10. EGM Hardware/Software Components Tested and Approved*	2,683	1,706	2,341	2,400	2,400
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	6,426,922	6,275,022		7,586,794	7,597,167
TOTAL	<u>\$ 6,426,922</u>	<u>\$ 6,275,022</u>		<u>\$ 7,586,794</u>	<u>\$ 7,597,167</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	3.5 %	(2.4) %		20.9 %	0.1 %
FTE Positions	86.5	86.5		86.5	86.5
The Governor's Office does not utilize this measure for evaluation purposes.					

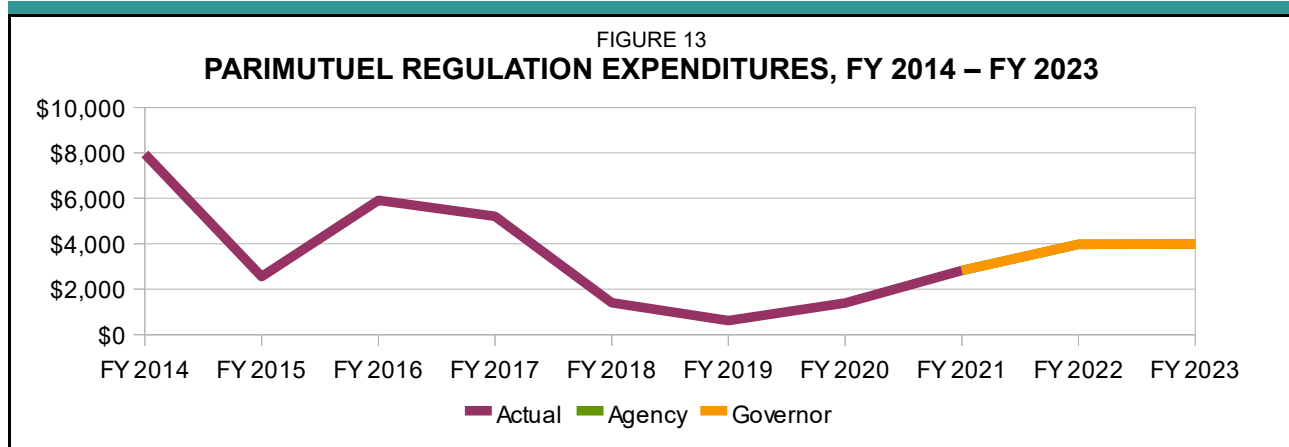
BUDGET ANALYSIS

The **agency** requests \$7.6 million, all from special revenue funds, for the Expanded Gaming Regulation program for FY 2023. This is an increase of \$10,373 above the FY 2022 revised estimate. This increase is attributable to an increase in salaries and wages expenditures for employer contributions to employee fringe benefits such as group health insurance. The program includes 86.5 FTE positions, which is unchanged from the FY 2021 revised estimate. Major expenditures in this program are for professional services largely consisting of

Kansas Bureau of Investigation database access fees related to background checks of vendors who provide goods and services to gaming facilities. Other major expenditures are for repairing and servicing of electronic gaming equipment.

The **Governor** concurs with the agency's request for the Expanded Gaming Regulation program for FY 2023.

PARIMUTUEL REGULATION



STATUTORY BASIS: • KSA 74-8801 through 74-8842

PROGRAM GOALS: • Maintain the integrity of parimutuel wagering systems and protect the public.
• Protect the health, safety, and welfare of the racing animal.

The Parimutuel Regulation program provides oversight for the parimutuel racing industry and racetracks. The Racing and Gaming Commission is the legal authority for such regulation, and staff in this program to carry out the Commission's policies and procedures. There currently are no parimutuel racetracks operating in Kansas. All funding for the program is supported by the State Racing Fund, which is currently being funded by horse registration fees. The Parimutuel Gaming program budget

for FY 2022 through FY 2023 is built on the assumption that no parimutuel racing will occur in Kansas during that period. The agency will continue to administer the Kansas-Bred Registry program. Currently, there are breeders of horses and greyhounds that continue to register their animals as Kansas-bred. This program ensures breeders are able to register their animals and historic records are maintained.

FIGURE 14
PARIMUTUEL REGULATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
There were no performance measures submitted for this program.					
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,388	2,826		3,927	3,986
TOTAL	\$ 1,388	\$ 2,826		\$ 3,927	\$ 3,986
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	127.5 %	103.6 %		39.0 %	1.5 %
FTE Positions	0.1	0.1		0.1	0.1

BUDGET ANALYSIS

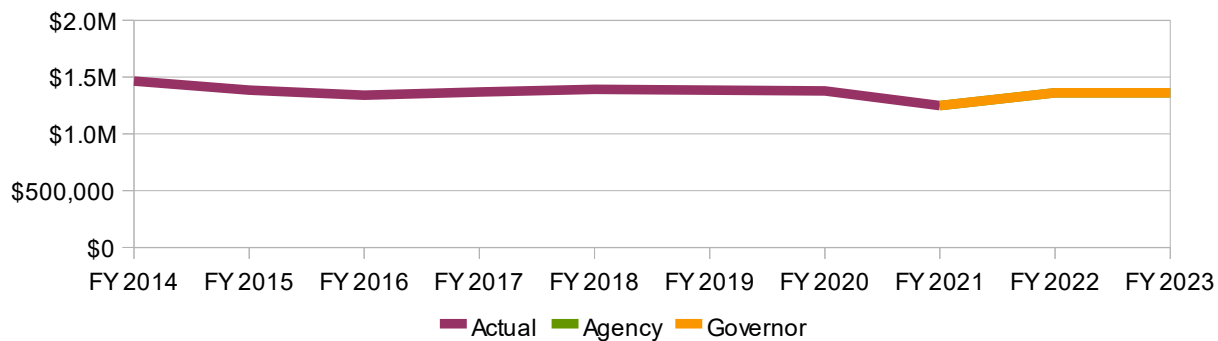
The **agency** requests \$3,986, all from special revenue funds, for the Parimutuel Racing program for FY 2023. This is an increase of \$14 above the FY 2022 revised estimate. This increase is attributable to increased salaries and wages expenditures for employer contributions to employee fringe benefits. This

program includes less than 0.1 FTE positions, which is unchanged from the FY 2022 revised estimate.

The **Governor** concurs with the agency's request for the Parimutuel Regulation program for FY 2023.

TRIBAL GAMING

FIGURE 15
TRIBAL GAMING EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 74-9801 through 74-9809

- PROGRAM GOALS:**
- Ensure compliance with the four tribal-state compacts and the Tribal Gaming Oversight Act and that gaming is conducted in accordance with said compacts and applicable state and federal laws.
 - Protect the state of Kansas and its citizens from criminal activity in the Tribal gaming arena.
 - Ensure accurate and complete information is provided to the different tribal gaming commissions for licensing purposes and review all licensing decisions to ensure compliance.
 - Conduct thorough background investigations on all gaming employees, management contractors, manufacturers, and distributors of gaming devices seeking licensure at gaming facilities located in the state.
 - Investigate any alleged violations of the tribal-state compacts and the Tribal Gaming Oversight Act.

The Tribal Gaming program is responsible for the oversight, monitoring, and compliance of class III gaming conducted pursuant to the four tribal-state compacts and the Tribal Gaming Oversight Act. The program ensures gaming is conducted in accordance with compacts and applicable state and federal laws, protects citizens from criminal activity in the tribal

gaming arena, ensures accurate and complete information is provided to the different tribal gaming commissions for licensing purposes, conducts background investigations, and can review all licensing and disciplinary actions and reports of noncompliance with the tribal-state compacts.

FIGURE 16
TRIBAL GAMING, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Average Days to Complete Background Investigations*	40	31	37	45	45
2.Average Days to Preliminary Suitability*	2.0	2.3	1.8	2.0	2.0
Output Measure:					
3.Number of Internal Control Inspections*	2,316	1,903	2,497	2,750	2,750
4.Number of Background Investigations	432	470	472	470	470
5.Number of Official Slot Machine	318	400	353	400	400

FIGURE 16
TRIBAL GAMING, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Inspections					
6.Number of Compliance Inspections*	457	183	290	200	200
7.Number of Outside Agency Personnel Trained*	10	0	16	25	25
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,378,569	1,249,657		1,361,044	1,362,555
TOTAL	<u>\$ 1,378,569</u>	<u>\$ 1,249,657</u>		<u>\$ 1,361,044</u>	<u>\$ 1,362,555</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(0.5) %	(9.4) %		8.9 %	0.1 %
FTE Positions	14.0	13.0		13.0	13.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests \$1.4 million, all from special revenue funds, for the Tribal Gaming program for FY 2023. This is an increase of \$1,511 above the FY 2022 revised estimate. This increase is attributable to an increase in salaries and wages expenditures for employer contributions to employee fringe benefits such as group health insurance. This program includes 13.0 FTE positions, which is unchanged from the FY 2022 revised estimate.

Major expenditures in this program are for salaries and wages, rents, and other fees related to record checks of the Kansas tribal gaming facilities.

The **Governor** concurs with the agency's request for the Tribal Gaming program for FY 2023.

KANSAS DEPARTMENT OF REVENUE

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 15,248,295	\$ 14,800,068	\$ 15,087,599	\$ 14,800,558	\$ 15,326,422
Federal Funds	199,901	77,000	77,000	77,000	77,000
All Other Funds	93,718,586	92,684,317	92,684,317	91,997,731	93,188,441
<i>Subtotal</i>	<u>\$ 109,166,782</u>	<u>\$ 107,561,385</u>	<u>\$ 107,848,916</u>	<u>\$ 106,875,289</u>	<u>\$ 108,591,863</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 109,166,782</u>	<u>\$ 107,561,385</u>	<u>\$ 107,848,916</u>	<u>\$ 106,875,289</u>	<u>\$ 108,591,863</u>
Percentage Change:					
State General Fund	(99.0) %	(2.9) %	(1.1) %	0.0 %	1.6 %
All Funds	(99.0) %	(1.5) %	(1.2) %	(0.6) %	0.7 %
FTE Positions	1,049.2	1,049.2	1,049.2	1,049.2	1,057.2

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

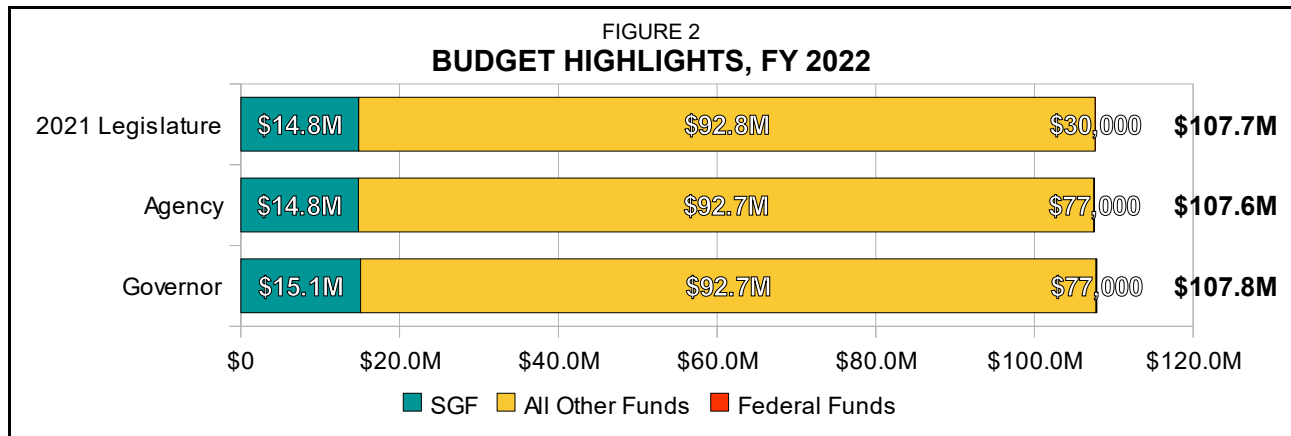
The Kansas Department of Revenue collects taxes and fees, administers Kansas tax laws, issues a variety of licenses, and provides assistance to Kansas citizens and units of government. The agency is divided into six major divisions, which reflect the four statutory programs the agency is charged with administering and the support functions that serve the regular programs. The present organizational structure includes the following units:

- Administrative Services provides management and support services to the other programs.
- Aid to Local Units of Government provides for the distribution of certain state-collected taxes and fees to local units of government as aid.
- Alcoholic Beverage Control (ABC) regulates the sale and distribution of alcoholic beverages and enforces bingo and tobacco regulations.
- Tax Administration manages and enforces the major state taxes and conducts a program of audits to identify and substantiate under-reporting of Kansas taxes.
- Property Valuation appraises state property and exercises supervision over local appraisers.
- Motor Vehicles issues titles, registers vehicles, and licenses drivers.

EXECUTIVE SUMMARY

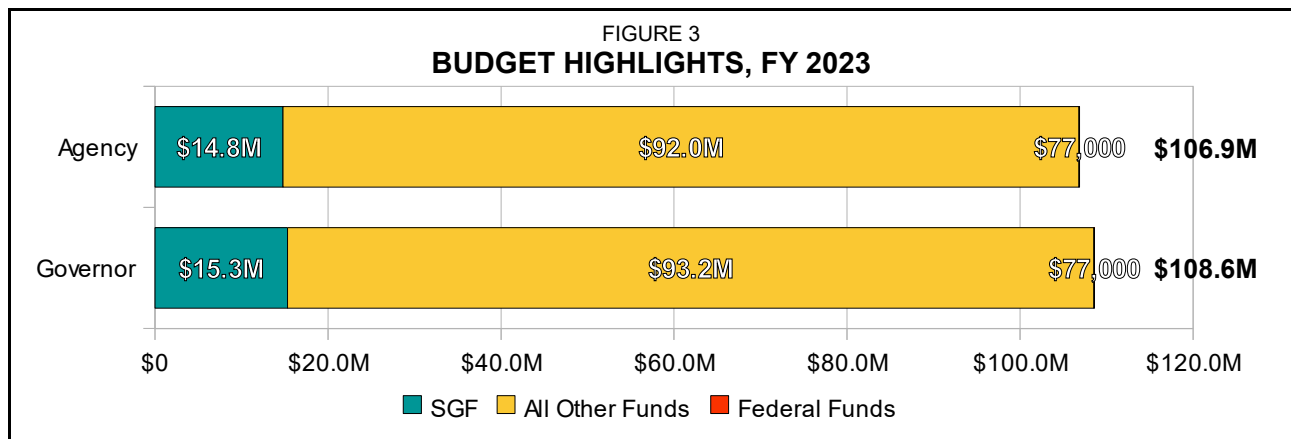
The 2021 Legislature approved a budget of \$107.5 million, including \$14.8 million from the State General Fund (SGF), for the Kansas Department of Revenue for FY 2022. An adjustment

has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The agency reappropriated \$26,354 SGF from FY 2021 into FY 2022.



The agency's revised estimate totals \$107.6 million, including \$14.8 million SGF, for FY 2022. The request is an all funds decrease of \$115,569, or 0.1 percent, including an SGF decrease of \$26,011, or 0.2 percent, below the FY 2022 approved budget. The agency added \$2.7 million in salaries and wages expenditures by reducing the shrinkage rate. The shrinkage rate reduction was partially offset by the deletion of funding associated with vacant positions. The agency also reduced the transfer for the Special County Mineral Production Tax Fund (\$968,450).

The **Governor** recommends \$107.8 million, including \$15.1 million SGF, for FY 2022. The recommendation is an increase of \$287,531, or 0.3 percent, all SGF, above the FY 2022 agency revised estimate. The increase is attributable to administrative expenditures related to the Governor's plan to eliminate the food sales tax.



The **agency** requests \$106.9 million, including \$14.8 million SGF, for FY 2023. The agency request is an all funds decrease of \$686,096, or 0.6 percent, including an SGF increase of \$490, or less than 0.1 percent, from the FY 2022 revised estimate. The agency reduced the transfer to the Special County Mineral Production Tax Fund (\$316,050), reduced information technology contracting services (\$220,000), and reduced the estimate for outside counsel (\$250,000).

The **Governor** recommends \$108.6 million, including \$15.3 million SGF, for FY 2023. The recommendation is an all funds increase of \$1.7 million, or 1.6 percent, and an SGF increase of \$525,864, or 3.4 percent, above the FY 2023 agency request. The increase is attributable to

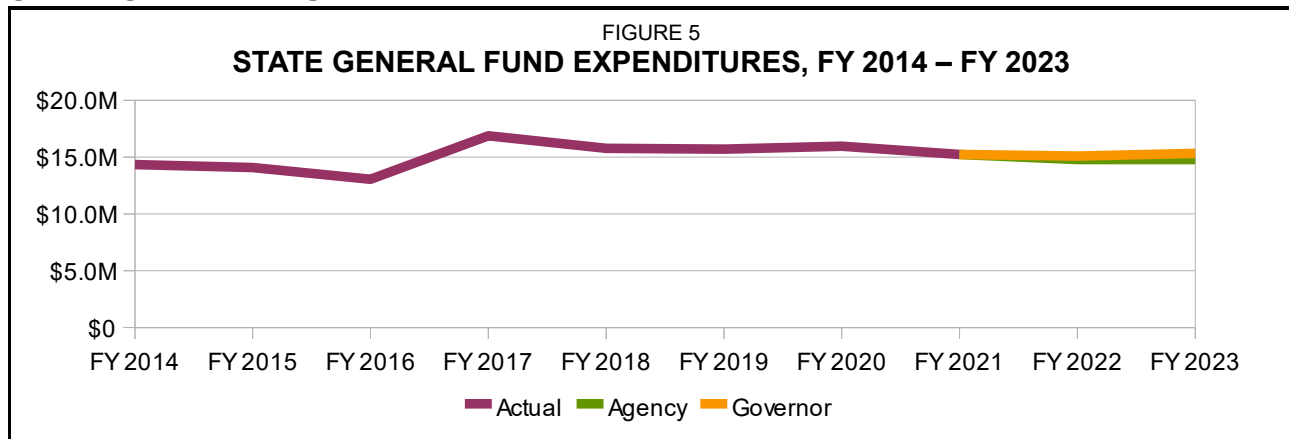
expenditures associated with 2021 SB 13 from the Taxpayer Notification Fund that were inadvertently omitted (\$1.2 million), and administrative expenses related to the Governor's plan to eliminate the food sales tax (\$525,864). Additionally, the recommendation includes a transfer of \$1.0 million from the SGF to the Division of Vehicles Modernization Fund and the elimination of the \$4 surcharge.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

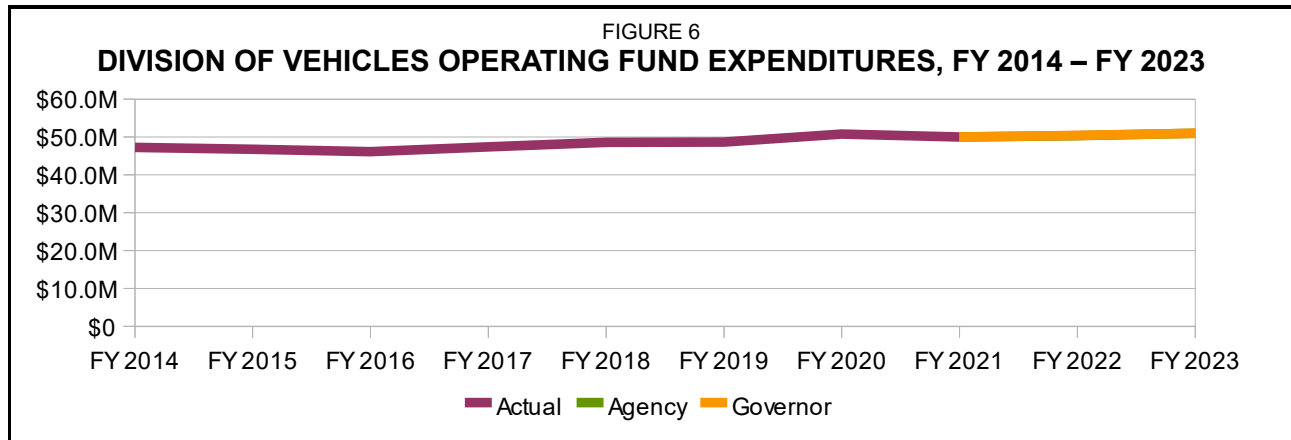
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 66,106,186	\$ 66,922,996	\$ 66,922,996	\$ 67,046,091	\$ 67,571,955
Contractual Services	34,214,936	32,799,047	33,086,578	32,372,395	32,372,395
Commodities	4,290,657	4,480,701	4,480,701	4,489,752	4,489,752
Capital Outlay	2,549,125	695,851	695,851	666,551	666,551
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 107,160,904</i>	<i>\$ 104,898,595</i>	<i>\$ 105,186,126</i>	<i>\$ 104,574,789</i>	<i>\$ 105,100,653</i>
Aid to Local Units	1,993,678	2,662,790	2,662,790	2,300,500	3,491,210
Other Assistance	12,200	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 109,166,782</i>	<i>\$ 107,561,385</i>	<i>\$ 107,848,916</i>	<i>\$ 106,875,289</i>	<i>\$ 108,591,863</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 109,166,782	\$ 107,561,385	\$ 107,848,916	\$ 106,875,289	\$ 108,591,863
Financing:					
State General Fund	\$ 15,248,295	\$ 14,800,068	\$ 15,087,599	\$ 14,800,558	\$ 15,326,422
Federal Funds	199,901	77,000	77,000	77,000	77,000
All Other Funds	93,718,586	92,684,317	92,684,317	91,997,731	93,188,441
TOTAL	\$ 109,166,782	\$ 107,561,385	\$ 107,848,916	\$ 106,875,289	\$ 108,591,863
FTE Positions	1,049.2	1,049.2	1,049.2	1,049.2	1,057.2

STATE GENERAL FUND



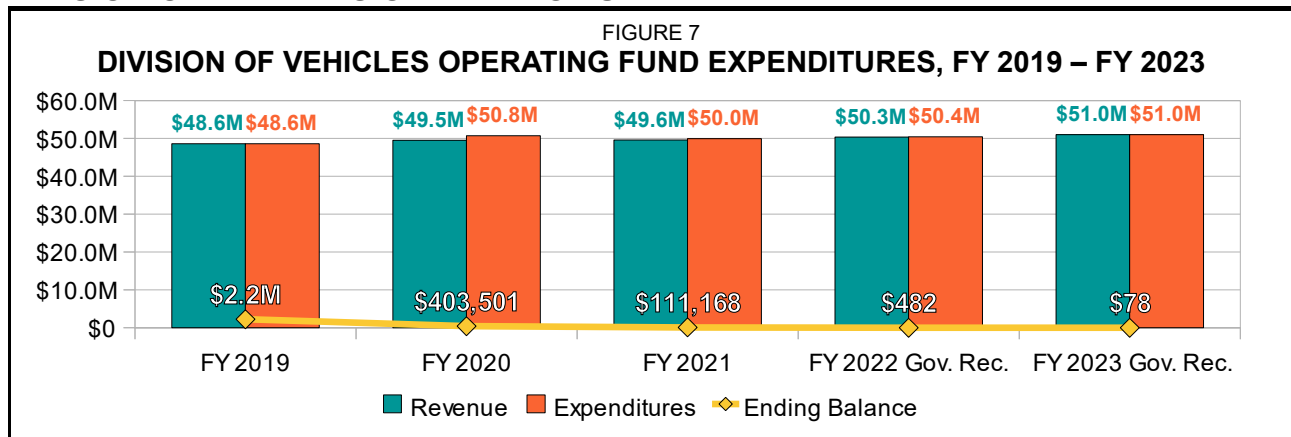
For the Kansas Department of Revenue, SGF expenditures have averaged \$15.1 million per fiscal year between FY 2014 and FY 2020.

DIVISION OF VEHICLES OPERATING FUND



On average, \$47.9 million was expended annually from the Division of Vehicles Operating Fund from FY 2014 through FY 2021.

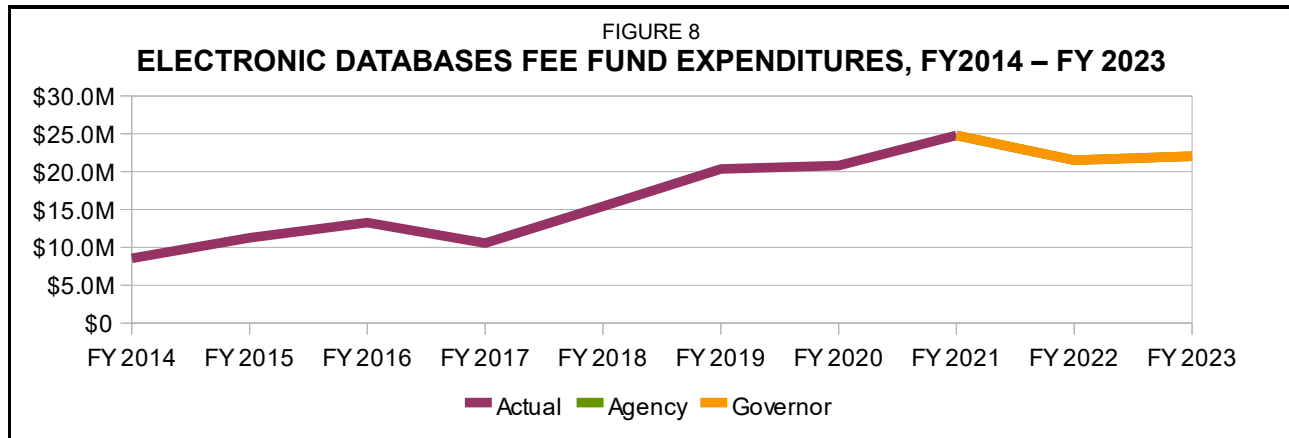
DIVISION OF VEHICLES OPERATING FUND



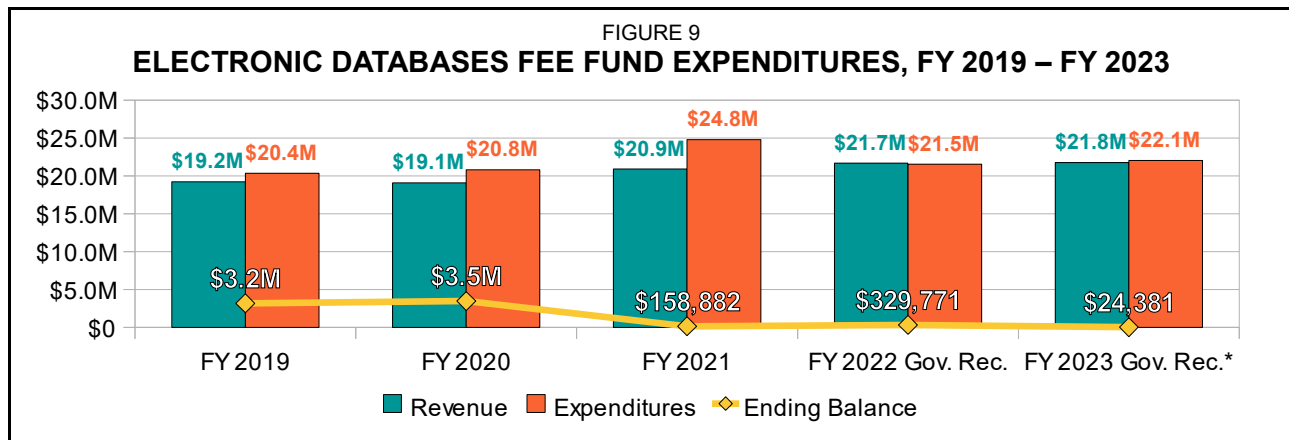
* For FY 2023, the lowest month ending balance for the Division of Vehicles Operating Fund will occur in September, with a balance of \$0.

The Division of Vehicles Operating Fund is funded through charges assessed for copies, fines, penalties, and forfeitures. The largest single source of revenue for the Division of Vehicles Operating Fund is from the State Highway Fund, which is made in quarterly transfers pursuant to the annual appropriation acts.

ELECTRONIC DATABASES FEE FUND



Expenditures from the Electronic Databases Fee Fund increased from \$8.6 million in FY 2014 to \$25.0 million in FY 2021.



* For FY 2023, the lowest month ending balance for the Electronic Databases Fee Fund will occur in September, with a balance of \$0.

KSA 74-2022(a) authorizes the Secretary of Revenue to fix, charge, and collect fees to provide access to or furnish copies of data constituting public records in the vehicle information processing system, the Kansas Computer Assisted Mass Appraisal (CAMA) System, and other electronic database systems used by the agency. Fees are fixed in order to recover all or part of the costs incurred to operate, maintain, and improve such database systems. Fees may also be used to fund general operating and administrative costs for the agency. The driver's license history record fees were increased in late FY 2018 to be more comparable with other states' fees for identical services.

FY 2022 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 14,799,725	\$ 92,850,875	\$ 107,650,600	1,049.2
1. SGF Reappropriation	26,354	-	26,354	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 14,826,079</i>	<i>\$ 92,850,875</i>	<i>\$ 107,676,954</i>	<i>1,049.2</i>
Agency Revised Estimate:				
2. SGF Swap	(26,011)	-	(26,011)	--
3. Special County Mineral Production Tax Fund	-	(968,450)	(968,450)	--
4. Shrinkage Adjustments	-	2,650,252	2,650,252	--
5. Computer Programming	-	(1,886,997)	(1,886,997)	--
6. Building Space Rental	-	(387,400)	(387,400)	--
7. Motor Vehicles	-	(324,000)	(324,000)	--
8. Vehicle License Tag Resale	-	688,100	688,100	--
9. Passenger Cars	-	(253,351)	(253,351)	--
10. Channel Management Project	-	(287,999)	(287,999)	--
11. Travel	-	444,661	444,661	--
12. Other Adjustments	-	235,626	235,626	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 14,800,068</i>	<i>\$ 92,850,875</i>	<i>\$ 107,561,385</i>	<i>1,049.2</i>
Governor's Recommendation:				
13. Food Sales Tax Administrative Costs	287,531	-	287,531	--
TOTAL	\$ 15,087,599	\$ 92,850,875	\$ 107,848,916	1,049.2

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, an adjustment was made to the \$14,799,725 SGF appropriated to the Kansas Department of Revenue for FY 2022. This adjustment changes the current year approved amount without any legislative action required. The agency reappropriated \$26,354 from FY 2021 into FY 2022.

1. **SGF REAPPROPRIATION.** The agency reappropriated \$26,354 from FY 2021 into FY 2022.

AGENCY ESTIMATE

The agency requests \$107.6 million, including \$14.8 million SGF, for FY 2022. The request is an all funds decrease of \$115,569, or 0.1 percent, including an SGF decrease of \$26,011, or 0.2 percent, below the FY 2022 approved budget. Major adjustments include:

2. **SGF SWAP.** Deletes \$26,011, all SGF, as these expenditures were reimbursed through a transfer from COVID-19 pandemic relief funding.
3. **SPECIAL COUNTY MINERAL PRODUCTION TAX FUND.** Deletes \$968,450, all from the Special County Mineral Production Tax Fund. This adjustment reflects changes in the consensus estimates for oil and gas production.
4. **SHRINKAGE ADJUSTMENTS.** The agency reduced the shrinkage allocation by \$4.6 million. This reduction was partially offset by the deletion of funding associated with vacant positions in the agency's budget.

5. **COMPUTER PROGRAMMING.** The agency reduced the estimate for the Data Center as a Service item based on actual FY 2021 expenditures.
6. **BUILDING SPACE RENTAL.** The agency decreased the estimate for building space rental by \$387,400 due to channel management moving out of the Docking State Office Building.
7. **MOTOR VEHICLES.** The agency deleted \$324,000 to revise the estimate for the amount paid to the contractor, Idemia, to produce and mail driver's licenses and ID cards in FY 2022.
8. **VEHICLE LICENSE TAG RESALE.** The agency added \$688,100 for sales of vehicle license tags.
9. **PASSENGER CAR.** The agency deleted \$235,351 for passenger vehicles. No vehicle purchases are planned in FY 2022.
10. **CHANNEL MANAGEMENT PROJECT.** The agency deleted \$287,999, for lower than anticipated costs to relocate the transport portion of the channel management project in FY 2022.
11. **TRAVEL.** The agency added \$444,661 for travel costs in FY 2022 as travel resumes post pandemic.
12. **OTHER ADJUSTMENTS.** Add \$235,626, all from special revenue funds, for other adjustments in FY 2022.

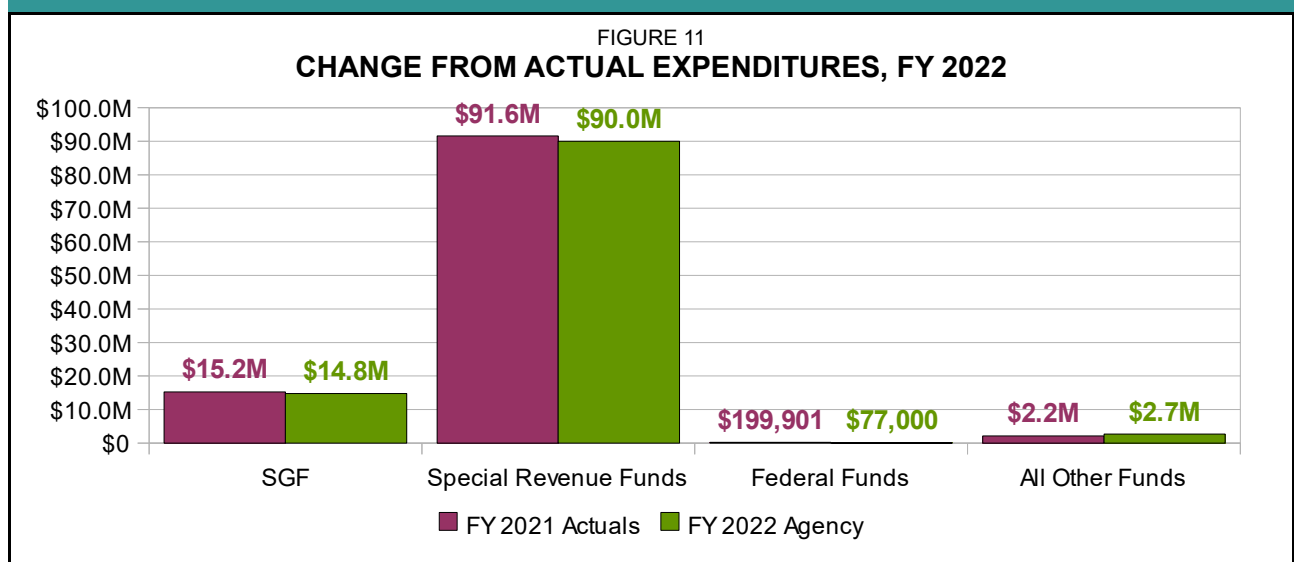
GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$107.8 million, including \$15.1 million SGF, for FY 2022. The recommendation is an increase of \$287,531, or 0.3 percent, all SGF, above the agency's FY 2022 revised estimate. The increase is attributable to administrative expenses related to the Governor's plan to eliminate the food sales tax.

The **Governor's** recommendation includes the following adjustments:

13. **FOOD SALES TAX ADMINISTRATIVE COSTS.** The Governor's recommendation adds \$287,531, all SGF, to the Tax Administration Program in FY 2022. The Department indicates that the additional funding would be used to modify its tax system to accommodate one rate for food and another rate for non-food items, quality assurance testing, and to revise sales tax forms and publications. The required programming would be performed by existing staff of the Department of Revenue; however, outside contract programmer services may be required to implement this plan by July 1, 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 revised estimate is \$1.6 million, including \$448,227 SGF, below the FY 2021 actual expenditures. The reductions are primarily in contractual services and capital outlay. The reductions in contractual services is in information technology (IT) consulting and tied to completion of the channel management upgrade. The commodities reduction is similarly tied to the channel management project and is due to reduced IT equipment expenditures.

The reductions are partially offset by an increase of \$816,810 in salaries and wages and \$669,112 for aid to local units of government. The salaries and wages increase is contained in the Tax Administration Program and is largely related to the shrinkage reduction.

FY 2023 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 14,800,068	\$ 92,850,875	\$ 107,561,385	1,049.2
Agency Request:				
1. Special County Mineral Production Tax Fund	\$ -	\$ (316,050)	\$ (316,050)	--
2. Contract Counsel - Tax	-	(250,000)	(250,000)	--
3. Staffing and Recruiting Services - IT	-	(150,000)	(150,000)	--
4. Information Systems Consulting - IT	-	(70,000)	(70,000)	--
5. All Other Adjustments	490	(100,516)	(100,026)	--
<i>Subtotal—Agency Request</i>	<i>\$ 14,800,558</i>	<i>\$ 91,964,309</i>	<i>\$ 106,675,309</i>	<i>1,049.2</i>
Governor's Recommendation:				
6. Taxpayer Notification Fund	\$ -	\$ 1,190,710	\$ 1,190,710	--
7. Division of Vehicles Modernization Fund Transfer	-	-	-	--
8. Food Sales Tax Administrative Costs	525,864	-	525,864	8.0
TOTAL	\$ 15,326,422	\$ 93,155,019	\$ 108,391,883	1,057.2

AGENCY REQUEST

The **agency** requests \$106.9 million, including \$14.8 million SGF, for FY 2023. The agency request is an all funds decrease of \$686,096, or 0.6 percent, including an SGF increase of \$490, or less than 0.1 percent, from the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

- SPECIAL COUNTY MINERAL PRODUCTION TAX FUND.** The agency request deletes \$316,050, all from the Special County Mineral Production Tax Fund, to adjust the transfer amount for the consensus revenue estimates.
- CONTRACT COUNSEL—TAX.** The agency request deletes \$250,000, all from special revenue funds, for the estimate for contract counsel in anticipation of the resolution of the Bicknell litigation.
- STAFFING AND RECRUITING SERVICES—IT.** The agency request deletes \$150,000, all from special revenue funds, for expenditures on staff and recruiting services as the agency relies more heavily on state employees for information technology support.
- INFORMATION SYSTEMS CONSULTING—IT.** The agency request deletes \$70,000, all from special revenue funds, for expenditures on consulting for IT systems due to the anticipation of completing the channel management project.
- ALL OTHER ADJUSTMENTS.** Delete \$100,026 from all funds, including the addition of \$490 SGF for FY 2023.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$108.6 million, including \$15.3 million SGF, for FY 2023. The recommendation is an all funds increase of \$1.7 million, or 1.6 percent, and an SGF increase of \$525,864, or 3.4 percent, above the FY 2023 agency request. The increase is attributable to

expenditures associated with 2021 SB 13 from the Taxpayer Notification Fund that were inadvertently omitted from the agency's request (\$1.2 million), and administrative expenses related to the Governor's plan to eliminate the food sales tax (\$525,864). Additionally, the recommendation includes a transfer of \$1.0 million from the SGF to the Division of Vehicles Modernization Fund and the elimination of the \$4 surcharge. KSA 75-5160.

The **Governor's** recommendation includes the following adjustments:

6. **TAXPAYER NOTIFICATION FUND.** The Governor recommends adding \$1.2 million, all from the Taxpayer Notification Costs Fund, that were inadvertently omitted from the agency's request for FY 2023. The Taxpayer Notification Costs Fund would be used to reimburse printing and postage costs for counties to send out notices with the revenue neutral rate beginning in tax year 2022 or FY 2023. The Department estimates that the Taxpayer Notification Costs Fund would receive an SGF transfer of \$1,190,710 that would be used to reimburse counties. The revenue neutral rate requirements, including establishing the Taxpayer Notification Costs Fund and county reimbursement process, was included in 2021 SB 13.
7. **DIVISION OF VEHICLES MODERNIZATION FUND TRANSFER.** The Governor recommends eliminating the \$4 Division of Vehicles Modernization Fund Surcharge on July 1, 2022. To fund expenditures from the Division of Vehicles Modernization Fund, the Governor recommends transferring \$1.0 million to this fund from the SGF for FY 2023.
8. **FOOD SALES TAX ADMINISTRATIVE COSTS.** The Governor recommends adding \$525,864, all SGF, and 8.0 FTE positions for FY 2023 for administrative costs associated with the Governor's food sales tax plan. The Department indicates that the plan would require an additional 8.0 FTE positions to provide customer relations and business support and meet additional accounting and audit needs.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

REQUEST 1

SUPPLEMENTALS AND ENHANCEMENTS

The Governor recommends one supplemental and two enhancements for the Department of Revenue budget. Over two years the adjustments total \$2.0 million, including \$813,395 SGF.

Supplementals and Enhancements				
Short Descriptions	FY 2022 SGF	FY 2022 All Funds	FY 2023 SGF	FY 2023 All Funds
Taxpayer Notification Fund	\$ -	\$ -	\$ -	\$ 1,190,710
Food Sales Tax	287,531	287,531	525,864	525,864
TOTAL	\$ 287,531	\$ 287,531	\$ 525,864	\$ 1,716,574

1. **TAXPAYER NOTIFICATION FUND.** The Governor recommends adding \$1.2 million, all from the Taxpayer Notification Costs Fund, that were inadvertently omitted from the agency budget request for FY 2023. The Taxpayer Notification Costs Fund would be used to reimburse printing and postage costs for counties to send out notices with the revenue neutral rate beginning in tax year 2022 or FY 2023. The Department estimates that the Taxpayer Notification Costs Fund would receive an SGF transfer of \$1,190,710, which would be used to reimburse counties. The revenue neutral rate requirements, including establishing the Taxpayer Notification Costs Fund and county reimbursement process, was included in 2021 SB 13.

2. FOOD SALES TAX ADMINISTRATIVE COSTS

- a. The Governor's recommendation adds \$287,531, all SGF, to the Tax Administration Program for FY 2022. The Department indicates that the additional funding would be used to modify the tax system to accommodate one rate for food and another rate for non-food items, quality assurance testing, and to revise sales tax forms and publications. The required programming would be performed by existing staff of the Department of Revenue; however, outside contract programmer services may be required to implement this plan by July 1, 2022.
- b. The Governor recommends adding \$525,864, all SGF, and 8.0 FTE positions for FY 2023 for the Governor's food sales tax plan. The Department indicates that the plan would require it to hire 8.0 FTE positions to provide customer relations and business support and meet additional accounting and audit needs.

The Governor recommend adoption of both items. The requests were not included as part of the agency's budget request.

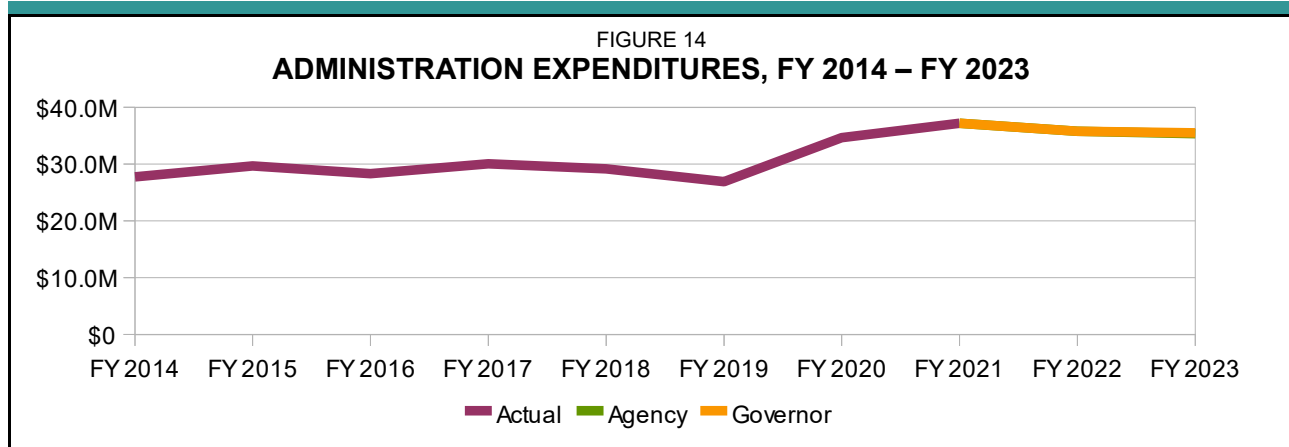
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 37,216,917	\$ 35,764,291	\$ 35,764,291	\$ 35,377,601	\$ 35,520,872
Aid to Locals	1,993,678	2,662,790	2,662,790	2,300,500	3,491,210
Alcoholic Beverage Control	3,341,533	3,365,077	3,365,077	3,374,139	3,374,139
Motor Vehicles	34,070,507	34,178,157	34,178,157	34,224,878	34,224,878
Property Valuation	3,840,299	4,205,679	4,205,679	4,211,114	4,211,114
Tax Administration	28,703,848	27,385,391	27,672,922	27,387,057	27,769,650
TOTAL	\$ 109,166,782	\$ 107,561,385	\$ 107,848,916	\$ 106,875,289	\$ 108,591,863
FTE Positions:					
Administration	272.3	273.3	273.3	273.3	275.3
Aid to Local Units	-	-	-	-	-
Alcoholic Beverage Control	39.8	38.8	38.8	38.8	38.8
Motor Vehicles	349.0	352.2	352.2	352.2	352.2
Property Valuation	35.1	35.1	35.1	35.1	35.1
Tax Administration	353.0	349.8	349.8	349.8	355.8
TOTAL	1,049.2	1,049.2	1,049.2	1,049.2	1,057.2

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 75-5101 and KSA 75-1527

PROGRAM GOALS: • The Office of the Secretary of Revenue is responsible for ensuring the agency follows its mission.
• Represent the agency in litigation and provide legal advice to the Kansas Department of Revenue.
• Support the development of efficient tax laws and consistent policies.

The Administration Division is composed of the following areas:

- The **Office of the Secretary of Revenue** administers agency policies and procedures, media relations, and executive oversight of the agency's major programs; assists the Governor's Office and legislative staff with policy development and economic forecasting; coordinates media events; and generates press releases.
- The **Office of Financial Management** manages the agency's fiscal systems and processes, including accounting, procurement, and budget functions; collects, reconciles, and distributes tax revenues daily to multiple funds at various state agencies; ensures compliance with state accounting statutes and regulations; and coordinates, directs, and accurately reports all agency financial transactions recorded in the state accounting system;
- The **Office of Personnel Services and Learning Center** provides human resource services, including payroll and benefits, employee relations, classification and compensation, personnel policy management, and

recruitment; provides training for agency software applications, leadership development, and new hire orientation; and manages curriculum to remain compliant with federal Internal Revenue Service and Social Security Administration training requirements.

- The **Facility Operations** program is responsible for the ordering, receiving, and inventory control of all supplies, commodities, and capital outlay purchased by the agency, and for building lease administration, facilities management, and general support for more than 40 office locations throughout the state.
- The **Legal Services and Special Investigations** program provides legal advice and analysis to the Secretary of Revenue and department officials regarding agency contracts and legislative matters; represents the agency in litigation; acts as the legal counsel for all administrative and court matters involving taxes, vehicle titles and registrations, driver's licenses, and personnel matters; and oversees the Office of Special Investigations, which conducts criminal and administrative investigations and provides fraud-

related support to the Division of Vehicles and Division of Taxation. The Office of Special Investigations enforcement officers are certified law enforcement officers (KSA 75-5157).

- **Information Services** manages the overall planning, development, maintenance, computer processing, and support of the agency's information systems; works closely with the Office of Information Technology Services (OITS) for server and network operations, system enhancements and development, and statewide disaster recovery operations; and maintains the agency website and applications.

- The **Office of Research and Analysis** provides professional research, statistical and economic analysis, educational presentations and publications, and additional services to the Secretary of Revenue, the Kansas Legislature, the citizens of Kansas, and local governments to aid in the implementation of federal, state, and local law; tracks revenue from all sources and estimates future revenue based on policy changes and prior data; and analyzes legislative proposals and prepares fiscal notes affecting the agency.

FIGURE 15
ADMINISTRATION PROGRAM PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of fiscal notes completed within five working days	80.0%	80.0%	80.0%	80.0%	80.0%
2. Total number of fiscal notes completed	294	372	319	225	225
Output Measure:					
3. Administrative Tax Appeals Docketed*	250	279	295	450	N/A
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 6,073,649	\$ 5,379,628		\$ 5,379,628	\$ 4,831,950
Federal Funds	-	140,519		-	-
All Other Funds	28,595,826	30,753,706		30,384,663	30,688,922
TOTAL	<u>\$ 34,669,475</u>	<u>\$ 36,273,853</u>		<u>\$ 35,764,291</u>	<u>\$ 35,520,872</u>
Percentage Change:					
SGF	91.5 %	(11.4) %		-- %	(10.2) %
All Funds	28.8 %	4.6 %		(1.4) %	(0.7) %
FTE Positions	282.3	272.3		273.3	275.3

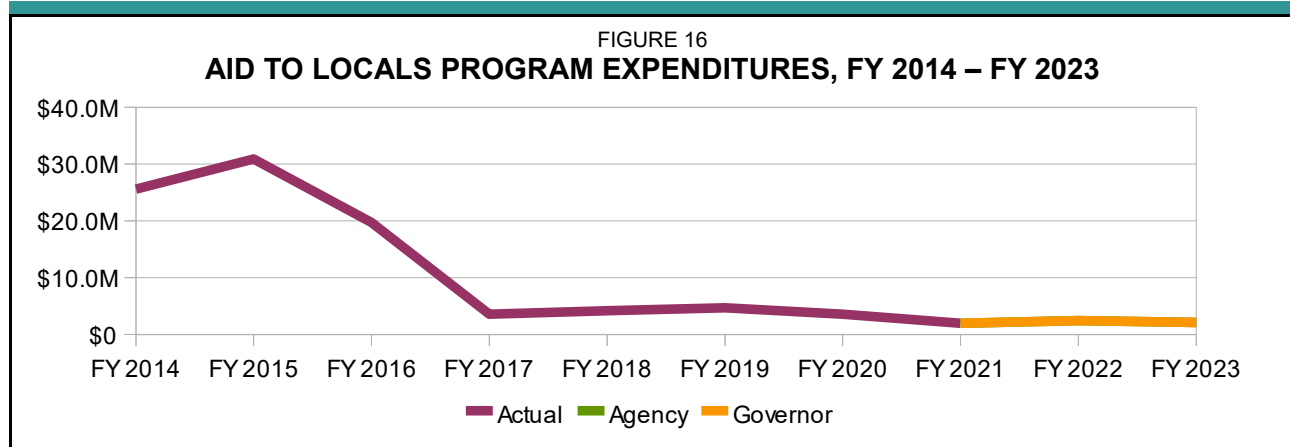
* The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The agency requests Administration program expenditures of \$35.4 million, including \$4.7 million SGF. The request is an all funds decrease of \$386,690, or 1.1 percent, including an SGF decrease of \$690,949, or 12.8 percent, below the FY 2022 revised estimate. The decreases are for contract counsel fees and IT consulting services.

The **Governor** recommends expenditures of \$35.5 million, including \$4.8 million SGF, an increase of 0.4 percent, above the FY 2023 agency request. The increase is attributable to the supplemental recommendation for the food sales tax changes.

AID TO LOCALS PROGRAM



STATUTORY BASIS: • KSA 79-4227, KSA 79-5211, KSA 82a-309, KSA 8-2425

PROGRAM GOALS: • Be accountable for the distribution of aid payments to local governments.
• Ensure that all aid payments are made on or before the scheduled distributions dates.

The Aid to Locals Program distributes revenue from certain state-collected taxes, fees, and penalties to local units of government. Those distributions include sand royalties,

full-privilege license plates to manufacturers and dealer license fees, mineral severance taxes, and taxes on controlled substances.

FIGURE 17
AID TO LOCALS PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of aid payments distributed on schedule	100.0%	100.0%	100.0%	100.0%	100.0%
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	3,557,420	1,993,678		2,662,790	3,491,210
TOTAL	<u>\$ 3,557,420</u>	<u>\$ 1,993,678</u>		<u>\$ 2,662,790</u>	<u>\$ 3,491,210</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(24.4) %	(44.0) %		33.6 %	31.1 %
FTE Positions	--	--		--	--

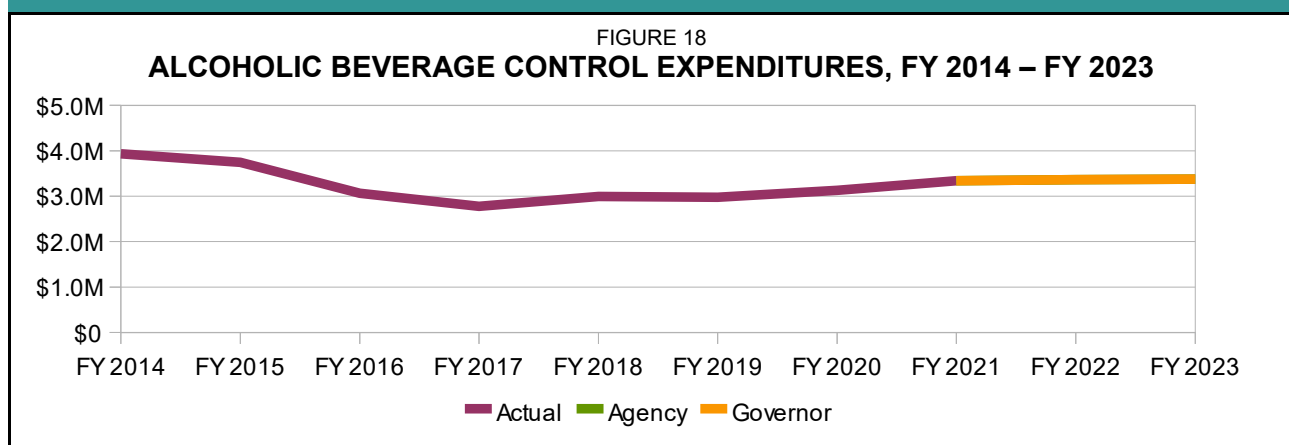
BUDGET ANALYSIS

The agency requests Aid to Locals Program expenditures of \$2.3 million, all from special revenue funds, which is a decrease of \$362,290, or 13.6 percent, below the FY 2022 revised estimate. The decrease is attributable to revised estimates for the Special County

Mineral Production Tax Fund and the County Drug Tax Fund.

The **Governor** concurs with the agency request for the Aid to Locals program.

ALCOHOLIC BEVERAGE CONTROL



STATUTORY BASIS: • KSA 75-5117, KSA 41-101, KSA 41-2601

PROGRAM GOALS:

- Regulate licensees in an efficient, capable, fair, and professional manner.
- Make it as easy as possible to voluntarily comply with liquor laws by providing educational training to licensees.
- Protect public safety by performing random controlled buys to increase compliance rate for the sale of alcohol to underage persons.
- Contribute to and protect the integrity of agency revenue streams by monitoring the filing and remittance of taxes on the sale of alcoholic beverages.

The Alcoholic Beverage Control (ABC) program regulates all phases of the manufacture, distribution, sale, and possession of alcohol in Kansas. This program encompasses many duties, including the following:

- Protecting the public health, safety, and welfare through effective regulation of the liquor industry;
- Ensuring businesses who import alcoholic liquor or cereal malt beverages meet statutory licensing requirements;
- Providing information to licensees on how to remain in compliance;
- Enforcing the Liquor Control Act and the Club and Drinking Establishment Act;
- Educating liquor licensees on current laws and regulations;
- Detecting and resolves licensee violations and providing support for licensee investigations;
- Providing training to local law enforcement agencies on underage drinking investigations, identifying fake IDs, and over-service violations; and
- Partnering with grassroots organizations interested in protecting the safety of youth in the context of alcohol products.

FIGURE 19
ALCOHOLIC BEVERAGE CONTROL PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of controlled buys performed	404	295	358	612	612
2.Compliance rate for the controlled buys for the sale of alcohol to underage persons	85.0%	84.0%	85.3%	85.0%	85.0%
3.ABC regulation cost per licensee*	\$ 481.04	\$ 516.92	\$ 514.47	\$ 561.64	N/A
Output Measure:					
4.Liquor Enforcement Tax violations*	20	24	28.7	25	N/A
5.Liquor Drink Tax violations*	105	119	144.3	115	N/A
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	46,483	12,047		47,000	47,000
All Other Funds	3,081,384	3,329,486		3,318,077	3,327,139
TOTAL	\$ 3,127,867	\$ 3,341,533		\$ 3,365,077	\$ 3,374,139
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	5.2 %	6.8 %		0.7 %	0.3 %
FTE Positions	39.8	39.8		38.8	38.8

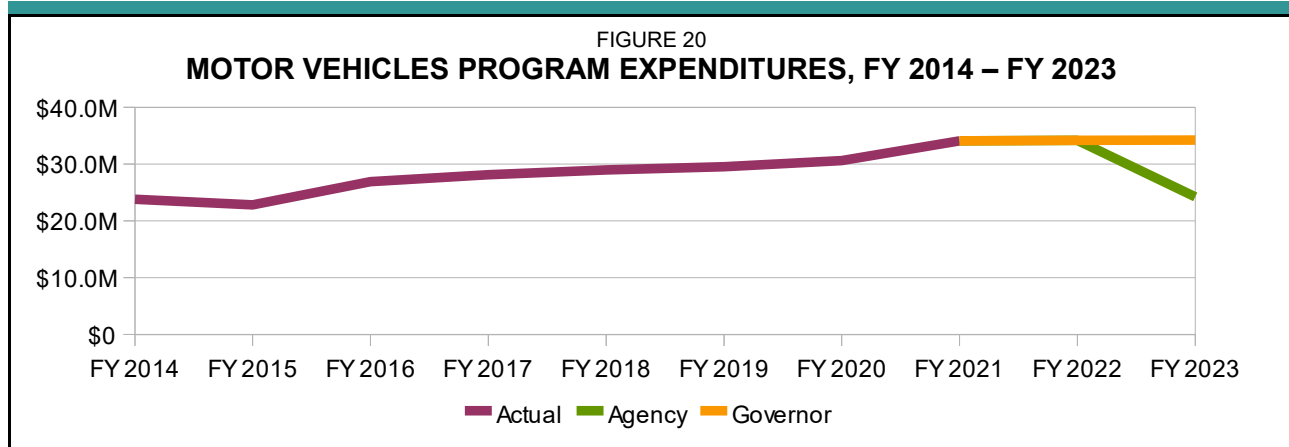
* The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The agency requests Alcoholic Beverage Control expenditures of \$3.4 million, all from special revenue funds, which is an increase of \$9,062, or 0.3 percent, above the FY 2022 revised estimate. The increase is attributable to salaries and wages fringe benefit costs.

The **Governor** concurs with the agency request for the Alcoholic Beverage Control program.

MOTOR VEHICLES PROGRAM



STATUTORY BASIS: • KSA 75-5110

PROGRAM GOALS:

- Provide exceptional service to customers, business partners, and stakeholders. Ensure information is presented in a consistent, efficient manner. Monitor business needs closely and adjust staffing to maintain quality service levels.
- Identify methods and technologies to improve efficiency for both internal and external customers, including county partners, lenders, and dealers.
- Adjust staffing to match business needs to decrease wait times in the largest driver's license offices.

The Motor Vehicles Program administers Kansas law relating to vehicle titling and registration, motor vehicle dealer licensing, and the issuance, maintenance, and renewal of driver's licenses.

To carry out these duties, the Division of Vehicles is composed of three departments: Administration, Vehicle Services, and Driver Services.

The **Administration** department provides management and oversight of the Division, grants and contract management, and quality assurance for Division of Vehicles call centers.

The **Vehicle Services** department administers Kansas law relating to vehicle titling and registration of all motor vehicles, automobile dealers and salespersons, and registration of commercial motor vehicles; issues certificates of title, records/verification requests, disabled placards, and specialty and personalized license plates; provides support to all 105 county treasurers who act as agents of the State in processing vehicle titles and

registrations; maintains the Motor Vehicle System and administers the Kansas Web Tags application for online vehicle registration renewals; licenses and monitors approximately 2,500 new and used vehicle dealerships, 5,000 salespersons, and 300 manufacturers, distributors, converters, and manufactured home dealers for compliance with federal and state statutory requirements; processes lien and lien releases related to dealers and the public; processes vehicle registration for all commercial vehicles, issues oversize/overweight and other temporary permits required by law, and administers policies and procedures established by the International Registration Plan.

The **Driver Services** department conducts driver's license examinations required for the issuance and renewal of driver's licenses and includes the commercial driver's license program; issues identification documents according to federal and state guidelines; and processes maintenance of driving privileges and the suspension, revocation, and reinstatement of licenses for traffic-related violations and medical reasons.

FIGURE 21

MOTOR VEHICLES PROGRAM PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of vehicle registration renewals processed online or through mobile applications	31.9%	34.5%	--	32.9%	32.9%
2. Average wait time at ten largest driver's license offices delinquent tax collections	10:30	9:15	--	8:30	8:30
3. Cost per registered vehicle*	\$ 3.61	\$ 4.24	\$ 4.01	\$ 4.18	N/A
4. Cost per active credential*	\$ 10.12	\$ 10.20	\$ 9.96	\$ 10.43	N/A
Output Measure:					
5. Total transactions at state driver's license offices	551,199	700,000	---	700,000	700,000
6. Number of licenses/ID cards processed*	551,199	700,000	685,774	700,000	N/A
7. Percentage of online/mobile app renewals processed at county treasurers*	31.81%	32.50%	29.04%	32.50%	N/A
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	30,600,018	34,070,507		34,178,157	34,224,878
TOTAL	<u>\$ 30,600,018</u>	<u>\$ 34,070,507</u>		<u>\$ 34,178,157</u>	<u>\$ 34,224,878</u>
Percentage Change:					
SGF	45.2 %	-- %		-- %	-- %
All Funds	4.7 %	11.3 %		0.3 %	0.1 %
FTE Positions	364.0	349.0		352.2	352.2

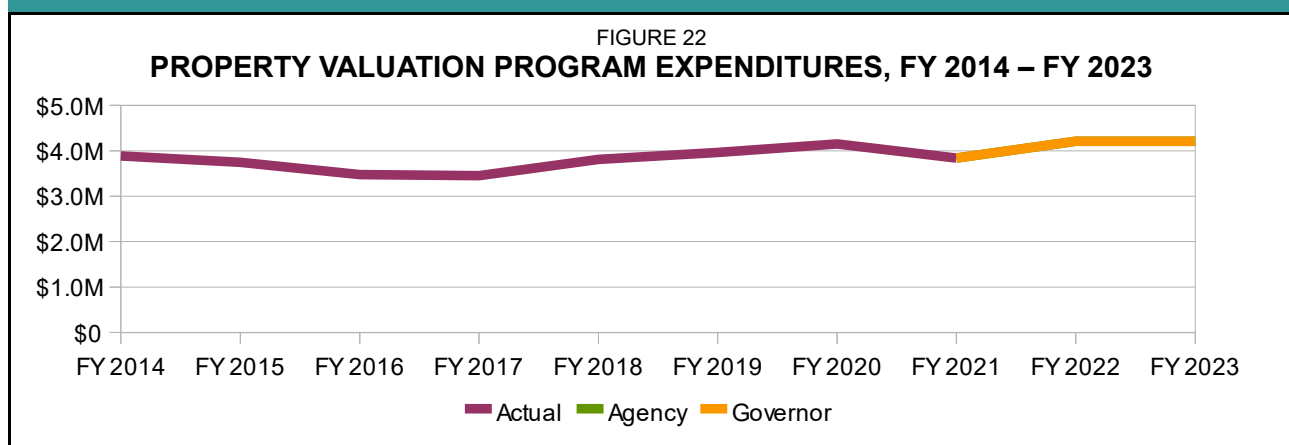
* The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The agency requests Motor Vehicles Program expenditures of \$34.2 million, all from special revenue funds, which is an increase of \$46,721, or 0.1 percent, above the FY 2022 revised estimate. The increase is attributable to salaries and wages fringe benefit expenditures.

The **Governor** concurs with the agency request for the Motor Vehicles Program for FY 2023.

PROPERTY VALUATION PROGRAM



STATUTORY BASIS: • KSA 79-1404

PROGRAM GOALS:

- Provide education for county appraisers and officials, taxpayers, and staff regarding the valuation of property and other tax-related issues. Ensure that uniform and accurate valuations and assessments occur.
- Maintain the CAMA system and provide state and county personnel training on its use through training courses and workshops, in-depth procedural manuals, and user meetings to address and resolve system functionality issues.
- Conduct an annual independent review of county appraisal procedures to ensure compliance with Kansas laws, rules and regulations, and related policies.

The Property Valuation Program works to promote accurate, uniform appraisals and compliance with the property assessment laws and rules of the State. The Division is organized into three bureaus: Administration, State Appraisal, and County Assistance.

The **Administration Bureau** provides overall direction and policy guidelines for the Division and the counties. It administers the eligibility standards for county appraisers and provides education for counties and the public. The Computer Assisted Mass Appraisal (CAMA)

System is the responsibility of the Administration Bureau.

The **State Appraisal Bureau** centrally assesses public utilities and motor carriers; the Bureau publishes valuation guidelines used by the counties to assess oil and gas properties, as well as personal property.

The **County Assistance Bureau** provides technical assistance to the county appraisers and publishes data on overall uniformity and accuracy of appraisals.

FIGURE 23
PROPERTY VALUATION PROGRAM PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of residential valuations meeting state appraisal statistical compliance standards*	99.0%	99.0%	99.0%	99.0%	99.0%
2. Percent of commercial valuations meeting state appraisal statistical compliance standards	95.0%	95.0%	95.0%	95.0%	95.0%
3. Tax dollars generated from distribution to counties based on assessed value (in millions)*	\$ 622.9	\$ 67.8	\$ 624.9	\$ 673.0	N/A
Output Measure:					
4. Number of counties with qualified county appraisers	105	98	102	105	N/A
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 1,243,829	\$ 612,817		\$ 16,181	\$ 471,552
Federal Funds	-	-		-	-
All Other Funds	2,904,033	3,227,482		4,189,498	3,739,562
TOTAL	\$ 4,147,862	\$ 3,840,299		\$ 4,205,679	\$ 4,211,114
Percentage Change:					
SGF	45.2 %	(50.7) %		(97.4) %	2,814.2 %
All Funds	4.7 %	(7.4) %		9.5 %	0.1 %
FTE Positions	40.1	35.1		35.1	35.1

* The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

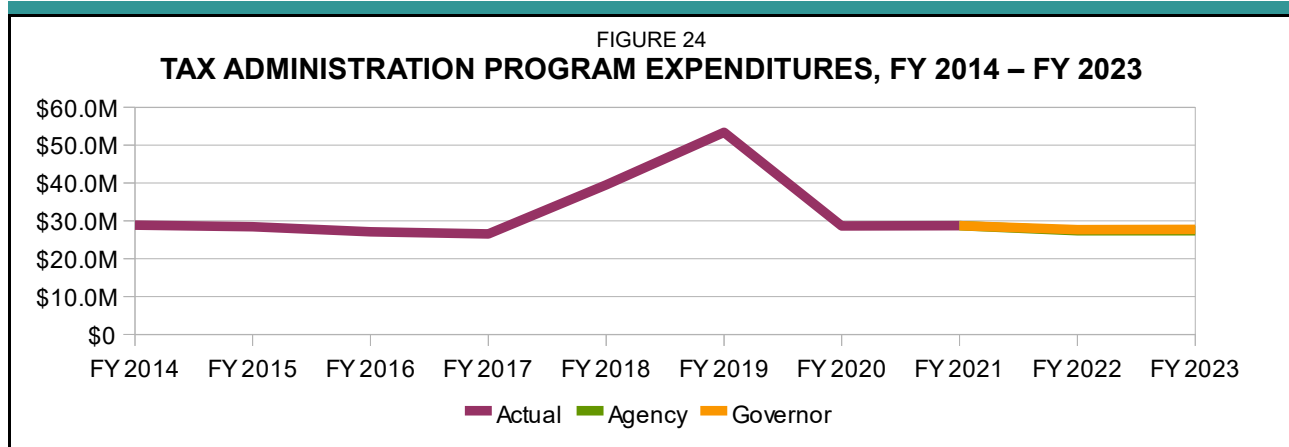
The agency requests Property Valuation Program expenditures of \$4.2 million, including \$471,552 SGF, for FY 2023. The request is an all funds increase of \$5,435, or 0.1 percent, including an SGF increase of \$455,371, or over 2,000 percent, above the FY 2022 revised estimate.

SGF increase is related to the exhaustion of the available balance in the Vehicle Information Processing System (VIPS)/CAMA fee fund for FY 2023.

The **Governor** concurs with the agency request for the Property Valuation program.

The all funds increase is attributable to salaries and wages fringe benefits costs. The

TAX ADMINISTRATION PROGRAM



STATUTORY BASIS: • KSA 75-5102 through KSA 75-5104

PROGRAM GOALS:

- Administer and enforce tax laws with integrity, fairness, and civility.
- Increase voluntary compliance with tax laws through educational opportunities and the application of strategic decision/risk management processes to support and effective discovery and collection programs.
- Reduce accounts receivable and ensure prompt resolution by applying the latest best practices and latest technology in automation.
- Enforce laws relating to the sale of cigarette and tobacco products.
- Continually use new technologies and systems to reduce paper-based processing.

The Tax Administration Program has the largest operating budget for a division within the agency. The Division of Taxation Administration administers almost all state taxes, including individual and corporate income, retail sales and compensating use, mineral severance, motor fuel, cigarette, and alcoholic beverage excise taxes. The Division also administers the Homestead Property Tax and Food Sales Tax refunds. For local governments, the Division administers retail sales, compensating use, liquor excise, and transient guest taxes.

To carry out these duties, the Division of Taxation Administration is composed of the following departments:

- The **Tax Operations Administration** provides management and oversight to the entire Division and administers tax laws for the State of Kansas.
- The **Customer Relations** program provides effective account management to promote voluntary compliance with state laws through education and customer service; operates the Taxpayer

Assistance Center, which is responsible for processing and completing all business registrations/tax applications; and serves walk-in customers with tax questions.

- The **Cigarette and Tobacco Enforcement Team** protects minors through education and assistance to tobacco licensees; conducts statewide cigarette and tobacco enforcement activities aimed at reducing sales of cigarettes and tobacco products to minors; and ensures compliance with terms of the Master Settlement Agreement, federal Food and Drug Administration guidelines, and the Synar Amendment.
- The **Revenue Recovery Bureau** is responsible for helping Kansas taxpayers understand their tax obligations, collects all types of delinquent taxes; maintains agency-level accounts receivable reporting; and is the administrator of the statewide tax clearance program.

- **Field Services** assists, educates, and encourages customers to comply with Kansas tax laws and seeks resolution of tax debts that have not been resolved through the front-end collections process, and conducts field investigations and on-site visits, collects delinquent taxes and missing returns, and pursues civil tax enforcements.
- **Business Support Services** defines, implements, and supports the movement of information to and collects information and payments from

customers; and extracts information from web-based software, tax filing applications, reports for remitting payments and fees, and paper-to-digital conversion of all paper returns, documents, and payments received.

- **Audit Services** conducts audits to identify and substantiate the under-reporting of Kansas taxes and examines tax returns and supporting documentation through several processes.

FIGURE 25 TAX ADMINISTRATION PROGRAM PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of written correspondence resolved within 30 days *	87.0%	97.0%	94.0%	97.0%	N/A
2. Compliance rate for random controlled buys for the sale of cigarette/tobacco products to minors	95.0%	93.0%	94.0%	90.0%	90.0%
3. Delinquent tax collections (in millions)	\$ 162.8	\$ 206.9	\$ 187.8	\$ 210.0	\$ 210.0
4. Delinquent tax accounts receivable turnover ratio *	0.35	0.78	0.51	0.75	N/A
Output Measure:					
5. Individual income tax returns filed*	1,494,492	1,819,361	1,644,322	1,650,000	N/A
6. Sales and use tax returns filed*	733,352	802,944	751,257	760,000	N/A
7. Percentage of electronically filed individual income tax return refunds issued within 14 days of receipt*	94.0%	94.0%	94.7%	97.0%	N/A
8. Percent of individual income tax returns received electronically	95.0%	93.0%	--	90.0%	90.0%
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 8,641,695	\$ 9,691,790		\$ 9,691,790	\$ 10,022,920
Federal Funds	64,807	47,335		30,000	30,000
All Other Funds	19,959,515	20,343,727		17,951,132	17,716,730
TOTAL	\$ 28,666,017	\$ 30,082,852		\$ 27,672,922	\$ 27,769,650
Percentage Change:					
SGF	(52.0) %	12.2 %		-- %	3.4 %
All Funds	(46.3) %	4.9 %		(8.0) %	0.3 %
FTE Positions	363.1	353.0		349.8	355.8

* The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The agency requests Tax Administration Program expenditures of \$27.4 million, including \$9.6 million SGF, for FY 2023. The request is an all funds increase of \$1,666, or less than 0.1 percent, including an SGF increase of \$236,068, or 2.5 percent, above the FY 2022 revised estimate.

The all funds increase is attributable to salaries and wages fringe benefits costs and is partially offset by reductions in the purchase of office furniture.

The increase in SGF expenditures is related to the low balance in the enforcement activities recovery fund.

The **Governor** recommends expenditures of \$27.8 million, including \$10.0 million SGF, for FY 2023. The recommendation is an increase of \$382,593, or 1.4 percent, above the agency request. The increase is attributable to expenditures associated with eliminating the food sales tax. The Governor also recommends an increase of 6.0 FTE positions.

BOARD OF TAX APPEALS

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 576,235	\$ 711,589	\$ 711,410	\$ 852,901	\$ 873,554
Federal Funds	-	-	-	-	-
All Other Funds	865,598	1,240,468	1,240,468	1,135,162	1,135,162
<i>Subtotal</i>	<u>\$ 1,441,833</u>	<u>\$ 1,952,057</u>	<u>\$ 1,951,878</u>	<u>\$ 1,988,063</u>	<u>\$ 2,008,716</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 1,441,833</u>	<u>\$ 1,952,057</u>	<u>\$ 1,951,878</u>	<u>\$ 1,988,063</u>	<u>\$ 2,008,716</u>
Percentage Change:					
State General Fund	(28.4) %	23.5 %	23.5 %	19.9 %	22.8 %
All Funds	(19.2) %	35.4 %	35.4 %	1.8 %	2.9 %
FTE Positions	15.0	16.0	16.0	16.0	16.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

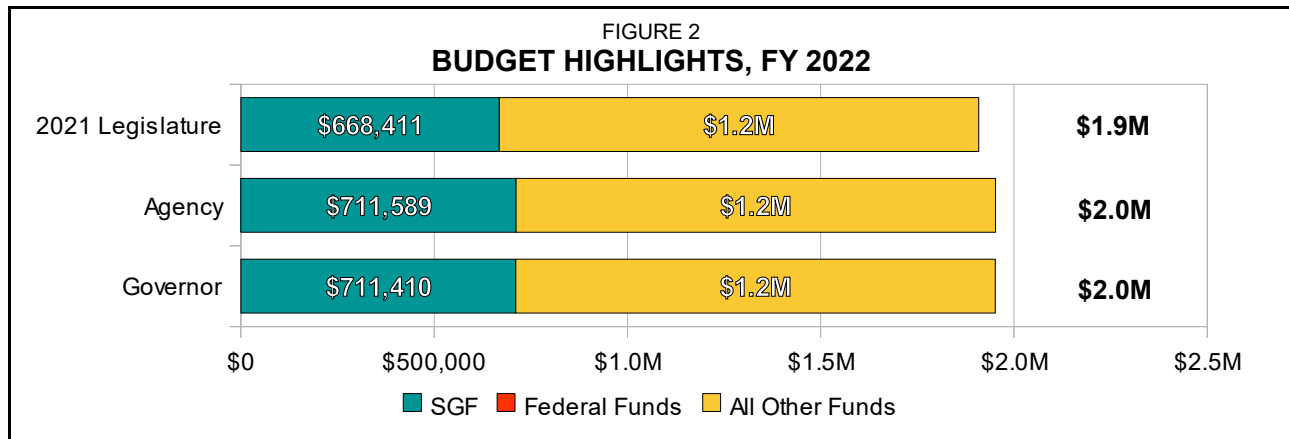
The Board of Tax Appeals mission is to resolve disputes between taxpayers and taxing authorities promptly and impartially and to help maintain public confidence in the state and local tax system. The Board is committed to fulfilling its mission in a highly efficient and professional manner through using all available technology and human resources to best meet the needs of the public. The Board is the highest administrative tribunal to hear cases involving *ad valorem* (property), income, sales, compensating use, and inheritance taxes, along with other matters involving taxation by state and local authorities. The Board is an independent tax tribunal, meaning it is not affiliated with the Kansas Department of Revenue or any other taxing authority. The Board is a neutral decision-making body. The Board's predecessor in authority was the Kansas Court of Tax Appeals.

REGULAR DIVISION. The Board's regular division has broad jurisdiction to hear and to decide tax matters, including property tax appeals, appeals from final determinations of the Kansas Department of Revenue, tax grievances, applications for exemption from property tax, countywide reappraisal requests, mortgage registration protests, no-fund warrant requests, and appeals from school districts with declining enrollment.

SMALL CLAIMS AND EXPEDITED HEARINGS DIVISION. The Board's small claims and expedited hearings division is a convenient and informal forum for appealing the valuation of single-family residential properties and commercial properties appraised at \$3.0 million or less. This division also may hear appeals from the Kansas Department of Revenue, Division of Taxation, if the amount of tax in controversy does not exceed \$15,000.

EXECUTIVE SUMMARY

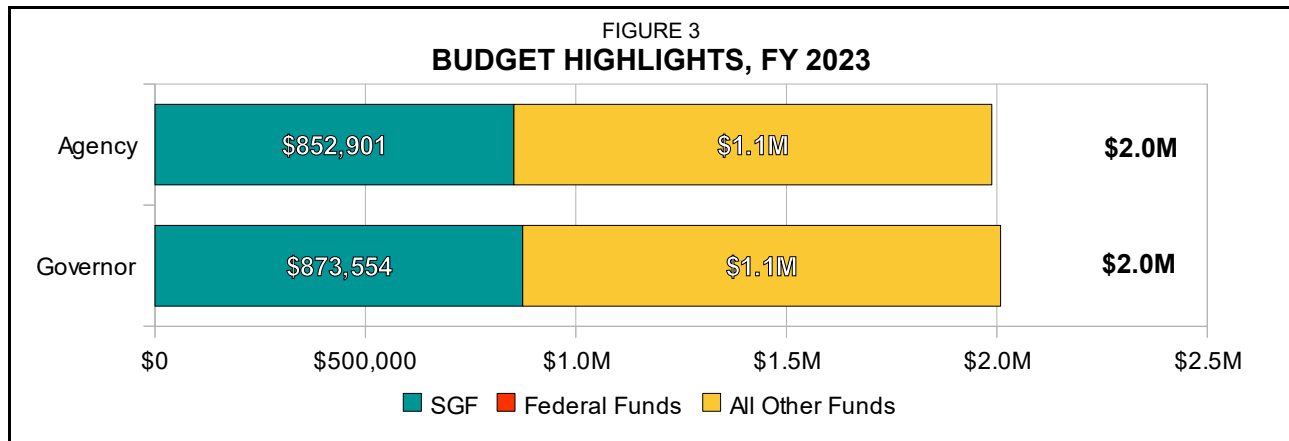
The 2021 Legislature approved a budget of \$1.9 million, including \$668,411 from the State General Fund (SGF), for the Board of Tax Appeals for FY 2022. No adjustments have been made subsequently to that amount.



The **agency** estimates revised expenditures of \$2.0 million, including \$711,589 SGF, in FY 2022. This is an all funds increase of \$43,178, or 2.3 percent, and an SGF increase of \$43,178, or 6.5 percent, above the agency's FY 2022 approved amount. This increase is primarily due to the agency's supplemental request to fund six months of salary for a new FTE position. The FTE position would be for an information technology (IT) employee. The IT employee would develop remote hearing capabilities to allow the Board to conduct hearings remotely. The new FTE position would be fully funded by SGF moneys.

The **Governor** recommends revised expenditures of \$2.0 million, including \$711,410 SGF, in FY 2022. This is an SGF decrease of \$179, or less than 0.1 percent, below the agency's revised expenditures in FY 2022. The slight decrease is due to the Governor's recommendation to decrease expenditures on capital outlay by \$3,000, or 34.0 percent, and to increase salaries and wages expenditures by \$2,821, or 0.2 percent, compared to the agency's FY 2022 revised estimate.

The Governor recommends approving a modified agency supplemental request. The Governor recommends upgrading the requested FTE position from a Technological Support Consultant II position to an Information Technology Manager position. The Governor has directed the agency to use the new FTE position to conduct an IT needs assessment, in addition to providing dedicated in-house IT support for the agency.



The **agency** requests expenditures of \$2.0 million, including \$852,901 SGF, for FY 2023. This is an all funds increase of \$36,006, or 1.8 percent, and an SGF increase of \$141,312, or 19.9 percent, above the agency's FY 2022 revised estimate. This increase is to fund a full year's salary and benefits for the additional FTE position requested in the FY 2022 revised estimate. The IT employee would continue to develop remote hearing capabilities to allow the Board to conduct hearings remotely. This FTE position is fully funded by SGF moneys.

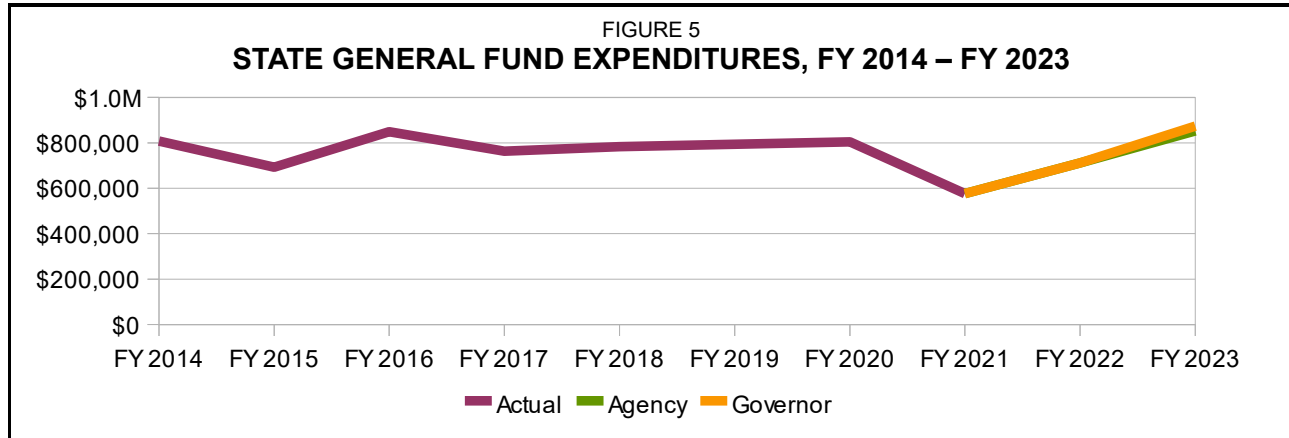
In addition to funding the additional FTE position, the SGF increase is attributed to a funding swap. The agency requests a decrease of \$103,306, or 8.4 percent, from the COTA Filing Fee Fund. This funding swap reverses a FY 2022 change recommended by the Governor, and approved by the Legislature, to decrease SGF expenditures by \$100,000 and to increase COTA Filing Fee Fund expenditures by \$100,000 as part of the agency's reduced resources package.

The **Governor** recommends expenditures of \$2.0 million, including \$873,554 SGF, for FY 2023. This is an all funds increase of \$20,653, or 1.0 percent, including an SGF increase of \$20,653, or 2.4 percent, above the agency's FY 2023 request. This increase is primarily due to increased salary and benefits for the Governor's recommendation to modify the agency's enhancement request for a new FTE position from a Technology Support Consultant II position to an Information Technology Manager position.

EXPENDITURES AND FINANCING

FIGURE 4					
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 1,096,189	\$ 1,447,956	\$ 1,450,777	\$ 1,596,039	\$ 1,616,692
Contractual Services	314,469	486,826	486,826	378,569	378,569
Commodities	6,487	8,455	8,455	8,955	8,955
Capital Outlay	24,688	8,820	5,820	4,500	4,500
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 1,441,833</i>	<i>\$ 1,952,057</i>	<i>\$ 1,951,878</i>	<i>\$ 1,988,063</i>	<i>\$ 2,008,716</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 1,441,833</i>	<i>\$ 1,952,057</i>	<i>\$ 1,951,878</i>	<i>\$ 1,988,063</i>	<i>\$ 2,008,716</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 1,441,833	\$ 1,952,057	\$ 1,951,878	\$ 1,988,063	\$ 2,008,716
Financing:					
State General Fund	\$ 576,235	\$ 711,589	\$ 711,410	\$ 852,901	\$ 873,554
Federal Funds	-	-	-	-	-
All Other Funds	865,598	1,240,468	1,240,468	1,135,162	1,135,162
TOTAL	\$ 1,441,833	\$ 1,952,057	\$ 1,951,878	\$ 1,988,063	\$ 2,008,716
FTE Positions	15.0	16.0	16.0	16.0	16.0

STATE GENERAL FUND



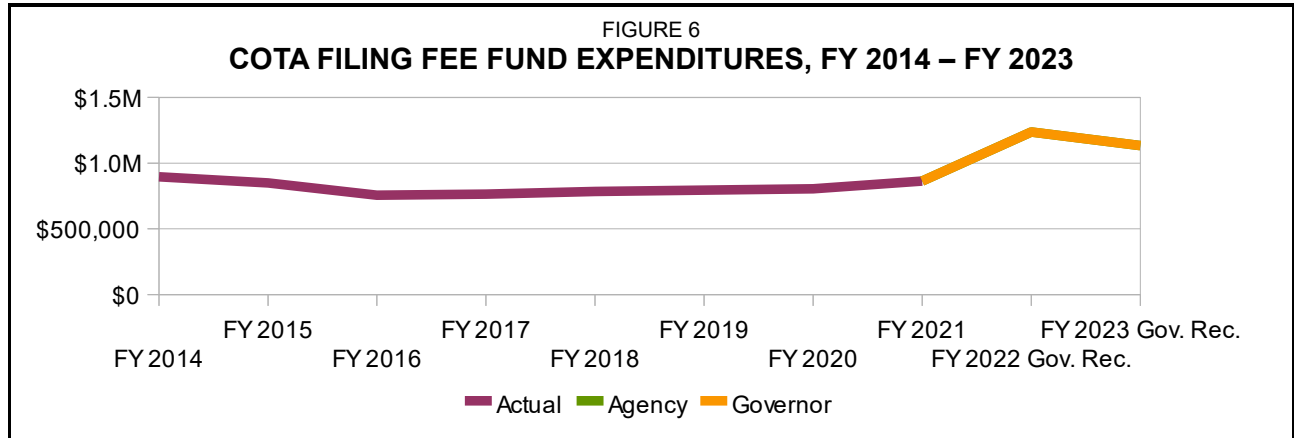
From FY 2020 to FY 2021, SGF expenditures decreased due to the elimination of the Application Developer position (1.0 FTE position), and the elimination of seven months of funding for vacant board member positions.

In FY 2022, SGF expenditures are expected to increase over FY 2021 actual expenditures due to the filling of a vacant administrative assistant and three board member seats, as well as the agency's supplemental request for six months of salary to employ a full-time technology support consultant. This supplemental request was recommended by the Governor, with the modification that position be upgraded to an Information Technology (IT) Manager position. The IT manager will help the agency to upgrade its hearing rooms to conduct hearings remotely. In addition, the IT manager will also be directed to conduct an IT needs assessment for the agency.

For FY 2023, SGF expenditures are expected to increase over the FY 2022 revised estimate due to the agency's enhancement request for one year's salary to continue the employment of a full-time technology support consultant. The Governor recommends approval of the enhancement request, with the modification that the Governor recommends the position be upgraded to an IT Manager position. The Governor recommends an increase of \$20,653, all SGF, above the agency's request for FY 2023, to fund the upgraded position.

Additionally, for FY 2023 the agency requests an increase of \$100,000 in SGF expenditures, offset by a \$100,000 decrease in the COTA Filing Fee Fund. This would reverse the implementation of the reduced resources budget recommended by the Governor, and approved by the Legislature, in FY 2022. This adjustment is reflected in the Governor's budget.

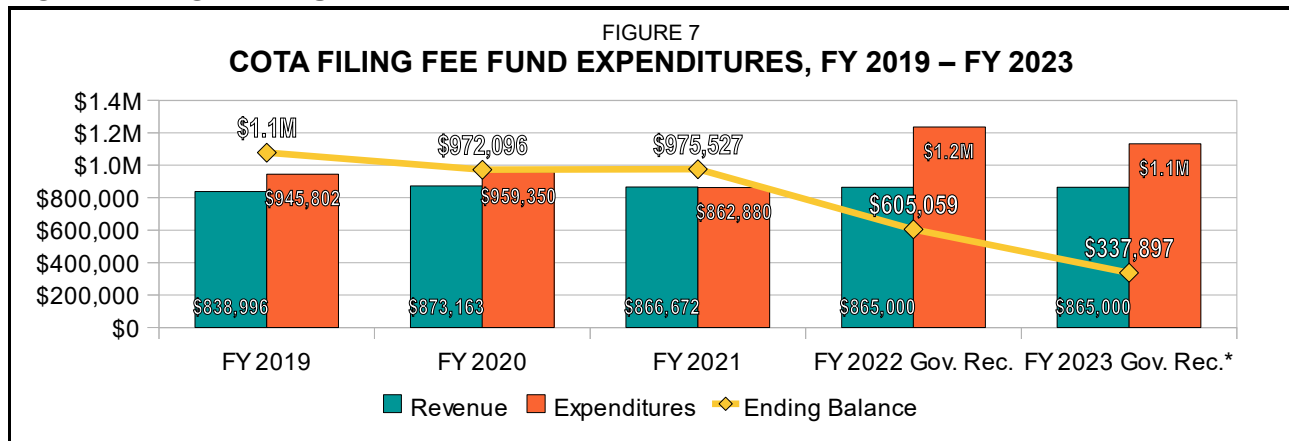
COTA FILING FEE FUND



The COTA Filing Fee Fund expenditures increased significantly from FY 2021 to FY 2022. This increase was due to the filling of a vacant administrative assistant position, and several vacant board member positions. This increase was also caused by the implementation of the agency's reduced resources package which reduced SGF expenditure by \$100,000 and increased COTA Filing Fee Fund expenditures in FY 2022.

For FY 2023, expenditures are expected to decrease. This decrease is primarily due to the agency requesting an increase of \$100,000 in SGF expenditures, and a corresponding decrease of \$100,000 in COTA Filing Fee Fund expenditures. This would reverse the agency's reduced resources package, outlined above. This adjustment is reflected in the Governor's budget.

COTA FILING FEE FUND



* For FY 2023, the lowest month ending balance for the COTA Filing Fee Fund will occur in June, with a balance of \$337,897.

The COTA Filing Fee Fund is expected to be completely depleted by mid-May 2025. Revenue has remained steady since 2016, when legislation went into effect that exempted certain filers from paying filing fees. The ending balance has steadily decreased, except in FY 2021 when the agency had reduced expenditures due to vacant positions.

The FY 2022 ending balance is expected to decrease significantly. This is due to significantly increased expenditures compared to FY 2021 actual expenditures. The agency's FY 2022 revised estimate includes increases due to the agency filling a vacant administrative assistant position and several vacant board member positions, as well as the agency's supplemental request to employ a full-time technology consultant. Expenditures are also expected to increase due to increased usage of contracted hearing officers in FY 2022. Further, the 2021 Legislature approved a reduced resources budget, which increased COTA Filing Fee Fund expenditures by \$100,000 in FY 2022, but decreased SGF expenditures by \$100,000.

The FY 2023 ending balance is expected to continue to decrease. Expenditures remain steady from FY 2022 to FY 2023; however, expenditures are expected to decrease by \$100,000 below the agency's FY 2022 revised estimate if the Legislature approves the agency's FY 2023 request to reverse the reduced resources package, outlined above.

**FIGURE 8
LICENSE FEES, FY 2022**

License	Current Fee
Regular Division	
<u>Valuation Appeals: Equalization & Protests (Real and Personal Property)</u>	
<i>Real Property: Single-family residential property & farmsteads</i>	\$ Exempt
Not-for-profit organizations valued less than \$100,000	Exempt
Properties valued at \$250,000 or less	125
Properties valued from \$250,001 to \$1,000,000	200
Properties valued from \$1,000,001 to \$5,000,000	300
Properties valued from \$5,000,001 to \$10,000,000	400
Properties valued at \$10,000,001 or more	500
<i>Personal Property: Single-family residential mobile or manufactured home</i>	Exempt
All Other Personal Property	150
<u>Division of Property Valuation (State-assessed Property)</u>	
Properties valued at \$250,000 or less	\$ 125
Properties valued from \$250,001 to \$1,000,000	200
Properties valued from \$1,000,001 to \$5,000,000	300
Properties valued from \$5,000,001 to \$10,000,000	400
Properties valued at \$10,000,001 or more	500
<u>Division of Taxation: Homestead Property Tax & Food Sales Tax Refunds</u>	
\$1,000 or less	\$ 100
\$1,001 to \$10,000	150
\$10,001 to \$100,000	300
\$100,001 or more	500
<u>Exemption Applications</u>	
Industrial Revenue Bond & Econ. Dev. < \$1,000,000	\$ 500
Industrial Revenue Bond & Econ. Dev. > \$1,000,000	1,000
Oil Lease of Real Property Exemption	400
All Other Personal Property Exemption	100
Not-for-profit valued less than \$100,000 & Government Entities	Exempt
<u>Grievances</u>	
Penalty abatement	\$ 25
Clerical error	25
<u>Miscellaneous</u>	
IRB Informational Statement Filings	\$ 500
Mortgage Registration Protests	25
No-Fund Warrant Requests	150
Reappraisal Requests, Complaints and appeals by any Board of County Commissioners of the final ratio study for the county	2,000

FIGURE 8
LICENSE FEES, FY 2022

License	Current Fee
Any Municipality, Political Subdivision of the State, or School Appeals	Exempt
Small Claims and Expedited Hearings Division	
<u>Equalization & Protests: Single-Family residential property, farmstead, or mobile/manufactured homes</u>	
Not-for-profit organization valued less than \$100,000	\$ Exempt
\$250,000 or less	100
\$250,001 to \$1,000,000	150
\$1,000,000 to \$3,000,000	200
<u>Division of Taxation: Homestead Property Tax & Food Sales Tax Refunds</u>	
\$500 or less	Exempt
\$501 to \$10,000	50
\$10,001 to \$14,999	150

FY 2022 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 668,411	\$ 1,240,468	\$ 1,908,879	15.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 668,411</i>	<i>\$ 1,240,468</i>	<i>\$ 1,908,879</i>	<i>15.0</i>
Agency Revised Estimate:				
2. Supplemental—Salaries and Wages	\$ 44,550	\$ -	\$ 44,550	1.0
3. All Other Adjustments	(1,372)	-	(1,372)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 711,589</i>	<i>\$ 1,240,468</i>	<i>\$ 1,952,057</i>	<i>16.0</i>
Governor's Recommendation:				
4. Supplemental—Salaries and Wages	\$ 2,821	\$ -	\$ 2,821	--
5. Capital Outlay	(3,000)	-	(3,000)	--
TOTAL	\$ 711,410	\$ 1,240,468	\$ 1,951,878	16.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$1.9 million, including \$668,411 SGF, appropriated to the Board of Tax Appeals for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the approved amount for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised expenditures of \$2.0 million, including \$711,589 SGF, in FY 2022. This is an all funds increase of \$43,178, or 2.3 percent, and an SGF increase of \$43,178, or 6.5 percent, above the FY 2022 approved amount. The agency's revised estimate includes 16.0 FTE positions, which is 1.0 more FTE position than the FY 2022 approved amount.

The **agency** estimate includes the following adjustments:

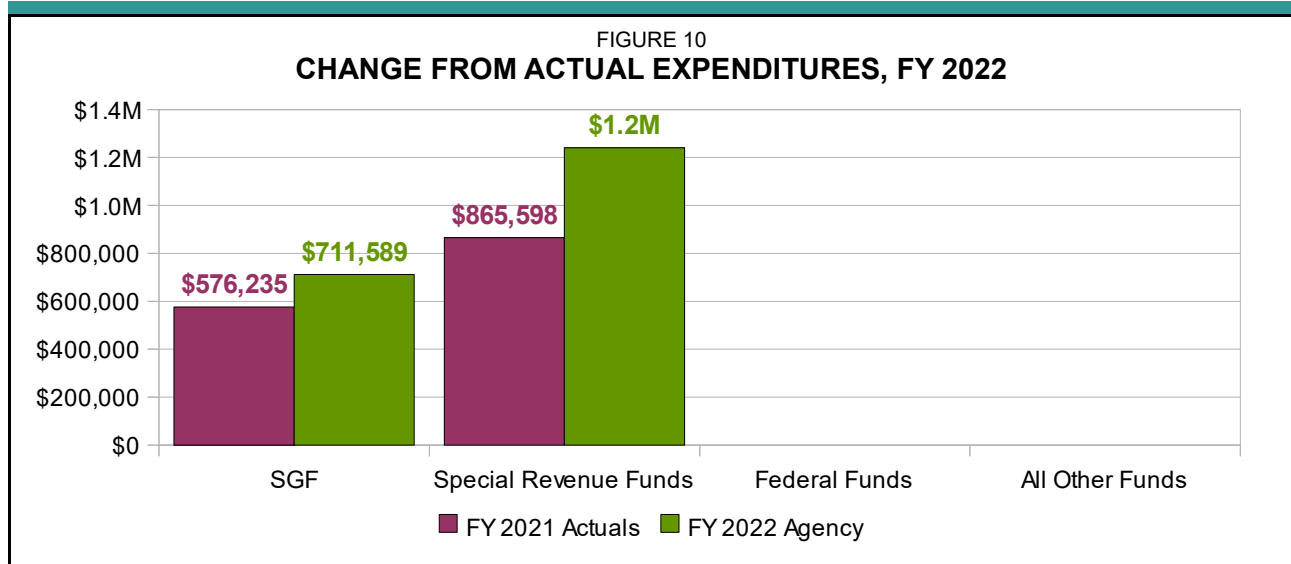
2. **SUPPLEMENTAL—SALARIES AND WAGES.** The agency's revised estimate includes a supplemental request of \$44,550, all SGF, and 1.0 FTE position. This supplemental request will fund six months salary for a full-time technology support consultant. The employee will upgrade the agency's hearing rooms to conduct hearings remotely.
3. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes other adjustments that equate to a decrease of \$1,372 SGF below the agency's FY 2022 approved amount. This includes a decrease to computer software maintenance and database access fees.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends revised expenditures of \$2.0 million, including \$711,410 SGF, in FY 2022. This is an all funds decrease of \$179, or less than 0.1 percent, and an SGF decrease of \$179, or less than 0.1 percent, below the agency's FY 2022 revised estimate. The Governor recommends 16.0 FTE positions, which is the same as the agency's FY 2022 revised estimate.

4. **SUPPLEMENTAL–SALARIES AND WAGES.** The Governor recommends an increase of \$2,821 in salaries and wages to upgrade the agency's supplemental request for a Technology Support Consultant II FTE position to an IT Manager FTE position.
5. **CAPITAL OUTLAY.** To offset the Governor's recommended increase in salaries and wages, the Governor recommends a decrease of \$3,000 in capital outlay.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



FY 2021 overall expenditures were lower than the FY 2022 revised estimate as the agency had a vacant administrative assistant position, as well as several vacant board member positions during FY 2021. These vacancies contributed to decreased SGF and special revenue fund expenditures. These positions were filled in FY 2022, contributing to increased expenditures. Expenditures are also expected to increase due to increased use of hearing officers in FY 2022 to address a backlog due to limited caseloads during the COVID-19 pandemic.

FY 2022 special revenue fund expenditures also increased due to the Governor recommending, and the 2021 Legislature approving, the agency's reduced resources package to spend \$100,000 less SGF and \$100,000 more from the agency's special revenue funds.

FY 2023 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 711,589	\$ 1,240,468	\$ 1,952,057	16.0
Agency Request:				
1. Enhancement–Salaries and Wages	\$ 41,182	\$ -	\$ 41,182	--
2. All Other Adjustments	100,130	(105,306)	(5,176)	--
<i>Subtotal–Agency Request</i>	<i>\$ 852,901</i>	<i>\$ 1,135,162</i>	<i>\$ 1,988,063</i>	<i>16.0</i>
Governor’s Recommendation:				
3. Enhancement–Salaries and Wages	\$ 20,653	\$ -	\$ 20,653	--
TOTAL	\$ 873,554	\$ 1,135,162	\$ 2,008,716	16.0

AGENCY REQUEST

The **agency** requests \$2.0 million, including \$852,901 SGF, for FY 2023. This is an all funds increase of \$36,006, or 1.8 percent, and an SGF increase of \$141,312, or 19.9 percent, above the agency's FY 2022 revised estimate. The agency requests 16.0 FTE positions, which is the same as the agency's FY 2022 revised estimate.

The **agency** request includes the following adjustments:

1. **ENHANCEMENT–SALARIES AND WAGES.** The agency's FY 2023 request includes an increase of \$41,182 to salaries and wages. This is a continuation of the agency's FY 2022 revised estimate. The FY 2022 revised estimate only included six months of salary for the new FTE position. The enhancement increases the agency's budget to include the new FTE position's total annual salary moving forward.
2. **ALL OTHER ADJUSTMENTS.** The agency's FY 2023 request includes an SGF increase of \$100,130, and a special revenue funds decrease of \$105,306. For FY 2022, the Governor recommended, and the 2021 Legislature approved, the agency's reduced resources package of a \$100,000 SGF decrease and a \$100,000 COTA Filing Fee Fund increase (a funding swap). The agency's FY 2023 request reverses the funding swap for FY 2023.

GOVERNOR’S RECOMMENDATION

The **Governor** recommends expenditures of \$2.0 million, including \$873,554 SGF, for FY 2023. This is an all funds increase of \$20,653, or 1.0 percent, and an SGF increase of \$20,653, or 2.4 percent, above the agency's request for FY 2023. The Governor recommends 16.0 FTE positions, which is the same as the agency's FY 2023 request.

3. **ENHANCEMENT–SALARIES AND WAGES.** The Governor recommends an increase of \$20,653, all SGF, to fund the agency's enhancement request. The increase is to fund the Governor's recommendation to upgrade the FTE position from an IT Technology Consultant II position to an IT Manager position.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

REQUEST 1

INFORMATION TECHNOLOGY SUPPORT POSITION

Item	FY 2022	FY 2023
Technology Support Consultant - Salary and Benefits	\$ 44,550	\$ 85,732

The agency's FY 2022 revised estimate and FY 2023 request reflect the agency's request to add 1.0 FTE position. The agency states that this position will help enable remote hearing capabilities for the agency. The agency's former IT professional retired in 2019, and the FTE position was subsequently eliminated.

The FY 2022 revised estimate reflects six months of salary for the IT professional, while the FY 2023 request reflects the amount required to pay a full year's salary.

The Governor recommends modified adoption of this request, as follows:

Item	FY 2022	FY 2023
IT Manager - Salary and Benefits	\$ 44,371	\$ 106,385

The Governor's recommendation reflects an upgraded FTE position from Technology Support Consultant to IT Manager. The Governor's recommendation adds 1.0 FTE position, which is the same as the agency's request. The Governor recommends the agency utilize the IT Manager to conduct an IT needs assessment in FY 2022.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

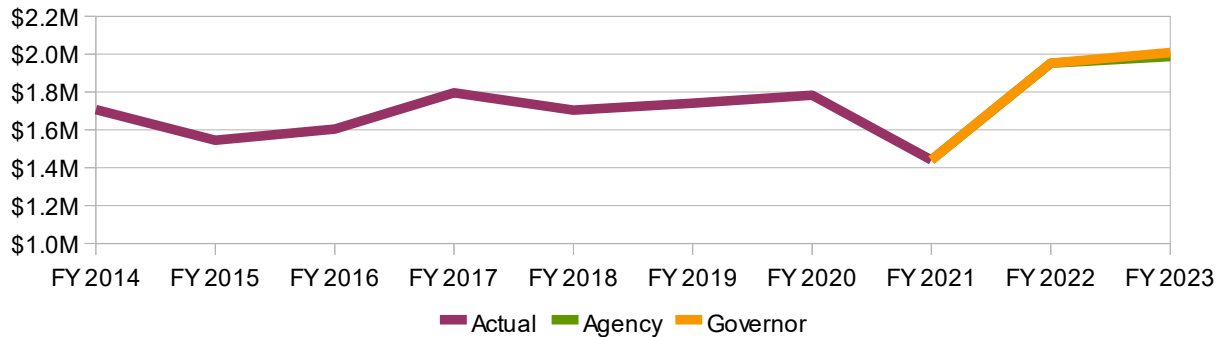
FIGURE 12 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 1,441,833	\$ 1,952,057	\$ 1,951,878	\$ 1,988,063	\$ 2,008,716
FTE Positions:					
Administration	15.0	16.0	16.0	16.0	16.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 13
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 74-2433

PROGRAM GOALS: • Resolve disputes between taxpayers and taxing authorities promptly and impartially.
• Maintain public confidence in the state and local tax systems by providing sound leadership to enhance independent, efficient, professional decision-making and certainty in state tax law.
• Continue to strive to meet the changing needs of the stakeholders.

FIGURE 14
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Valuation Cases Filed*	2,284	2,589	2,335	2,675	2,675
2. Valuation Cases Closed*	1,373	1,655	1,535	2,980	2,980
3. Total Filings	7,698	7,174	--	8,506	8,506
4. Clearance Rate	67.8 %	96.1 %	--%	103.9 %	103.9 %
5. Average Cost to Resolve Each Case*	\$ 762	\$ 499	\$ 641	\$ 374	\$ 361
Output Measure:					
6. Number of Cases Heard*	309	522	515	600	600
7. Percent of 14-Day Summary Decisions Issued Timely*	100 %	93 %	98 %	100 %	100 %
8. Percent of Full Opinions Issued Timely*	98 %	100 %	99 %	100 %	100 %
9. Number of Days to Close a Residential Appeal	178	285	207	180	180
10. Number of Days to Close a Commercial Appeal	353	384	367	365	365
11. Average Number of Days Between Appeal Hearing and Decision in Small Claims Proceedings	54	60	--	75	60

FIGURE 15					
ADMINISTRATION, PERFORMANCE MEASURES					
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 804,395	\$ 576,235		\$ 711,410	\$ 873,554
Federal Funds	17,168	-		-	-
All Other Funds	962,077	865,598		1,240,468	1,135,162
TOTAL	<u>\$ 1,783,640</u>	<u>\$ 1,441,833</u>		<u>\$ 1,951,878</u>	<u>\$ 2,008,716</u>
Percentage Change:					
SGF	1.3 %	(28.4) %		23.5 %	22.8 %
All Funds	2.6 %	(19.2) %		35.4 %	2.9 %
FTE Positions	15.0	15.0		16.0	16.0

*The Governor's Office does not utilize this measure for evaluation purposes.

KANSAS DEPARTMENT OF COMMERCE

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 4,011,013	\$ 6,583,987	\$ 26,583,987	\$ -	\$ 205,125,000
Federal Funds	232,882,614	47,660,754	48,160,754	46,353,997	47,053,997
All Other Funds	41,673,726	56,256,294	61,256,294	59,347,404	87,289,483
<i>Subtotal</i>	<u>\$ 278,567,353</u>	<u>\$ 110,501,035</u>	<u>\$ 136,001,035</u>	<u>\$ 105,701,401</u>	<u>\$ 339,468,480</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	125,000	230,000	230,000	100,000	100,000
<i>Subtotal</i>	<u>\$ 125,000</u>	<u>\$ 230,000</u>	<u>\$ 230,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
TOTAL	<u>\$ 278,692,353</u>	<u>\$ 110,731,035</u>	<u>\$ 136,231,035</u>	<u>\$ 105,801,401</u>	<u>\$ 339,568,480</u>
Percentage Change:					
State General Fund	15,944.1 %	64.1 %	562.8 %	(100.0) %	671.6 %
All Funds	139.3 %	(60.3) %	(51.1) %	(4.5) %	149.3 %
FTE Positions	323.5	323.5	323.5	334.0	335.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Kansas Department of Commerce (Commerce) is a cabinet-level agency with the mission to empower businesses and communities using strategic resources to realize prosperity in Kansas. The agency serves as the lead agency for economic development through the promotion of business, industry, trade, and workforce training within the state. The agency operates through the following six divisions.

The **Administration Division** is composed of the Office of the Secretary, Human Resources, Marketing and Communications, Information Technology, Fiscal Services, Building Services, Legal, Regulatory Compliance, the Governor's Economic Council of Advisors, Workforce AID, the Athletic Commission, Kansas Bioscience Authority, Office of Rural Prosperity, Office of Broadband Development, and America's Job Link Alliance.

The **Business Development Division** grows the Kansas economy through the creation and retention of jobs and increased capital investment. This division works to bring new business opportunities to Kansas and assist Kansas companies interested in opportunities to grow and expand. The division also works with Kansas communities by helping them find solutions to various infrastructure and other community needs in order to make them stronger, more viable places to live and work. Financial incentives and programs the division administers for businesses and communities include the following:

- Promoting Employment Across Kansas Program;
- High Performance Incentive Program;
- Job Creation Fund (JCF);
- Sales Tax Revenue (STAR) Bonds;
- Kansas Industrial Training and Kansas Industrial Retraining;
- Private Activity Bonds; and
- Minority and Women Business Development.

The **Workforce Services Division** links businesses, job candidates, and educational institutions to ensure employers can find skilled workers. The division accomplishes this by partnering with local workforce investment boards and other state agencies. In addition, a partnership with the Kansas Board of Regents helps state universities and community and technical colleges tailor their curriculum to the needs of Kansas businesses. The result is an integrated, demand-driven statewide network in which workers receive job-specific training and Kansas businesses can find the well-trained employees they need. Employment services are provided to employers and job candidates through the state's 25 workforce centers, online or virtual services, and the mobile workforce center. These employer-driven services include recruiting skilled workers, screening and assessing job candidates, and identifying individuals needing skill enhancement.

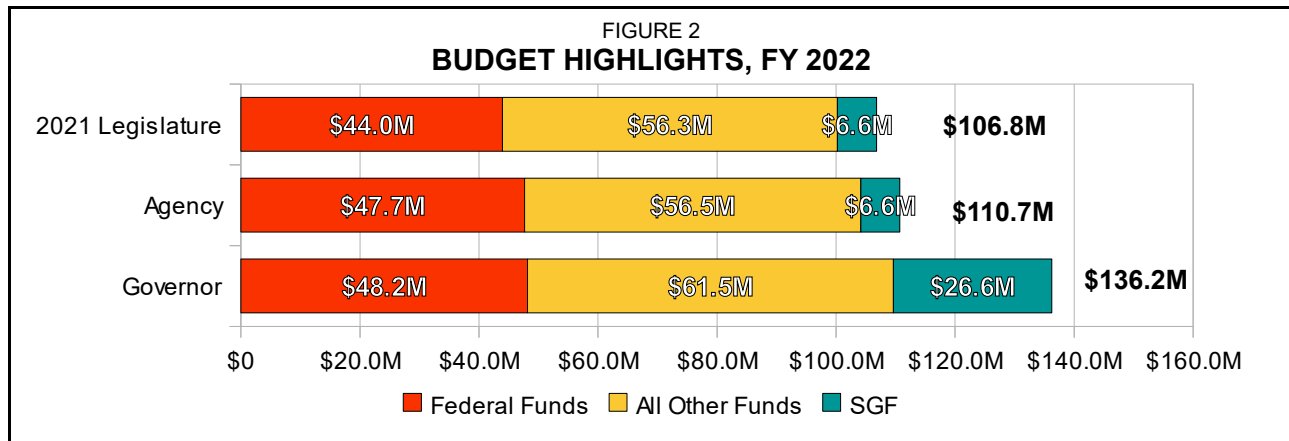
The **Community Development Division** provides technical assistance and professional staff to communities for community development related opportunities. The division director provides direction, oversight, and coordination among the programs and services for maximum effectiveness, and additional staff was added to support the Office of Broadband Development. The Community Development Division includes programs that provide grants, tax credits, technical assistance, and support for Kansas communities to help them find solutions for various infrastructure and quality of life investments. The Community Development Division is focused on the needs of Kansas communities to enhance their current assets to develop their communities and people and improve their ability to attract residents and businesses.

The **International Business Division** works with Kansas companies to help them sell their products and services in international markets. The division also works to recruit international businesses to establish facilities and create jobs in Kansas. These two goals comprise the agency's overall mission—to help Kansas capitalize on opportunities in the global economy. The International Division became a standalone division within the agency in FY 2021 after having been eliminated as a separate business unit in FY 2013.

The mission of the **Kansas Tourism Division** is to inspire travel to and throughout Kansas, and to maximize the positive impacts that tourism has on the state and local communities. A strong travel and tourism industry helps provide a better quality of life for all Kansans' and economic prosperity. Programs from the Kansas Tourism Division are built to ensure that all travelers feel welcome and are provided the resources they need for positive experiences in Kansas.

EXECUTIVE SUMMARY

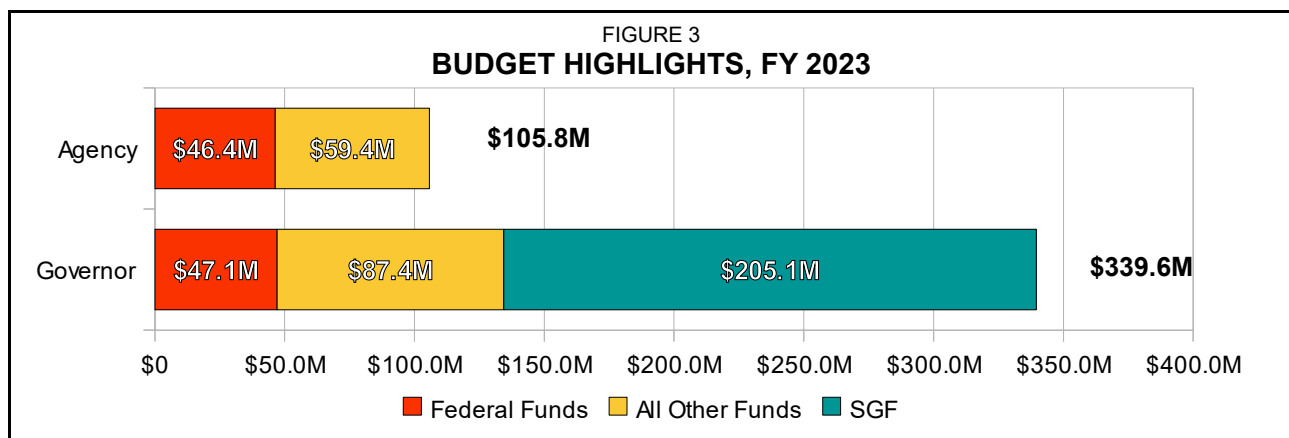
The 2021 Legislature approved a budget of \$100.2 million, including \$10,000 from the State General Fund (SGF), for the Kansas Department of Commerce for FY 2022. An adjustment of \$6.6 million SGF in reappropriation was subsequently made to that amount, which changes the current year approved amount without any legislative action required.



The **agency** estimates revised FY 2022 expenditures of \$110.7 million, including \$6.6 million SGF, which is an increase of \$3.9 million, or 3.7 percent, above the FY 2022 approved budget. The adjustment includes \$2.4 million in Economic Development Initiative Fund (EDIF) reappropriations primarily for operations (\$865,442), the Main Street Program (\$519,158), the Rural Opportunity Zone Program (\$429,973) and Community Development (\$277,804). There were also expansions to several federal programs, including Community Development Block Grants (CDBG) (\$2.0 million), Federal Trade Adjustment Assistance (\$4.0 million), remaining spending from Round 3 of the Coronavirus Relief Fund (CRF) awards (\$800,000), and apprenticeship programs (\$488,938). The increases were partially offset due to phasing out of the Kansas Health Professional Opportunity Project (\$2.9 million) and other federal programs.

Additionally, the agency request for Job Creation Program Fund (JCPF) moneys decreased by \$1.4 million. The State Finance Council appropriated additional SGF moneys to replace JCPF dollars used for COVID-19 relief, and the agency is using those SGF moneys in the place of JCPF moneys in FY 2022.

The **Governor** recommends expenditures of \$136.2 million, including \$26.6 million SGF, in FY 2022. The recommendation is an increase of \$25.5 million, including \$20.0 million SGF, above the FY 2022 agency revised estimate. The increase is attributable to \$20.0 million SGF for the Moderate Income Housing Program, \$5.0 million from the JCPF for economic development, and the new federal grant to assist in reemployment of former inmates (\$500,000).



The **agency** requests FY 2023 expenditures of \$105.8 million, all from special revenue funds, which is a decrease of \$4.9 million, or 4.5 percent, below the FY 2022 revised estimate. The request includes 334.0 FTE positions, which is an increase of 10.5 FTE positions due to enhancement requests.

Major reductions in the request include the elimination of \$6.6 million in reappropriated SGF moneys, which are budgeted for job creation in FY 2022, \$2.5 million in EDIF reappropriations, and \$4.8 million in debt service for the Impact Program Service Bonds, which were paid off in FY 2023.

The decreases are partially offset by 13 enhancement requests totaling an increase of \$6.9 million and 10.5 FTE positions. The enhancements are focused on expansion of the Kansas Industrial Training and Kansas Industrial Retraining (KIT/KIR) programs, additional staff for the Office of Innovation and Broadband Development, Workforce Development investments, and investments in data tracking and analysis. Additionally, the agency added \$4.3 million in JCPF dollars due to the exhaustion of SGF moneys. Various federal programs reduced spending as the grant periods ran out but are likely to be replaced with extended or new grants as those grant periods are reached.

The **Governor** recommends expenditures totaling \$339.6 million, including \$205.1 million SGF, for FY 2023. The recommendation is an increase of \$233.8 million, including \$205.1 million SGF, above the FY 2023 agency request. The increase is attributable to \$195.0 million SGF for University matching grants, \$10.0 million SGF for higher education grants, \$27.9 million from the JCPF for economic development, \$125,000 for the executive director for Advantage Kansas, and further extension of the federal Pathway Home 2 Grant (\$700,000).

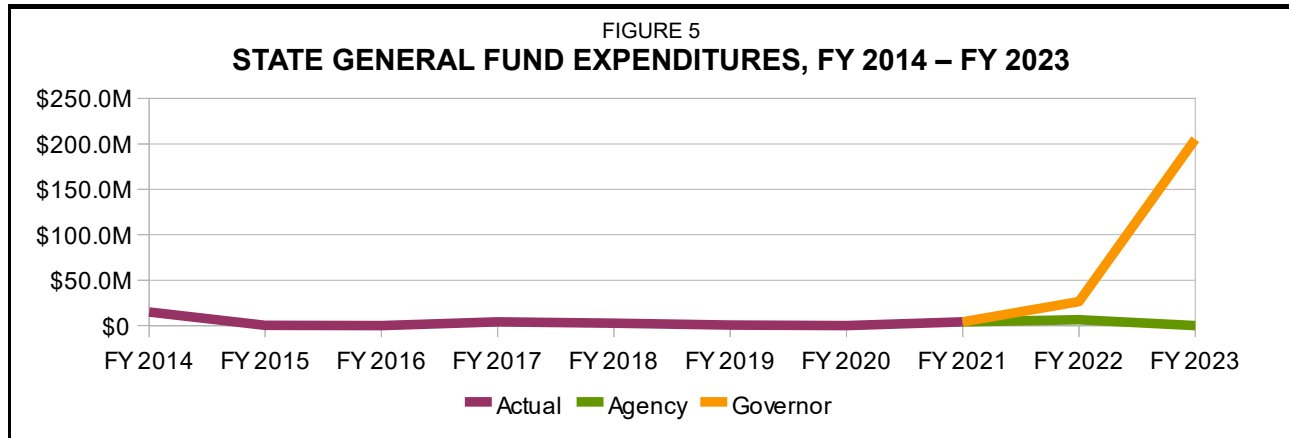
The recommendation includes 335.0 FTE positions, which is an increase of 1.0 FTE position above the agency request due to Advantage Kansas.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 19,233,196	\$ 22,988,530	\$ 22,988,530	\$ 24,047,106	\$ 24,172,106
Contractual Services	14,745,880	13,447,307	13,447,307	14,352,810	209,352,810
Commodities	91,117	107,965	107,965	109,625	109,625
Capital Outlay	508,198	423,070	423,070	547,427	547,427
Debt Service Interest	9,552	3,228	3,228	-	-
Subtotal	\$ 34,587,943	\$ 36,970,100	\$ 36,970,100	\$ 39,056,968	\$ 234,181,968
Aid to Local Units	42,650,714	16,000,000	16,000,000	16,000,000	16,000,000
Other Assistance	201,328,696	57,530,935	83,030,935	50,644,433	89,286,512
Subtotal—Operating	\$ 278,567,353	\$ 110,501,035	\$ 136,001,035	\$ 105,701,401	\$ 339,468,480
Capital Improvements	-	100,000	100,000	100,000	100,000
Debt Service	125,000	130,000	130,000	-	-
Principal					
TOTAL	\$ 278,692,353	\$ 110,731,035	\$ 136,231,035	\$ 105,801,401	\$ 339,568,480
Financing:					
State General Fund	\$ 4,011,013	\$ 6,583,987	\$ 26,583,987	\$ -	\$ 205,125,000
EDIF	13,044,584	17,249,858	17,249,858	21,708,037	21,708,037
Federal Funds	232,882,614	47,660,754	48,160,754	46,353,997	47,053,997
All Other Funds	28,754,142	39,236,436	44,236,436	37,739,367	65,681,446
TOTAL	\$ 278,692,353	\$ 110,731,035	\$ 136,231,035	\$ 105,801,401	\$ 339,568,480
FTE Positions	323.5	323.5	323.5	334.0	335.0

STATE GENERAL FUND



For the Kansas Department of Commerce, SGF expenditures have been used primarily to close out the affairs of the Kansas Bioscience Authority (KBA) from FY 2015 to FY 2020. During the 2021 Legislative Session, the Legislature lapsed the remaining KBA funds and included a proviso to transfer SGF moneys as necessary if new KBA commitments arose. The State Finance Council later transferred SGF moneys to the agency to replace JCPF moneys used in the Restaurant Revitalization Program and other COVID-19 relief efforts.

FY 2022 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 10,000	\$ 100,220,157	\$ 100,230,157	309.3
1. SGF Reappropriation	6,573,987	-	6,573,987	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 6,583,987</i>	<i>\$ 100,220,157</i>	<i>\$ 106,804,144</i>	<i>309.3</i>
Agency Revised Estimate:				
2. CDBG Aid to Locals	\$ -	\$ 2,000,000	\$ 2,000,000	--
3. EDIF Reappropriation	-	2,361,171	2,361,171	--
4. Job Creation Program Fund	-	(1,434,702)	(1,434,702)	--
5. Impact Program	-	464,437	464,437	--
6. Tech Enabled Fiduciary Financial Inst.	-	(250,000)	(250,000)	--
7. Federal Trade Adjustment Asst.	-	3,960,628	3,960,628	--
8. Round 3 CRF Awards	-	800,000	800,000	--
9. Federal Apprenticeship Program	-	253,850	253,850	--
10. Federal SAE Program	-	235,088	235,088	--
11. AJLA Subscription Fees	-	(644,845)	(644,845)	--
12. CAIC Gifts, Grants, Bequests	-	(232,450)	(232,450)	--
13. Sports Program	-	(101,129)	(101,129)	--
14. KS Health Professional Opportunity Project	-	(2,869,613)	(2,869,613)	--
15. WIA Dislocation	-	(579,709)	(579,709)	--
16. All Other Adjustments	-	(35,835)	(35,835)	14.2
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 6,583,987</i>	<i>\$ 104,147,048</i>	<i>\$ 110,731,035</i>	<i>323.5</i>
Governor's Recommendation:				
17. Moderate Income Housing	\$ 20,000,000	\$ -	\$ 20,000,000	--
18. Pathway Home 2 Grant	-	500,000	500,000	--
19. Job Creation Program Fund	-	5,000,000	5,000,000	--
TOTAL	\$ 26,583,987	\$ 109,647,048	\$ 136,231,035	323.5

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, an adjustment was made to the \$100.2 million appropriated to the Kansas Department of Commerce for FY 2022. This adjustment changes the current year approved amount without any legislative action required.

1. **SGF REAPPROPRIATIONS.** Added \$6.6 million, all SGF, for reappropriated SGF funding. These funds are derived from a transfer from federal funds intended to reimburse the Job Creation Program Fund for COVID-19 relief expenditures.

AGENCY ESTIMATE

The agency estimate includes \$110.7 million, which is an increase of \$3.9 million, or 3.7 percent, above the FY 2022 approved budget. Major adjustments include:

2. **CDBG AID TO LOCAL UNITS OF GOVERNMENT.** Add \$2.0 million, all from federal funds, for enhanced Community Development Block Grant (CDBG) funding for FY 2022. Some projects were delayed in FY 2021 due to the COVID-19 pandemic.

3. **EDIF REAPPROPRIATIONS.** Add \$2.4 million, all from the EDIF, for reappropriations of unspent funds.
4. **JOB CREATION PROGRAM FUND (JCPF).** Delete \$1.4 million, all from the JCPF. The agency was appropriated SGF moneys to replace JCPF funds spent for COVID-19 relief in FY 2021. The agency elected to prioritize SGF spending in FY 2022.
5. **IMPACT PROGRAM.** Add \$464,437, all from the Impact Programs Fund, for Workforce Aid.
6. **TECHNOLOGY ENABLED FIDUCIARY FINANCIAL INSTITUTIONS.** Delete \$250,000, all from the Technology Enabled Fiduciary Financial Institutions Fund, for FY 2022. The agency is still setting up the program.
7. **FEDERAL TRADE ADJUSTMENT ASSISTANCE.** Add \$4.0 million in federal Trade Adjustment Assistance funds for FY 2022. The agency received enhanced funding for the program during the COVID-19 pandemic.
8. **ROUND 3 CRF AWARDS.** Add \$800,000, all from the Coronavirus Relief Fund (CRF), for Round 3 awards in FY 2022. CRF moneys for the agency in FY 2021 were allocated for restaurants, theaters, large venue support, PPE Manufacturing, and private colleges. The \$800,000 represents unspent and recouped funding.
9. **FEDERAL APPRENTICESHIP PROGRAM.** Add \$253,850, all from federal funds, for the Federal Apprenticeship Program. The federal government released new apprenticeship grants.
10. **STATE APPRENTICESHIP (SAE) PROGRAM.** Add \$235,088, all from federal funds, for the SAE program new grant period.
11. **AJLA SUBSCRIPTION FEES.** Delete \$644,845, all from special revenue funds, for a revised estimate of America's Job Link Alliance (AJLA) subscription fees.
12. **CREATIVE ARTS INDUSTRIES COMMISSION (CAIC) GIFTS, GRANTS, AND BEQUESTS.** Delete \$232,450, all from special revenue funds, for a reduced estimate on CAIC grants.
13. **ATHLETICS COMMISSION.** Delete \$101,129, all from the Athletics Fee Fund, for reduced expenditures. FY 2021 had reduced revenue to the fund due to the COVID-19 pandemic.
14. **KANSAS HEALTH PROFESSIONAL OPPORTUNITY PROJECT.** Delete \$2.9 million, all from federal funds, for the Kansas Health Professional Opportunity program. The short-duration program is ending during FY 2022.
15. **WORKFORCE INVESTMENT ACT (WIA) DISLOCATION.** Delete \$579,709, all from the federal Workforce Investment Act Fund, as training opportunities are projected to decrease.
16. **OTHER ADJUSTMENTS.** Delete \$35,835, all from special revenue funds, for various federal fund expenditure adjustments. The agency also adjusted the FY 2022 FTE to match the FY 2021 actuals. The increase is predominantly in Workforce Services (20.2

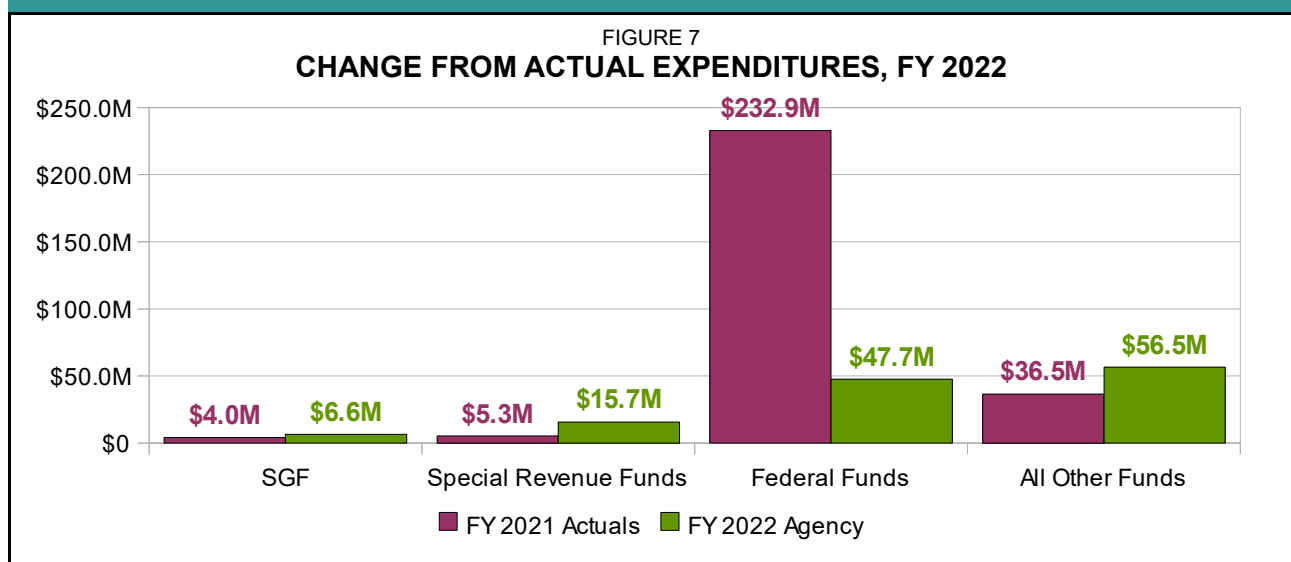
FTE) with reductions in Business and Community Development partially offsetting this increase.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$136.2 million, including \$26.6 million SGF, in FY 2022. The recommendation is an increase of \$25.5 million, including \$20.0 million SGF, above the FY 2022 agency revised estimate. Major adjustments include:

17. **MODERATE INCOME HOUSING.** The Governor recommends adding \$20.0 million SGF to enhance funding for moderate income housing programs in FY 2022. The expenditures will appear in the Department of Commerce, however, according to the agency, the intent is to transfers the funds to the Kansas Housing Resources Corporation for deposit into the State Housing Trust Fund.
18. **PATHWAY HOME 2 GRANT.** The Governor recommends adding \$500,000, all from federal funds, for the Pathway Home 2 grant in FY 2022. The purpose of this pilot program is to provide eligible, incarcerated individuals in state correctional facilities or local or county jails with workforce services prior to release and to continue services after release by transitioning the participants into reentry programs in the communities to which they will return. The agency notes these grants are job-driven and build connections to local employers that will enable transitioning offenders to secure employment.
19. **JOB CREATION PROGRAM FUND.** The Governor recommends adding \$5.0 million, all from the Job Creation Program Fund, for economic development in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's revised estimate totals \$110.7 million, including \$6.6 million SGF, for FY 2022. The revised estimate is a decrease of \$168.0 million, or 60.3 percent, below the FY 2021 actual expenditures. SGF expenditures increase by \$2.6 million, or 63.9 percent, as the agency fully budgeted the remaining SGF moneys.

The decrease in all funds is attributable to a reduction in available federal COVID-19 relief funds (\$186.2 million) and the ending of the Kansas Health Opportunities Project. There is also a reduction in funding for the Creative Arts Industries Commission (\$526,319).

EDIF spending is \$4.2 million above the FY 2021 actual amount. The increase is attributable to the new Tourism program, enhancements to the Main Street program, and increased spending in the Rural Opportunity Zone Program.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 6,583,987	\$ 104,147,048	\$ 110,731,035	323.5
Agency Request:				
1. KBA Grant Commitments	\$ (6,583,987)	\$ -	\$ (6,583,987)	--
2. KIT/KIR Programs	-	2,000,000	2,000,000	--
3. Agency Grant Writer	-	93,427	93,427	1.0
4. Registered Apprenticeship	-	500,000	500,000	--
5. Office of Broadband Development	-	1,000,000	1,000,000	--
6. Kansas Tourism Division	-	1,000,000	1,000,000	5.0
7. Office of Innovation - Program Mgr.	-	68,894	68,894	1.0
8. Salesforce Data Integrity Analyst	-	99,547	99,547	1.0
9. Small Business R&D Grants	-	1,000,000	1,000,000	--
10. Lead Research Analyst	-	81,161	81,161	1.0
11. Cybersecurity Program Mgr.	-	105,693	105,693	1.0
12. Salesforce Software Update	-	200,000	200,000	--
13. Office of Innovation- Admin. Asst.	-	56,628	56,628	1.0
14. Work Based Learning	-	714,000	714,000	--
15. Federal Retain Program	-	(402,302)	(402,302)	--
16. Round 3 CRF Awards	-	(800,000)	(800,000)	--
17. Impact Program Bonds	-	(4,770,750)	(4,770,750)	--
18. Job Creation Program Fund	-	4,299,879	4,299,879	--
19. EDIF Reappropriations Reduction	-	(2,461,171)	(2,461,171)	--
20. Impact Program Services Fund	-	(549,746)	(549,746)	--
21. AJLA Subscription Fees	-	(300,109)	(300,109)	--
22. KS Health Opportunities Project	-	(172,936)	(172,936)	--
23. All Other Adjustments	-	(107,862)	(107,862)	(0.5)
Subtotal—Agency Estimate	\$ -	\$ 105,801,401	\$ 105,801,401	334.0
Governor's Recommendation:				
24. Pathway Home 2 Grant	\$ -	\$ 700,000	\$ 700,000	--
25. Higher Education Grants	10,000,000	-	10,000,000	--
26. Job Creation Program Fund	-	27,942,079	27,942,079	--
27. University Grant Funding Projects	195,000,000	-	195,000,000	--
28. Advantage Kansas	125,000	-	125,000	1.0
TOTAL	\$ 205,125,000	\$ 134,443,480	\$ 339,568,480	335.0

AGENCY REQUEST

The **agency** requests \$105.8 million, all from special revenue funds, which is a decrease of \$4.9 million, or 4.5 percent, below the FY 2022 revised estimate. The request includes 334.0 FTE positions, which is an increase of 10.5 FTE positions due to the enhancement requests.

The **agency** request includes the following adjustments:

- KBA GRANT COMMITMENTS.** Delete \$6.6 million, all SGF, from funds appropriated to settle the liabilities of the Kansas Bioscience Authority (KBA). These moneys were transferred to this fund to reimburse the Job Creation Program Fund for expenses related to the COVID-19 pandemic.
- ENHANCEMENT—KIT/KIR PROGRAMS.** Add \$2.0 million, all EDIF, to increase funding for Kansas Industrial Training and Retraining (KIT/KIR) programs.

3. **ENHANCEMENT—AGENCY GRANT WRITER.** Add \$93,427, all EDIF, and 1.0 FTE position for a grant writer position in the Office of Innovation.
4. **ENHANCEMENT—REGISTERED APPRENTICESHIP.** Add \$500,000, all EDIF, for the Registered Apprenticeship (RA) program.
5. **ENHANCEMENT—OFFICE OF BROADBAND DEVELOPMENT.** Add \$1.0 million, all EDIF, to support the Office of Broadband Development.
6. **ENHANCEMENT—KANSAS TOURISM DIVISION.** Add \$1.0 million, all EDIF, and 5.0 FTE positions to increased support for the Kansas Tourism Division.
7. **ENHANCEMENT—OFFICE OF INNOVATION PROGRAM MANAGER.** Add \$68,894, all EDIF, and 1.0 FTE position for salary and benefits for a program manager in the Office of Innovation.
8. **ENHANCEMENT—SALESFORCE DATA INTEGRITY ANALYST.** Add \$99,547, all EDIF, and 1.0 FTE position for salaries and benefits for a salesforce data integrity analyst to manage the agency's customer relationship management software.
9. **ENHANCEMENT—SMALL BUSINESS RESEARCH AND DEVELOPMENT (R&D) GRANTS.** Add \$1.0 million, all EDIF, to support Small Business R&D Acceleration grants in the Office of Innovation.
10. **ENHANCEMENT—LEAD RESEARCH ANALYST.** Add \$81,161, all EDIF, and 1.0 FTE position for a lead research analyst in a new Data and Research Unit.
11. **ENHANCEMENT—CYBERSECURITY PROGRAM MANAGER.** Add \$105,693, all EDIF, and 1.0 FTE position for salary and benefits for a cybersecurity program manager in the Office of Innovation.
12. **ENHANCEMENT—SALESFORCE SOFTWARE UPDATE.** Add \$200,000, all EDIF, to upgrade the agency customer relationship management software.
13. **ENHANCEMENT—OFFICE OF INNOVATION ADMINISTRATIVE ASSISTANT.** Add \$56,628, all EDIF, and 1.0 FTE position for an administrative assistant in the Office of Innovation.
14. **ENHANCEMENT—WORK BASED LEARNING.** Add \$714,000, all EDIF, to support of Work Based Learning Intermediaries, to expand existing working relationships between education, business and industry, and economic development entities
15. **FEDERAL RETAIN PROGRAM.** Delete \$402,302, all from federal funds, for the RETAIN (Retaining Employment and Talent After Injury/Illness Network) federal program. The program established relationships between the workforce system and medical service delivery system to develop processes to help individuals who have suffered a debilitating illness or injury stay at or return to work. Phase 1 of the grant ends December 2021. A new phase is anticipated but has not yet been included in the budget.
16. **ROUND 3 CRF AWARDS.** Delete \$800,00, all from federal funds, for the COVID-19 Coronavirus Relief Fund Round 3 awards that were fully expended in FY 2022.
17. **IMPACT PROGRAM BONDS.** Delete \$4.8 million, all from special revenue funds, for

payments on the IMPACT Program bonds. The final payment on these bonds will be in FY 2023. The bonds are funded by a transfer from the SGF and will increase the SGF balance by this amount.

18. **JOB CREATION PROGRAM FUND.** Add \$4.3 million, all from the Job Creation Program Fund, for FY 2023. The additional SGF appropriation from FY 2021 will be expended and funding will shift back to the JCPF.
19. **EDIF REAPPROPRIATIONS.** Delete \$2.5 million, all EDIF, for reappropriations in FY 2022 that are not budgeted for FY 2023.
20. **IMPACT PROGRAM SERVICES FUND.** Delete \$549,749, all from special revenue funds, due to depletion of available funds in the IMPACT program.
21. **AJLA SUBSCRIPTION FEES.** Delete \$300,109, all from special revenue funds, for a revised estimate of America's Job Link Alliance subscription fee revenue.
22. **KANSAS HEALTH OPPORTUNITIES PROJECT.** Delete \$172,936, all from federal funds, for a revised estimate of expenditures for the Kansas Health Opportunities project.
23. **ALL OTHER ADJUSTMENTS.** Delete \$107,862, all from special revenue and federal funds, for various minor adjustments and revised estimates in federal programs.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures totaling \$339.6 million, including \$205.1 million SGF, for FY 2023. The recommendation is an increase of \$233.8 million, including \$205.1 million SGF, above the FY 2023 agency request. The request include 335.0 FTE positions, which is an increase of 1.0 FTE position above the agency request for FY 2023.

The **Governor's** recommendation includes the following adjustments:

24. **PATHWAY HOME 2 GRANT.** The Governor's recommendation adds \$700,000, all from federal funds, for the federal Pathway Home 2 grant program for FY 2023.
25. **HIGHER EDUCATION GRANTS.** The Governor's recommendation adds \$10.0 million, all SGF, for higher education grants for FY 2023. The grants will be focused on economic development.
26. **JOB CREATION PROGRAM FUND.** The Governor's recommendation adds \$27.9 million, all from the Job Creation Program Fund (JCPF), for economic development in FY 2023. The revenue to the JCPF is a transfer from the SGF. This action raises the annual cap on those transfers.
27. **UNIVERSITY GRANT FUNDING PROJECTS.** The Governor's recommendation adds \$195.0 million, all SGF, for University Grant Projects for FY 2023. The intention is for these funds to require a 1-to-1 match of new funds. Additionally, \$20.0 million would be designated for the Wichita State University National Institute for Aviation Research (NIAR) program.
28. **ADVANTAGE KANSAS.** The Governor's recommendations adds \$125,000, all SGF, and 1.0 FTE position for a project director for Advantage Kansas. The purpose of the Advantage Kansas Coordinating Council is to help align education with state agencies and business needs.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

REQUEST 1

SUPPLEMENTALS AND ENHANCEMENTS		
Descriptions	FY 2022	FY 2023
KIT/KIR Programs	\$ -	\$ 2,000,000
Agency Grant Writer	-	93,427
Registered Apprenticeship	-	500,000
Office of Broadband Development	-	1,000,000
Kansas Tourism Division	-	1,000,000
Office of Innovation Program Manager	-	68,894
Salesforce Data Integrity Analyst	-	99,547
Small Business R&D Grants	-	1,000,000
Lead Research Analyst	-	81,161
Cybersecurity Program Mgr.	-	105,693
Salesforce Software Update	-	200,000
Office of Innovation Administrative Assistant	-	56,628
Work Based Learning	-	714,000
Moderate Income Housing Program	20,000,000	-
Job Creation Program Fund	5,000,000	27,942,079
Higher Education Grants	-	10,000,000
University Matching Grant Program	-	195,000,000
Advantage Kansas	-	125,000
TOTAL	\$ 25,000,000	\$ 264,986,429

- 1. ENHANCEMENT—KIT/KIR PROGRAMS.** Add \$2.0 million, all EDIF, to increase funding for Kansas Industrial Training and Retraining programs. According to the agency, Commerce provides \$340 per job in training assistance, while peer and competitive states are funding workforce incentives at \$1,200 - \$3,000 per job.
- 2. ENHANCEMENT—AGENCY GRANT WRITER.** Add \$93,427, all EDIF, and 1.0 FTE position for a grant writer position in the Office of Innovation. The position would be responsible for developing successful grant proposals that lead to an increase in funding resources available to the state.
- 3. ENHANCEMENT—REGISTERED APPRENTICESHIP.** Add \$500,000, all EDIF, for the Registered Apprenticeship (RA) program. The agency convened a working group to identify ways to improve and fix the RA program. The two top recommendations were to create an incentive program for employers and a grant program to facilitate industry associations and groups. The enhancement would be used to fund these initiatives and assist with administrative costs.
- 4. ENHANCEMENT—OFFICE OF BROADBAND DEVELOPMENT.** Add \$1.0 million, all EDIF, to support the Office of Broadband Development. The enhancement would fund staffing, critical mapping resources, and administrative and office support. New positions would include: Deputy Director for Infrastructure (\$136,000); Data and Analytics Manager (\$123,000); Stakeholder Engagement and Partnerships Coordinator (\$91,000); Program Director for Digital Equity and Adoption (\$104,000); Grant Writer and Communications Specialist (\$97,500); and Project Manager/Administrative Assistant (\$58,500).

ENHANCEMENT REQUESTS

5. **ENHANCEMENT—KANSAS TOURISM DIVISION.** Add \$1.0 million, all EDIF, and 5.0 FTE positions to increase funding for the Kansas Tourism Division. Funding would be allocated for direct marketing to visitors using the To The Stars campaign (\$550,000); a billboard campaign (\$200,000); marketing of Kansas agritourism businesses to assist Kansas farmers and ranchers (\$100,000); marketing of Kansas byways to increase visitation to Kansas communities along the 12 byways in Kansas (\$100,000); and a \$50,000 investment in the *KANSAS!* magazine program.
6. **ENHANCEMENT—OFFICE OF INNOVATION PROGRAM MANAGER.** Add \$68,894, all EDIF, and 1.0 FTE position for salary and benefits for a program manager in the Office of Innovation. Commerce established the Office of Innovation to lead new efforts focused on building statewide networks and bringing new resources to innovators and entrepreneurs. New initiatives include the Proof of Concept Fund, university commercialization network, seed capital programs, small business innovation research and small business technology transfer (SBIR/STTR) assistance, and the integration of tax credit programs.
7. **ENHANCEMENT—SALESFORCE DATA INTEGRITY ANALYST.** Add \$99,547, all EDIF, and 1.0 FTE position for salaries and benefits for a salesforce data integrity analyst to manage the agency's customer relationship management software. The position's primary responsibility is to manage, clean, and verify the data quality within the Salesforce database and improve the overall accuracy of agency data using advanced computer science methods.
8. **ENHANCEMENT—SMALL BUSINESS RESEARCH AND DEVELOPMENT (R&D) GRANTS.** Add \$1.0 million, all EDIF, to support Small Business R&D Acceleration grants in the Office of Innovation. This grant program will support Kansas small businesses partnering with Kansas public higher education institutions to create greater engagement and mutual benefit. Small businesses working with a Kansas public higher education institution conducting research and development can receive a 50:50 matching grant up to \$25,000 for research and development costs at the institution to fund up to 40 grants.
9. **ENHANCEMENT—LEAD RESEARCH ANALYST.** Add \$81,161, all EDIF, and 1.0 FTE position for the lead research analyst in a new Data and Research Unit. The position will focus on the data and research needs within the agency and assist in strategic planning. Other responsibilities will include establishing agency data quality standards, making data more accessible to the agency and public, and the creation of data dashboards for the agency and the Office of the Governor's use.
10. **ENHANCEMENT—CYBERSECURITY PROGRAM MANAGER.** Add \$105,693, all EDIF, and 1.0 FTE position for salary and benefits for a Cybersecurity Program Manager in the Office of Innovation. A cybersecurity strategic plan was developed for Commerce titled Kansas Cybersecurity Center of Excellence. The plan has six pillars: Workforce Education and Training; Talent Supply Chain; Research Supply Chain and Commercialization; Secure Facilities and Resources; Enterprise Development; and Network Development. National security and corporate vulnerabilities have been documented in the past few years, leading to expanded funding, research, and commercial opportunities.

ENHANCEMENT REQUESTS

11. **ENHANCEMENT—SALESFORCE SOFTWARE UPDATE.** Add \$200,000, all EDIF, to upgrade the agency customer relationship management software. According to the agency, the current software is not efficient and does not accomplish the agency needs. Instead of continuing temporary patchwork fixes, the agency is requesting a complete overhaul of the system. The overhaul will allow Commerce to address the lack of capacity around collecting data analytics and the management of data at the agency.
12. **ENHANCEMENT—Office of Innovation Administrative Assistant.** Add \$56,628, all EDIF, and 1.0 FTE position for an administrative assistant in the Office of Innovation. The position would support the Chief Strategy Officer, Director of Innovation, and other members of the Office of Innovation.
13. **ENHANCEMENT—WORK BASED LEARNING.** Add \$714,000, all EDIF, to support of Work Based Learning (WBL) Intermediaries. WBL Intermediaries build and/or expand existing working relationships between education, business and industry, and economic development entities. Additionally, intermediaries act as a liaison between employers and school districts to facilitate internships, apprenticeship and career shadowing opportunities. Commerce estimates \$714,000 per year would be needed to provide regional WBL intermediaries to scale high quality WBL to each school district in all five Local Workforce Development regions.
14. **MODERATE INCOME HOUSING.** Add \$20.0 million, SGF, for moderate income housing in FY 2022.
15. **JOB CREATION PROGRAM FUND.** Add \$5.0 million, JCPF, in FY 2022 and \$27.9 million, JCPF, for FY 2023 for economic development. Revenue to the JCPF reduces SGF revenue.
16. **HIGHER EDUCATION GRANTS.** Add \$10.0 million, SGF, for higher education grants.
17. **UNIVERSITY GRANT FUNDING PROJECT.** Add \$195.0 million, SGF, for University Grant Funding with local match requirements. \$20.0 million would be earmarked for the Wichita State University Aviation program.
18. **ADVANTAGE KANSAS.** Add \$125,000 and 1.0 FTE for an executive director for the advantage Kansas program.

The Governor recommends adoption of these requests.

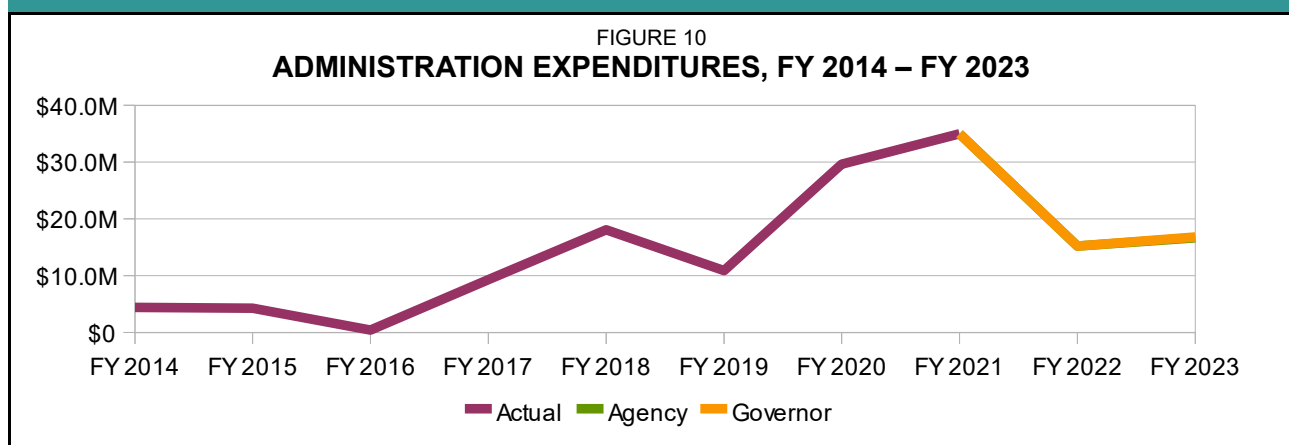
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 178,701,100	\$ 15,234,701	\$ 15,234,701	\$ 16,676,787	\$ 16,801,787
Business	10,234,833	15,282,722	20,282,722	13,554,331	27,525,370
Development					
Workforce Services	53,893,111	52,824,855	53,324,855	48,631,511	49,331,511
Community	34,971,618	21,746,970	41,746,970	20,600,385	239,571,425
Development					
International	757,139	790,145	790,145	729,973	729,973
Business					
Tourism	-	4,618,414	4,618,414	5,508,414	5,508,414
Debt Service	-	133,228	133,328	-	-
Capital Improvements	-	100,000	100,000	100,000	100,000
TOTAL	\$ 278,557,801	\$ 110,731,035	\$ 136,231,135	\$ 105,801,401	\$ 339,568,480
FTE Positions:					
Administration	96.5	96.5	96.5	107.0	108.0
Business	25.6	25.6	25.6	25.6	25.6
Development					
Workforce Services	169.0	169.0	169.0	169.0	169.0
Community	15.0	15.0	15.0	15.0	15.0
Development					
International	5.4	5.4	5.4	5.4	5.4
Business					
Tourism	12.0	12.0	12.0	12.0	12.0
TOTAL	323.5	323.5	323.5	334.0	335.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 74-5002y, KSA 74-50, 183, IKE Transportation SB 173; Executive Order 20.67

PROGRAM GOALS:

- Athletic Commission—Regulate and facilitate high quality competitive sporting events, while protecting the health and welfare of all participants and spectators.
- America's Job Link Alliance—Increase revenue by 10.0 percent.
- Broadband—Award infrastructure grants to expand broadband availability to premises where needed.
- Office of Rural Prosperity—Collaborate with other state and local partners to increase or improve housing program opportunities, and provide support for communities in developing or redeveloping housing.
- Workforce AID—Utilize new and innovative industry-driven talent solutions to develop short-term, customized training projects with employers and education.

The Administration Program is composed of the Office of the Secretary, Human Resources, Marketing and Communications, Information Technology, Fiscal Services, Building Services, Legal, Regulatory Compliance, the Governor's Economic Council of Advisors, Workforce AID, the Athletic Commission, Kansas Bioscience Authority, Office of Rural Prosperity, Office of Broadband Development and America's Job Link Alliance (AJLA).

The goals and objectives of the Administration Division are to provide leadership, communication, and an overall high level of customer service to the agency in support of its broader mission of economic development in the state. The division strives to

use progressive technology to improve productivity and efficiency in support of quality business processes.

Responsibilities within the division include managing the recruitment process for the agency, including the associates located in the various workforce centers across the state; distributing press releases and developing marketing efforts for the numerous business development and workforce services events; supporting information technology infrastructure and software; and timely and accurate processing of all fiscal-related documents, including all fiscal federal reporting, budget preparation, and monitoring.

FIGURE 11
ADMINISTRATION PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.AJLA - Number of states using JobLink software *	9	9	9	9	10
2.Athletic Commission - Number of events sanctioned	57	39	63	70	90
3.Broadband - Number of premises connected (CERG+BAG)*	--	45,579	--	7,500	10,000
4.Rural - Housing investment made in Rural Communities by state agencies (millions)*	\$ --	\$ 7.0	\$ 6.8	\$ 8.0	\$ 10.0
5.Workforce AID - Number of new projects with Schools, Companies*	4	1	2	8	16
Output Measure:					
6.AJLA - Average page views (thousands) *	--	--	--	9.5	9.6
7.Athletic Commission - Number of fighters, promoters, referees, judges, and doctors certified	486	324	440	400	500
8.Rural - New RHID** Projects underway*	5	11	8	10	15
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 25,000	\$ 10,000		\$ 73,987	\$ 125,000
Federal Funds	1,222,711	174,364,603		1,384,735	1,386,467
All Other Funds	28,567,497	17,297,437		13,775,979	15,290,320
TOTAL	\$ 29,815,208	\$ 191,672,040		\$ 15,234,701	\$ 16,801,787
Percentage Change:					
SGF	(96.2) %	(60.0) %		-- %	68.9 %
All Funds	174.0 %	542.9 %		(92.1) %	10.3 %
FTE Positions	95.2	96.5		96.5	108.0

*The Governor's Office does not utilize this measure for evaluation purposes.

**Rural Housing Incentive District

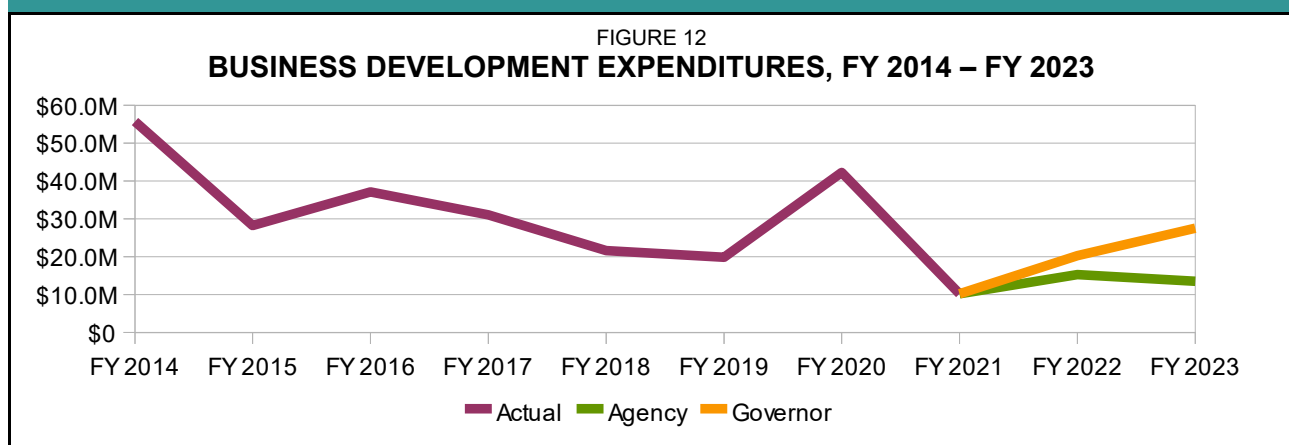
BUDGET ANALYSIS

The agency requests FY 2023 Administration Division expenditures of \$20.6 million, which is a decrease of \$1.2 million, or 5.3 percent, below the FY 2022 revised estimate. The decrease is attributable to reduced EDIF spending in the Main Street, Rural Opportunity Zone, and Community Development programs. The FY 2022 budget incorporates EDIF reappropriations for these programs, and the

FY 2023 budget more accurately reflects projected spending.

The **Governor** recommends expenditures of \$16.8 million, which is an increase of \$125,000, or 0.7 percent, above the FY 2023 agency request. The increase is attributable to the Advantage Kansas Program.

BUSINESS DEVELOPMENT



STATUTORY BASIS: • Discretionary

PROGRAM GOALS: • Increase new business to Kansas.
• Retain businesses in Kansas.

The Business Development Division plays a lead role in promoting economic and rural development for Kansas. The division works with existing Kansas companies and out-of-state companies to attract new jobs and investment to the state. The program also

assists city and county governments and small businesses in rural communities.

Some of the tools offered to businesses by this program are not direct expenditures from this program, but are tax credits and reduced financing options.

FIGURE 13
BUSINESS DEVELOPMENT, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of jobs created or retained through business development efforts	14,458	17,241	19,052	20,958	21,482
2. Private capital investment (in billions) in Kansas through Commerce programs*	\$ 1.50	\$ 4.31	\$ 2.41	\$ 2.65	\$ 2.71
3. Number of jobs created or retained through business recruitment*	2,887	7,397	6,286	6,914	7,087
4. Number of jobs created or retained through retention/expansion efforts*	11,126	9,844	12,477	13,724	14,068
Output Measure:					
5. Number of projects opened by business development staff	324	519	336	370	380
6. Number of face to face business contacts	540	1,346	897	987	826
7. Number of business recruitment projects opened*	140	149	139	153	157
8. Percent of business recruitment projects approved*	15.0 %	15.0 %	22.0 %	24.0 %	25.0 %

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ 4,001,013		\$ 6,500,000	\$ -
Federal Funds	31,931,799	(140,583)		808,900	8,900
All Other Funds	10,353,116	6,374,403		12,973,822	27,516,470
TOTAL	<u>\$ 42,284,915</u>	<u>\$ 10,234,833</u>		<u>\$ 20,282,722</u>	<u>\$ 27,525,370</u>
Percentage Change:					
SGF	-- %	100.0 %		62.5 %	(100.0) %
All Funds	112.5 %	(75.8) %		98.2 %	35.7 %
FTE Positions	52.3	25.6		25.6	25.6

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

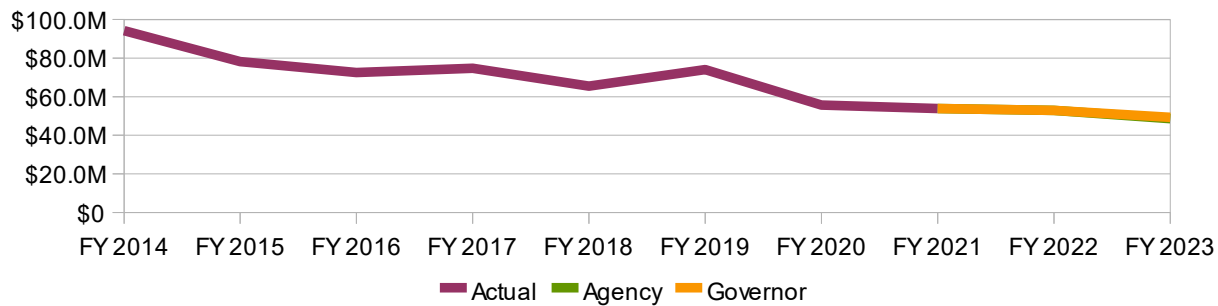
The agency requests FY 2023 Business Development Division expenditures of \$13.6 million, all from special revenue funds, which is a decrease of \$1.7 million, or 11.3 percent, below the FY 2022 revised estimate. The decrease is attributable to the deletion of \$6.5 million SGF. The decrease is partially offset by enhanced spending from EDIF for operations tied to the enhancement requests

and JCPF spending to replace SGF moneys from FY 2022.

The **Governor** recommends expenditures of \$27.5 million for FY 2023. The recommendation is an increase of \$14.0 million, or 103.1 percent, above the FY 2023 agency request. The increase is attributable to the \$10.0 million University Grant and federal funding changes.

WORKFORCE SERVICES

FIGURE 14
WORKFORCE SERVICES EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • Workforce Innovation Opportunity Act (WIOA)

PROGRAM GOALS: • Customer Service.
• Performance Accountability and Transparency.
• System Messaging and Awareness.
• Technology Integration.

The Workforce Services Division links businesses, job candidates, and educational institutions to ensure that employers can find skilled workers. The division accomplishes this by partnering with Local Workforce Development Boards (LWDB) and other state

agencies. In addition, a partnership with the Kansas Board of Regents helps state universities and community and technical colleges tailor their curriculum to the needs of Kansas businesses.

FIGURE 15
WORKFORCE SERVICES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Customer Service Survey Responses*	12,612	5,037	8,285	6,000	6,750
2.Jobs Created or Retained	12,349	10,941	12,843	13,742	14,704
3. Number Served with job placement services	72,722	19,143	--	44,677	47,804
Output Measure:					
4.Job Seeker Users on KW.com*	313,029	446,319	--	406,251	434,689
5.Employer Contacts on KW.com*	6,796	10,656	9,567	10,237	10,954
6.Entered Employment (Adult) *	75.5 %	72.4 %	75.4 %	76.0 %	76.0 %
7.Number of Job Orders*	170,288	318,342	231,819	248,046	265,409
8.Job Seeker Resumes*	6,796	35,630	16,918	18,102	19,369
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	29,907,127	28,842,493		28,598,168	28,239,104
All Other Funds	25,746,141	25,050,618		23,726,687	21,092,407
TOTAL	\$ 55,653,268	\$ 53,893,111		\$ 52,324,855	\$ 49,331,511
Percentage Change:					
SGF	--	--		--	--
All Funds	(24.8) %	(3.2) %		(2.9) %	(5.7) %
FTE Positions	148.8	169.0		169.0	169.0

*The Governor's Office does not utilize this measure for evaluation purposes.

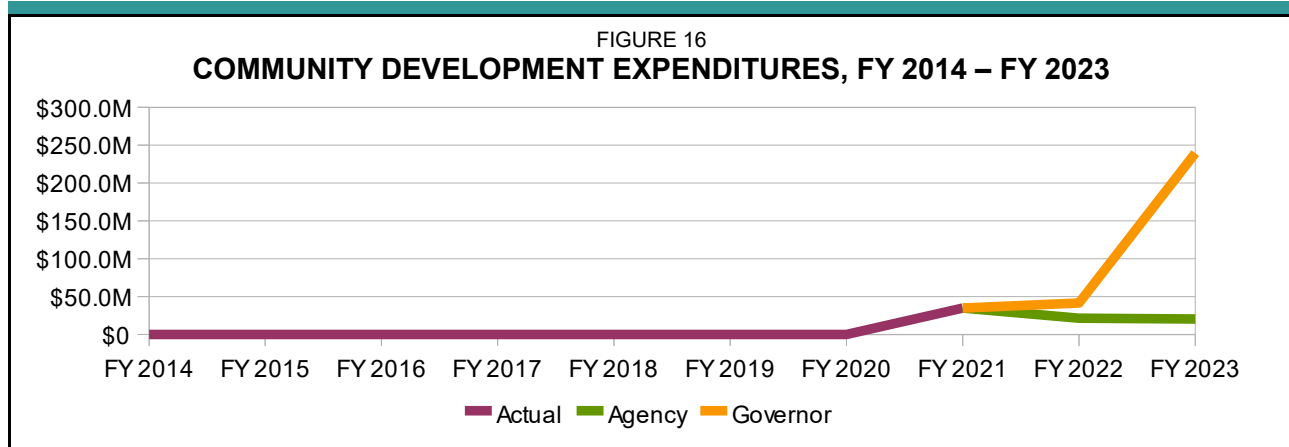
BUDGET ANALYSIS

The **agency** requests FY 2023 Workforce Services Division expenditures of \$48.6 million, which is a decrease of \$4.2 million, or 7.9 percent, below the FY 2022 revised estimate. The decrease is primarily due to the IMPACT Program Bonds (\$4.8 million). The decrease is partially offset by an increase in EDIF of \$1.1 million for the enhancement registered

apprenticeship program (\$500,000) and Work Based Learning (\$714,000).

The **Governor** recommends \$49.3 million, which is an increase of \$700,000, all from federal funds, above the FY 2023 agency request. The increase is attributable to the Pathway Home 2 federal grant.

COMMUNITY DEVELOPMENT



STATUTORY BASIS: • Discretionary

PROGRAM GOALS: • Provide direct technical assistance in planning, development, housing resources, and funding preparation for Community Development programs.
• Provide program support and community assistance for community development programs.

The Community Development Division was reestablished at Commerce in collaboration with the Lt. Governor's Office of Rural Prosperity under the agency. The existing Community Development programs and personnel were separated from Business Development to form the new Community Development Division. With the restoration of

the division, Kansas Main Street was reestablished as a program within the division, a division director was hired to provide oversight and coordination among the programs and services for maximum effectiveness, and additional staff is being added to support the Office of Broadband Development.

FIGURE 17
COMMUNITY DEVELOPMENT, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of grant applications received by Community Development programs*	--	296	--	350	370
2. Total amount of community leverage through Community Development programs *	\$ --	\$ 63,496,000	\$ --	\$ 70,000,000	\$ 72,000,000
Output Measure:					
3. Number of housing units rehabilitated *	--	--	--	70	120
4. Percent of community development block grants applications approved	79.0%	86.0%	73.0 %	70.0%	70.0%
5. Number of Community Service Tax Credit Program applications received*	53	56	53	55	58
6. Number of community development projects completed*	--	--	--	65	80

	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ -	\$ --		\$ 20,000,000	\$ 205,000,000
Federal Funds	-	32,273,741		17,288,951	17,369,526
All Other Funds	-	2,697,877		4,458,019	17,201,899
TOTAL	\$ -	\$ 34,971,618		\$ 41,746,970	\$ 239,571,425
Percentage Change:					
SGF	-- %	-- %		100.0 %	925.0 %
All Funds	-- %	100.0 %		19.4 %	473.9 %
FTE Positions	--	15.0		15.0	15.0

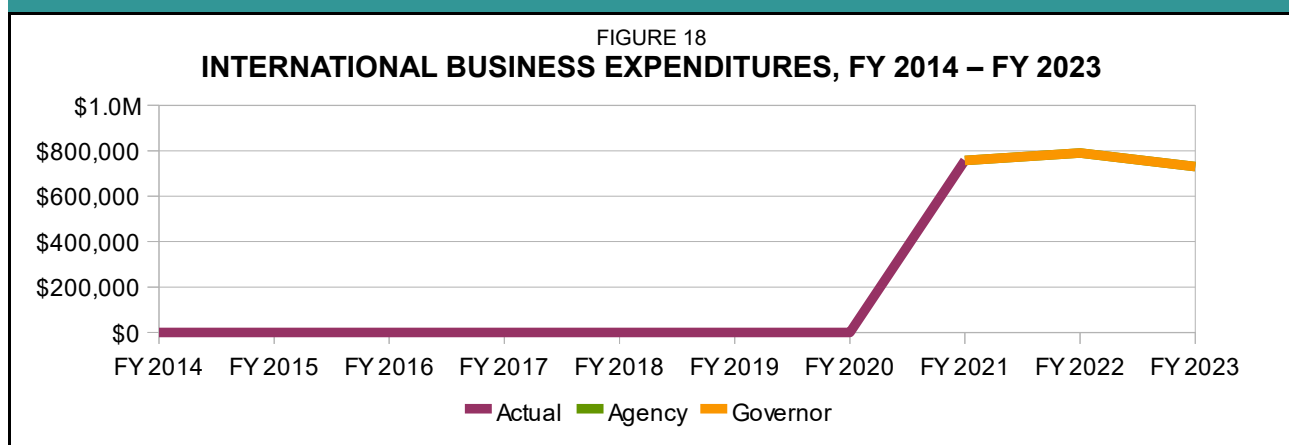
*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests FY 2023 Community Development Division expenditures of \$20.6 million, which is a decrease of \$1.2 million, or 5.3 percent, below the FY 2021 revised estimate. The decrease is attributable to reduced EDIF spending in the Main Street, Rural Opportunity Zone, and Community Development programs. The FY 2022 budget incorporates EDIF reappropriations for these programs and the FY 2023 budget more accurately reflects projected spending.

The **Governor** recommends expenditures of \$239.6 million for FY 2023. The recommendation is an increase of \$219.0 million, or over 1,000 percent, above the FY 2023 agency request. The increase is attributable to \$195.0 million in SGF matching grants for higher education, \$10.0 million for increases in grants to higher education, and enhanced JCPF funding.

INTERNATIONAL BUSINESS



STATUTORY BASIS: • Discretionary

PROGRAM GOALS: • Increase the number of Kansas exporters and Kansas exporter market diversification.
• Recruit international businesses to establish facilities and create jobs in Kansas.

The International Business Division works with Kansas companies to help them sell their products and services in international markets. The division also works to recruit international businesses to establish facilities and create jobs in Kansas. These two goals comprise the agency's overall mission, to help Kansas capitalize on opportunities in the global economy.

The International Division became a standalone division within the agency in FY 2021 after having been eliminated as a separate business unit in FY 2013.

During the last eight years, the international export promotion and international business recruitment functions were managed by a much smaller staff operating out of the Business Development Division.

In preparation for the reemergence of the International Division in FY 2021, several administrative actions were taken. These included the hiring of a new Division Director as well as the hiring of two other professional staff to enable the division to better address its main mission.

FIGURE 19
INTERNATIONAL BUSINESS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Cap. Inv. (Millions \$)*	\$ --	\$ --	\$ --	40 \$	40
2. Successful Projects*	--	--	--	3	3
3. Jobs created*	--	--	--	150	150
Output Measure:					
4. Number of webinars*	--	--	--	10	10
5. Number of webinar attendees*	--	--	--	350	350
6. Number of trade missions*	--	--	--	3	5
7. Number of investment projects opened*	--	--	--	6	6
8. Number of business visits*	--	--	--	85	85
9. Number of Kansas International Trade Show Assistance Program applications received	22	8	18	15	22

FIGURE 19
INTERNATIONAL BUSINESS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
10. Percent of Kansas International Trade Show Assistance Program applications approved	86.0 %	38.0 %	70.0 %	65.0 %	86.0 %
11. Percent of investment projects approved*	--	--	--	40.0 %	40.0 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	13,300		80,000	50,000
All Other Funds	-	743,839		710,145	679,990
TOTAL	\$ -	\$ 757,139		\$ 790,145	\$ 729,990
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	100.0 %		4.4 %	(7.6) %
FTE Positions	--	5.4		5.4	5.4

*The Governor's Office does not utilize this measure for evaluation purposes.

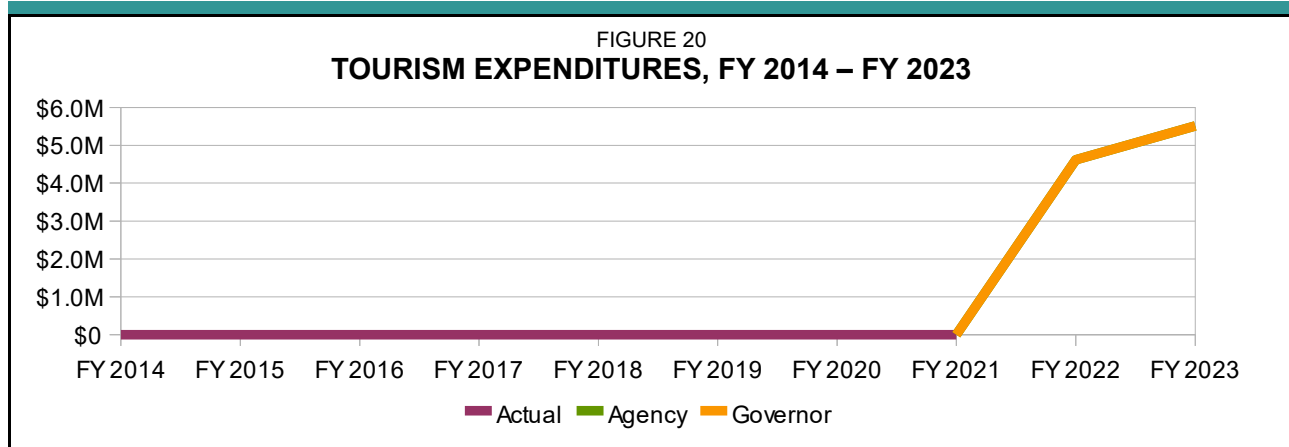
BUDGET ANALYSIS

The agency requests FY 2023 International Business Division expenditures of \$729,973, which is a decrease of \$60,172, or 7.6 percent, below the FY 2022 revised estimate. The decrease is attributable to a reduction in reappropriations of EDIF dollars and a \$30,000 reduction in the estimate for the Small Business Association Federal Step Grant program.

The International Division is still setting up its operations from when it was reestablished in FY 2021 after an eight-year hiatus. The COVID-19 pandemic limited the number of international business development meetings for FY 2020 and FY 2021.

The **Governor** concurs with the agency's request for the Community Development Division.

TOURISM



STATUTORY BASIS: • KSA 32-1403

PROGRAM GOALS:

- Increase number of visitors to Kansas.
- Increase Statewide Transient Guest Tax Collections.
- Increase visitor spending.
- Increase number of registered Agritourism businesses.

The Tourism Division mission is to inspire travel to and throughout Kansas, and to maximize the positive impacts that tourism has on the state and local communities. A strong travel and tourism industry helps provide a better quality of life for all Kansans' and economic prosperity. Programs from the Kansas Tourism Division are built to ensure that all travelers feel welcome and are provided the resources they need to create positive experiences in Kansas.

The Tourism Division markets the state's travel and tourism opportunities to the general public. The division's efforts also include promotion to travel media and specific niche markets such as group tour leaders, sports event coordinators, and meeting planners. Primary focus is placed on increasing out-of-state visitation with the secondary focus on

building state pride for Kansans' by encouraging them to travel throughout the state. Marketing initiatives include platforms such as TravelKS.com, travel publications, multiple social media sites, print advertising, digital advertising, e-newsletters, photography, and videography. The Tourism Division also operates the Travel Information Centers in Goodland and Belle Plaine. These centers serve an important role in welcoming and orienting visitors to Kansas and by showcasing Kansas experiences & opportunities. Kansas

Tourism produces a lifestyle magazine, *KANSAS!* magazine, that is geared toward creating state pride among Kansans. The Tourism Division is also responsible for the Kansas Byways program and the Kansas Agritourism program.

FIGURE 21
TOURISM, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Amount of Statewide Transient Guest Tax Collections	\$ 40,865,673	\$ 32,662,414	\$ 40,601,442	\$ 35,000,000	\$ 40,000,000
2.Visitor Spending in the State (Billions)	\$ 7.3	\$ 5.4	\$ 6.6	\$ 6.0	\$ 7.0
3.Number of visitors to Kansas	36,500,000	31,400,000	34,500,000	32,500,000	35,600,000

FIGURE 21
TOURISM, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
4. Number of registered Agritourism businesses in Kansas*	344	395	341	425	450
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ 10,000	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		4,608,414	5,508,431
TOTAL	\$ -	\$ -		\$ 4,618,414	\$ 5,508,431
Percentage Change:					
SGF	-- %	-- %		100.0 %	(100.0) %
All Funds	-- %	-- %		100.0 %	19.3 %
FTE Positions	--	12.0		12.0	12.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The agency requests FY 2023 Tourism Division expenditures of \$5.5 million, which is an increase of \$890,000, or 19.3 percent, above the FY 2022 revised estimate. The increase is attributable to a \$1.0 million enhancement, all from the EDIF, and 5.0 FTE positions. Funding would be allocated for direct marketing to visitors using the To The Stars campaign (\$550,000); a billboard campaign (\$200,000); marketing of Kansas agritourism

businesses to assist Kansas farmers and ranchers (\$100,000); marketing of Kansas byways to increase visitation to Kansas communities along the 12 byways in Kansas (\$100,000); and a \$50,000 investment in the KANSAS! magazine program.

The **Governor** concurs with the agency's request for the Tourism Division.

DEBT SERVICE

FIGURE 22 DEBT SERVICE, GOVERNOR'S RECOMMENDATION, FY 2022 – FY 2023						
	Principal	FY 2022 Interest	Total	Principal	FY 2023 Interest	Total
Workforce Services Center	\$ 130,000	\$ 3,228	\$ 133,228	\$ -	\$ -	\$ -
Financing:						
SGF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-
All Other Funds	130,000	3,228	133,228	-	-	-
TOTAL	\$ 130,000	\$ 3,228	\$ 133,228	\$ -	\$ -	\$ -

The Kansas Department of Commerce FY 2022 revised estimate includes \$133,228 for debt service, including \$3,228 for interest. This is the final payment on the bonds for the Topeka Workforce Center.

\$23.5 million in FY 2022 and \$18.7 million in FY 2023. The final payment on the IMPACT bonds will be in FY 2023, and the remaining revenue from the bonds is also fully budgeted in FY 2022.

In addition to the Topeka Workforce Center bonds, the agency also pays debt service on IMPACT Program bonds. The payments total

The **Governor** concurs with the agency request for the Debt Service program.

CAPITAL IMPROVEMENTS

The Kansas Department of Commerce has capital improvement expenditures for the 25 Workforce Centers in Kansas.

FIGURE 23
CAPITAL IMPROVEMENTS, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Capital Projects:					
Reroof and Facade Garden City	\$ -	\$ 130,000	\$ 130,000	\$ -	\$ -
Topeka WFC - Plumbing	-	100,000	100,000	-	-
Topeka WFC - HVAC Controls	-	-	-	100,000	100,000
<i>Subtotal–Projects</i>	<i>\$ -</i>	<i>\$ 230,000</i>	<i>\$ 230,000</i>	<i>\$ 100,000</i>	<i>\$ 100,000</i>
Debt Service Principal:					
Topeka JC Debt Service	\$ 125,000	\$ -	\$ -	\$ -	\$ -
<i>Subtotal–Debt</i>	<i>\$ 125,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 125,000	\$ 230,000	\$ 230,000	\$ 100,000	\$ 100,000
Financing:					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	125,000	230,000	230,000	100,000	100,000
TOTAL	\$ 125,000	\$ 230,000	\$ 230,000	\$ 100,000	\$ 100,000

FY 2022 CAPITAL IMPROVEMENTS

The **agency** requests \$230,000, all from special revenue funds, including \$130,000 for reroofing and facade replacement at the Garden City Job Center, and \$100,000 for plumbing repairs at the Topeka Workforce Center. The request is an increase of \$105,000 above the FY 2021 actual expenditures. The

Garden Center work was originally scheduled for FY 2021 but was delayed due to the COVID-19 pandemic.

The **Governor** concurs with the agency's revised estimate for FY 2022.

FY 2023 CAPITAL IMPROVEMENTS

The **agency** requests \$100,000, all from special revenue funds, for replacement of HVAC controls at the Topeka Workforce Center. The request is an decrease of \$130,000 below the FY 2022 agency revised estimate.

The **Governor** concurs with the agency's request for FY 2023.

KANSAS CORPORATION COMMISSION

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

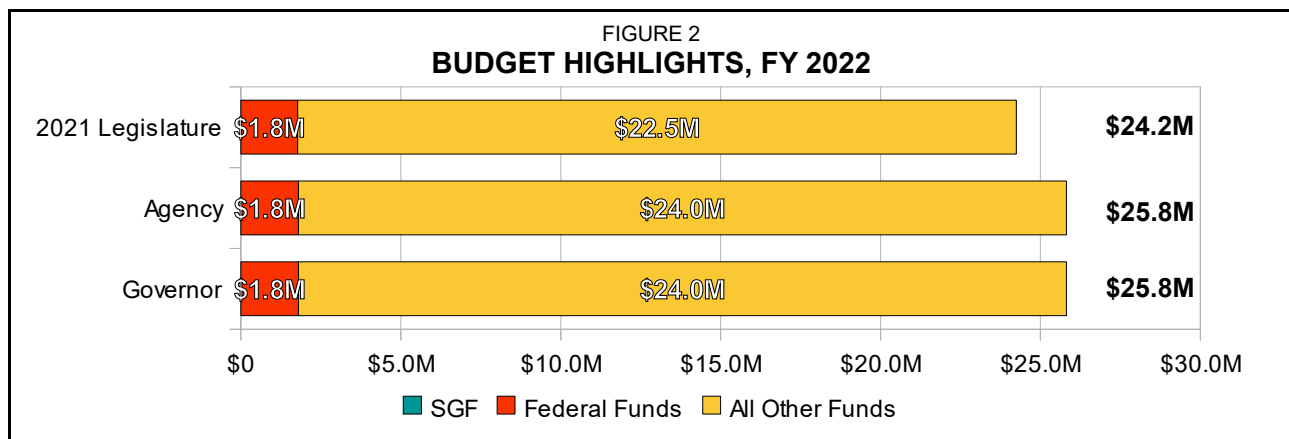
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,462,637	1,798,425	1,798,425	1,903,275	1,903,275
All Other Funds	19,640,312	24,016,681	24,016,681	24,872,509	24,872,509
<i>Subtotal</i>	<u>\$ 21,102,949</u>	<u>\$ 25,815,106</u>	<u>\$ 25,815,106</u>	<u>\$ 26,775,784</u>	<u>\$ 26,775,784</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 21,102,949</u>	<u>\$ 25,815,106</u>	<u>\$ 25,815,106</u>	<u>\$ 26,775,784</u>	<u>\$ 26,775,784</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	1.9 %	22.3 %	22.3 %	3.7 %	3.7 %
FTE Positions	162.8	204.8	204.8	205.3	205.3

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Kansas Corporation Commission (KCC) is responsible for regulating and overseeing the safety of public utilities, common carriers, motor carriers, and oil and gas producers. Further, the agency is involved in developing the state's energy policy and administers conservation projects that promote the efficient use of energy.

EXECUTIVE SUMMARY

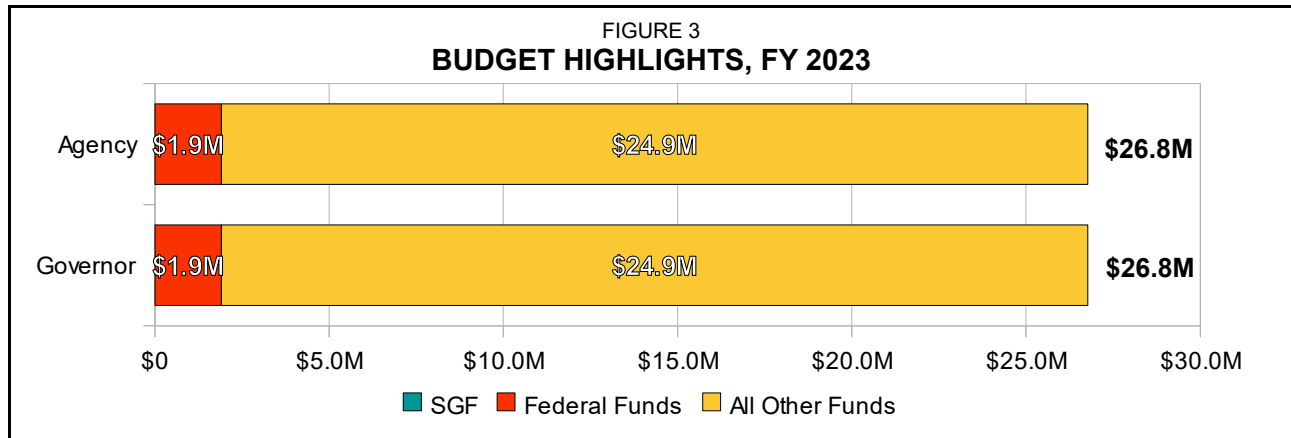
The 2021 Legislature approved a budget of \$24.2 million, all from special revenue funds, for the Kansas Corporation Commission for FY 2022.



The **agency** estimates revised FY 2022 expenditures of \$25.8 million, all from special revenue funds. This is an increase of \$1.6 million, or 6.5 percent, above the FY 2022 approved amount. The agency's revised estimate includes increased expenditures, primarily in the Utilities Division,

for consulting fees due to the implementation of 2021 Senate Sub. for HB 2072, which allows for the securitization of utility assets to recover energy transition costs and help finance qualified extraordinary expenses during extreme weather events for electric and natural gas utilities subject to KCC jurisdiction. The agency's revised estimate also includes expenditures to begin the implementation of a new Docket Management System. Expenditures in FY 2022 are budgeted for information technology consulting services during the request for proposal process, while expenditures in FY 2023 are budgeted to purchase the system software. The agency's revised estimate includes increased expenditures to plug abandoned wells in accordance with the established prioritization schedule.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests FY 2023 expenditures of \$26.8 million, all from special revenue funds. This is an increase of \$960,678, or 3.7 percent, above the FY 2022 revised estimate. The agency's request includes funding to purchase the Docket Management System software. The increase is also due to increased federal funds for the Energy Division.

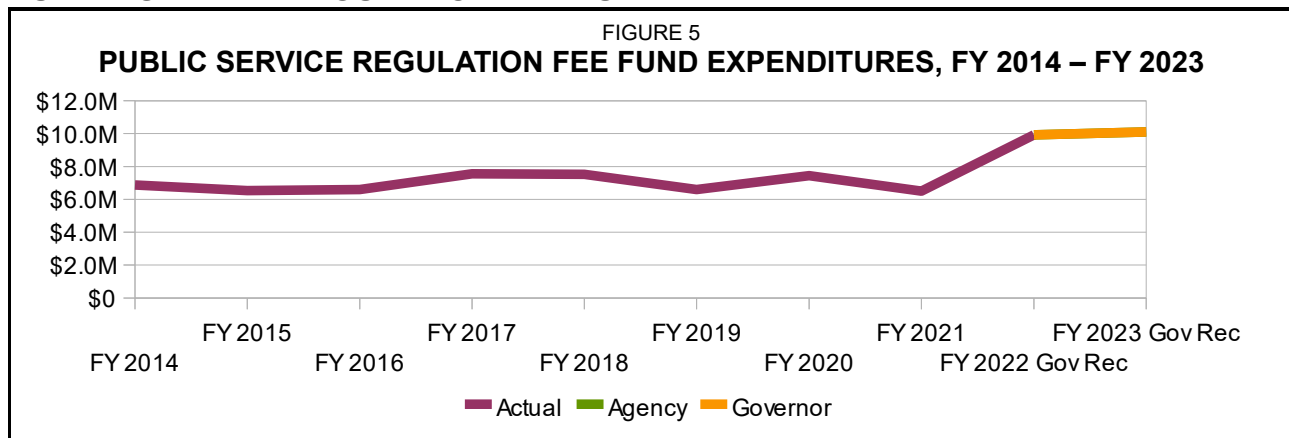
The **Governor** concurs with the agency's FY 2023 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

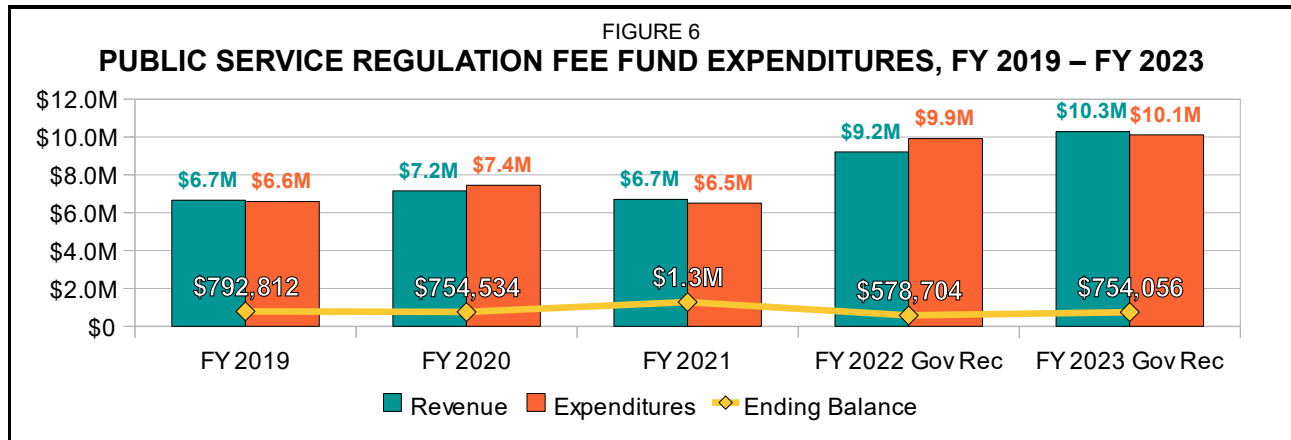
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 13,169,488	\$ 15,851,428	\$ 15,851,428	\$ 16,167,084	\$ 16,167,084
Contractual Services	6,854,147	8,213,924	8,213,924	7,794,239	7,794,239
Commodities	212,877	339,470	339,470	348,414	348,414
Capital Outlay	866,437	1,410,284	1,410,284	2,466,047	2,466,047
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 21,102,949	\$ 25,815,106	\$ 25,815,106	\$ 26,775,784	\$ 26,775,784
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 21,102,949	\$ 25,815,106	\$ 25,815,106	\$ 26,775,784	\$ 26,775,784
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 21,102,949	\$ 25,815,106	\$ 25,815,106	\$ 26,775,784	\$ 26,775,784
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Public Service	6,507,052	9,790,356	9,790,356	10,012,582	10,012,582
Regulation Fund					
Conservation Fee	7,036,645	9,325,297	9,325,297	9,557,387	9,557,387
Fund					
Abandoned Oil and	3,346,600	1,800,173	1,800,173	2,027,463	2,027,463
Gas Well Fund					
Federal Funds	1,462,637	1,798,425	1,798,425	1,903,275	1,903,275
All Other Funds	2,750,015	3,100,855	3,100,855	3,275,077	3,275,077
TOTAL	\$ 21,102,949	\$ 25,815,106	\$ 25,815,106	\$ 26,775,784	\$ 26,775,784
FTE Positions	162.8	204.8	204.8	205.3	205.3

PUBLIC SERVICE REGULATION FEE FUND



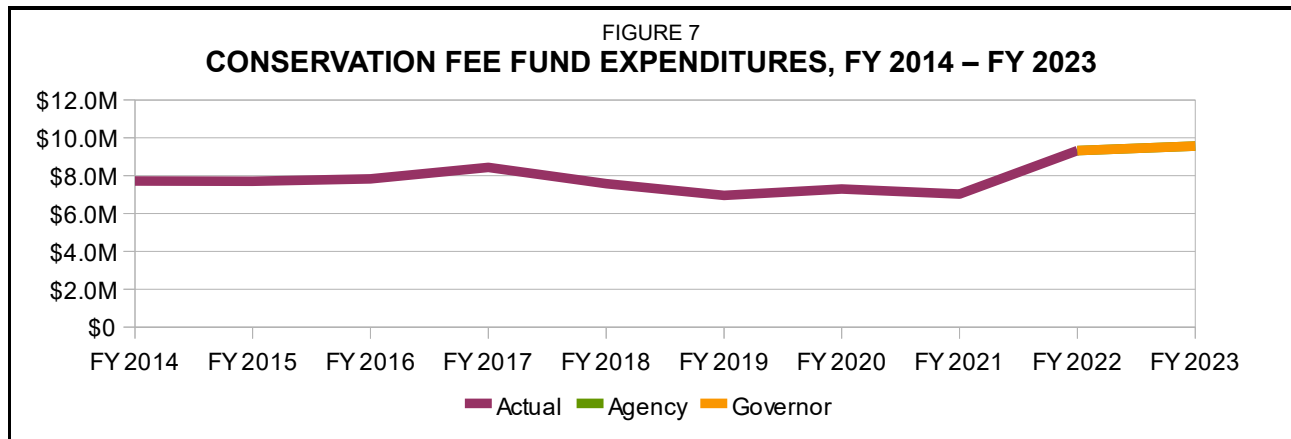
The Public Service Regulation Fee Fund is used to finance payments for outside accounting, legal, and economic advisory services incurred in connection with the investigation of a utility or common carrier for violating, refusing, or failing to obey any lawful requirement or any order of the Commission. The KCC is empowered to assess a fine against a utility or common carrier company undergoing investigation of up to three-fifths of 1.0 percent (0.6 percent) of the gross revenue derived from the company's intrastate operations in the preceding year.

PUBLIC SERVICE REGULATION FEE FUND



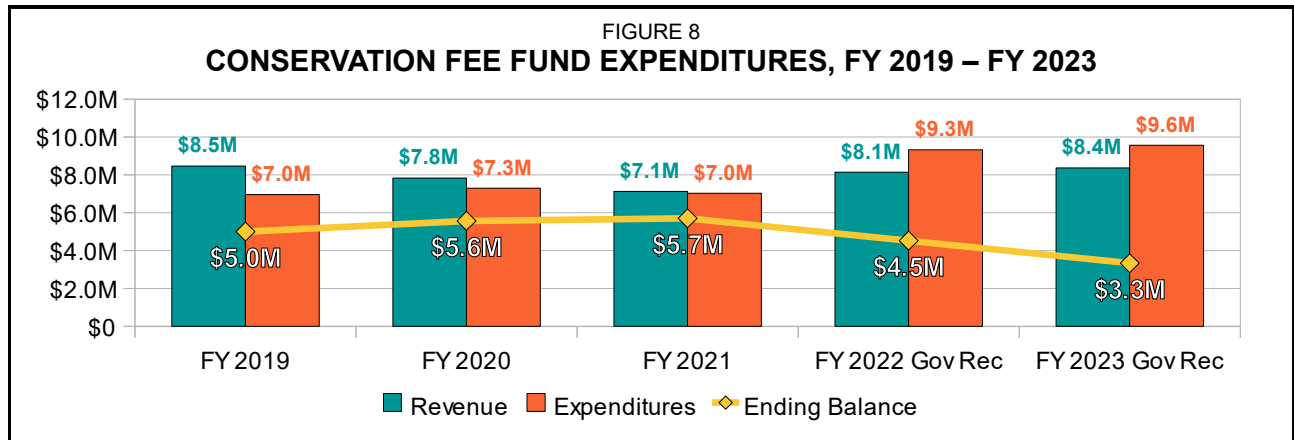
The agency estimates increased expenditures from the Public Service Regulation Fee Fund in FY 2022 and FY 2023 due to 2021 Senate Sub. for HB 2072, which allows for the securitization of utility assets to recover energy transition costs and help finance qualified extraordinary expenses during extreme weather events for electric and natural gas utilities subject to KCC jurisdiction. These dockets will require additional consultants to participate in cases and observe all facets of the process as authorized in the bill. These costs are covered by the utilities undertaking the process, which provides for the increased revenue in FY 2022.

CONSERVATION FEE FUND



The Conservation Fee Fund provides funding for the administration of operations and oversight of oil and gas activities. It is funded by assessments and fees on the petroleum industry.

CONSERVATION FEE FUND



The agency estimates increased Conservation Fee Fund expenditures in FY 2022 primarily due to the filling of vacant positions. Increased revenue in FY 2022 is due to the termination of the annual transfer to the Abandoned Oil and Gas Well Fund. HB 2022 (2021) ceased the transfer and authorized the agency to combine its two funds used for abandoned well plugging. Increased expenditures in FY 2023 are due to expenditures budgeted for the new Docket Management System.

FY 2022 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 24,248,140	\$ 24,248,140	204.5
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 24,248,140	\$ 24,248,140	204.5
Agency Revised Estimate:				
2. Consulting Fees	\$ -	\$ 838,966	\$ 838,966	--
3. Docket Management System	-	66,600	66,600	--
4. Well Plugging	-	200,000	200,000	--
5. Vacant Positions and Salary Increases	-	243,902	243,902	--
6. Vehicle Purchases	-	166,075	166,075	--
7. All Other Adjustments	-	51,423	51,423	0.3
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 25,815,106	\$ 25,815,106	204.8
Governor's Recommendation:				
8. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 25,815,106	\$ 25,815,106	204.8

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$24.2 million, all from special revenue funds, approved for the Kansas Corporation Commission in FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised FY 2022 expenditures of \$25.8 million, all from special revenue funds. This is an increase of \$1.6 million, or 6.5 percent, above the FY 2022 approved amount.

The **agency** estimate includes the following adjustments:

2. **CONSULTING FEES.** The 2021 Legislature passed Senate Sub. for HB 2072, which allows for the securitization of utility assets to recover energy transition costs and help finance qualified extraordinary expenses during extreme weather events for electric and natural gas utilities subject to KCC jurisdiction. The bill also requires the agency to determine that a securitization would provide quantifiable benefits to customers. The bill also grants to KCC the authority to designate a representative from KCC staff, who may be advised by legal counsel and financial advisors, to observe all facets of the process undertaken by a public utility during the bond letting process. The agency notes that it does not currently have sufficient expertise on staff and estimates additional consulting fee expenditures to meet these obligations. The agency's revised estimate includes an increase of \$838,966, primarily in the Utilities Division, for these consulting fees.
3. **DOCKET MANAGEMENT SYSTEM.** The agency notes that it had to delay the implementation of a new docket management system due to the COVID-19 pandemic. The agency's revised estimate includes \$66,600 to begin the implementation of the new system. Expenditures in FY 2022 are budgeted for information technology consulting services during the request for proposal process, while FY 2023 expenditures are budgeted to purchase the system software.

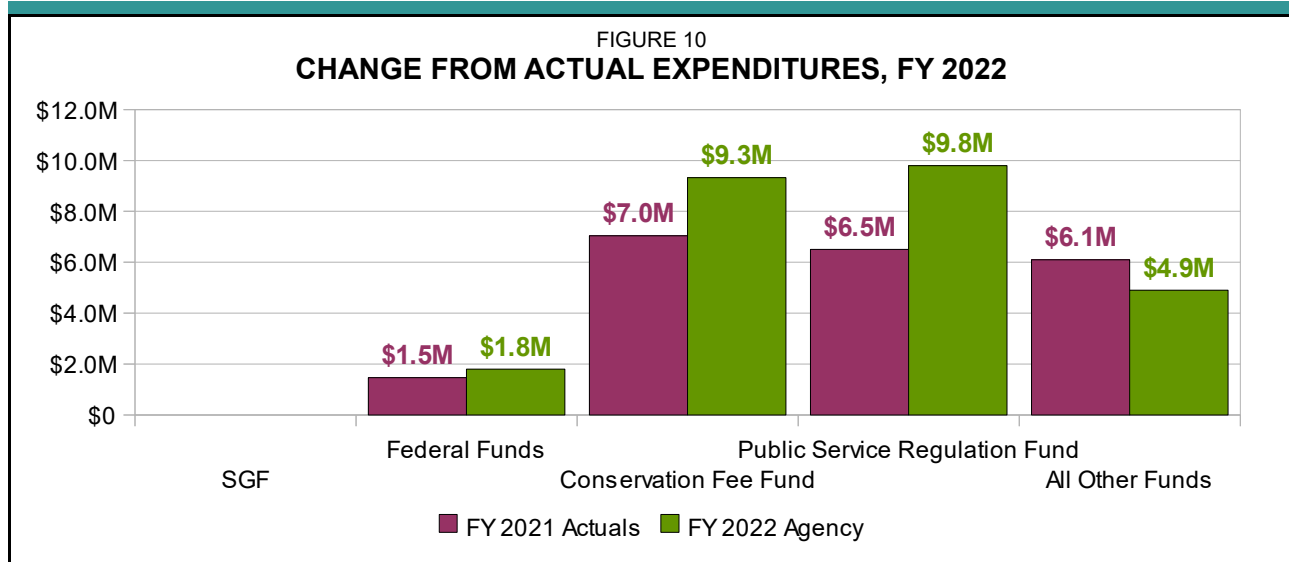
4. **WELL PLUGGING.** The Conservation Division is responsible for investigating, monitoring, and plugging abandoned oil and gas wells in the state. The agency's revised estimate includes an increase of \$200,000 to plug abandoned wells in accordance with the established prioritization schedule.
5. **VACANT POSITIONS AND SALARY INCREASES.** The agency states it continues to struggle with recruitment and retention across most programs due to competition with the private sector. In an attempt to recruit more qualified candidates, the agency plans to raise its starting salaries. Consequently, the agency requests funding to increase existing salaries to retain current employees. The agency requests \$243,902 to fill vacant positions and increase salaries, especially in the Conservation and Utilities programs.
6. **VEHICLE PURCHASES.** The agency's revised estimate includes an increase of \$166,075 to purchase 6 vehicles for the Conservation, Transportation, and Administration divisions.
7. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes a \$51,423 increase for miscellaneous operational changes and other adjustments, including purchasing GPS units for the Conservation Division and increased receipt of federal funds for the Energy Division.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2022 revised estimate.

8. **NO CHANGES.** The Governor concurs with the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised FY 2022 expenditures of \$25.8 million, all from special revenue funds. This is an increase of \$4.7 million, or 22.3 percent, above FY 2021 actual expenditures. This increase is primarily caused by:

- Filling vacant positions and salary increases primarily in the Administration, Conservation, and Utilities divisions. The agency states it continues to struggle with recruitment and retention across most programs due to competition with the private sector. In an attempt to recruit more qualified candidates, the agency plans to raise its starting salaries. Consequently, the agency requests increases for existing salaries to retain current employees.
- Increased expenditures for a new Docket Management System that was delayed in FY 2021 due to the COVID-19 pandemic.
- Increased budgeted expenditures for consulting fees. The agency notes it budgets 10.0 percent above actual expenditures to ensure funding is available in the event of an increased number of rate cases. Additionally, the enactment of 2021 Senate Sub. for HB 2072 requires the agency to observe all facets of the securitization bond letting process. The agency notes it does not currently have the expertise to fulfill this duty and must contract with consultants to complete this obligation.

The agency's revised estimate includes 204.8 FTE positions which is an increase of 41.8 FTE positions above the FY 2021 actual number. This increase is due to vacant positions not being included in the FY 2021 actual number.

FY 2023 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 25,815,106	\$ 25,815,106	204.8
Agency Request:				
1. Docket Management System	\$ -	\$ 802,822	\$ 802,822	--
2. Vacant Positions and Salary Increases	-	315,656	315,656	--
3. Utilities Consulting Fees	-	(381,895)	(381,895)	--
4. Energy Division Contracts	-	78,460	78,460	--
5. Well Plugging	-	224,627	224,627	--
6. KOLAR System Maintenance	-	(42,691)	(42,691)	--
7. All Other Adjustments	-	(36,301)	(36,301)	0.5
<i>Subtotal—Agency Request</i>	\$ -	\$ 26,775,784	\$ 26,775,784	205.3
Governor's Recommendation:				
8. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 26,775,784	\$ 26,775,784	205.3

AGENCY REQUEST

The **agency** requests FY 2023 expenditures of \$26.8 million, all from special revenue funds. This is an increase of \$960,678, or 3.7 percent, above the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

- DOCKET MANAGEMENT SYSTEM SOFTWARE.** The agency notes the implementation of its new Docket Management System was delayed in FY 2021 due to the COVID-19 pandemic. The agency's request includes \$1.1 million to purchase the system software. This increase is partially offset by decreased expenditures on information technology consulting for the project.
- VACANT POSITIONS AND SALARY INCREASES.** The agency states it continues to struggle with recruitment and retention across most programs due to competition with the private sector. In an attempt to recruit more qualified candidates, the agency plans to raise its starting salaries. Consequently, the agency states it needs to increase existing salaries to retain current employees. The agency request includes additional expenditures of \$315,656 to fill vacant positions and increase existing salaries.
- UTILITIES CONSULTING FEES.** The Legislature passed 2021 Senate Sub. for HB 2072, which allows for the securitization of utility assets to recover energy transition costs and help finance qualified extraordinary expenses during extreme weather events for electric and natural gas utilities subject to KCC jurisdiction. The bill also requires the agency to determine that a securitization would provide quantifiable benefits to customers. The bill also grants to the KCC the authority to designate a representative from KCC staff, who may be advised by legal counsel and financial advisors, to observe all facets of the process undertaken by a public utility during the bond letting process. These case filings caused an increase in consultant expenditures in FY 2022 but the case filings are expected to decrease slightly for FY 2023.
- ENERGY DIVISION CONTRACTS.** The Energy Division partners with Kansas State

University-Engineering Extension for technical support on energy audits and for K-12 school outreach to increase awareness of energy conservation. The agency request includes increased expenditures of \$78,460, all from federal funds, for these contracts.

5. **WELL PLUGGING.** The Conservation Division is responsible for investigating, monitoring, and plugging abandoned oil and gas wells in the state. The agency's revised estimate includes an increase of \$224,627 to plug abandoned wells in accordance with the established prioritization schedule. This increase brings the FY 2023 total budgeted for well plugging to \$1.9 million.
6. **KOLAR SYSTEM MAINTENANCE.** The Conservation Division, in collaboration with the Kansas Geological Survey, utilizes the Kansas On-Line Automated Reporting (KOLAR) system for processing paperwork regarding oil and gas well drilling. Recent updates have focused on increasing the number of forms available on the system. The agency's request includes a \$42,691 decrease below the FY 2022 level of \$487,252 for maintenance of this system.
7. **ALL OTHER ADJUSTMENTS.** The agency request includes a \$36,301 decrease for miscellaneous operational changes and other adjustments.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2023 request.

8. **NO CHANGES.** The Governor concurs with the agency's FY 2023 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

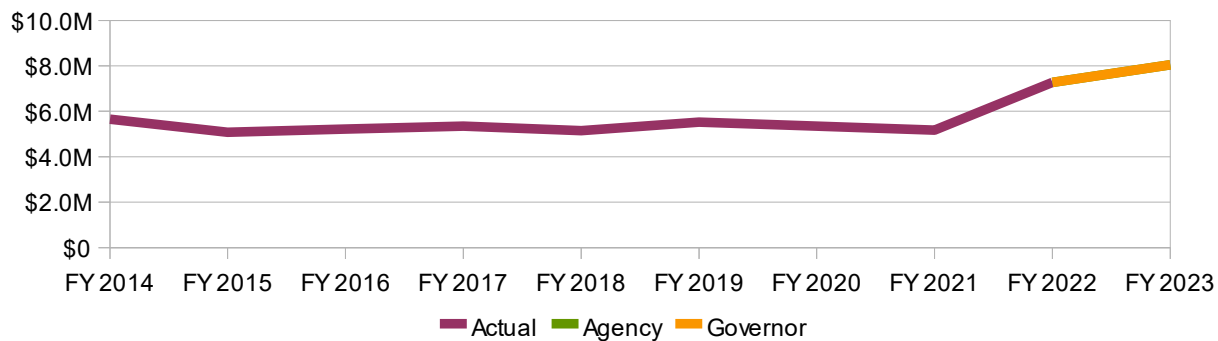
FIGURE 12 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 5,167,707	\$ 7,269,951	\$ 7,269,951	\$ 8,049,151	\$ 8,049,151
Conservation	10,040,410	10,407,910	10,407,910	10,632,786	10,632,786
Transportation	1,492,908	1,684,015	1,684,015	1,755,570	1,755,570
Utilities	3,835,436	5,717,290	5,717,290	5,451,423	5,451,423
Energy	566,488	735,940	735,940	886,854	886,854
TOTAL	\$ 21,102,949	\$ 25,815,106	\$ 25,815,106	\$ 26,775,784	\$ 26,775,784
FTE Positions:					
Administration	42.0	58.0	58.0	58.0	58.0
Conservation	70.8	87.8	87.8	87.8	87.8
Transportation	16.0	17.0	17.0	17.0	17.0
Utilities	34.0	39.0	39.0	39.5	39.5
Energy	-	3.0	3.0	3.0	3.0
TOTAL	162.8	204.8	204.8	205.3	205.3

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 13
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 74-601 to 74-631; 74-605; 74-606

PROGRAM GOALS:

- Protect the public interest by impartially, effectively, and efficiently regulating the rates, terms of service, and safety of public utilities and commercial trucking by regulating the production of crude oil and natural gas, and by promoting energy programs that improve energy efficiency in Kansas.
- Ensure due process in KCC proceedings and ensure compliance with applicable statutes and regulations.
- Maintain all dockets for the agency and ensure timely filing of all documents within the dockets.
- Serve as a resource for the legislative process by providing technical information to legislators, their staff, and legislative committees in regard to subject matters under the agency's regulatory authority.
- Provide a streamlined process for public participation, education, and protection for the general public regarding regulatory issues.
- Implement programs and services to ensure a comprehensive and effective human resources effort for the KCC.
- Provide responsive, cost-effective, and efficient information technology services to the agency.
- Process all fiscal related transactions for the agency and provide support to the divisions for purchases, travel, and other fiscal related matters. Maintain financial integrity of the KCC.

The Administration Division is composed of the following sections: the Front Office, Litigation and Advisory, Public Affairs and Consumer Protection, Human Resource

Services, Information Technology Services, Docket Room/Legislative and Compliance, and Fiscal Management and Support Services.

FIGURE 14
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Orders Issued*	2,756	711	2,204	2,300	2,300
2.Number of Hours Litigation Attorneys Spent on Rate Cases*	787	685	781	1,200	1,200
3.Number of Hours Litigation Attorneys Spent on FERC and SPP (New Metric in 2020)*	455	638	547	700	700
4.Number of Dockets Opened*	959	1,072	980.3	1,300	1,300

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	40,116		-	-
All Other Funds	5,301,487	5,127,591		7,269,951	8,049,151
TOTAL	<u>\$ 5,301,487</u>	<u>\$ 5,167,707</u>		<u>\$ 7,269,951</u>	<u>\$ 8,049,151</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	4.0 %	(2.5) %		40.7 %	10.7 %
FTE Positions	44.5	42.0		58.0	58.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

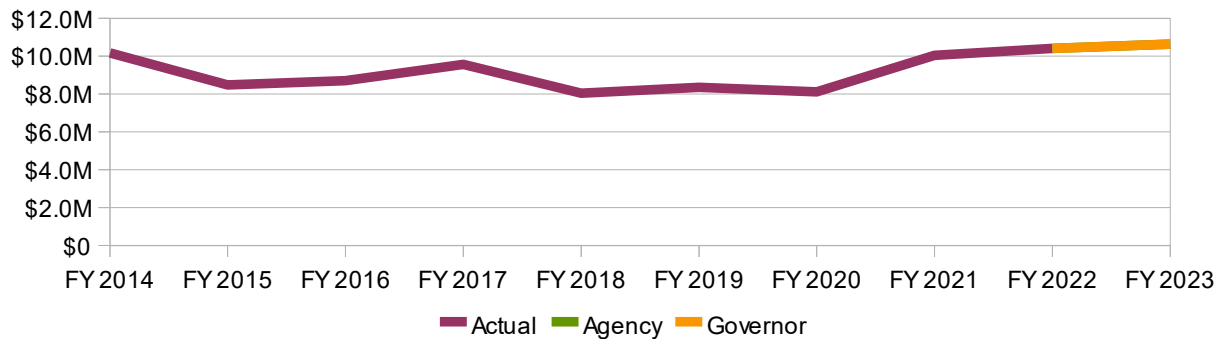
The Administration Division requests FY 2023 expenditures of \$8.0 million, all from special revenue funds. This is an increase of \$779,200, or 10.7 percent, above the FY 2022 revised estimate. This increase is primarily due to the purchase of software for the new Docket Management System. This increase is partially

offset by decreased expenditures for information technology consulting for the new system and for software maintenance costs.

The **Governor** concurs with the agency's FY 2023 Administration Division request.

CONSERVATION

FIGURE 15
CONSERVATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 74-606; 74-623 to 74-628

PROGRAM GOALS: • Regulate, enforce laws, and supervise activities associated with the exploration and production of oil and gas to prevent degradation of land and water resources.
• Timely reclaim and remediate land and water sources using allocated funds.
• Prevent waste in the production of crude oil and natural gas resources.
• Protect correlative rights of mineral owners and royalty interest holders.

The Conservation Division is responsible for administering the state's oil and gas field regulatory programs. More specifically, the Division enforces regulations and statutes concerning abandoned well plugging and site remediation, underground injection control,

Mississippi Lime Play, hydraulic fracturing (fracking), permitting/compliance, landspreading, intrastate gas storage, carbon dioxide sequestration, compressed air energy storage, and the Kansas Online Automated Reporting system.

FIGURE 16
CONSERVATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Median Response Time in Days to Single Well Project Priority 1A Abandoned Wells*	2.5	44.5	57.7	30	30
2. Percent of Mechanical Integrity Test Failures (wells) Remediated within 90 days (UIC** Measures are Tracked on Federal FYs, FY 2021 is Based on Data Through June 1, 2021)	92.0 %	84.0 %	88.3 %	90.0 %	90.0 %
Output Measure:					
3. Number of Priority 1A Wells*	47	25	26	N/A	N/A
4. Mechanical Integrity Test Failures (UIC** Program Measures are Tracked on Federal Fiscal Years, FY 2021 is Based on Data Through June 1, 2021)*	324	174	244	250	250
5. Oil and Gas Facility Inspections *	3,983	4,540	4,227	4,000	4,000
6. Wells Plugged in the Course of Regulatory Enforcement	716	727	705.7	600	600

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	311,299	245,250		379,142	388,310
All Other Funds	7,808,075	9,795,160		10,028,768	10,244,476
TOTAL	\$ 8,119,374	\$ 10,040,410		\$ 10,407,910	\$ 10,632,786
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(2.8) %	23.7 %		3.7 %	2.2 %
FTE Positions	71.0	71.0		87.8	87.8

*The Governor's Office does not utilize this measure for evaluation purposes.

**Underground Injection Control

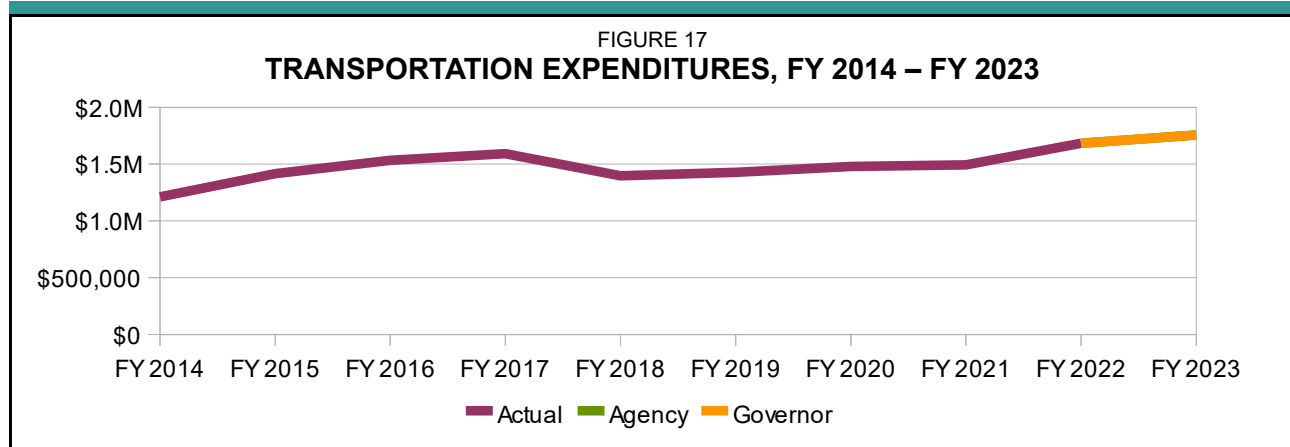
BUDGET ANALYSIS

The **agency** requests FY 2023 Conservation Division expenditures of \$10.6 million, all from special revenue funds. This is an increase of \$224,876, or 2.2 percent, above the FY 2022 revised estimate. This increase is primarily due

to increased expenditures for abandoned well plugging and the purchase of GPS units.

The **Governor** concurs with the agency's FY 2023 Conservation Division request.

TRANSPORTATION



STATUTORY BASIS: • KSA 66-1,108a, 1, 108b; 66-1, 112g; 66-1,114; 66-1,139(a); 66-1,129

PROGRAM GOALS:

- Reduce the number of accidents involving Kansas-based carriers in comparison to carriers based in Midwest states.
- Reduce the number of conditional and unsatisfactory rated Kansas-based carriers.
- Maintain a high rate of compliance of Kansas-based carriers with Unified Carrier Registration (UCR) requirements.

The Transportation Division regulates motor carriers of persons and property (common and private carriers) and works to assure compliance by regulated transportation industries in Kansas and safety for

carrier-shippers and the consuming public. The program helps protect the public interest and safety through comprehensive inspection, licensing, and planning.

FIGURE 18
TRANSPORTATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Kansas-based Motor carriers in compliance with Unified Carrier Registration	96.0 %	97.5 %	96.5 %	98.0 %	98.0 %
2.Rate of Drivers Taken Out of Service Following Roadside Inspection	5.5 %	5.8 %	5.4 %	5.0 %	5.0 %
3.Rate of Vehicles Taken Out of Service Following Roadside Inspection	15.1 %	15.0 %	15.0 %	15.0 %	15.0 %
4.Rate of Vehicles Taken Out of Service Following Hazardous Materials Inspection	5.4 %	7.6 %	6.1 %	5.0 %	5.0 %
Output Measure:					
5.Conducted Compliance Reviews*	201	113	175	225	225
6.Conducted Training Seminars*	87	47	77	90	90

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,478,396	1,492,908		1,684,015	1,755,570
TOTAL	<u>\$ 1,478,396</u>	<u>\$ 1,492,908</u>		<u>\$ 1,684,015</u>	<u>\$ 1,755,570</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	3.6 %	1.0 %		12.8 %	4.2 %
FTE Positions	15.0	16.0		17.0	17.0

*The Governor's Office does not utilize this measure for evaluation purposes.

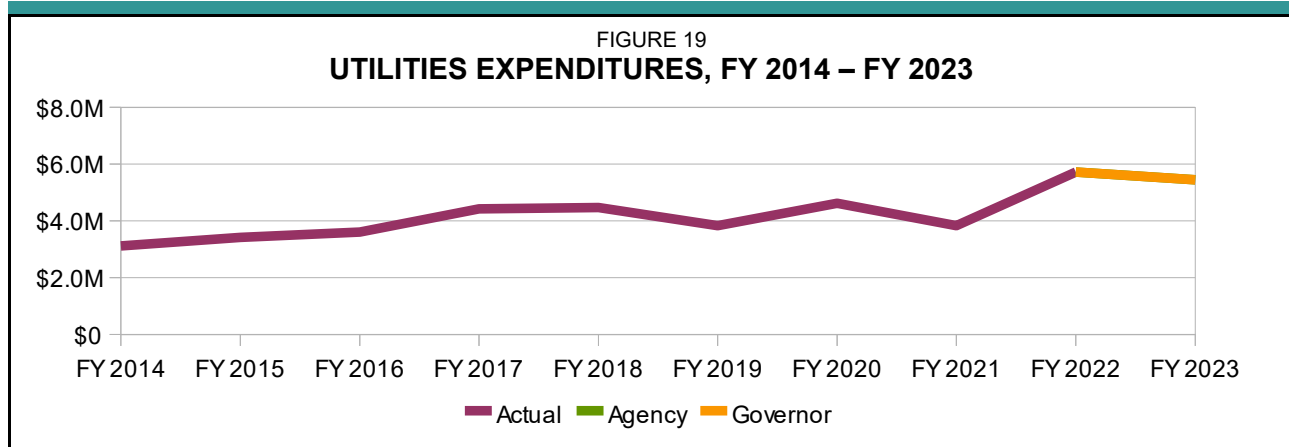
BUDGET ANALYSIS

The **agency** requests FY 2023 Transportation Division expenditures of \$1.8 million, all from special revenue funds. This is an increase of \$71,555, or 4.2 percent, above the FY 2022 revised estimate. This increase is primarily due

to filling vacant positions and increased expenditures on software maintenance.

The **Governor** concurs with the agency's FY 2023 Transportation Division request.

UTILITIES



STATUTORY BASIS: • KSA 74-601 to 74-631; 74-633

PROGRAM GOALS:

- Ensure the laws and regulations applicable to jurisdictional electric, natural gas, telecommunications, and water utilities are adhered to.
- Provide recommendations and advice to the KCC to promote and assure sufficient, efficient, and safe utility services at reasonable and non-discriminatory rates to consumers.
- Minimize the safety risk of natural gas pipeline operations through the state by assuring safe operation through compliance with regulations. Initiate action to educate operators to lower safety risk of natural gas system.
- Lower the risk to public safety by reducing excavator damages to pipelines.
- Protect the public interest through impartial, efficient, and transparent resolution of all jurisdictional issues through regulation and oversight of rates, services, and quality of service of jurisdictional telecommunications public utilities.

The Utilities Division is responsible for administering the regulations and statutes applicable to utilities under the KCC's jurisdiction, including electric, natural gas, telephone, liquid pipelines, and water utilities. It also regulates rates and other aspects of utility operations.

The primary responsibility of the Utilities Division is to make recommendations to the Commission concerning the fairness of utility rates and tariffs, as well as the efficiency and sufficiency of utility services and operations.

FIGURE 20
UTILITIES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of Applications Granted by KCC*	90.0 %	86.0 %	87.0 %	85.0 %	85.0 %
2. Percent of Applications Denied by KCC*	10.0 %	14.0 %	13.0 %	15.0 %	15.0 %
3. Highest Number of Hours for Rate Case(s) During Fiscal Year*	3,750	5,786	4,393	3,750	3,750
4. Highest Cost for a Rate Case During the Fiscal Year*	\$ 200,000	\$ 69,974	\$ 167,006	\$ 35,000	\$ 35,000
5. Average Amount of Rate Increase Granted as a Percentage of Requested Amount	N/A	77.1 %	--	50.0 %	50.0 %

Output Measure:					
6. Percent of Filed Rate Case Applications Reviewed within 240 Day Statutory Deadline	100 %	100 %	100 %	100 %	100 %
7 Percent of Applications Completed in Less than 180 Days	83.6 %	86.0 %	83.5 %	90.0 %	90.0 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	465,149	709,102		647,574	664,609
All Other Funds	4,156,652	3,126,334		5,069,716	4,786,814
TOTAL	<u>\$ 4,621,801</u>	<u>\$ 3,835,436</u>		<u>\$ 5,717,290</u>	<u>\$ 5,451,423</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	20.8 %	(17.0) %		49.1 %	(4.7) %
FTE Positions	34.0	34.0		39.0	39.5

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

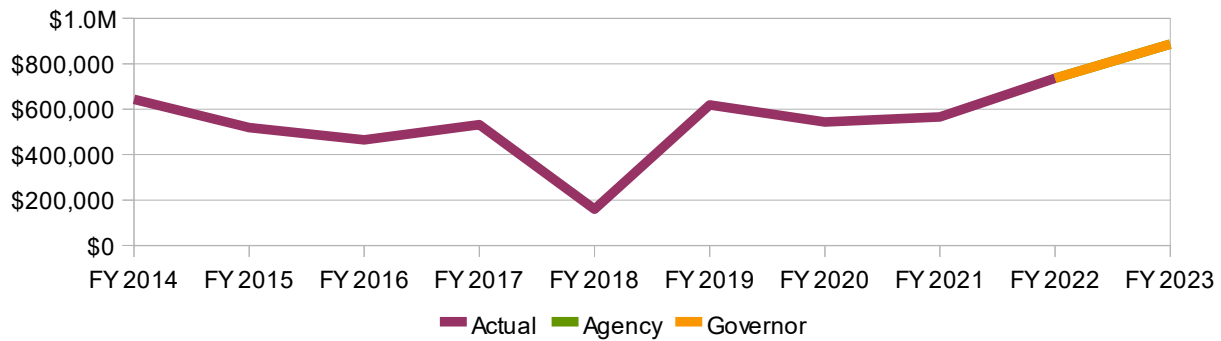
The Utilities Division requests FY 2023 expenditures of \$5.5 million, all from special revenue funds. This is a decrease of \$265,867, or 4.6 percent, below the FY 2022 revised estimate. This decrease is primarily due to decreased expenditures for consulting services related to 2021 Senate Sub. for HB 2072, which allows for the securitization of utility assets to

recover energy transition costs and help finance qualified extraordinary expenses during extreme weather events for electric and natural gas utilities subject to KCC jurisdiction.

The **Governor** concurs with the agency's FY 2023 Utilities Division request.

ENERGY

FIGURE 21
ENERGY EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 74-616; 74-617; 74-622; 75-37,125; 75-37,129

PROGRAM GOALS: • Increase energy conservation in small rural businesses and public buildings.
• Increase the number of schools participating in K-12 energy benchmarking activities.
• Expand energy efficiency education outreach (K-12, small business, and residential). This includes KidWind participants.

The Energy Division administers federal and state programs aimed at promoting energy conservation practices and delivering energy conservation services. The Energy Division works to identify opportunities to encourage

energy conservation while fostering business development and efficient delivery of public services, particularly in rural Kansas. The Energy Division is funded through the U.S. Department of Energy State Energy Program.

FIGURE 22
ENERGY, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Presentations about Facility Conservation Improvement Program (FCIP)*	5	3	3.7	5	5
2. Number of Public Entities Supported Through Energy Performance Contracting*	4	3	4.3	2	3
3. Kwh Energy Savings Identified Through Small Business Energy Assessments*	\$ 1,518,925	\$ 1,995,081	\$ 1,927,103	\$ 550,000	\$ 550,000
4. Energy Assessments/Audits Completed for Small Rural Businesses*	23	20	21.3	21	21
5. Number of Energy Efficiency Presentations*	31	38	33.3	15	15
6. Number of K-12 School Districts Participating in Energy Benchmarking*	N/A	7	--	12	15
7. K-12 Building Square Footage Being Tracked in Energy Star Portfolio*	N/A	2,172,617	--	2,600,000	3,000,000
8. Number of Students Participating in KidWind Challenge*	378	91	243.3	400	400

9. Percent Increase of FCIP presentations	N/A	N/A	--	20.0 %	10.0 %
10. Percent of Small Businesses Applying for USDA Rural Energy for American Grants	N/A	56.0 %	--	30.0 %	30.0 %
11. Percent of Small Businesses Implementing Changes Recommended by Energy Audits	N/A	38.0 %	--	40.0 %	40.0 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	543,613	566,488		735,940	886,854
All Other Funds	-	-		-	-
TOTAL	<u>\$ 543,613</u>	<u>\$ 566,488</u>		<u>\$ 735,940</u>	<u>\$ 886,854</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(12.1) %	4.2 %		29.9 %	20.5 %
FTE Positions	--	3.0		3.0	3.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests FY 2023 Energy Division expenditures of \$886,854, all from special revenue funds. This is an increase of \$150,914, or 20.5 percent, above the FY 2022 revised estimate. This increase is primarily due to increased expenditures on contracts with Kansas State University for technical

assistance on audits and for education outreach. The increase is also due to the filling of vacant positions.

The **Governor** concurs with the agency's FY 2023 Energy Division request.

CITIZENS' UTILITY RATEPAYER BOARD

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

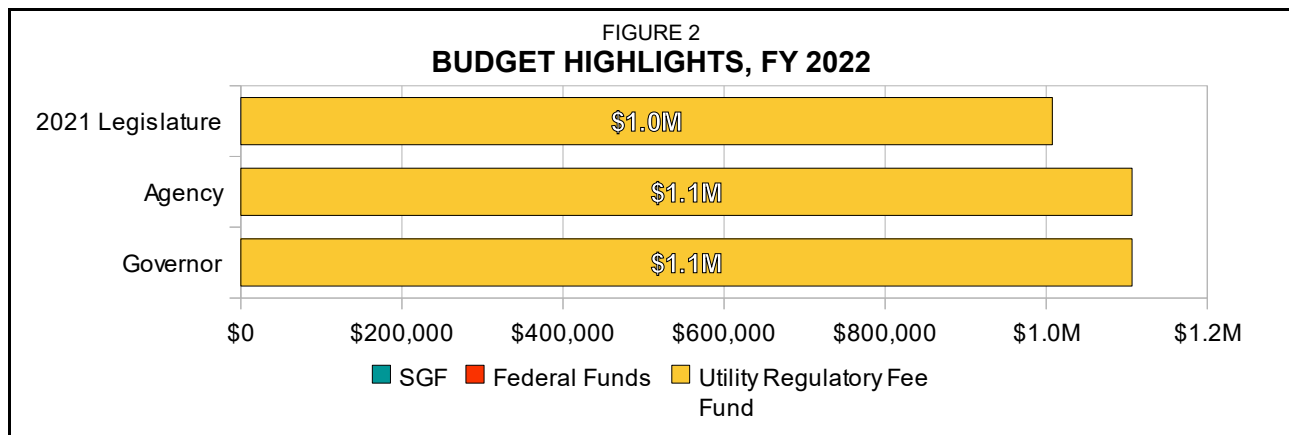
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	908,660	1,106,655	1,106,655	1,197,623	1,197,623
<i>Subtotal</i>	<i>\$ 908,660</i>	<i>\$ 1,106,655</i>	<i>\$ 1,106,655</i>	<i>\$ 1,197,623</i>	<i>\$ 1,197,623</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 908,660	\$ 1,106,655	\$ 1,106,655	\$ 1,197,623	\$ 1,197,623
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	2.2 %	21.8 %	21.8 %	8.2 %	8.2 %
FTE Positions	7.0	7.0	7.0	9.0	9.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The mission of the Citizens' Utility Ratepayer Board (CURB) is to protect the interests of residential and small commercial utility ratepayers in Kansas by providing them with competent, quality legal representation before the Kansas Corporation Commission (KCC), the Courts, and the Legislature. CURB is funded by assessments levied against the public utilities in whose cases CURB can intervene.

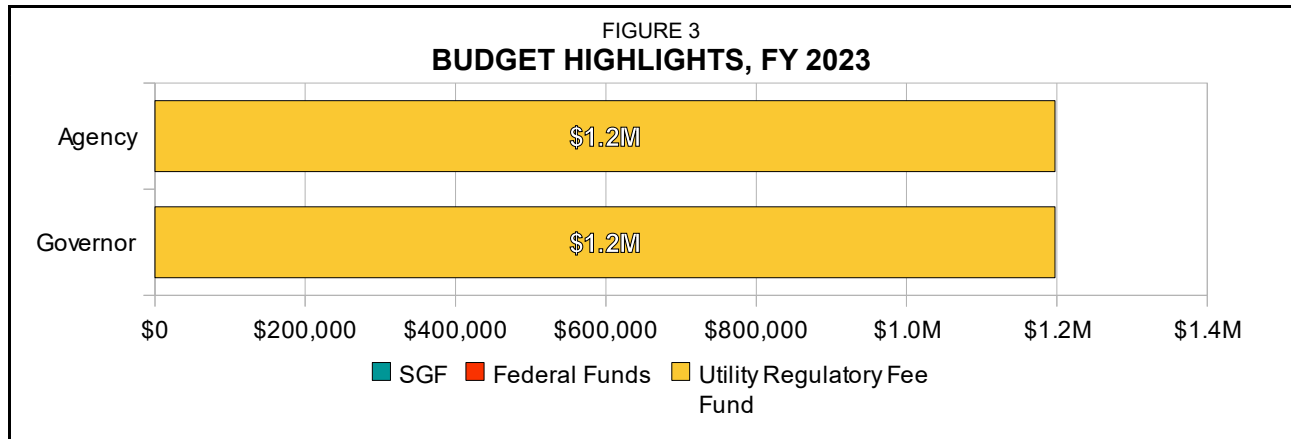
EXECUTIVE SUMMARY

One adjustment was made to the \$1.0 million appropriated to the Citizens' Utility Ratepayer Board for FY 2022. The agency is authorized each year by language in the appropriations bill to carry over unspent funds for consultant services between fiscal years to ensure sufficient funds during years with a higher number of rate cases. In FY 2021, \$99,065 was unspent and will be carried over to FY 2022.



The **agency** estimates revised expenditures of \$1.1 million, all from special revenue funds, which is an increase of \$99,065, or 9.8 percent, above the FY 2022 approved amount. The agency is authorized each year by language in the appropriations bill to carry over unspent funds for consultant services between fiscal years to ensure sufficient funds during years with a higher number of rate cases. In FY 2021, \$99,065 was unspent and will be carried over to FY 2022. This carry-over accounts for the entire increase of the approved budget.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests \$1.2 million, all from the Utility Regulatory Fee Fund, for FY 2023. This is an all funds increase of \$90,968, or 8.2 percent, above the FY 2022 revised estimate. This increase is primarily due to the agency's enhancement requests for an additional attorney position and an accountant position. The agency states that with the increased number of cases filed and increased complexity of those cases, there is a need for an additional attorney and an in-house accountant. This increase is partially offset by a decrease in carry-over funds that occurred in FY 2022.

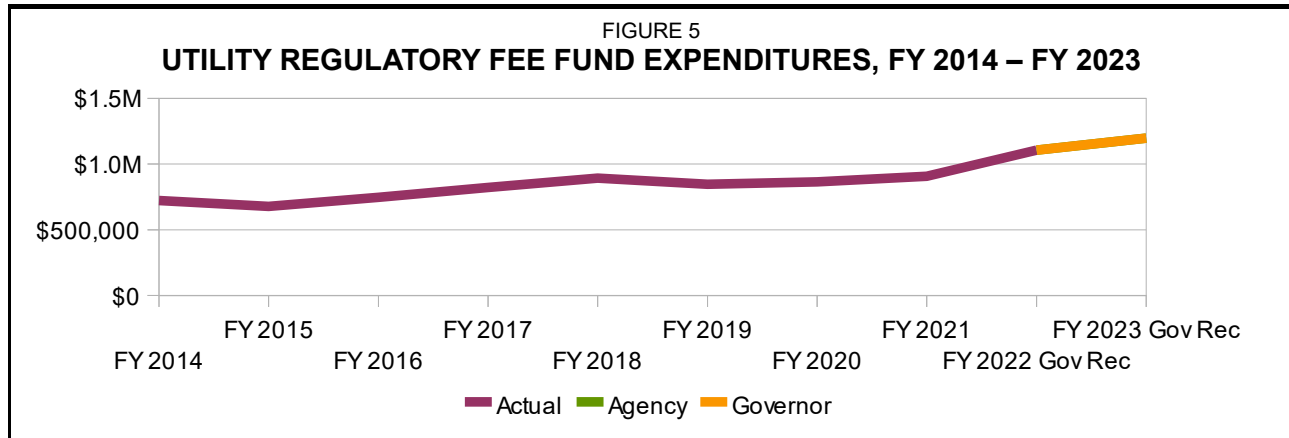
The **Governor** concurs with the agency's FY 2023 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

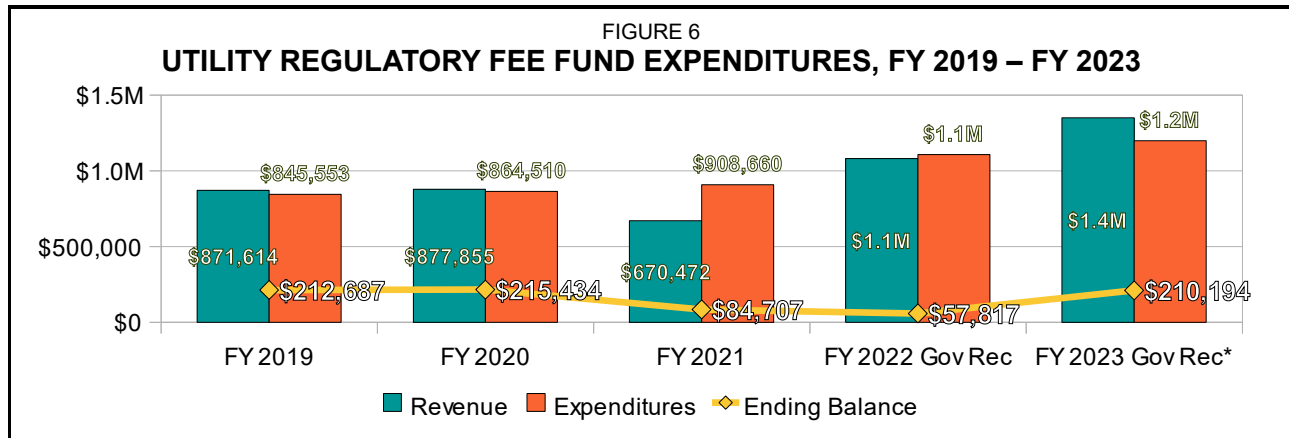
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 592,379	\$ 631,731	\$ 631,731	\$ 813,325	\$ 813,325
Contractual Services	303,237	445,232	445,232	358,778	358,778
Commodities	2,916	6,688	6,688	6,320	6,320
Capital Outlay	10,128	23,004	23,004	19,200	19,200
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 908,660	\$ 1,106,655	\$ 1,106,655	\$ 1,197,623	\$ 1,197,623
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 908,660	\$ 1,106,655	\$ 1,106,655	\$ 1,197,623	\$ 1,197,623
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 908,660	\$ 1,106,655	\$ 1,106,655	\$ 1,197,623	\$ 1,197,623
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
Utility Regulatory Fee Fund	908,660	1,106,655	1,106,655	1,197,623	1,197,623
TOTAL	\$ 908,660	\$ 1,106,655	\$ 1,106,655	\$ 1,197,623	\$ 1,197,623
FTE Positions	7.0	7.0	7.0	9.0	9.0

UTILITY REGULATORY FEE FUND



The Utility Regulatory Fee Fund is a statutory fee fund financed through quarterly assessments on gas, electric, and telephone companies in Kansas, as required by KSA 66-1502 and KSA 66-1503. One assessment is based on end-of-year expenditures plus anticipated increases for the ensuing year, which is then prorated among the utilities. That amount cannot exceed the greater of \$100 or 0.2 percent of a company's gross operating revenue derived from intrastate operations in the prior calendar year. Another assessment is made for actual costs incurred by CURB during an investigation of a particular public utility. This assessment cannot exceed three-fifths of 1.0 percent (*i.e.*, 0.6 percent) of the utility's gross operating revenue derived from intrastate operations in the prior calendar year.

UTILITY REGULATORY FEE FUND



* For FY 2023, the lowest month ending balance for the Utility Regulatory Fee Fund will occur in November, with a balance of \$200,000.

The ending balance of the Utility Regulatory Fee Fund remained steady across FY 2019 and FY 2020 with decreases in FY 2021 and FY 2022. Major changes are described below:

- FY 2020 to FY 2021.** The ending balance decrease in FY 2021 is caused by both a decrease in revenue and an increase in expenditures. The increase in expenditures is primarily due to increased expenditures on consultants such as accountants, attorneys, and economists for rate cases as well as the purchase of computer equipment.
- FY 2021 to FY 2022.** Although the agency saw a return to the normal level of revenue, increased expenditures in FY 2022 caused a decreased ending balance. The increased expenditures are primarily due to the \$99,065 in carry-over funds for consultant services as well as increased expenditures on information technology costs and travel. The agency also states it budgets 10.0 percent above actual expenditures in order to ensure adequate funds are available in the case of an increased number of rate cases.

FY 2022 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 1,007,590	\$ 1,007,590	7.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 1,007,590</i>	<i>\$ 1,007,590</i>	<i>7.0</i>
Agency Revised Estimate:				
2. Contractual Services Carry-over Funds	\$ -	\$ 99,065	\$ 99,065	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 1,106,655</i>	<i>\$ 1,106,655</i>	<i>7.0</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 1,106,655	\$ 1,106,655	7.0

LEGISLATIVE APPROVED

1. No adjustments were made to the \$1.0 million appropriated to the Citizens' Utility Ratepayer Board for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised expenditures of \$1.1 million, all from special revenue funds, which is an increase of \$99,065, or 9.8 percent, above the FY 2022 approved amount.

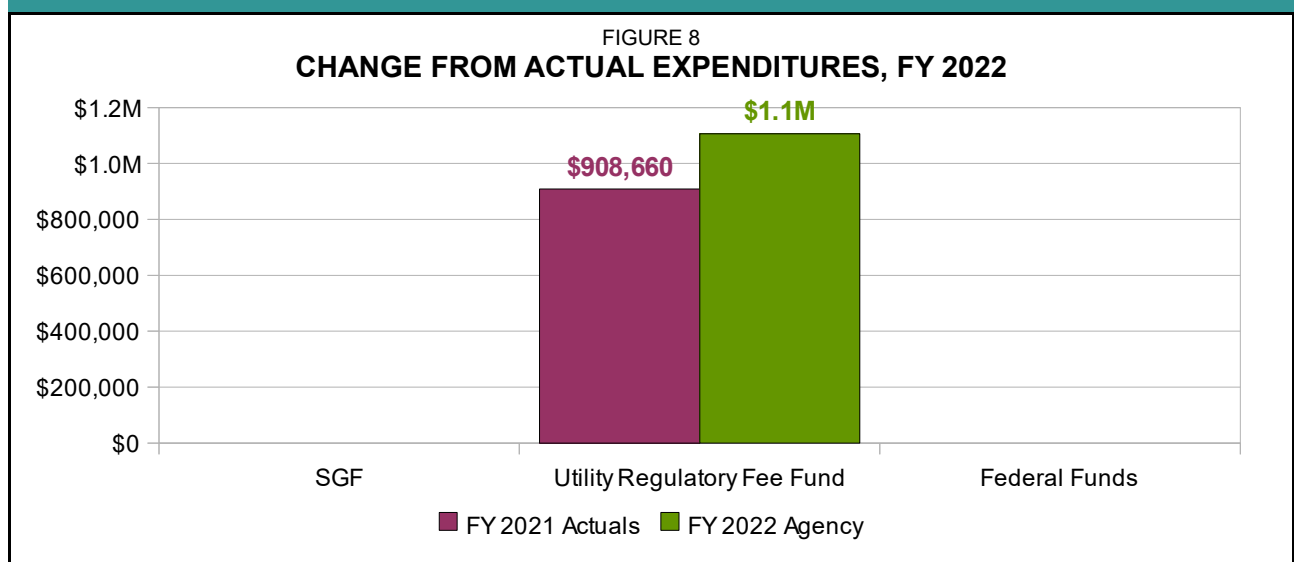
The **agency** estimate includes the following adjustments:

2. **Contractual Services Carry-over Funds.** The agency is authorized each year by language in the appropriations bill to carry over unspent funds for consultant services between fiscal years to ensure sufficient funds during years with a higher number of rate cases. The agency utilizes different types of consultants to review large utility filings and advise and provide testimony before the KCC. Consultants include engineers, economists, and technical experts. In FY 2021, \$99,065 was unspent and will be carried over to FY 2022. This carry-over accounts for the entire increase of the approved budget.

GOVERNOR'S RECOMMENDATION

3. The **Governor** concurs with the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised expenditures of \$1.1 million, all from the Utility Regulatory Fee Fund, in FY 2022. This is an increase of \$197,995, or 21.8 percent, above the FY 2021 actual expenditures. This increase is due to the carry-over funds for consultant services from FY 2021 as well as increased expenditures for travel and computer equipment and software. Additionally, the agency states it budgets 10.0 percent above actual expenditures to ensure that adequate funds are available in the occurrence of increased case filings.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 1,106,655	\$ 1,106,655	7.0
Agency Request:				
1. Enhancement– Attorney FTE	\$ -	\$ 98,966	\$ 98,966	1.0
2. Enhancement– Accountant FTE	-	90,091	90,091	1.0
3. Carry-over Funds	-	(99,065)	(99,065)	--
4. All Other Adjustments	-	976	976	--
<i>Subtotal–Agency Estimate</i>	\$ -	\$ 1,197,623	\$ 1,197,623	9.0
Governor’s Recommendation:				
5. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 1,197,623	\$ 1,197,623	9.0

AGENCY REQUEST

The **agency** requests \$1.2 million, all from the Utility Regulatory Fee Fund, for FY 2023. This is an all funds increase of \$90,968, or 8.2 percent, above the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

- 1. ENHANCEMENT–ATTORNEY FTE POSITION.** The agency request includes an enhancement request of \$98,966 and 1.0 new FTE position for an additional attorney position. Of that amount, \$94,616 is budgeted for salary and wages and \$4,350 for the purchase of computer and office equipment. The agency's staff currently includes two attorneys. The agency states that with the increased number of cases filed and increased complexity of those cases, there is a need for an additional attorney. The agency also notes high turnover in that position due to competition with the private sector.
- 2. ENHANCEMENT–ACCOUNTANT FTE POSITION.** The agency request includes an enhancement of \$90,091 and 1.0 new FTE position for an accountant position. Of that amount, \$85,741 is budgeted for salary and wages and \$4,350 to purchase computer and office equipment. The agency currently contracts its accounting services. The agency states that accountants play a significant role in rate cases with rate analysis; with the increased number of cases and increased complexity of those cases, there is a need for an in-house accountant.
- 3. CARRY-OVER FUNDS.** As discussed in the FY 2022 analysis, the agency is authorized in the appropriations bill to carry over unspent consultant services funds. In FY 2022, \$99,065 was carried over. Currently, there are no carry-over funds budgeted for FY 2023, creating a decrease in contractual services expenditures.
- 4. ALL OTHER ADJUSTMENTS.** The agency request includes a \$976 increase for miscellaneous operational changes and other adjustments. These changes include decreased expenditures for computer software, offset by small increases in rent and travel expenditures.

GOVERNOR’S RECOMMENDATION

- 5. The Governor** concurs with the agency's FY 2023 request.

ENHANCEMENT REQUEST

REQUEST 1 ATTORNEY FTE POSITION

Salaries and Wages	\$94,616
Computer Equipment	\$1,050
Office Furniture	\$3,300
Total	\$98,966

The agency requests \$98,966 and 1.0 FTE position for FY 2023 to hire an additional attorney. Of that amount, \$94,616 is budgeted for salary and wages, \$1,050 to purchase computer equipment, and \$3,300 for office equipment. The agency's staff currently includes two attorneys. The agency states that with the increased number of cases filed and increased complexity of those cases, there is a need for an additional attorney. The agency also notes high turnover in that position due to competition with the private sector.

The Governor concurs with this request.

REQUEST 2 ACCOUNTANT FTE POSITION

Salary and Wages	\$85,741
Computer Equipment	\$1,050
Office Furniture	\$3,300
Total	\$90,091

The agency requests \$90,091 and 1.0 FTE position for FY 2023 to hire an accountant. Of that amount, \$85,741 is budgeted for salary and wages, \$1,050 to purchase computer equipment, and \$3,300 for office equipment. The agency currently contracts its accounting services. The agency states that accountants play a significant role in rate cases with rate analysis; with the increased number of cases and increased complexity of those cases, there is a need for an in-house accountant.

The Governor concurs with this request.

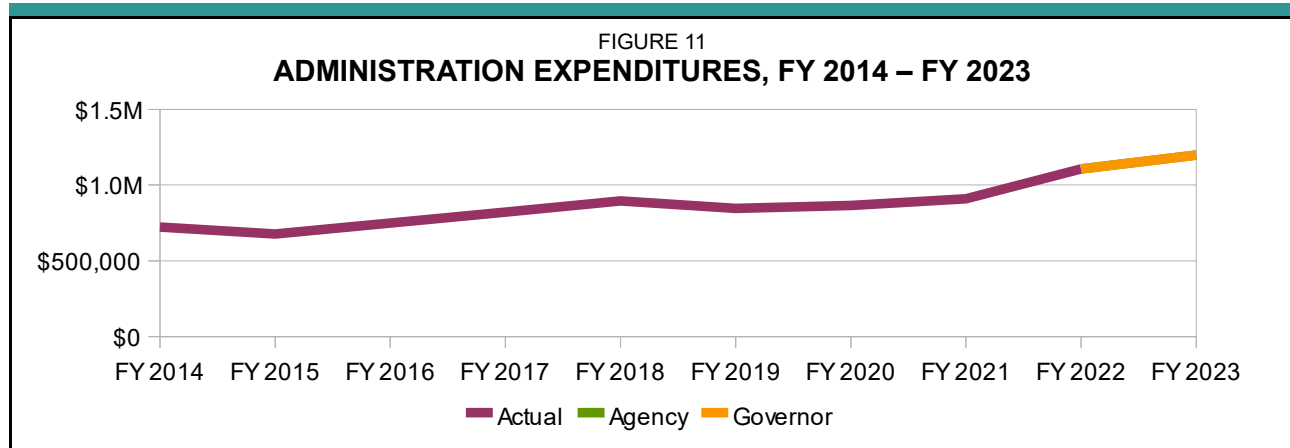
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 908,660	\$ 1,106,655	\$ 1,106,655	\$ 1,197,623	\$ 1,197,623
FTE Positions:					
Administration	7.0	7.0	7.0	9.0	9.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 66-1223(a)

PROGRAM GOALS:

- Represent CURB constituents in KCC rate cases.
- Intervene in KCC cases when necessary to protect CURB constituents from unreasonable utility business practices.
- Represent CURB constituents before the Kansas Legislature.
- Represent CURB constituents in complaint cases filed with the KCC.

The Administration Program is the agency's only budgetary program. The program can be further broken down into four sub-programs,

or areas of focus: KCC rate cases, other KCC cases, legislative work, and outreach work.

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of Total Filed Rate Cases in Which CURB Intervened	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
2. Percentage of Total Filed Utility Practices Cases that CURB Analyzed and/or Intervened In	97.0 %	100.0 %	93.0 %	90.0 %	90.0 %
3. Percent of Rate Reduction Proposed by CURB in Utility Rate Cases*	99.0 %	0.0 %	68.0 %	75.0 %	75.0 %
4. Annual Savings Achieved from CURB Analysis and Involvement in Utility Cases vs. Cost of Outsourcing Representation*	\$ 142,000	\$ 531,000	\$ 336,500	\$ 200,000	\$ 250,000
Output Measure:					
5. Number of Constituents Contacting CURB with Whom CURB Interacted	38	57	40	45	45
6. Number of Utility-related Legislative Bills Analyzed and/or Testified to, on an Annual Basis*	8	16	12	10	10
7. Number of Utility Practice/Program Cases in Which CURB	31	54	40	40	40

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Intervened*					
8. Number of Filed Rate Cases in Which CURB Intervened Annually*	3	3	3	3	3
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	864,510	908,660		1,106,655	1,197,623
TOTAL	\$ 864,510	\$ 908,660		\$ 1,106,655	\$ 1,197,623
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	2.2 %	5.1 %		21.8 %	8.2 %
FTE Positions	7.0	7.0		7.0	9.0

* The Governor's Office does not utilize this measure for evaluation purposes

PROGRAM DESCRIPTION

KCC RATE CASES

The agency notes that its statutory authority centers first on representation of residential and small commercial ratepayers before the KCC. The agency also states it has obtained millions of dollars of utility rate savings as well as prevented business practices sponsored by utilities that are adverse to consumer interests. Results of these efforts can be seen in performance measures relating to intervention in rates cases and rate reduction.

OTHER KCC CASES

The agency notes it not only intervenes in rate cases, but also other cases such as utilities. Similar measures relating to case intervention and cost savings track the agency's performance in this area.

LEGISLATIVE WORK

The agency notes its statutory authority centers second on the representation of residential and small commercial ratepayers before the Kansas Legislature. The agency states it provides testimony before and analysis for the House and Senate utilities committees.

OUTREACH WORK

The agency notes that it plays an integral role in advising consumers about their rights in utility complaint cases, both in the jurisdiction of the KCC and otherwise. The agency tracks the number of constituents it provides advice to and the savings gained from utilizing CURB's services rather than outsourcing representation.

OFFICE OF ADMINISTRATIVE HEARINGS

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	44,203	-	-	-	-
All Other Funds	1,187,769	1,491,479	1,491,479	1,585,093	1,585,093
<i>Subtotal</i>	<u>\$ 1,231,972</u>	<u>\$ 1,491,479</u>	<u>\$ 1,491,479</u>	<u>\$ 1,585,093</u>	<u>\$ 1,585,093</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 1,231,972</u>	<u>\$ 1,491,479</u>	<u>\$ 1,491,479</u>	<u>\$ 1,585,093</u>	<u>\$ 1,585,093</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	9.5 %	21.1 %	21.1 %	6.3 %	6.3 %
FTE Positions	13.0	12.0	12.0	12.0	12.0

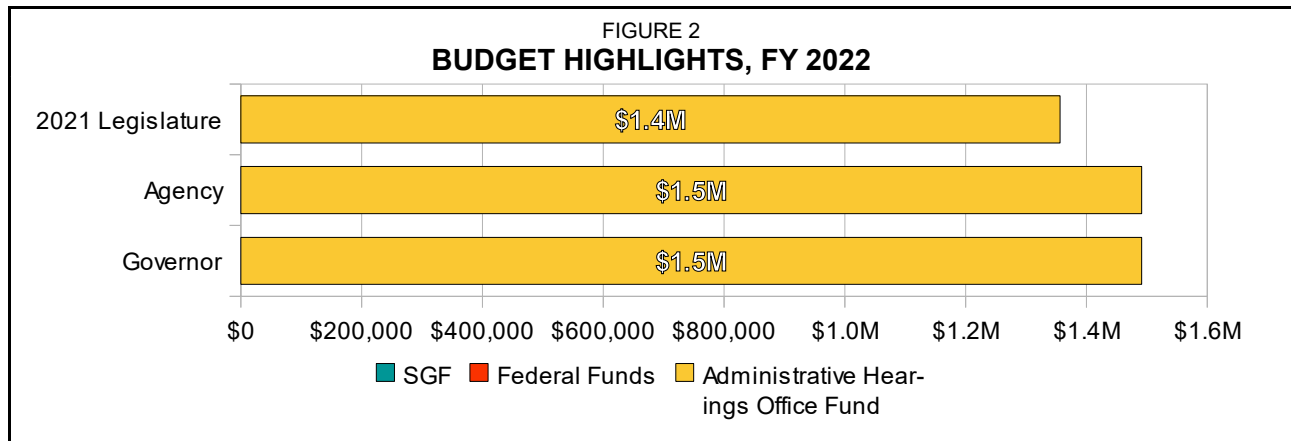
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The mission of the Office of Administrative Hearings (OAH) is to conduct fair and impartial hearings for citizens and other affected parties when they contest actions of state agencies determining their legal rights.

The OAH conducts adjudicative proceedings in accordance with the Kansas Administrative Procedure Act for many state agencies and a variety of programs within those agencies. These agencies are charged a fee for the adjudicative proceeding. While the agency expenditures are recorded in the accounting system, expenditures for the agency budget are categorized as off-budget expenditures. The off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another.

EXECUTIVE SUMMARY

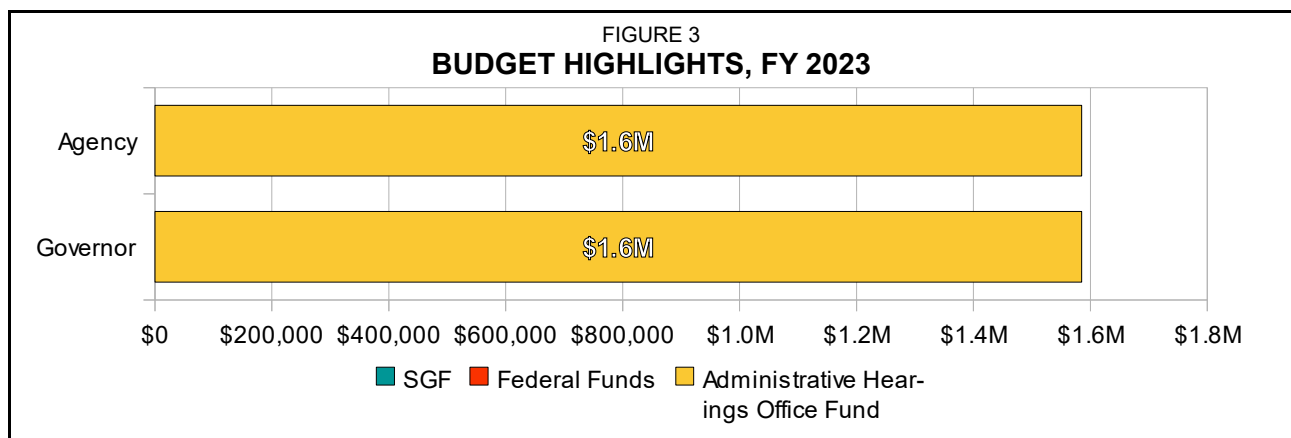
The 2021 Legislature approved a budget of \$1.4 million, all from the Administrative Hearings Office Fund, for the Office of Administrative Hearings for FY 2022.



The **agency** estimates revised operating expenditures of \$1.5 million, all from the Administrative Hearings Office Fund, in FY 2022. This is an increase of \$135,128, or 10.0 percent, above the amount approved by the 2021 Legislature.

The increase is primarily due to increased expenditures for salaries, which increased by \$96,084. This increase includes salary increases for staff and hiring a part-time temporary administrative law judge. The increase is also due to increased estimates for employee training expenditures by \$28,324.

The **Governor** concurs with the agency's revised estimate.



The **agency** requests operating expenditures of \$1.6 million, all from the Administrative Office Hearings Fund, for FY 2023. This is an increase of \$93,614, or 6.3 percent, above the FY 2022 revised agency estimate.

The increase is primarily due to increased expenditures on salaries and wages of \$78,065. This increase includes a 5.0 percent salary increase for staff. The increase is also due to an Office of Information Technology (OITS) fee increase of \$3,971 and a Westlaw subscription fee increase of \$2,401.

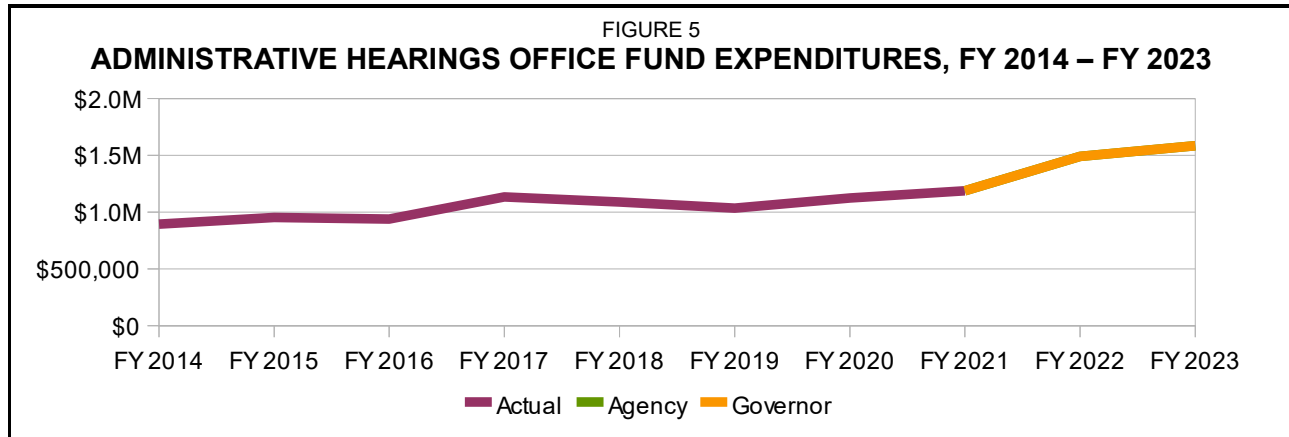
The **Governor** concurs with the agency's request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

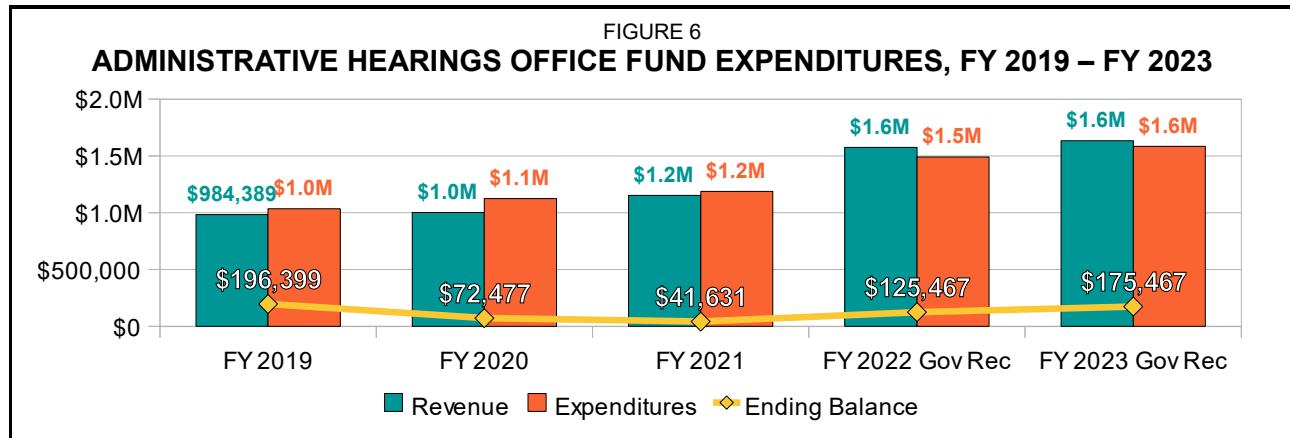
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 902,193	\$ 1,144,820	\$ 1,144,820	\$ 1,222,885	\$ 1,222,885
Contractual Services	293,006	324,649	324,649	340,162	340,162
Commodities	11,470	8,984	8,984	10,695	10,695
Capital Outlay	25,303	13,026	13,026	11,351	11,351
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 1,231,972	\$ 1,491,479	\$ 1,491,479	\$ 1,585,093	\$ 1,585,093
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 1,231,972	\$ 1,491,479	\$ 1,491,479	\$ 1,585,093	\$ 1,585,093
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 1,231,972	\$ 1,491,479	\$ 1,491,479	\$ 1,585,093	\$ 1,585,093
Financing:					
State General Fund	\$ -	-	-	-	-
Federal Funds	44,203	-	-	-	-
All Other Funds	1,187,769	1,491,479	1,491,479	1,585,093	1,585,093
TOTAL	\$ 1,231,972	\$ 1,491,479	\$ 1,491,479	\$ 1,585,093	\$ 1,585,093
FTE Positions	13.0	12.0	12.0	12.0	12.0

ADMINISTRATIVE HEARINGS OFFICE FUND



Funding for the agency is derived entirely from the Administrative Hearings Office Fund. State agencies providing adjudicative proceedings in accordance with the Kansas Administrative Procedures Act are required to utilize the Office of Administrative Hearings when the agency head is not involved. Agencies are billed based upon contracts entered into with the Office of Administrative Hearings. The contracts take into account the level of service provided and the amount of cases filed with the Office of Administrative Hearings.

ADMINISTRATIVE HEARINGS OFFICE FUND



* For FY 2023, the lowest month ending balance for the Administrative Hearings Office Fund will occur in July, with a balance of \$60,000.

The agency changed its revenue model in FY 2021, in which its budget will be provided primarily by the six agencies that utilize the OAH services the most. Agencies without legal staff will be charged \$80 per hour, while agencies with legal staff will be charged \$100 per hour.

Since that change, the agency estimates increases in revenue, expenditures, and the fund ending balance in FY 2022 and FY 2023.

FY 2022 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 1,356,351	\$ 1,356,351	12.0
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 1,356,351</i>	<i>\$ 1,356,351</i>	<i>12.0</i>
Agency Revised Estimate:				
2. Part-time Administrative Law Judge and Current Staff Salary Raise	\$ -	\$ 96,084	\$ 96,084	--
3. National Judicial College Training for ALJs and Other Training for Legal Assistants	-	28,324	28,324	--
4. All Other Adjustments	-	10,720	10,720	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 1,491,479</i>	<i>\$ 1,491,479</i>	<i>12.0</i>
Governor's Recommendation:				
5. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 1,491,479	\$ 1,491,479	12.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$1.4 million appropriated to the Office of Administrative Hearings for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$1.4 million appropriated to the Office of Administrative Hearings for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised operating expenditures of \$1.5 million, all from the Administrative Hearings Office Fund, in FY 2022. This is an increase of \$135,128, or 10.0 percent, above the amount approved by the 2021 Legislature. The **agency** estimate includes the following adjustments:

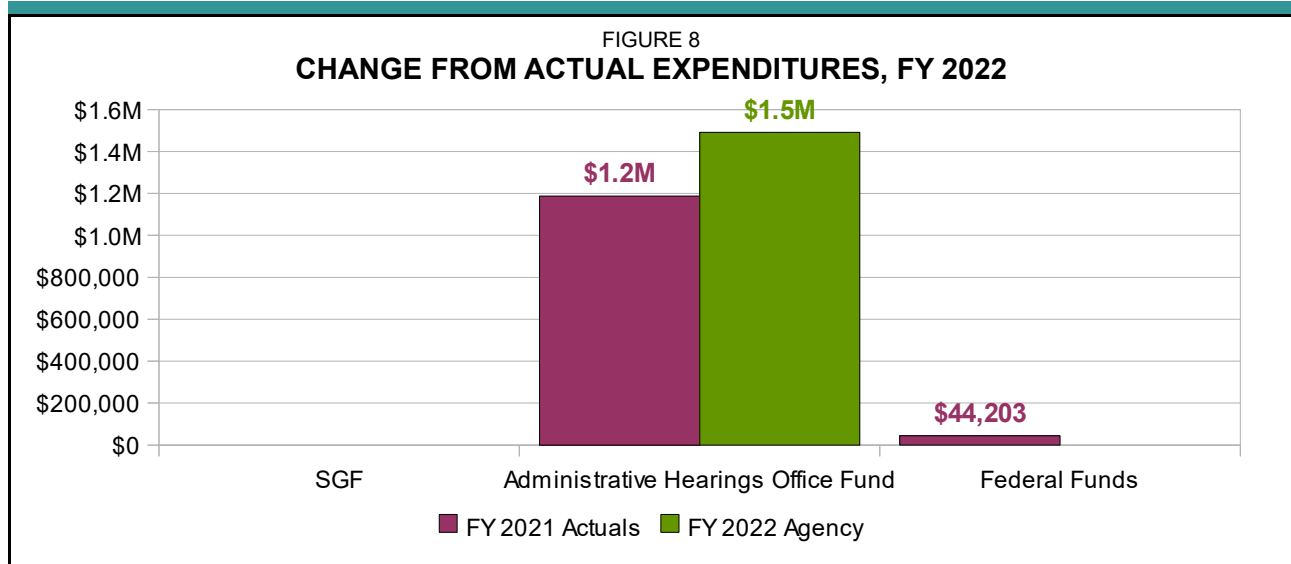
2. **PART-TIME TEMPORARY ADMINISTRATIVE LAW JUDGE (ALJ) SALARY AND RAISES FOR STAFF.** The agency increased its estimate for salaries by \$96,084. This increase includes compensation for a part-time temporary administrative law judge. This amount also includes salary increases for the current staff.
3. **NATIONAL JUDICIAL COLLEGE TRAINING FOR ALJS.** The agency increased its estimate for staff training in FY 2022 since ALJ trainings were remote last year due to the COVID-19 pandemic. This year, and going forward, the training will be in-person and will therefore incur travel costs and per diem reimbursement. Further, the agency increased estimated training costs for the Legal Assistants.
4. **ALL OTHER ADJUSTMENTS.** The agency increased all other adjustments by \$10,720. These include building repairs and office equipment, court reporting fees, and reimbursements for travel expenses.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate.

5. **NO CHANGES.** The Governor concurs with the agency's revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 revised expenditure estimate is \$1.5 million, all from the Administrative Hearings Office Fund. This is an increase of \$259,507, or 21.1 percent, compared to FY 2021 actual expenditures. FY 2021 expenditures included \$1.2 million in off-budget expenditures and \$42,554 in on-budget expenditures. The agency's on-budget expenditures were entirely COVID-19 pandemic relief federal funds.

The increase is mostly driven by increases in salaries and wages for staff. The agency increased salaries for most of the legal assistants, and accounted for the salary of a part-time temporary Administrative Law Judge (ALJ). The agency also increased its estimate for training for legal assistants and ALJs.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 1,491,479	\$ 1,491,479	12.0
Agency Request:				
1. Staff Salary Increase	\$ -	\$ 78,065	\$ 78,065	--
2. OITS Fee Increase	-	3,971	3,971	--
3. Westlaw Subscription Increase	-	2,471	2,471	--
4. All Other Adjustments		9,107	9,107	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 1,585,093	\$ 1,585,093	12.0
Governor's Recommendation:				
5. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 1,585,093	\$ 1,585,093	12.0

AGENCY REQUEST

The **agency** requests operating expenditures of \$1.6 million, all from the Administrative Office Hearings Fund, for FY 2023. This is an increase of \$93,614, or 6.3 percent, above the FY 2022 revised agency estimate.

The **agency** request includes the following adjustments:

1. **STAFF SALARY INCREASES.** The agency increased expenditures for salaries and wages by \$78,065. For FY 2023, the agency is requesting an additional 5.0 percent increase in salaries for all staff. Along with the FY 2022 increase, this is designed to compensate for the gap in wages between OAH staff and other agencies.
2. **OITS FEE INCREASE.** The Office of Information Technology Services (OITS) increased its fee by \$3 per person per month for each teleservice and data service used per employee. The increase also includes non user services such as the the agency's main telephone line, fax line, and email addresses not used by specific employees. This increased the agencies estimated expenditures by \$3,971.
3. **WESTLAW SUBSCRIPTION.** The agency has increased its expenditures for Westlaw subscription by \$2,401. The current contract expires at the end of FY 2022, and the agency does not know the exact amount it will increase by.
4. **ALL OTHER ADJUSTMENTS.** The agency increased its estimate for all other fees by \$9,107. These include out-of-state travel charges, training for legal assistants, and stationery and office supplies.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request.

5. **NO CHANGES.** The Governor concurs with the agency's request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

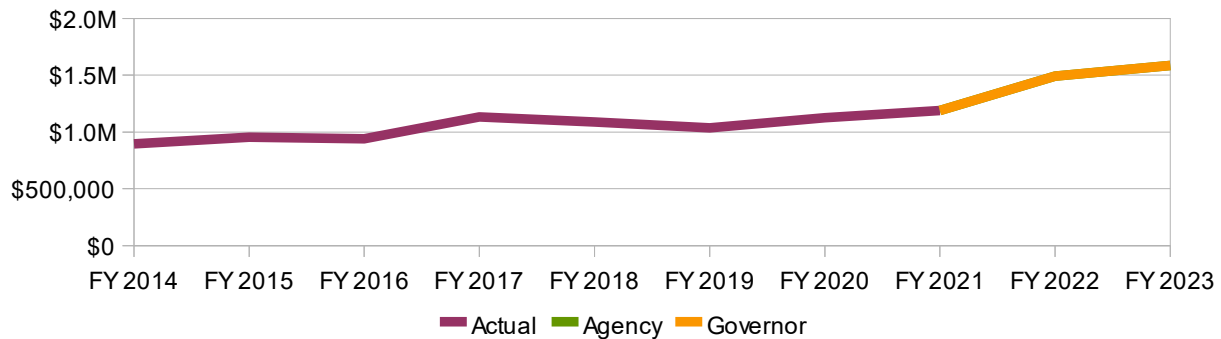
FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 1,231,972	\$ 1,491,479	\$ 1,491,479	\$ 1,585,093	\$ 1,585,093
FTE Positions:					
Administration	13.0	12.0	12.0	12.0	12.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 11
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 75-37,121, KSA 77-561, KSA 77-562, KSA 59-29a26

PROGRAM GOALS: • Deliver administrative due process for cases within timeframes specified by applicable law.
• Deliver administrative due process for parties efficiently and economically.

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Rank OAH Cost per Case vs Other States*	3 rd lowest cost	7 th lowest cost	4 th lowest cost	6 th lowest based on FY 21 data	6 th lowest based on FY 21 data
2. Average Days per Decision	85	87	86	90 or less	90 or less
3. Average Cases per Judge	905	656	858	526	485
4. Number of Appeals Filed	2,762	1,855	2,631	2,631	2,801
5. Number of Appeals Closed*	2,833	1,967	2,638	2,701	2,863
6. Pending FY Carryover Appeals*	858	768	801	802	781
7. OAH Cost per Case	311	486	351	435	428
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	-		-	0-
Federal Funds	49	44,203		-	0-
All Other Funds	1,125,150	1,187,769		1,491,479	1,585,093
TOTAL	\$ 1,125,199	\$ 1,231,972		\$ 1,491,479	\$ 1,585,093
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	8.6 %	9.5 %		21.1 %	6.3 %
FTE Positions	10.0	13.0		12.0	12.0

* The Governor's Office does not utilize this measure for evaluation purposes.

ABSTRACTERS' BOARD OF EXAMINERS

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	21,306	25,716	25,716	25,717	25,717
<i>Subtotal</i>	<i>\$ 21,306</i>	<i>\$ 25,716</i>	<i>\$ 25,716</i>	<i>\$ 25,717</i>	<i>\$ 25,717</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 21,306	\$ 25,716	\$ 25,716	\$ 25,717	\$ 25,717
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(2.7) %	20.7 %	20.7 %	-- %	0.0 %
FTE Positions	0.0	0.0	0.0	0.0	0.0

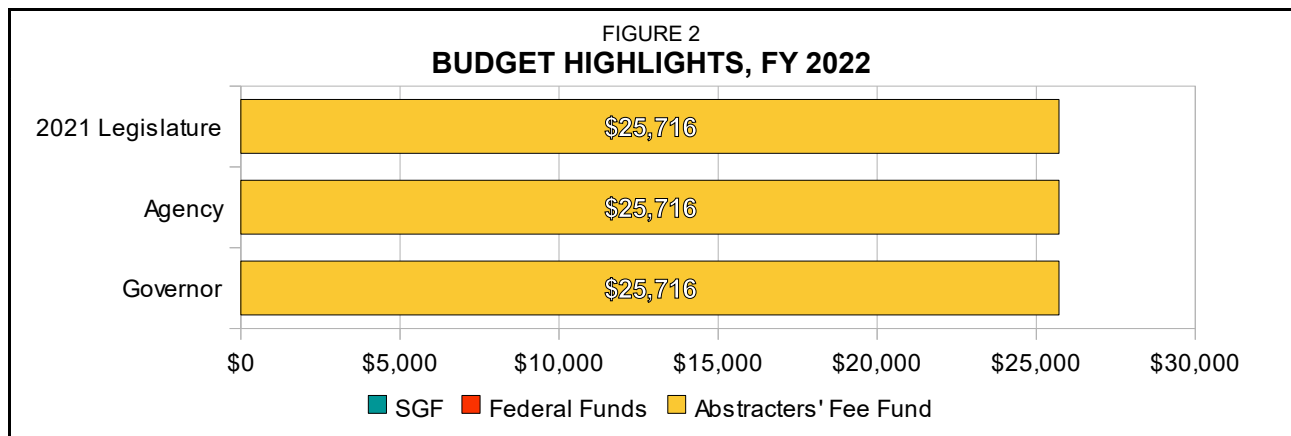
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Abstracters' Board of Examiners licenses and regulates companies and their employees that sell abstracts of land titles to Kansas real estate. Employee licenses are issued to persons who pass an examination prepared and administered by the Board and are employed by a company that is licensed, insured, and bonded.

The Board strives to ensure practicing abstracters are professional so the public may rely on their work products.

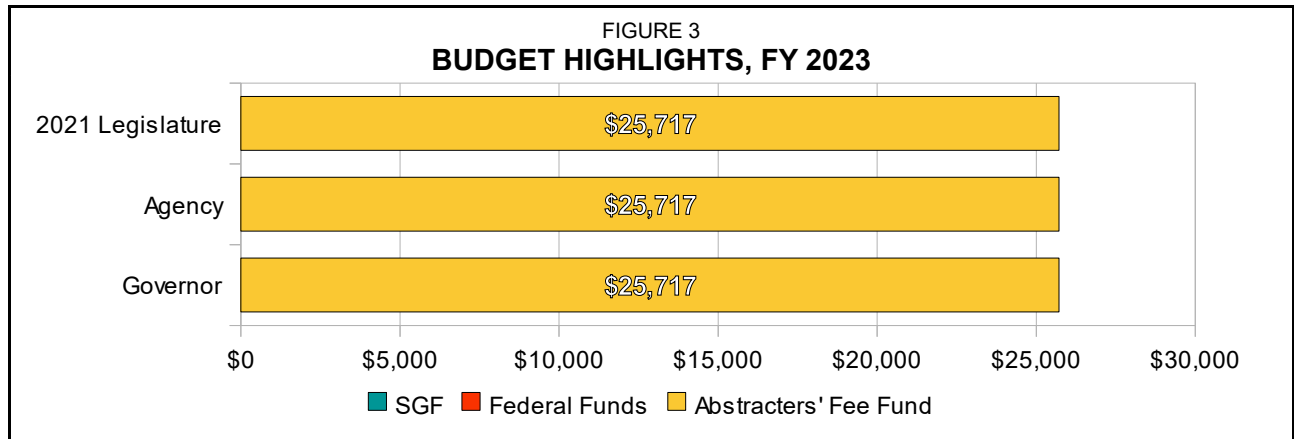
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$25,716, all from the Abstracters' Fee Fund, for the Abstracters' Board of Examiners for FY 2022.



The **agency** estimates revised operating expenditures of \$25,716, all from the Abstracters' Fee Fund, in FY 2022. This is the same amount as approved by the 2021 Legislature.

The **Governor** concurs with the agency's revised estimate.



The **agency** estimates revised operating expenditures of \$25,717, all from the Abstracters' Fee Fund, for FY 2023. This is same as the amount approved by the 2021 Legislature.

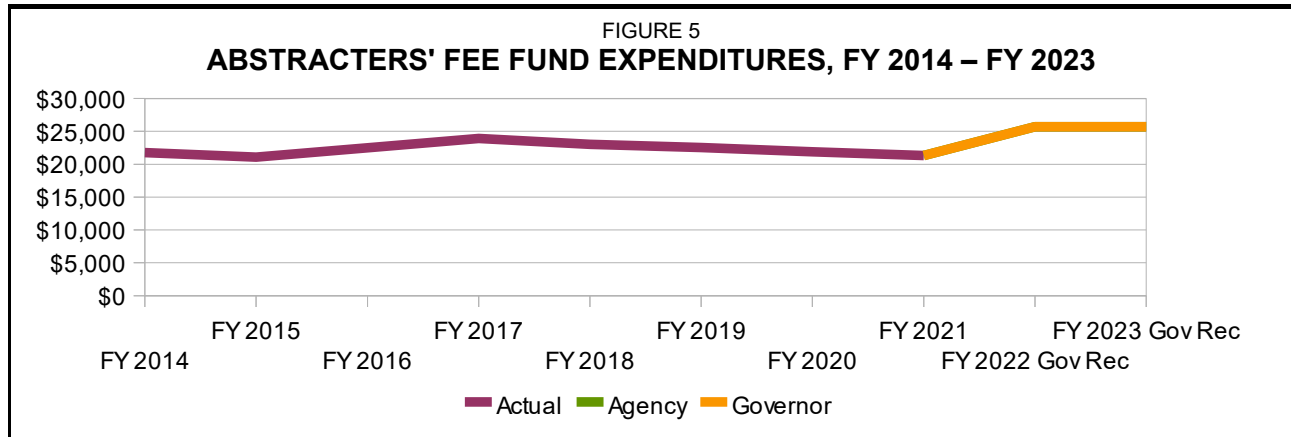
The **Governor** concurs with the agency's revised estimate.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 21,013	\$ 21,537	\$ 21,537	\$ 21,458	\$ 21,458
Contractual Services	236	3,929	3,929	3,959	3,959
Commodities	57	250	250	300	300
Capital Outlay	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 21,306</i>	<i>\$ 25,716</i>	<i>\$ 25,716</i>	<i>\$ 25,717</i>	<i>\$ 25,717</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 21,306</i>	<i>\$ 25,716</i>	<i>\$ 25,716</i>	<i>\$ 25,717</i>	<i>\$ 25,717</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 21,306	\$ 25,716	\$ 25,716	\$ 25,717	\$ 25,717
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue	21,306	25,716	25,716	25,717	25,717
Fund—State	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 21,306	\$ 25,716	\$ 25,716	\$ 25,717	\$ 25,717
FTE Positions	0.0	0.0	0.0	0.0	0.0

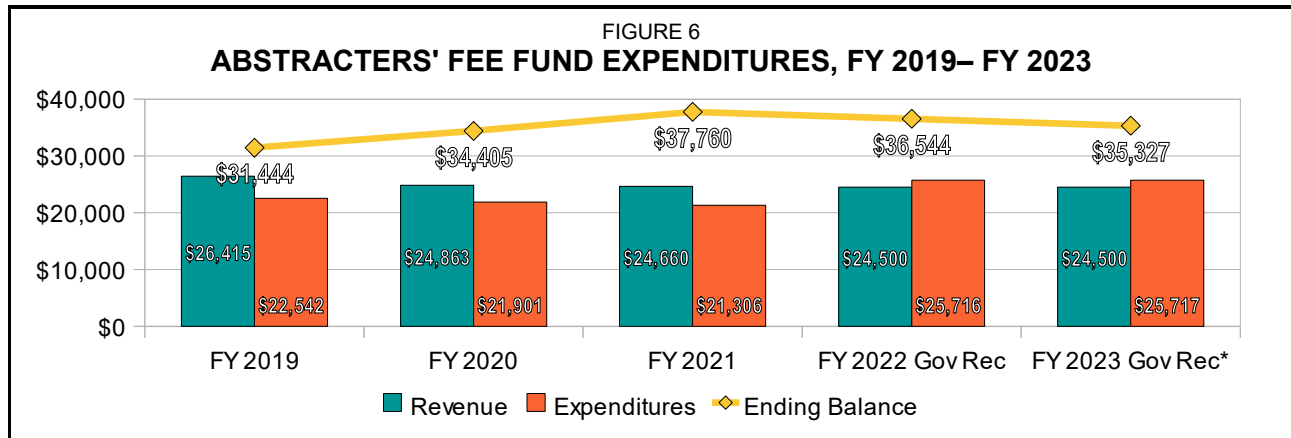
ABSTRACTERS' FEE FUND



The Abstracters' Board of Examiners is a fee-funded agency. The agency generates fee revenues from three primary sources: annual license fees (\$75 each); examination fees (\$70 each); and additional exams (\$50 each) (KSA 58-2801). The revenue received provides financing for all agency operations, with 90.0 percent retained by the agency and 10.0 percent remitted to the State General Fund (SGF). KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the SGF, up to a maximum of \$100,000 per fiscal year per fund.

The Abstracters' Fee Fund expenditures decreased slightly in FY 2020 and FY 2021 due to the COVID-19 pandemic. The agency estimates expenditures to increase in FY 2022 and FY 2023.

ABSTRACTERS' FEE FUND



* For FY 2023, the lowest month ending balance for the Abstracters' Fee Fund will occur in November, with a balance of \$ 26,416.

Abstracters' Fee Fund expenditures decreased slightly in FY 2020 and FY 2021. The agency estimates expenditures to increase for FY 2022 and FY 2023.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Original License Fee	\$ 75	\$ 75	KSA 58-2801
Renewal License Fee	75	75	KSA 58-2801
Examination Fee	70	*	KSA 58-2805(a)
Additional Examinations Fee	50	*	KSA 58-2805(a)

*KSA 58-2805(a) provides that examination fees shall be fixed by the Board by rules and regulations in an amount adequate to cover the cost of the examination.

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 25,716	\$ 25,716	0.0
1. No Changes	-	-	-	0.0
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 25,716</i>	<i>\$ 25,716</i>	<i>0.0</i>
Agency Revised Estimate:				
2. No Changes	\$ -	\$ -	\$ -	0.0
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 25,716</i>	<i>\$ 25,716</i>	<i>0.0</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	0.0
TOTAL	\$ -	\$ 25,716	\$ 25,716	0.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$25,716 appropriated to the Abstracters' Board of Examiners for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$25,716 appropriated to the Abstracters' Board of Examiners for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised operating expenditures of \$25,716, all from the Abstracters' Fee Fund, in FY 2022. This is the same amount approved by the 2021 Legislature.

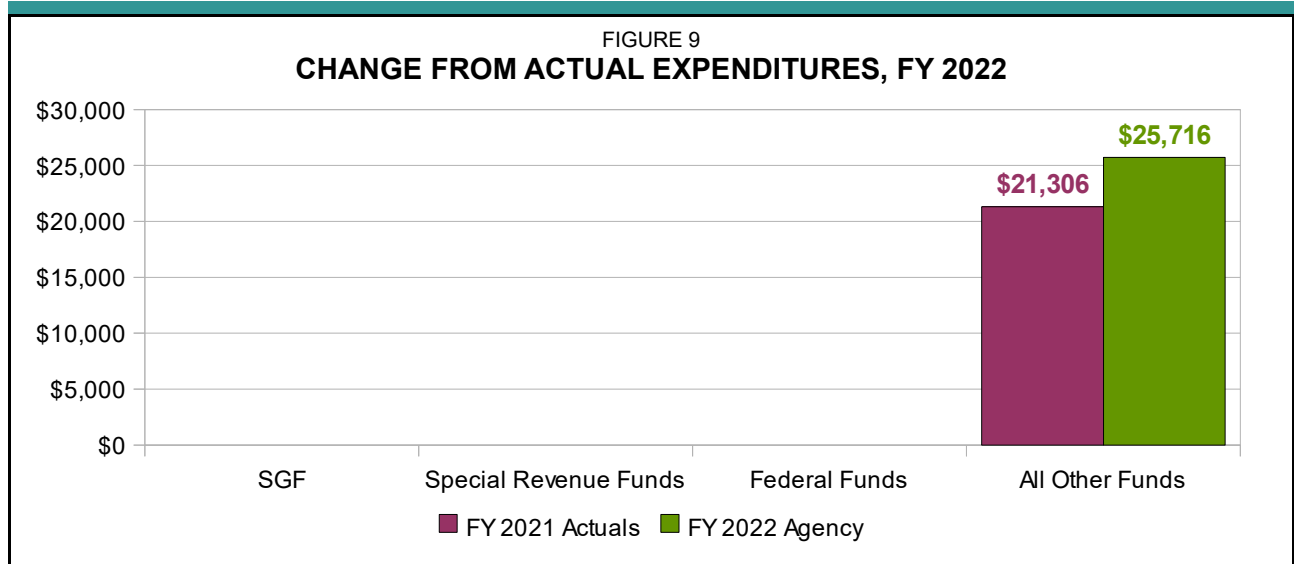
2. **NO CHANGES.** The agency estimates revised operating expenditures of \$25,716, all from the Abstracters' Fee Fund, in FY 2022. This is the same amount approved by the 2021 Legislature.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate.

3. **NO CHANGES.** The Governor concurs with the agency's revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 revised estimate is \$25,716, all from the Abstracters' Fee Fund. This is an increase of \$4,410, or 20.7 percent, above FY 2021 actual expenditures.

This increase is due to increased expenditures for travel and lodging and stationery and office supplies in FY 2022.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature \$	-	\$ 25,717	\$ 25,717	0.0
1. No Changes	-	-	-	0.0
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 25,717	\$ 25,717	0.0
Agency Request:				
2. No Changes	-	-	-	0.0
<i>Subtotal—Agency Request</i>	\$ -	\$ 25,717	\$ 25,717	0.0
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	0.0
TOTAL	\$ -	\$ 25,717	\$ 25,717	0.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$25,717 appropriated to the Abstracters' Board of Examiners for FY 2023.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$25,717 appropriated to the Abstracters' Board of Examiners for FY 2023.

AGENCY REQUEST

The **agency** estimates revised operating expenditures of \$25,717, all from the Abstracters' Fee Fund, for FY 2023. This is same as the approved amount by the 2021 Legislature.

2. **NO CHANGES.** The agency estimates revised operating expenditures of \$25,717, all from the Abstracters' Fee Fund, for FY 2023. This is same as the approved amount by the 2021 Legislature.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate.

3. **NO CHANGES.** The Governor concurs with the agency's revised estimate.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

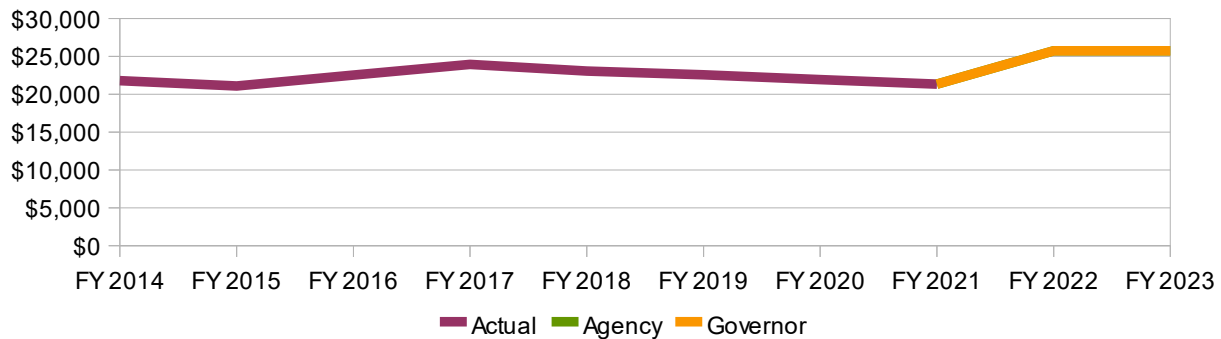
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 21,306	\$ 25,716	\$ 25,716	\$ 25,717	\$ 25,717
FTE Positions:					
Administration	0.0	0.0	0.0	0.0	0.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 58-2801 *et seq.*
KSA 74-3901 *et seq.*

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Individual Licenses Issued	192	192	197	196	196
2.Number of Business Licenses Issued	172	172	174	170	170
3.Cost per license	\$ 60.17	\$ 58.53	\$ 61.76	\$ 70.26	\$ 70.27
Output Measure:					
3.Employee License Revenue*	\$ 14,400	\$ 14,700	\$ 14,900	\$ 14,700	\$ 14,700
4.Business License Revenue *	\$ 13,350	\$ 12,900	\$ 13,200	\$ 12,750	\$ 12,750
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	21,901	21,306		25,716	25,717
TOTAL	\$ 21,901	\$ 21,306		\$ 25,716	\$ 25,717
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(2.8) %	(2.7) %		20.7 %	-- %
FTE Positions	0.0	0.0		0.0	0.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BOARD OF ACCOUNTANCY

FY 2021 – FY 2023 BUDGET ANALYSIS

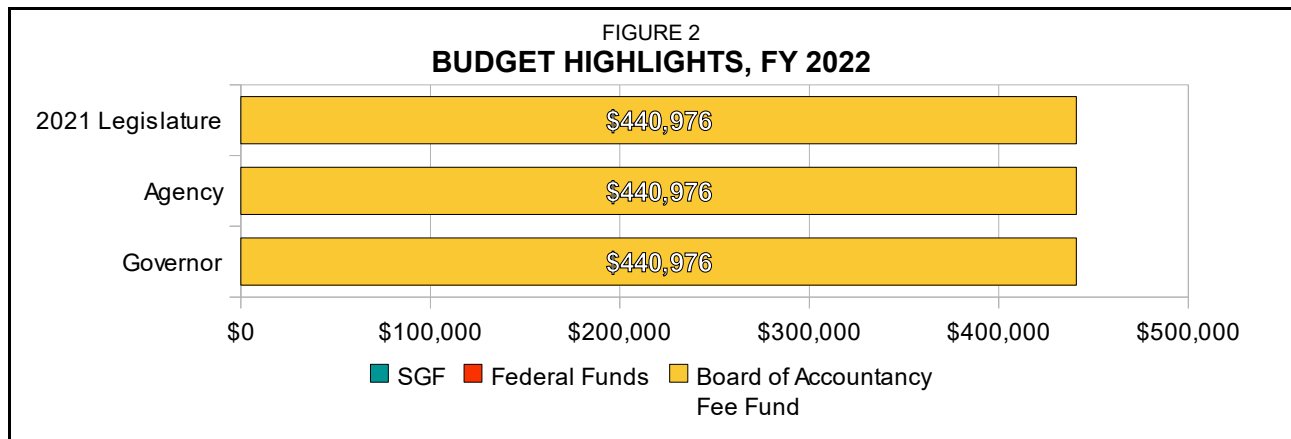
FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	399,007	440,976	440,976	443,348	443,348
<i>Subtotal</i>	<u>\$ 399,007</u>	<u>\$ 440,976</u>	<u>\$ 440,976</u>	<u>\$ 443,348</u>	<u>\$ 443,348</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 399,007</u>	<u>\$ 440,976</u>	<u>\$ 440,976</u>	<u>\$ 443,348</u>	<u>\$ 443,348</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(0.4) %	10.5 %	10.5 %	0.5 %	0.5 %
FTE Positions	3.0	3.0	3.0	3.0	3.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Board of Accountancy consists of seven members and provides for the certification, registration, and regulation of Certified Public Accountants (CPAs) within Kansas. The Board issues permits to practice within the state and also may censure, suspend, or revoke CPA certificates and permits to practice. In addition, the Board approves applications for reciprocity to those who meet minimum qualifying requirements and are initially licensed in another state.

EXECUTIVE SUMMARY

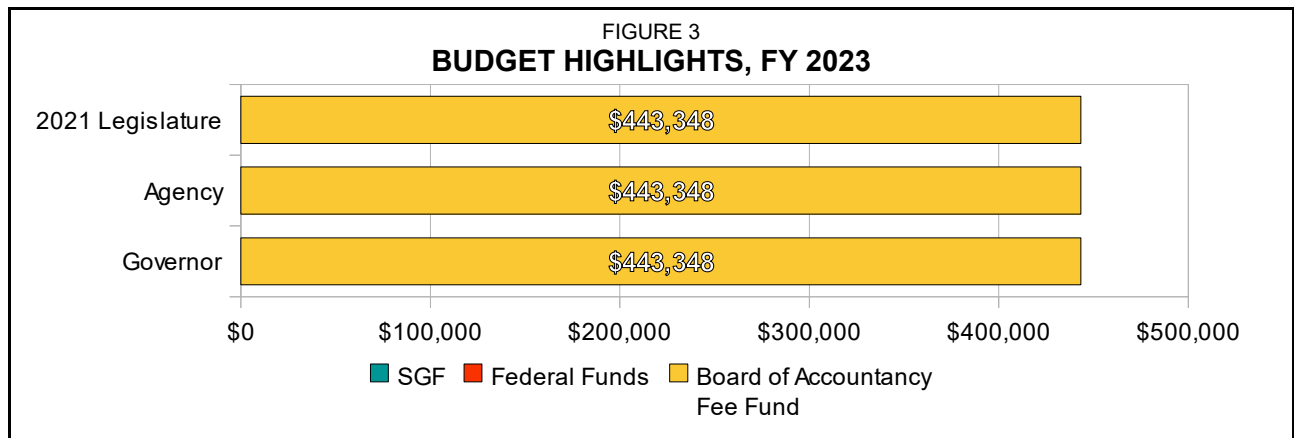
The 2021 Legislature approved a budget of \$440,976, all from the Board of Accountancy Fee Fund, for the Board of Accountancy for FY 2022. No adjustments have been made subsequently to that amount.



The **agency** estimates revised expenditures of \$440,976, all from the Board of Accountancy Fee Fund, in FY 2022. The revised estimate is the same as the FY 2022 amount approved by the 2021 Legislature. The agency estimates increased expenditures for salaries and wages due to base rate adjustments and fringe benefits. The increase is partially offset by decreased expenditures for information technology systems, as the agency begins to transition to the Board of Healing Arts hosted licensure database system. The agency requests 3.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate for FY 2022.

The 2021 Legislature approved a budget of \$443,348, all from the Board of Accountancy Fee Fund, for the Board of Accountancy for FY 2023. No adjustments have been made subsequently to that amount.



The **agency** estimates revised expenditures of \$443,348, all from the Board of Accountancy Fee Fund, for FY 2023. The request is the same as the agency's FY 2023 approved amount. The agency estimates increased salary expenditures while the retiring Executive Director trains the new Executive Director. This increase is partially offset by decreased technology expenditures as the agency completes transition to a new licensure database system hosted by the Board of Healing Arts. The agency requests 3.0 FTE positions, which is the same as the FY 2022 revised estimate and the FY 2023 approved number.

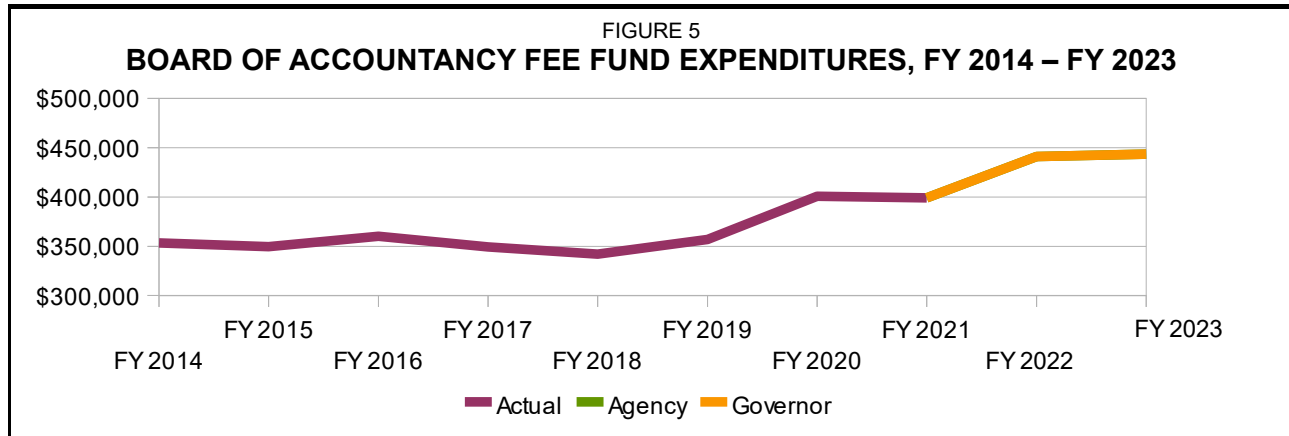
The **Governor** concurs with the agency's revised estimate for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

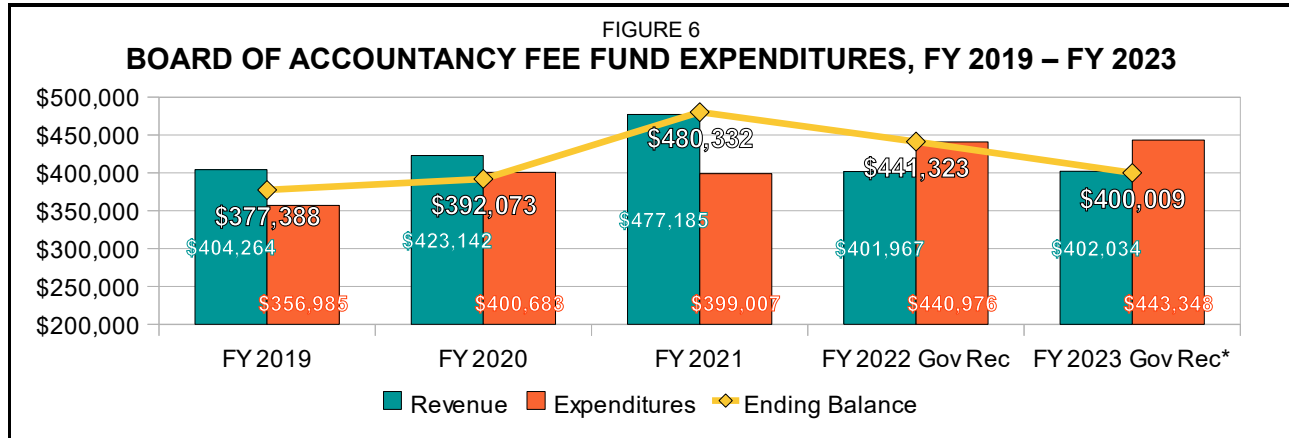
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 211,807	\$ 236,005	\$ 236,005	\$ 253,701	\$ 253,701
Contractual Services	183,990	201,771	201,771	186,447	186,447
Commodities	3,090	3,200	3,200	3,200	3,200
Capital Outlay	120	-	-	-	-
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 399,007</i>	<i>\$ 440,976</i>	<i>\$ 440,976</i>	<i>\$ 443,348</i>	<i>\$ 443,348</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 399,007</i>	<i>\$ 440,976</i>	<i>\$ 440,976</i>	<i>\$ 443,348</i>	<i>\$ 443,348</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 399,007	\$ 440,976	\$ 440,976	\$ 443,348	\$ 443,348
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
Board of Accountancy Fee Fund	399,007	440,976	440,976	443,348	443,348
TOTAL	\$ 399,007	\$ 440,976	\$ 440,976	\$ 443,348	\$ 443,348
FTE Positions	3.0	3.0	3.0	3.0	3.0

BOARD OF ACCOUNTANCY FEE FUND



The Board of Accountancy Fee Fund is a statutory fee fund funded through four sources: (1) issuance of certificates to those who pass the CPA and ethics exams and issuance of certificates of reciprocity to those who were initially licensed in another state; (2) permits to practice as a CPA, renewed on a biennial basis; (3) registration of firms and sole practitioners, renewed on an annual basis; and (4) collection of fines imposed by the board on those not complying with laws and regulations. The amounts of such fees are set forth in Figure 7, below.

BOARD OF ACCOUNTANCY FEE FUND



* For FY 2023, the lowest month ending balance for the Board of Accountancy Fee Fund will occur in July, with a balance of \$269,393.

The Board of Accountancy Fee Fund maintains a significant ending balance each year. In FY 2021, the ending balance increased significantly; while expenditures remained steady, revenues increased by 12.7 percent. Beginning in FY 2022, expenditures increased because a vacant position was filled, while revenues decreased from FY 2021 levels. This trend is expected to continue in FY 2023.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Firm Registration	\$ 100	\$ 300	KSA 1-301(b)(8)
Firm Renewal	100	300	KSA 1-301(b)(8)
Firm Renewal (late)	150	450	KSA 1-301(b)(9)
Certification by Reciprocity	250	350	KSA 1-301(b)(2)
Certification Renewal	165	350	KSA 1-301(b)(3)
Certification Renewal (late)	247.50	525	KSA 1-301(b)(4)
Duplicate Certificate	25	50	KSA 1-301(b)(1)
Initial Permit to Practice	165	350	KSA 1-301(b)(3)
Reinstatement of Permit to Practice (1 year)	123.75	175	KSA 1-301(b)(6)
Reinstatement of Permit to practice (2 year)	247.50	350	KSA 1-301(b)(6)
Duplicate Permit to Practice	25	50	KSA 1-301(b)(1)

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 440,976	\$ 440,976	3.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 440,976</i>	<i>\$ 440,976</i>	<i>3.0</i>
Agency Revised Estimate:				
2. Salaries and Wages	\$ -	\$ 4,496	\$ 4,496	--
3. Contractual Services	-	(4,496)	(4,496)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 440,976</i>	<i>\$ 440,976</i>	<i>3.0</i>
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 440,976	\$ 440,976	3.0

LEGISLATIVE APPROVED

1. No adjustments were made to the \$440,976 appropriated by the 2021 Legislature to the Board of Accountancy in FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised expenditures of \$440,976, all from the Board of Accountancy Fee Fund, in FY 2022. The request is the same as the agency's FY 2022 approved amount. The agency requests 3.0 FTE positions, which is the same as the approved number.

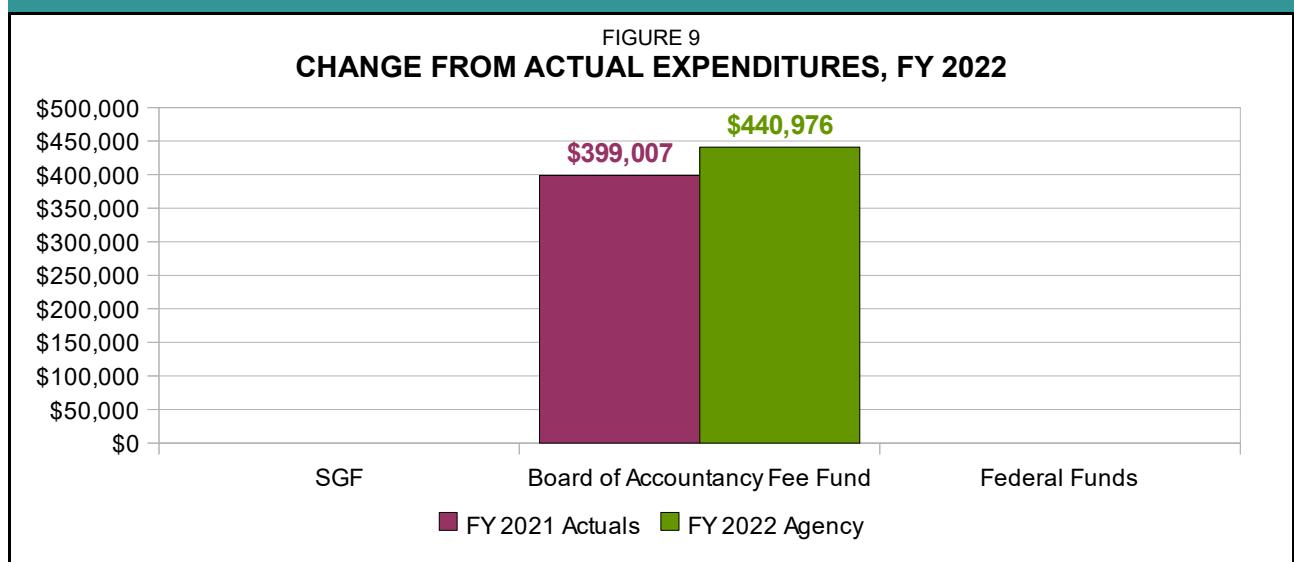
2. **SALARIES AND WAGES.** The agency estimates an increase to salaries and wages of \$4,496, or 1.9 percent, above the agency's approved amount. The total FY 2022 request for salaries and wages is \$236,005. The increase is attributable to base rate adjustments and fringe benefits.
3. **CONTRACTUAL SERVICES.** The agency estimates an overall decrease to contractual services of \$4,496. The total FY 2022 request for contractual services is \$201,771. The decrease is primarily due to decreased expenditures for information technology fees, as the agency transitions to a new licensure database system hosted by the Board of Healing Arts. The decrease to contractual services is partially offset by increased expenditures for assigned counsel fees and travel.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2022.

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 revised estimate is \$440,976, all from the Board of Accountancy Fee Fund. This is an increase of \$41,969, or 10.5 percent, above FY 2021 actual expenditures. Although the FY 2022 revised estimate is an increase over FY 2021 actual expenditures, it is the same as the FY 2022 approved amount. This increase is primarily due to an increase in benefits payments as a contract worker transitions to become an employee of the agency, increased travel following the COVID-19 pandemic, and increased information technology expenditures due to a period of overlap while the agency transitions to a new database system.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 443,348	\$ 443,348	3.0
1. No Changes		-		--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 443,348	\$ 443,348	3.0
Agency Request:				
2. Salaries and Wages—Executive Director Transition	\$ -	\$ 21,825	\$ 21,825	3.0
3. Contractual Services—Database System Transition	-	(21,825)	(21,825)	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 443,348	\$ 443,348	3.0
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 443,348	\$ 443,348	3.0

LEGISLATIVE APPROVED

1. No adjustments were made to the \$443,348 appropriated by the 2021 Legislature to the Board of Accountancy in FY 2023.

AGENCY REQUEST

The **agency** estimates revised expenditures of \$443,348, all from the Board of Accountancy Fee Fund, for FY 2023. The revised estimate is the same as the agency's FY 2023 approved amount. The agency requests 3.0 FTE positions, which is the same as the FY 2022 revised estimate and the FY 2023 approved number.

Significant items in the agency's estimate include the following:

2. **SALARIES AND WAGES—EXECUTIVE DIRECTOR TRANSITION.** The agency estimates an increase of \$21,825, or 9.4 percent, above the FY 2023 approved amount for salaries and wages. The salaries and wages increase is due to a planned transition of Executive Directors. The current Executive Director intends to retire at the end of 2023. During a transition period, the agency will pay both the retiring Executive Director and the incoming Executive Director.
3. **CONTRACTUAL SERVICES—DATABASE SYSTEM TRANSITION.** The agency estimates a decrease of \$21,825, or 10.5 percent, below the FY 2023 approved amount for contractual services. This decrease is primarily due to the expected completion of the transition from the OITS licensure database system to a database system hosted by the Board of Healing Arts.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate for FY 2023.

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2022 revised estimate.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

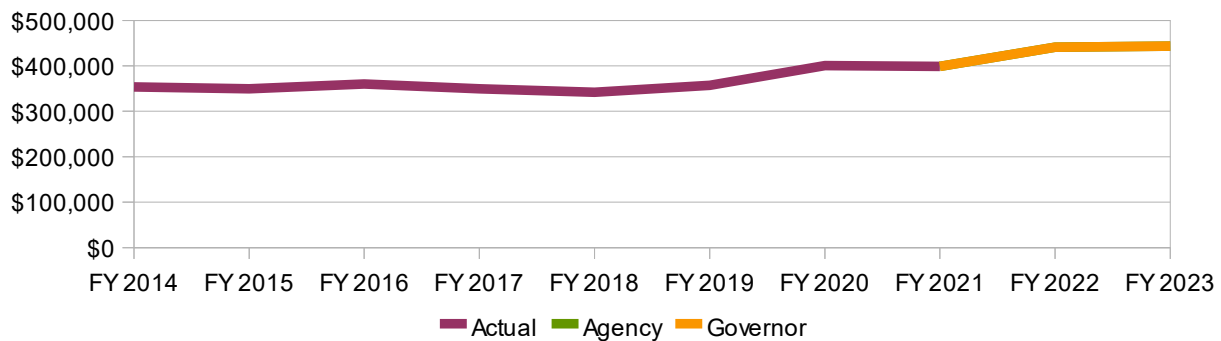
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 399,007	\$ 440,976	\$ 440,976	\$ 443,348	\$ 443,348
FTE Positions:					
Administration	3.0	3.0	3.0	3.0	3.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



- STATUTORY BASIS:**
- Licensing: KSA 1-201; 1-202; 1-204; 1- 205; 1-302; 1-302a; 1-307; 1-308; 1-310; 1-315; 1-316; 1-501
 - Enforcement: KSA 1-205; 1-206; 1-311; 1-312; 1-316; 1-318; 1-319; 1-401
- PROGRAM GOALS:**
- Approve applications for certificates by exam and reciprocity to those who meet minimum qualifying requirements.
 - Approve applications for permits to practice to those who meet an experience requirement and reinstate permits to those who meet certain continuing education requirements.
 - Register in-state and out-of-state CPA firms practicing in the state of Kansas.
 - Enforcement: Regulate CPAs and the services provided relating to the practice of certified public accountancy.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Certificates	12,934	13,031	12,927	13,151	13,272
2.Number of Permit Holders	3,813	3,841	3,826	3,747	3,755
3.Number of CPA Firms	845	850	838	855	860
4.Number of Complaints and Referrals Received and Investigated	97	95	101	92	90
Output Measure:					
5.Number of New Certificate Holders*	116	123	127	120	121
6.Number of New Permits*	125	126	131	120	122
7.Number of New CPA Firms*	56	47	54	56	57
8.Number of Hearings Held*	66	38	54	62	60
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	400,683	399,007		440,976	443,348
TOTAL	\$ 400,683	\$ 399,007		\$ 440,976	\$ 443,348
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	12.2 %	(0.4) %		10.5 %	0.5 %
FTE Positions	3.0	3.0		3.0	3.0

* The Governor's Office does not utilize this measure for evaluation purposes.

OFFICE OF THE STATE BANK COMMISSIONER

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	236	-	-	-	-
All Other Funds	10,550,055	12,040,176	11,877,452	12,404,441	12,237,285
<i>Subtotal</i>	<u>\$ 10,550,291</u>	<u>\$ 12,040,176</u>	<u>\$ 11,877,452</u>	<u>\$ 12,404,441</u>	<u>\$ 12,237,285</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 10,550,291</u>	<u>\$ 12,040,176</u>	<u>\$ 11,877,452</u>	<u>\$ 12,404,441</u>	<u>\$ 12,237,285</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	1.1 %	14.1 %	12.6 %	3.0 %	3.0 %
FTE Positions	107.0	110.0	110.0	110.0	110.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

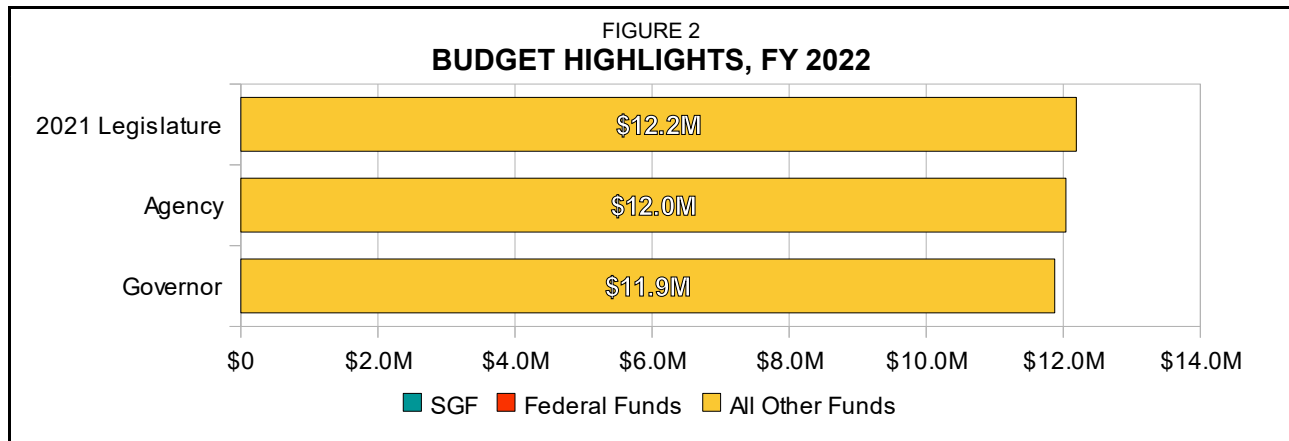
The Office of the State Bank Commissioner (OSBC) ensures the integrity of regulated providers of financial services through responsible and proactive oversight while protecting and educating consumers. Statutory authority for the OSBC is found in KSA 75-1304 *et seq.* The agency is headed by a commissioner, who is appointed by the Governor to serve a four-year term. The agency is divided into two divisions, the banking division and the consumer and mortgage lending division.

The banking division is responsible for the supervision of state-chartered banks, trust companies/departments, savings and loan associations, and money transmitters. The agency also preserves the dual banking system through the chartering of new state banks, maintenance of existing state charters, and equitable regulation of state banks. A nine-member banking board, authorized by KSA 74-3004 *et seq.*, is appointed by the Governor. The State Banking Board serves in an advisory capacity to the banking division and administers the banking laws of Kansas.

The consumer and mortgage lending division is responsible for oversight of mortgage and consumer credit lenders, and credit service organizations. Finally, the OSBC is responsible for protecting consumers from unfair or unscrupulous credit practices, and promoting public trust in the state financial system.

EXECUTIVE SUMMARY

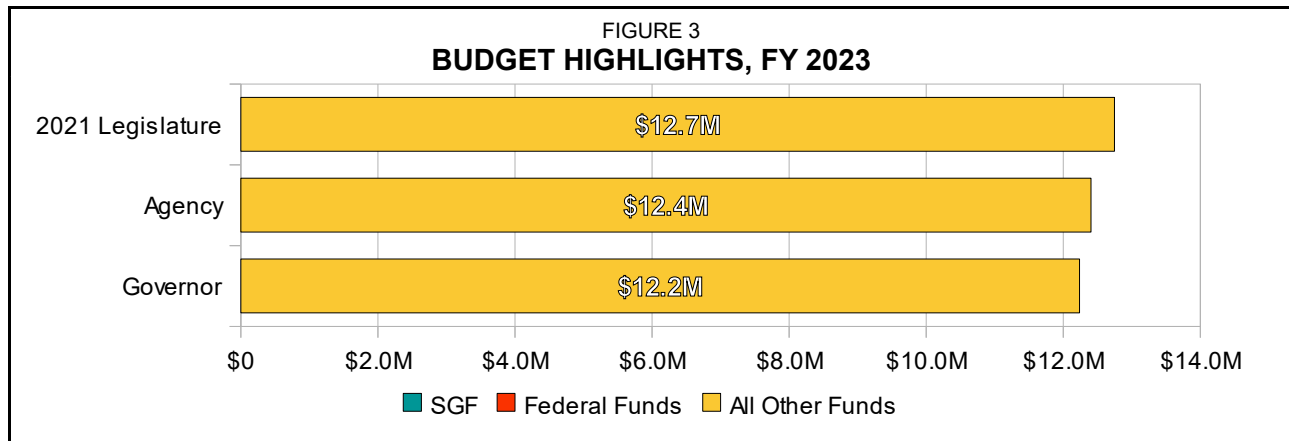
The 2021 Legislature approved a budget of \$12.2 million, all from special revenue funds, for the Office of the State Bank Commissioner for FY 2022.



The **agency** requests a revised estimate of \$12.0 million, all from special revenue funds, for FY 2022. This is a decrease of \$150,597, or 1.2 percent, below the FY 2022 approved amount. The revised estimate includes 110.0 FTE positions, which is the same as the approved FY 2022 number. Significant items in the agency estimate include the following:

- **BOARD MEMBER PER DIEM AND STAFF SALARY INCREASES.** The revised estimate includes two supplemental requests to increase the board member per diem rates and provide merit-based staff salary increases. The agency has historically reported having issues retaining staff due in part to wage competition with the private sector. Similarly, the agency has reported having issues recruiting for the State Banking Board due in large part to the low per diem rate.
- **STAFF RETIREMENTS AND RESIGNATIONS.** Offsetting the two supplemental requests are decreased expenditures for salaries and wages. The agency experienced several long-term staff retirements and resignations in FY 2021, which were filled with newer hires at a lower pay rate. As such, the agency adjusted its salary and wage expenditures to account for the lower compensation for these new hires.
- **TRAVEL-RELATED EXPENDITURES DUE TO THE COVID-19 PANDEMIC.** The revised estimate also includes several decreases for travel-related expenditures resulting from the COVID-19 pandemic. The agency originally anticipated resuming travel in FY 2021, however the agency reports that as the pandemic continues, it anticipates returning to travel in January 2022 instead.

The **Governor** recommends \$11.9 million, all from special revenue funds, for FY 2022 expenditures. This is a decrease of \$162,724, or 1.4 percent, below the agency's FY 2022 revised estimate. This decrease is due to the Governor not recommending the agency's supplemental requests. The recommendation also includes 110.0 FTE positions, which is the same as the agency's FY 2022 revised estimate number.



The **agency** requests a revised estimate of \$12.4 million, all from special revenue funds, for FY 2023. This is a decrease of \$344,748, or 2.7 percent, below the FY 2023 approved amount. The revised estimate includes 110.0 FTE positions, which is the same as the approved FY 2023 number. Significant items in the agency estimate include the following:

- **BOARD MEMBER PER DIEM AND STAFF SALARY INCREASES.** The revised estimate includes two enhancement requests to continue the increased board member per diem rates and merit-based staff salary increases from FY 2022.
- **STAFF RETIREMENTS AND RESIGNATIONS.** Offsetting the two enhancements are decreased expenditures for salaries and wages. As the OSBC is a biennial agency, the 2021 Legislature approved a FY 2023 budget. As such, when the agency originally planned its budget, it included several long-term staff who subsequently retired or resigned in FY 2021. As such, the agency adjusted its salary and wage expenditures to account for the lower compensation rates for these new hires.

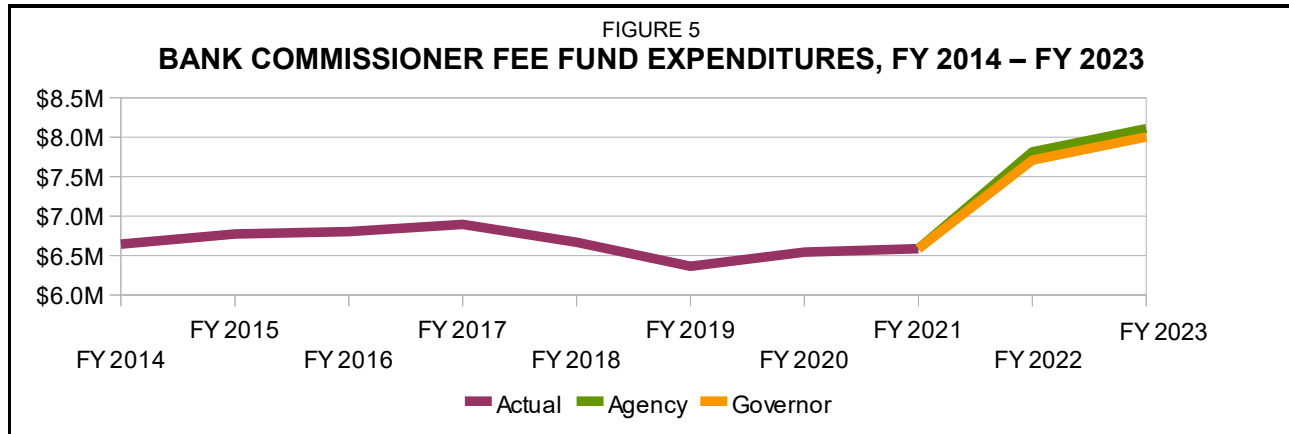
The **Governor** recommends \$12.2 million, all from special revenue funds, for FY 2023 expenditures. This is a decrease of \$167,156, or 1.4 percent, below the agency's FY 2023 revised estimate. This decrease is due to the Governor not recommending the agency's enhancement requests. The recommendation also includes 110.0 FTE positions, which is the same as the agency's FY 2023 revised estimate number.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

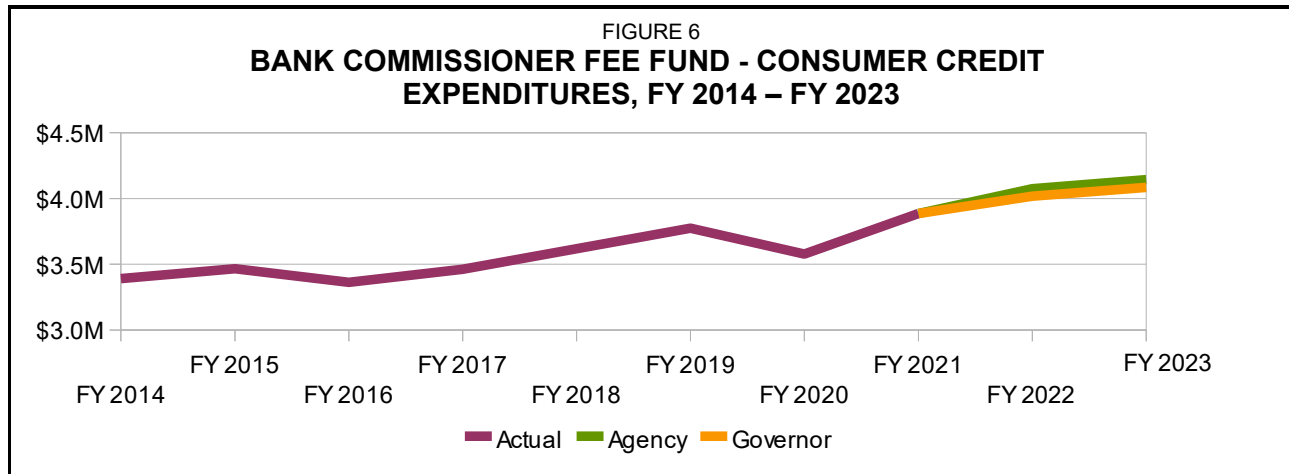
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 9,144,918	\$ 9,774,560	\$ 9,611,836	\$ 9,773,998	\$ 9,606,842
Contractual Services	1,040,968	1,808,116	1,808,116	2,204,543	2,204,543
Commodities	23,510	48,500	48,500	63,200	63,200
Capital Outlay	261,864	259,000	259,000	212,700	212,700
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 10,471,260	\$ 11,890,176	\$ 11,727,452	\$ 12,254,441	\$ 12,087,285
Aid to Local Units	-	-	-	-	-
Other Assistance	79,031	150,000	150,000	150,000	150,000
Subtotal—Operating	\$ 10,550,291	\$ 12,040,176	\$ 11,877,452	\$ 12,404,441	\$ 12,237,285
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 10,550,291	\$ 12,040,176	\$ 11,877,452	\$ 12,404,441	\$ 12,237,285
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	236	-	-	-	-
All Other Funds	10,550,055	12,040,176	11,877,452	12,404,441	12,237,285
TOTAL	\$ 10,550,291	\$ 12,040,176	\$ 11,877,452	\$ 12,404,441	\$ 12,237,285
FTE Positions	107.0	110.0	110.0	110.0	110.0

BANK COMMISSIONER FEE FUND - BANKING DIVISION



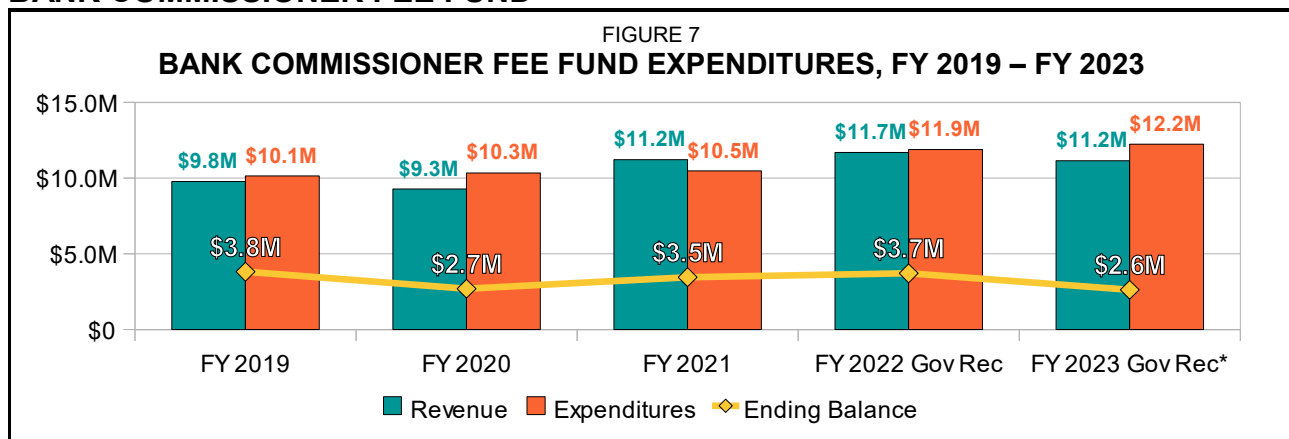
The Office of the State Bank Commissioner is a fee funded agency, with a majority of its expenditures utilizing the Bank Commissioner Fee Fund. The fee fund is essentially divided into two sub-funds: one that funds the banking division and one that funds the consumer and mortgage lending division. In FY 2021, actual expenditures from the Bank Commissioner Fee Fund for the banking division were \$6.6 million. The agency's revised estimate in FY 2022 includes \$7.8 million in expenditures from this fund, which is an increase of \$1.2 million. The increase is primarily related to salaries and wages expenditure increases due to several resignations and retirements in FY 2021, with the agency replacing those positions with newer hires at lower salaries. The increase also represents an additional \$259,949 for expenditures related to technology-enabled fiduciary financial institutions (TEFFIs), which the agency anticipates occurring in FY 2022.

BANK COMMISSIONER FEE FUND - CONSUMER CREDIT



Expenditures from the Bank Commissioner Fee Fund for the consumer and mortgage lending division were \$3.9 million in FY 2021. The agency's revised estimate includes \$4.1 million in expenditures, which is an increase of \$189,624, in FY 2022. Similar to those in the banking division, these increase are primarily related to the having lost several employees in FY 2021, as the agency did not utilize the full amount appropriated for salaries and wages expenditures in FY 2021.

BANK COMMISSIONER FEE FUND



* For FY 2023, the lowest month ending balance for the Bank Commissioner Fee Fund will occur in June, with a balance of \$2.6 million.

The Bank Commissioner Fee Fund is funded in part by assessments on state-chartered banks and trust companies. Revenues of the Fund are generated by fee income through the Bank and Trust Regulation and Consumer and Mortgage Lending Regulation programs. Banking revenues are in the form of assessments paid by state-chartered banks and trust companies to provide operating funds, pursuant to KSA 9-1703. The OSBC employs a four-tier rate schedule for determining assessment fees. The agency states that predicting application revenue each year is difficult because the level of revenues received is dependent solely on the submission of applications. The OSBC collects fees three times a year. It collects half of a bank's assessment in July, one-quarter in January, and the final quarter in May.

FIGURE 8
BANK AND TRUST DIVISION
BANK ASSESSMENT RATES (PER MILLION), FY 2022

License	Current Fee	Statutory Limit	Authority
Assets Less Than \$500,000	\$ 0.160	\$ N/A	KSA 9-1703
Assets Greater Than \$500,000 to \$1,000,000	0.135	N/A	KSA 9-1703
Assets Greater Than \$1,000,000	0.090	N/A	KSA 9-1703

FIGURE 9
BANK AND TRUST DIVISION
TRUST ASSESSMENT RATES (PER MILLION), FY 2022

License	Current Fee	Statutory Limit	Authority
Inactive Trusts	\$ 100	\$ N/A	KSA 9-1703
Trusts Less Than or Equal to \$1,000,000	1,000	N/A	KSA 9-1703
Trusts Greater Than \$1,000,000 up to \$10,000,000	2,500	N/A	KSA 9-1703
Trusts Greater Than \$10,000,000 up to \$50,000,000	3,300	N/A	KSA 9-1703
Trusts Greater Than \$50,000,000 up to \$100,000,000	4,000	N/A	KSA 9-1703
Trusts Greater Than \$100,000,000 up to \$500,000,000	5,000	N/A	KSA 9-1703
Trusts Greater Than \$500,000,000 up to \$1,000,000,000	5,800	N/A	KSA 9-1703
Trusts Greater Than \$1,000,000,000 up to \$2,000,000,000	7,500	N/A	KSA 9-1703
Trusts Greater Than \$2,000,000,000 up to \$5,000,000,000	14,500	N/A	KSA 9-1703

FIGURE 10
CONSUMER AND MORTGAGE LENDING DIVISION
LICENSURE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Company new or renewal license for principal place of business*	\$ 400	\$ N/A	KSA 9-1726
Company new or renewal license for branch office	100	N/A	KSA 9-1726
Loan originator new license	100	N/A	KSA 9-1726
Loan originator renewal license	50	N/A	KSA 9-1726
Annual licensing fee** (per \$100,000)	2.00 – 6.00	N/A	KSA 9-1726
Annual licensing fee** (per loan)	0.20 – 2.50	N/A	KSA 9-1726
Notification location fee	25	N/A	KSA 9-1726
Notification volume fee (per loan)	5.00 – 15.00	N/A	KSA 9-1726

*Credit Services Organization renewal license fee is \$150.

**Certain credit transactions are assessed on a per loan basis and others on dollar volume based on the type of the transaction.

FY 2022 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 12,190,773	\$ 12,190,773	110.0
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 12,190,773</i>	<i>\$ 12,190,773</i>	<i>110.0</i>
Agency Revised Estimate:				
2. Supplemental – Board Member Per Diem Increase	\$ -	\$ 12,420	\$ 12,420	-
3. Supplemental – Funding Merit-based Salary Increases	-	150,304	150,304	-
4. Decreased Salaries Related to Retention Issues	-	(239,739)	(239,739)	-
5. Decreased Travel-related Expenditures	-	(136,782)	(136,782)	-
6. All Other Adjustments	-	63,200	63,200	-
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 12,040,196</i>	<i>\$ 12,040,176</i>	<i>110.0</i>
Governor's Recommendation:				
7. Supplemental – Board Member Per Diem Increase	\$ -	\$ (12,420)	\$ (12,420)	-
8. Supplemental – Funding Merit-based Salary Increases	-	(150,304)	(150,304)	-
TOTAL	\$ -	\$ 11,877,472	\$ 11,877,452	110.0

LEGISLATIVE APPROVED

The 2021 Legislature approved \$12.2 million, all from special revenue funds, for the Office of the State Bank Commissioner for FY 2022. There were no subsequent adjustments to the approved amount.

1. **NO CHANGES.** The OSBC is a wholly fee-funded agency, and as such they do not receive funding from the State General Fund. Therefore, there were no reappropriations or other subsequent adjustments made to the approved amount.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$12.0 million, all from special revenue funds, for expenditures in FY 2022. This is an all funds decrease of \$150,597 below the FY 2022 approved amount. The agency estimate includes the following adjustments:

2. **SUPPLEMENTAL—BOARD MEMBER PER DIEM INCREASE.** The agency's request includes \$12,420, all from special revenue funds, to increase the per diem rate paid to State Banking Board members from \$35.00 to \$150.00 per day of actual attendance of any board meeting. Board member compensation was last adjusted in 1974 through the enactment of KSA 75-3223, which set a daily rate of \$35.00. *Staff Note:* For more information on per diem compensation, please see Topic 1.
3. **SUPPLEMENTAL—FUNDING FOR MERIT-BASED SALARY INCREASES.** The agency's request also includes \$150,304, all from special revenue funds, to provide funding for merit-based salary increases. The agency has traditionally provided salary

increases for its employees through a merit-based system based off of yearly performance reviews.

4. **DECREASED SALARIES AND WAGES EXPENDITURES RELATED TO RETENTION ISSUES.** The agency's request includes a decrease of \$239,739 in salaries and wages expenditures. During FY 2021, the agency experienced several resignations of senior employees and two retirements. As these senior staff leave, the agency has hired new employees at a lower pay rate and with lower benefits.
5. **DECREASED TRAVEL-RELATED EXPENDITURES.** The agency traditionally engages in several in-person activities such as trainings and bank examinations. Originally, the agency anticipated resuming travel in FY 2021, however due to the current state of the COVID-19 pandemic, it anticipates resuming travel in January 2022.
6. **ALL OTHER ADJUSTMENTS.** Over the last several years, the agency has shifted to more virtual operations. As such, the agency anticipates increased expenditures for office equipment as its Lenexa and Wichita offices are remodeled.

The **agency** estimate also includes 110.0 FTE positions, which is the same as the approved number.

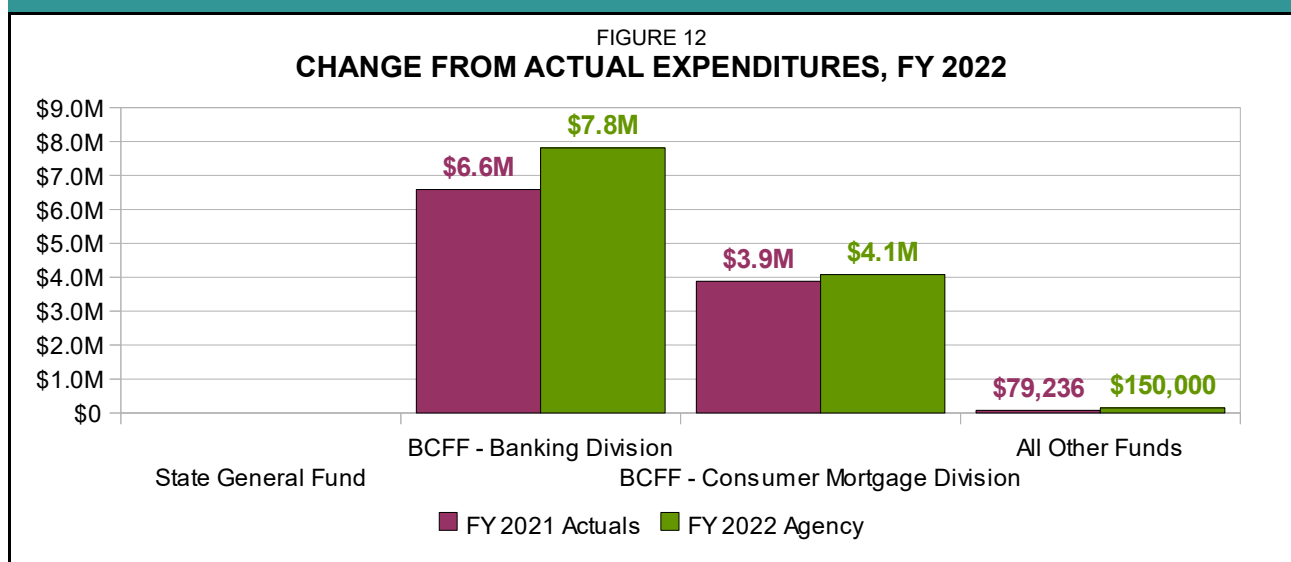
GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$11.9 million, all from special revenue funds, for FY 2022 expenditures. This is a decrease of \$162,724, or 1.4 percent, below the agency's FY 2022 revised estimate. The Governor's recommendation includes the following adjustments:

7. **SUPPLEMENTAL—BOARD MEMBER PER DIEM INCREASE.** The Governor did not recommend the agency's request to increase the Board Member per diem rate. *Staff note:* For more information on per diem compensation, please see Topic 1.
8. **SUPPLEMENTAL—FUNDING FOR MERIT-BASED SALARY INCREASES.** The Governor did not recommend the agency's request to provide funding for merit-based salary increases.

The **Governor's** recommendation also includes 110.0 FTE positions, which is the same as the agency's FY 2022 revised estimate number.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The Office of the State Bank Commissioner estimates revised expenditures of \$12.0 million, all from special revenue funds, in FY 2022. This is an all funds increase of \$1.5 million above FY 2021 actual expenditures. This increase is primarily due to the decreases in FY 2021 for travel related to the pandemic, as well as decreases related to the loss of long-term employees.

- LONG-TERM EMPLOYEE RETENTION.** The agency's estimate includes a special revenue fund increase of \$629,642 for salaries and wages expenditures across all of its programs. These increases are related to the resignation and retirement of several long-term employees in FY 2021. As such, the agency hired new employees for those positions at lower pay rates and fringe benefits.
- RESUMPTION OF TRAVEL EXPENDITURES.** Outside of the increases in salaries and wages, the agency anticipates increased travel-related expenditures. For the banking division, examiners traditionally travel for trainings as well as in-person bank examinations. The agency originally anticipated resuming some of these activities in FY 2021. However, due to the current state of the COVID-19 pandemic, the agency has revised that timeline to resume activities in January 2022.
- CONSUMER AND MORTGAGE LENDING DIVISION.** Additionally, the agency increased the grants it provides to independent organizations to provide financial educational programs. The agency had already anticipated providing increased grants in FY 2022, but increased its grants in the revised estimate in order to utilize the revenue it plans to collect in FY 2022.

FY 2023 ANALYSIS

FIGURE 13
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 12,749,189	\$ 12,749,189	110.0
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 12,749,189</i>	<i>\$ 12,749,189</i>	<i>110.0</i>
Agency Request:				
2. Enhancement – Board Member Per Diem Increase	\$ -	\$ 12,420	\$ 12,420	-
3. Enhancement – Funding Merit-based Salary Increase	-	154,736	154,736	-
4. Decreased Salaries Related to Retention Issues	-	(570,567)	(570,567)	-
5. All Other Adjustments	-	58,663	58,663	-
<i>Subtotal—Agency Estimate</i>	<i>\$ -</i>	<i>\$ 12,404,441</i>	<i>\$ 12,404,441</i>	<i>110.0</i>
Governor's Recommendation:				
6. Enhancement – Board Member Per Diem Increase	\$ -	\$ (12,420)	\$ (12,420)	-
7. Enhancement – Funding Merit-based Salary Increase	-	(154,736)	(154,736)	-
TOTAL	\$ -	\$ 12,237,285	\$ 12,237,285	110.0

LEGISLATIVE APPROVED

The 2021 Legislature appropriated \$12.6 million, all from special revenue funds, to the Office of the State Bank Commissioner for FY 2023. There were no subsequent adjustments to the appropriated amount.

1. **NO CHANGES.** The OSBC is a wholly fee-funded agency, and as such they do not receive funding from the State General Fund. Therefore, there were no subsequent adjustments made to the approved amount.

AGENCY REQUEST

The **agency** requests a revised estimate of \$12.4 million, all from special revenue funds, for expenditures for FY 2023. This is an all funds decrease of \$344,748 below the FY 2023 approved amount. The agency request includes the following adjustments:

2. **ENHANCEMENT—BOARD MEMBER PER DIEM INCREASE.** The agency's revised estimate includes \$12,420, all from special revenue funds, to continue the FY 2021 increase of the per diem rate paid to State Banking Board members from \$35.00 to \$150.00 per day of actual attendance of any board meeting. *Staff Note:* For more information on per diem compensation, please see Topic 1.
3. **ENHANCEMENT—FUNDING FOR MERIT-BASED SALARY INCREASES.** The agency's revised estimate also includes \$154,736, all from special revenue funds, to continue the merit-based salary increases the agency anticipates providing for FY 2023.

4. **DECREASED SALARIES AND WAGES EXPENDITURES RELATED TO RETENTION ISSUES.** The agency's revised estimate includes a decrease of \$570,567 in salaries and wages expenditures. Since the OSBC is a biennial agency, the 2021 Legislature approved a FY 2023 budget for the agency. As such, that approved budget anticipated salary and wages for several long-term employees, who resigned or retired in FY 2021. Similar to the revised FY 2022 estimate, the agency has subsequently hired new employees at a lower pay rate and lower benefits.
5. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes several small adjustments related to the approved budget. Included among these changes are decreases associated with decreased rent for the Lenexa and Wichita offices. As with FY 2022, the agency increased its funding for educational grants to utilize the revenue it plans to collect in FY 2023.

The **agency** estimate also includes 110.0 FTE positions, which is the same as the approved number.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$12.2 million, all from special revenue funds, for FY 2023 expenditures. This is a decrease of \$167,156, or 1.4 percent, below the agency's FY 2023 revised estimate. The **Governor's** recommendation includes the following adjustments:

6. **SUPPLEMENTAL—BOARD MEMBER PER DIEM INCREASE.** The Governor did not recommend the agency's request to increase the Board Member per diem rate. *Staff note:* For more information on per diem compensation, please see Topic 1.
7. **SUPPLEMENTAL—FUNDING FOR MERIT-BASED SALARY INCREASES.** The Governor did not recommend the agency's request to provide funding for merit-based salary increases. However, the agency would be included in the Governor's 5.0 percent increase for all executive branch employees for FY 2023, should the increase be adopted by the Legislature.

The **Governor's** recommendation also includes 110.0 FTE positions, which is the same as the agency's FY 2023 revised estimate number.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

REQUEST 1

SUPPLEMENTAL REQUESTS

The agency requests \$162,724, all from special revenue funds, for two salaries and wages related supplementals in FY 2022. The first request relates to merit-based salary increases, while the second is an increase in State Banking Board per diem rates.

Item	Supplemental Requests			
	Agency Recommendation		Governor's Recommendation	
	SGF	All Funds	SGF	All Funds
Merit-based Salary Increases	\$ -	\$ 150,304	\$ -	\$ -
Board Member per diem Increase	-	12,420	-	-
TOTAL	\$ -	\$ 162,724	\$ -	\$ -

FUNDING FOR MERIT-BASED SALARY INCREASES. The agency's request also includes \$150,304, all from special revenue funds, in FY 2022 for merit-based salary increases. The agency has traditionally provided salary increases for its employees through a merit-based system based on yearly performance reviews. The agency reports that it has historically faced high staff turnover related to competition from the private sector, and believes that merit-based increases assist in the retention of employees.

During the 2021 Legislative Session, the agency indicated that it had an understanding with a previous administration to allow for for merit-based increases when employees shifted from classified to unclassified status in 2012. While KSA 75-3135a allows the Bank Commissioner to establish a salary scheduled for unclassified positions, that schedule is subject to the approval of the governor and acts of appropriation.

The Governor does not recommend adoption of this request.

BOARD MEMBER PER DIEM INCREASE. The agency's request includes \$12,420, all from special revenue funds, to increase the per diem rate paid to State Banking Board members from \$35.00 to \$150.00 per day of actual attendance of any board meeting. Board member compensation was last adjusted in 1974 through the enactment of KSA 75-3223, which set a daily rate of \$35.00.

During the 2021 Legislative Session, the agency requested 2021 SB 299 be introduced, which would provide the Bank Commissioner the authority to increase the daily per diem rate between \$100.00 and \$150.00. The bill was referred to the Senate Committee on Ways and Means. *Staff note:* For more information on per diem compensation, please see Topic 1.

The Governor does not recommend adoption of this request.

REQUEST 2

ENHANCEMENT REQUESTS

The agency requests \$167,156, all from special revenue funds, for the continuation of two salaries and wages related supplementals from FY 2022 into FY 2023. The first request relates to merit-based salary increases, while the second is an increase in State Banking Board per diem rates.

Item	Enhancement Requests			
	Agency Recommendation		Governor's Recommendation	
	SGF	All Funds	SGF	All Funds
Funding Merit-based Salary	\$ -	\$ 154,736	\$ -	\$ -
Increases				
Board Member Per Diem	-	12,420	-	-
Increase				
TOTAL	\$ -	\$ 167,156	\$ -	\$ -

FUNDING FOR MERIT-BASED SALARY INCREASES. The agency's request also includes \$154,736, all from special revenue funds, to continue merit-based salary increases it provided in FY 2022. The agency has traditionally provided salary increases for its employees through a merit-based system based on yearly performance reviews. The agency reports that it has historically faced high staff turnover related to competition from the private sector, and believes that merit-based increases assist in the retention of employees.

The Governor does not recommend adoption of this request.

BOARD MEMBER PER DIEM INCREASE. The agency's request includes \$12,420, all from special revenue funds, to increase the per diem rate paid to State Banking Board members from \$35.00 to \$150.00 per day of actual attendance of any board meeting. Board member compensation was last adjusted in 1974 through the enactment of KSA 75-3223, which set a daily rate of \$35.00.

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The Governor does not recommend adoption of this request.

SPECIAL TOPICS

TOPIC 1

BOARD MEMBER PER DIEM COMPENSATION RATES

Generally, the compensation for board members is set in a specific statute that authorizes members of a board to receive compensation (as shown in the below example). Those specific statutes refer to a general statute outlining the rates of pay for per diem compensation, as well as allowances for subsistence, mileage, and other actual expenses. As an example, KSA 74-1607, the specific statute for the Board of Pharmacy, states:

Members of the state board of pharmacy attending meetings of such board, or attending a subcommittee meeting thereof authorized by such board, shall be paid compensation, subsistence allowances, mileage and other expenses **as provided in KSA 75-3223** [emphasis added].

Rather than include all of the specific details as to how much and when compensation is provided, such a specific statute refers to another more general statute that provides detail. Specific statutes for several boards are provided below. Currently, there are two main statutes to which State Banking Board specific statutes refer: KSA 75-3223 and KSA 75-3212.

COMPENSATION, INCLUDING PER DIEM RATE (KSA 75-3223)

KSA 75-3223 provides that, when a law directs compensation for a board member, the compensation shall be \$35.00 for each day of actual attendance of any meeting or subcommittee meeting. The statute does not allow salaried state officers or employees to receive per diem compensation, unless that individual is a member of the Legislature. The statute allows for members of the Legislature to receive their standard per diem rate of \$88.66 for session by referencing KSA 75-3212.

Subsections (b), (c), and (d) allow board members to receive subsistence allowances, mileage, and “actual and necessary” expenses. Generally, for the members of the Legislature, these subsections do not differentiate between a non-legislator and a legislator; However subsection (b) does allow members of the Legislature to receive subsistence allowances at the same rate they would normally.

Subsection (e) provides that when a board member is directed to receive amounts pursuant to subsection (e), that those members shall receive subsistence allowances, mileage, and expenses, but not the \$35.00 per diem compensation. Boards that generally invoke this section are advisory committees that are focused on specific topics and areas. The subsection does provide that members of the Legislature shall also receive their daily per diem rate of \$88.66.

COMPENSATION INCLUDING PER DIEM RATE (KSA 75-3212)

KSA 75-3212 is structured similarly to KSA 75-3223 in that it authorizes a \$35.00 per diem compensation rate, subsistence allowances, mileage, and “actual and necessary” expenses. The main difference between the two is that KSA 75-3212 specifically provides members of the Legislature receive the per diem rate received during session and specified in KSA 46-137a, \$88.66.

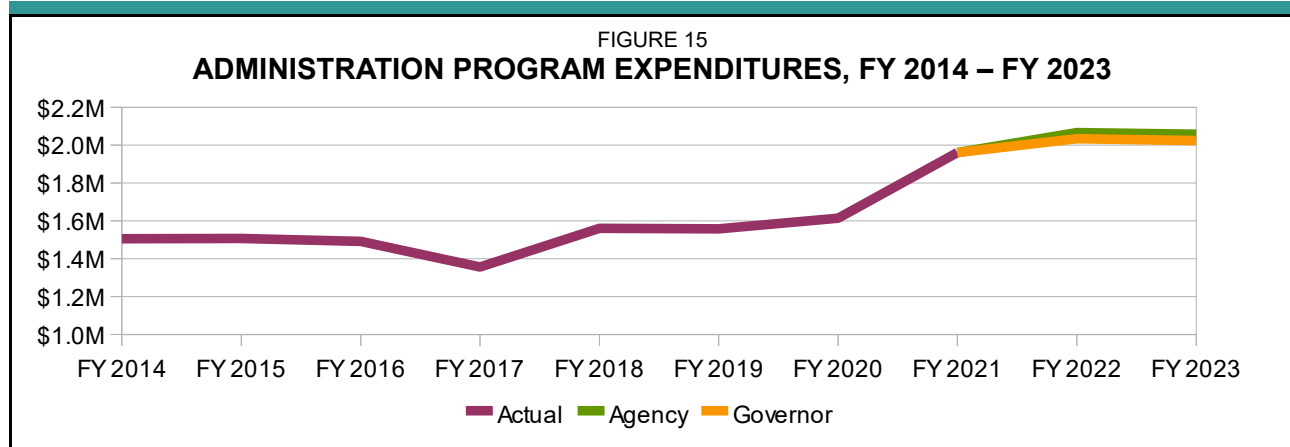
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 14 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 1,961,145	\$ 2,066,453	\$ 2,033,731	\$ 2,058,295	\$ 2,024,589
Bank and Trust Regulation	5,406,535	6,573,755	6,489,435	6,873,848	6,787,447
Consumer Mortgage Regulation	3,182,611	3,399,968	3,354,286	3,472,298	3,425,249
TOTAL	\$ 10,550,291	\$ 12,040,176	\$ 11,877,452	\$ 12,404,441	\$ 12,237,285
FTE Positions:					
Administration	16.0	16.0	16.0	16.0	16.0
Bank and Trust Regulation	57.0	60.0	60.0	60.0	60.0
Consumer Mortgage Regulation	34.0	34.0	34.0	34.0	34.0
TOTAL	107.0	110.0	110.0	110.0	110.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION PROGRAM



STATUTORY BASIS: • N/A

PROGRAM GOALS:

- Administer OSBC policies.
- Provide fiscal systems and processes, including accounting, budget, and human resources functions.
- Provide legal services in execution of regulatory requirements.

The Administration Program provides support for the supervisory and regulatory functions of the OSBC. This program encompasses many functions, including administering and formulating OSBC policies; administering fiscal systems and processes, including formulation of the OSBC budget; providing legal services to

staff in their execution of regulatory requirements; administering the human resource functions of recruitment, payroll, and benefits for employees of the OSBC; supporting information technologies utilized by the OSBC; and resolving banking complaints and inquiries from consumers.

FIGURE 16
**ADMINISTRATION PROGRAM,
PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Performance Measures:					
There are no performance measures for this program					
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	278	236		-	-
All Other Funds	1,614,678	1,960,909		2,033,731	2,024,589
TOTAL	\$ 1,614,956	\$ 1,961,145		\$ 2,033,731	\$ 2,024,589
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(1.1%)	14.1 %		3.7 %	(0.4) %
FTE Positions	16.0	16.0		16.0	16.0

BUDGET ANALYSIS

The Administration Program performs the administration functions of the agency, and as such, this program does not have performance measures. The revised estimate for expenditures in the Administrative program are highlighted below.

FY 2022 REVISED ESTIMATE

The **agency's** revised estimate includes \$2.1 million, all from special revenue funds, for expenditures in the program in FY 2022. This is an increase of \$30,911 above the amount approved by the 2021 Legislature. The revised estimate includes 16.0 FTE positions, which is the same as the approved number:

- The revised estimate for the Administration Program includes decreased salaries and wages expenditures, due to the retirements and resignations effecting the agency as a whole; and
- There were some increases in contractual services expenditures for computer software rental.

The **Governor** recommends \$2.0 million, all from special revenue funds, for Administration

program expenditures in FY 2022. This is a decrease of \$32,722, or 1.6 percent, below the agency's revised estimate, which is due to the Governor not recommending the agency's supplemental requests.

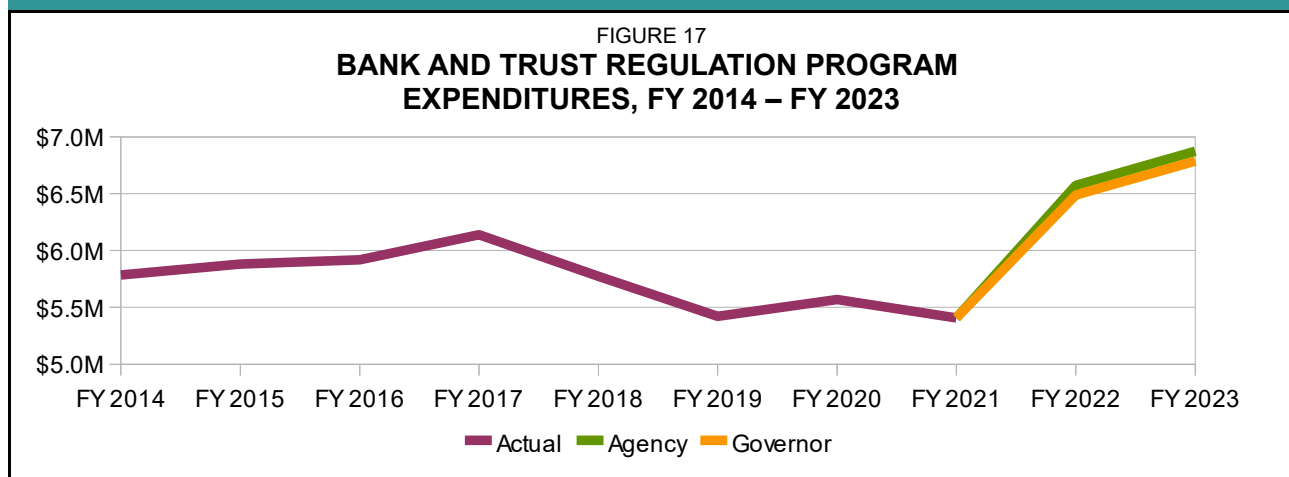
FY 2023 REVISED ESTIMATE

The **agency's** revised estimate includes \$2.1 million, all from special revenue funds, for expenditures in the program in FY 2023. This is a decrease of \$26,248 below the amount approved by the 2021 Legislature. The revised estimate includes 16.0 FTE positions, which is the same as the approved number.

The revised estimate has changes similar to those the agency anticipates in FY 2022, including the decrease salaries and wages expenditures, and the increases associated with software fees.

The **Governor** recommends \$2.0 million, all from special revenue funds, for Administration program expenditures for FY 2023. This is a decrease of \$33,706, or 1.7 percent, below the agency's revised estimate, which is due to the Governor not recommending the agency's enhancement requests.

BANK AND TRUST REGULATION PROGRAM



STATUTORY BASIS: • KSA 9-1701; KSA 75-1304; and KSA 74-3004

PROGRAM GOALS:

- Shorten examination turn-around time.
- Maintain Conference of State Bank Supervisor (CSBS) accreditation.
- Increase the number of remote examinations preformed.

The Bank and Trust Regulation program is responsible for oversight and supervision of all state-chartered banks and trust departments, trust companies, and money transmitter companies. Total assets supervised in banks and trust entities are approximately \$121.2 billion. Assets of state-chartered banks in FY 2020 included \$2.8 billion in loans originated

through the federal Paycheck Protection Program (PPP), as provided in the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. Outside of increasing the total assets of state-chartered banks, the agency has indicated it anticipates the funds will not have an impact on agency operations.

FIGURE 18
**BANK AND TRUST REGULATION PROGRAM,
PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Average regulatory cost incurred per bank examination*	\$ 33,572	\$ 37,606	\$ 34,261	\$ 43,515	\$ 49,607
2.Average regulatory cost incurred per trust examination*	\$ 6,890	\$ 6,628	\$ 6,460	\$ 6,708	\$ 6,842
3.Percent of independent bank exams with turn-around time of less than 30 days in fiscal year*	24.6 %	93.3 %	39.9 %	95.0 %	95.0 %
4.Percent of independent trust exams with turn-around time of less than 30 days in fiscal year*	50.0 %	100.0 %	52.1 %	95.0 %	95.0 %
Output Measure:					
5.Number of bank exams (joint and independent)	69	66	68	64	62
6.Number of trust exams	18	14	16	17	18
Additional Measures:					
7.Number of state-chartered banks	187	183	187	177	173
8.Number of problem banks	15	8	12	9	10

Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	5,421,219	5,406,535		6,489,435	6,787,447
TOTAL	<u>\$ 5,421,219</u>	<u>\$ 5,406,535</u>		<u>\$ 6,489,435</u>	<u>\$ 6,787,447</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(6.1) %	(0.3) %		20.0 %	4.6 %
FTE Positions	55.0	57.0		60.0	60.0

*The Governor's Office does not utilize this measure for evaluation purposes.

PERFORMANCE AND BUDGET ANALYSIS

The Bank and Trust Regulation Program comprises the largest portion of the agency. Expenditures for the program have largely remained the same for the last several years. However, expenditures are anticipated to increase due to the passage of Senate Sub for HB 2074 during the 2021 Legislative Session, and the establishment of a new category of banks known as technology-enabled fiduciary financial institutions (TEFFIs).

TECHNOLOGY-ENABLED FIDUCIARY FINANCIAL INSTITUTIONS

The agency has issued a conditional charter to Beneficient Fiduciary Financial on July 1, 2021. The chart allows for the OSBC to continue to develop the rules and regulations prior to allowing Beneficient Fiduciary Financial to conduct business transactions. This is the first and only TEFFI, and as such, the agency does not have any data or statistics concerning examination and regulation of TEFFIs.

MERGERS AND ACQUISITIONS OF STATE-CHARTERED BANKS

Over the last several years, the OSBC has experienced an increase in the merger and acquisition of state-chartered banks. This results in the continued decrease in the number of state-chartered banks. However, while the number of banks continues to decrease, the assets of these banks continues to rise. The factors result in fewer, but larger banks. As such, the agency reports that the examinations of these banks continue to become more complex as these trends continue.

FY 2022 REVISED ESTIMATE

The **agency's** revised estimate includes \$6.6 million, all from special revenue funds, for expenditures in the program in FY 2022. This is

a decrease of \$82,726 below the amount approved by the 2021 Legislature. The revised estimate includes 60.0 FTE positions, which is the same as the approved number.

The decrease is largely due to reduced travel expenditures for bank examinations and other in-person activities. The agency had originally budgeted to resume those activities at the beginning of FY 2022. However, the agency now anticipates resumption in January 2022.

The **Governor** recommends \$6.5 million, all from special revenue funds, for Bank and Trust Regulation Program expenditures in FY 2022. This is a decrease of \$84,320, or 1.3 percent below the agency's revised estimate, which is due to the Governor not recommending the agency's supplemental requests.

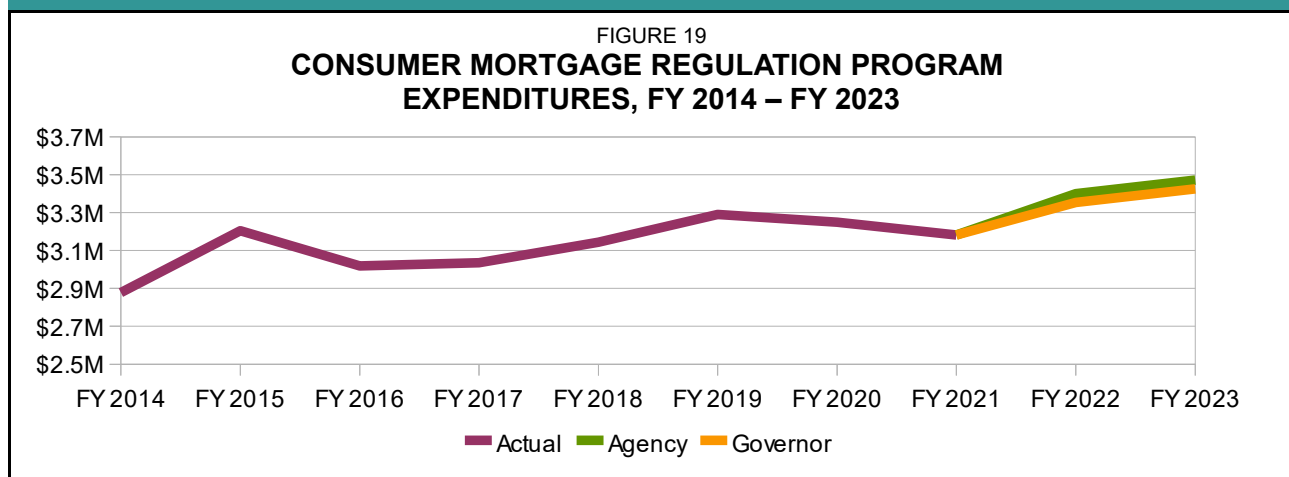
FY 2023 REVISED ESTIMATE

The **agency's** revised estimate includes \$6.9 million, all from special revenue funds, for expenditures in the program in FY 2023. This is a decrease of \$259,511 below the amount approved by the 2021 Legislature. The revised estimate includes 60.0 FTE positions, which is the same as the approved number.

The FY 2023 revised estimate is similar to the changes the agency anticipates in FY 2022. There are decreased travel expenditures associated with the agency shifting some bank examinations to a virtual setting.

The **Governor** recommends \$6.9 million, all from special revenue funds, for Bank and Trust Regulation program expenditures for FY 2023. This is a decrease of \$86,401, or 1.3 percent below the agency's revised estimate, which is due to the Governor not recommending the agency's enhancement requests.

CONSUMER MORTGAGE REGULATION PROGRAM



STATUTORY BASIS: • KSA 9-2209; KSA 16a-6-104; KSA 50-1116; and KSA 9-509

PROGRAM GOALS:

- Conduct periodic examinations of regulated entities.
- Promote lawful business practices by informing licensees of their compliance responsibilities.
- Earn CSBS Accreditation of Mortgage and Money Service Business Programs.

The Consumer Mortgage Regulation Program is responsible for the oversight and supervision of consumer credit lenders, mortgage lenders and brokers, debt management companies, sales finance companies, and other credit providers, with approximately \$18.0 billion in loans to Kansas consumers. This program's duties include promoting reasonable regulation to foster a competitive credit marketplace;

enforcing laws to discourage unscrupulous or illegal credit activities; licensing and regulating consumer and mortgage credit providers; conducting examinations to promote lawful credit practices and adherence to state and federal laws; investigating consumer complaints; and facilitating consumer education and awareness of credit issues.

FIGURE 20
**CONSUMER MORTGAGE REGULATION PROGRAM,
PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of scheduled exams completed within the agency's established/scheduled time frame of 36-48 months*	75.0 %	87.0 %	80.7 %	87.0 %	89.0 %
2. Percent of completed initial examinations within 6 months of an entity licensing with the agency*	39.0 %	48.0 %	57.0 %	50.0 %	60.0 %
3. Average regulatory cost incurred per CML regulated entity examination*	\$ 3,993	\$ 3,657	\$ 3,941	\$ 3,478	\$ 3,478
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	3,249,573	3,182,611		3,354,286	3,425,249
TOTAL	\$ 3,249,573	\$ 3,182,611		\$ 3,354,286	\$ 3,425,249
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	1.3 %	(2.1) %		5.4 %	-- %
FTE Positions	34.0	34.0		34.0	34.0

*The Governor's Office does not utilize this measure for evaluation purposes.

PERFORMANCE AND BUDGET ANALYSIS

The Consumer Mortgage Regulation Program largely oversees and supervises consumer mortgage regulation, as well as consumer credit activities.

INCREASE IN REGULATED ENTITIES

Over the last several years, the agency has seen an increase in regulated entities. For example, in FY 2020 there were 10,766 entities, however that number increased in FY 2021 to 13,887. Similar to the Bank and Trust Regulation Program, the agency sees an increase in the transaction volume these entities handle. For example, in FY 2019 the total volume of these various loan transactions was \$38.9 billion, and in FY 2020 that increased to \$48.8 billion. Similarly, the Consumer Mortgage Regulation program experiences more complex examinations and is seeing an increase in the number of entities it has to examine.

CONSUMER CREDIT EDUCATION

As part of its mission to protect and educate consumers, the OSBC provides training grants to various organizations to conduct consumer education programs. These programs are generally geared towards students, but some funds are provided to Housing and Credit Counseling, Inc. to provide financial literacy and counseling to consumers.

FY 2022 REVISED ESTIMATE

The **agency's** revised estimate includes \$3.4 million, all from special revenue funds, for expenditures in the program in FY 2022. This is a decrease of \$98,782 below the amount approved by the 2021 Legislature. The revised estimate includes 34.0 FTE positions, which is the same as the approved number.

Similar to other programs, the decrease is largely due to reduced travel expenditures for examinations and other in-person activities. The revised estimate also includes the decreased salaries and wages expenditures present in

other programs, as the agency experienced several resignations and retirements.

The **Governor** recommends \$3.4 million, all from special revenue funds, for Consumer Mortgage Regulation expenditures in FY 2022. This is a decrease of \$45,682, or 1.3 percent, below the agency's revised estimate, which is due to the Governor not recommending the agency's supplemental requests.

FY 2023 REVISED ESTIMATE

The **agency's** revised estimate includes \$3.5 million, all from special revenue funds, for expenditures in the program for FY 2023. This is a decrease of \$58,989 below the amount approved by the 2021 Legislature. The revised estimate includes 34.0 FTE positions, which is the same as the approved number.

The FY 2023 revised estimate is similar to the changes the agency anticipates in FY 2022. The program's salaries and wages expenditures are adjusted to account for the loss of long-term staff in FY 2021 that occurred subsequent to the beginning of the budget cycle. The revised estimate does include an increase in travel-related expenditures as the agency begins resumption of in-person activities.

The **Governor** recommends \$3.5 million, all from special revenue funds, for Consumer Mortgage Regulation expenditures for FY 2023. This is a decrease of \$47,049, or 1.4 percent, below the agency's revised estimate, which is due to the Governor not recommending the agency's enhancement requests.

BOARD OF BARBERING

FY 2021 – FY 2023 BUDGET ANALYSIS

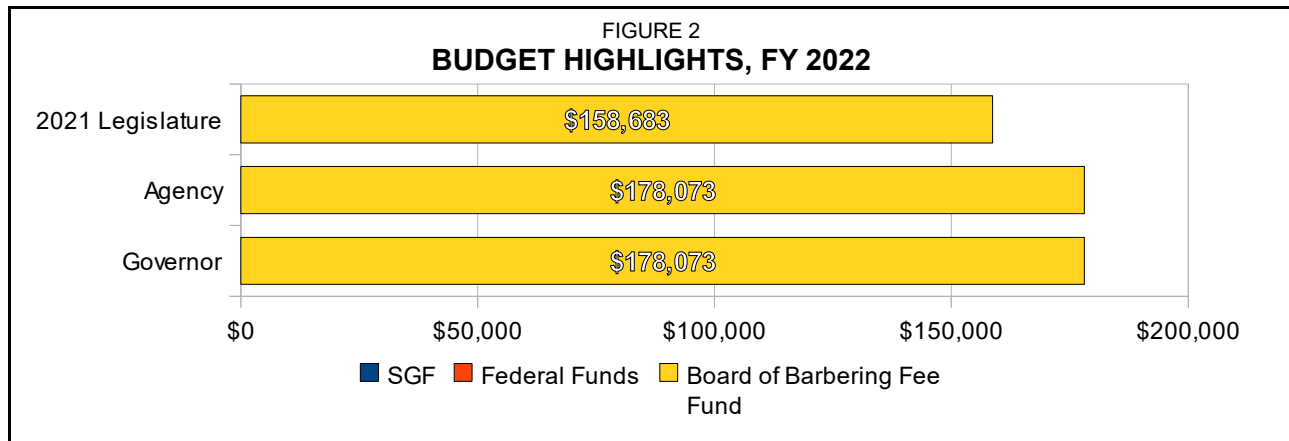
FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	155,776	178,073	178,073	172,840	172,840
<i>Subtotal</i>	<i>\$ 155,776</i>	<i>\$ 178,073</i>	<i>\$ 178,073</i>	<i>\$ 172,840</i>	<i>\$ 172,840</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 155,776	\$ 178,073	\$ 178,073	\$ 172,840	\$ 172,840
Percentage Change:					
State General Fund	--	--	--	--	--
All Funds	12.8 %	14.3 %	14.3 %	(2.9) %	(2.9) %
FTE Positions	2.4	3.1	3.1	3.1	3.1

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The purpose of the Board of Barbering is to protect the health and welfare of the consuming public through enforcement of barber statutes and regulations regarding sanitation in the barber profession; to ensure only qualified and well trained barbers and barber instructors are licensed and to ensure that shops and barber colleges are licensed and operating effectively; to provide supervision and support for the industry, including ensuring effective regulations are in place to allow the Kansas barber industry to be state of the art; to balance fees, fines and costs; to communicate effectively with the profession and the public; and to ensure that the Board and the staff are knowledgeable and well qualified.

EXECUTIVE SUMMARY

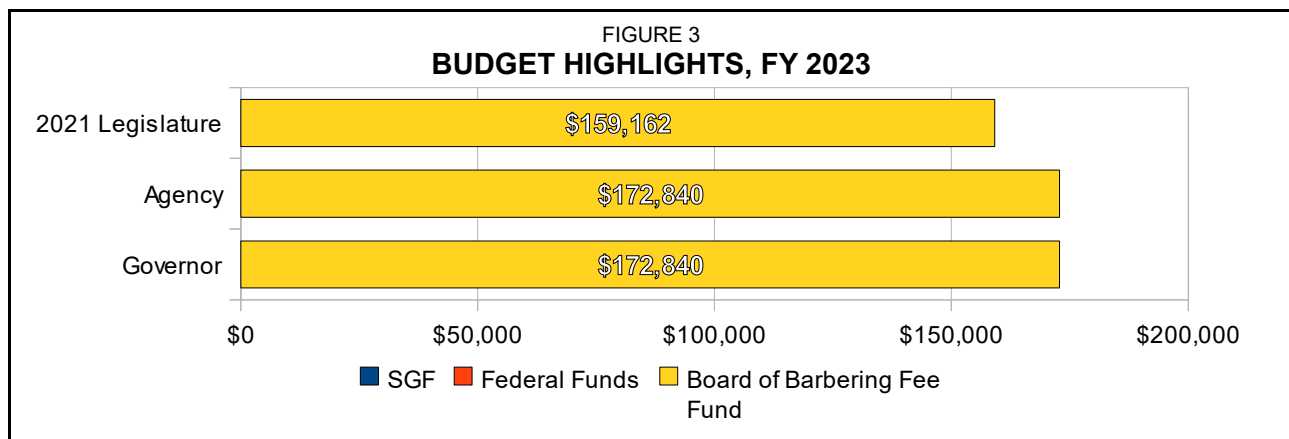
The 2021 Legislature approved a budget of \$158,683, all from the Board of Barbering Fee Fund, for the Board of Barbering for FY 2022.



The **agency** estimates revised operating expenditures of \$178,073, all from the Board of Barbering Fee Fund, in FY 2022. This is an increase of \$19,390, or 12.2 percent, above the amount approved by the 2021 Legislature. This increase in expenditures includes a supplemental request for a Computer Based Testing (CBT) contract the agency signed with an outside vendor. For FY 2022, the agency estimates fees of \$12,702 for the CBT contract.

The agency's revised estimate also includes a supplemental request for computers leases and domain access from the Office of Information Technology Services (OITS), which has increased expenditures by \$2,553. An Administrative Assistant with the agency will be transitioning to a 32-hour work week, up from 24 hours per week, after completing their probationary period. This will increase salaries and wage expenses by \$3,411. Other notable increases include a supplemental request for attorney fees, which increased by \$1,500 per contract with the Office of the Attorney General, and travel expenses that increased by \$1,542.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** estimates revised operating expenditures of \$172,840, all from the Board of Barbering Fee Fund, for FY 2023. This is an increase of \$13,678, or 8.6 percent, above the \$159,162 amount approved for FY 2023.

This increase is primarily due to increases an enhancement request for the CBT contract which increased fees by \$5,800 for FY 2023. The increase is also caused by an enhancement request for OITS domain access and leasing of computers, which increased expenditures by \$3,362. The Board voted to increase the hours for the Administrative Assistant to 32 per week, up from 24 per week. This has increased salary and benefits expenditures by \$3,475. The agency's revised estimate includes increased attorney fees of \$1,500 per contract with the Office of the Attorney General.

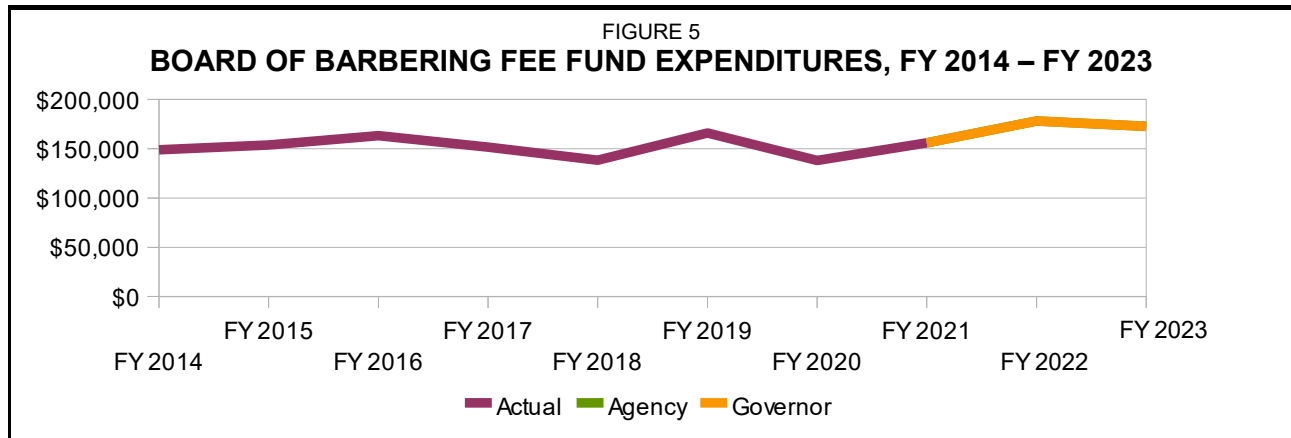
The **Governor** concurs with the agency's FY 2023 revised estimate.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

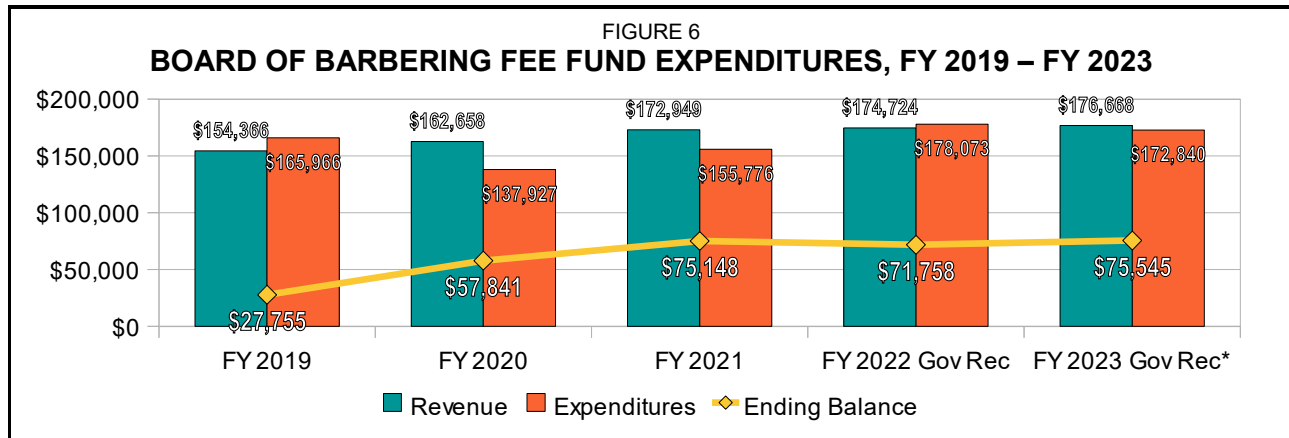
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 122,387	\$ 127,050	\$ 127,050	\$ 127,888	\$ 127,888
Contractual Services	31,820	49,023	49,023	42,952	42,952
Commodities	1,569	2,000	2,000	2,000	2,000
Capital Outlay	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 155,776</i>	<i>\$ 178,073</i>	<i>\$ 178,073</i>	<i>\$ 172,840</i>	<i>\$ 172,840</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 155,776</i>	<i>\$ 178,073</i>	<i>\$ 178,073</i>	<i>\$ 172,840</i>	<i>\$ 172,840</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 155,776	\$ 178,073	\$ 178,073	\$ 172,840	\$ 172,840
Financing:					
State General Fund	\$ --	\$ -	\$ -	\$ -	\$ -
Federal Funds	--	-	-	-	-
Board of Barbering Fee Fund	155,776	178,073	178,073	172,840	172,840
TOTAL	\$ 155,776	\$ 178,073	\$ 178,073	\$ 172,840	\$ 172,840
FTE Positions	2.4	3.1	3.1	3.1	3.1

BOARD OF BARBERING FEE FUND



The Board of Barbering is a fee-funded agency. The revenue received provides financing for all agency operations. KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund. Since 2007, with few exceptions, fees have been at statutory limits.

BOARD OF BARBERING FEE FUND



* For FY 2023, the lowest month ending balance for the Board of Barbering Fee Fund will occur in July, with a balance of \$77,461.

The agency estimates an increase in expenditures in FY 2022 of \$22,297, or 14.3 percent, above FY 2021. This is primarily driven by an increase in contractual services expenditures, which increased by \$17,203, or 54.1 percent. The agency was not invoiced by a private contractor in FY 2021 for a CBT contract. As a result, the agency will be invoiced in FY 2022 for those services, which has increased professional fees by \$12,702 for FY 2022.

Agency expenditures for FY 2020 were \$17,849, or 12.9 percent, lower than FY 2021. The notable decrease in FY 2020 was mainly due to the lack of insurance benefits for the Administrative Assistant and the position being vacant for part of the year in FY 2020.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Barber License (original and renewal)	\$ 80	\$ 80	KSA 65-1817
Restoration of Expired Barber License*	100	100	KSA 65-1817
Barber Examination Fee	100	100	KSA 65-1817
Barber Reciprocity Fee**	180	180	KSA 65-1817
New Shop License	80	80	KSA 65-1817
Shop License Renewal and Inspection Fee	40	40	KSA 65-1817
Barber Instructor License (original and renewal)	40	90	KSA 65-1817
Barber Instructor Examination Fee	170	170	KSA 65-1817
License to Operate Barber School/ College	500	500	KSA 65-1817
Seminar Permit	80	80	KSA 65-1817
Student Learning License	55	55	KSA 65-1817
Duplicate License	5	5	KSA 65-1817

*If the expiration period exceeds three years

** The reciprocity fee is a processing and license fee equal to the examination and license fee.

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 158,683	\$ 158,683	3.1
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 158,683</i>	<i>\$ 158,683</i>	<i>3.1</i>
Agency Revised Estimate:				
2. Supplemental-Computer Based Testing Contract	-	12,702	12,702	
3. Supplemental-OITS Fees	-	2,553	2,553	
4. Administrative Assistant	-	3,411	3,411	
5. Supplemental-Attorney Fees	-	1,500	1,500	
6. Travel	-	1,542	1,542	
7. All Other Adjustments	-	(2,318)	(2,318)	
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 178,073</i>	<i>\$ 178,073</i>	<i>3.1</i>
Governor's Recommendation:				
8. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 178,073	\$ 178,073	3.1

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$158,683 appropriated to the Board of Barbering for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$158,683 appropriated to the Board of Barbering for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised operating expenditures of \$178,073, all from the Board of Barbering Fee Fund, in FY 2022. This is an increase of \$19,390, or 12.2 percent, above the amount approved by the 2021 Legislature.

The **agency** estimate includes the following adjustments:

2. **SUPPLEMENTAL—COMPUTER BASED TESTING CONTRACT.** An outside vendor began administering CBT for the Board of Barbering theory exams in August 2020. The company did not invoice the agency for exam services rendered from August 2020 to August 2021. The oversight was brought to the company's attention by the agency on August 19, 2021. As a result, the agency will have to pay FY 2021 and FY 2022 testing price increases out of the FY 2022 budget. This increases the estimate by \$12,702 in FY 2022.

3. **SUPPLEMENTAL—OITS FEES.** The agency has transitioned onto the Office of Information Technology Services (OITS) domain and leased computers.

This has increased the estimate by \$2,553.

4. **ADMINISTRATIVE ASSISTANT.** The Board voted to increase the Administrative Assistant's hours to 32 hours per week. This increased the agency's expenditure

estimate by \$3,411. This salaries and wages increase is partially offset by decreases in Kansas Public Employees Retirement System (KPERs) payments.

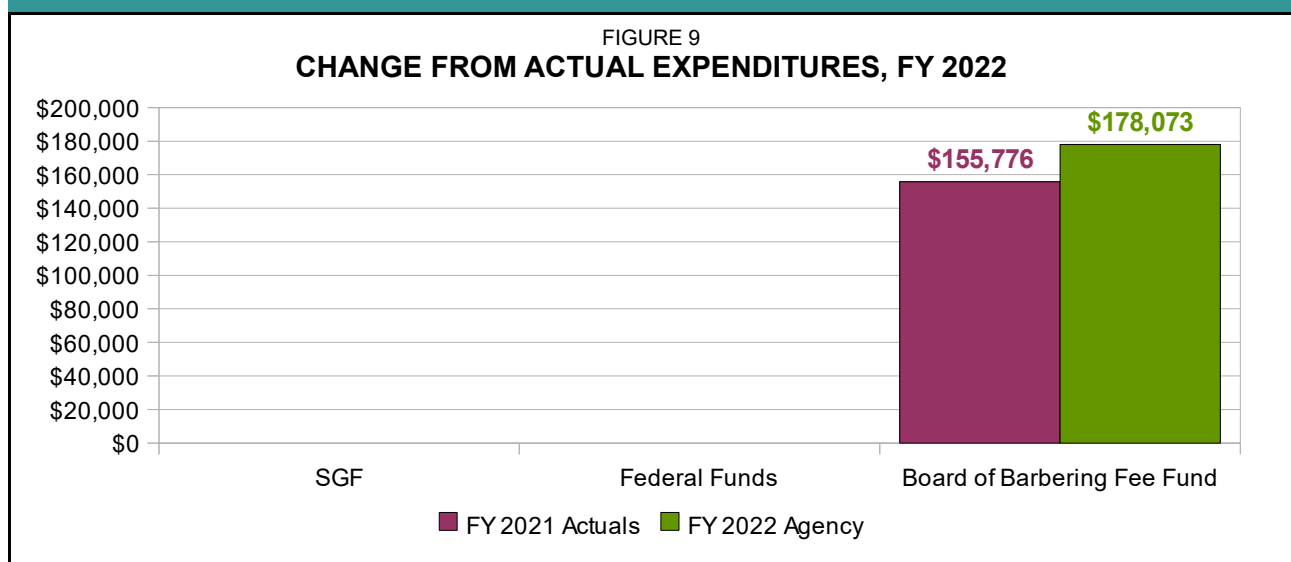
5. **SUPPLEMENTAL—ATTORNEY FEES.** The agency increased its attorney fees estimate by \$1,500 as per the agency's contract with the Office of the Attorney General.
6. **TRAVEL.** The \$1,542 increase for travel is primarily driven by meals and lodging for out-of- state travel.
7. **OTHER ADJUSTMENTS.** The above increases are partially offset by decreased expenditures for KPERs. Expenditures also increased for dues and subscriptions.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2022 revised estimate.

8. **NO CHANGES.** The Governor concurs with the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised FY 2022 expenditures of \$178,073. This is an increase of \$22,297, or 14.3 percent, above the FY 2021 actual expenditures. This increase is primarily due to the agency's supplemental request for a CBT contract. SMT/Prometric, which administers the barbering theory exam via CBT for the Board of Barbering, did not invoice the agency for the period of August 2020 through July 2021. As a result, the agency was invoiced in FY 2022 for services rendered in FY 2021 as well as FY 2022. This caused an increase of \$12,207 in FY 2022.

The agency also increased its expenditure estimate for salaries and wages for FY 2022 by \$4,663 above the FY 2021 actual amounts. This is due to a full year cost of insurance benefits and an increase in hours for the Administrative Assistant from 24 to 32 hours per week.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 159,162	\$ 159,162	3.1
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 159,162	\$ 159,162	--
Agency Request:				
2. Enhancement-Computer Based Testing Contract	-	5,800	5,800	--
3. Enhancement- Attorney Fees	-	1,500	1,500	--
4. Enhancement-OITS Fees	-	3,362	3,362	--
5. Administrative Assistant	-	3,475	3,475	-
6. Membership Dues and Subscriptions	-	1,142	1,142	--
7. All Other Adjustments	-	(1,601)	(1,601)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 172,840	\$ 172,840	3.1
Governor's Recommendation:				
8. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 172,840	\$ 172,840	3.1

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no changes were made to the \$159,162 appropriated to the Board of Barbering for FY 2023.

1. **NO CHANGES.** Subsequent to the 2021 Session, no changes were made to the \$159,162 appropriated to the Board of Barbering for FY 2023.

AGENCY REQUEST

The **agency** estimates revised operating expenditures of \$172,840, all from the Board of Barbering Fee Fund, for FY 2023. This is an increase of \$13,678, or 8.6 percent, above the amount approved by the 2021 Legislature.

The **agency** request includes the following adjustments:

2. **ENHANCEMENT—COMPUTER BASED TESTING CONTRACT.** The agency has contracted with an outside vendor for CBT and moved away from paper tests. This has increased the agency estimate for professional and other fees by \$5,800 for FY 2023.
3. **ENHANCEMENT—ATTORNEY FEES.** The agency increased its estimate for attorney fees by \$1,500 over the approved amount for FY 2023, as per the agency's contract with the Office of the Attorney General.
4. **ENHANCEMENT—OITS FEES.** The agency has transitioned onto the Office of Information Technology Services (OITS) domain and leased computers. This has increased the estimate by \$3,362.
5. **ADMINISTRATIVE ASSISTANT.** The Board voted to increase the Administrative Assistant's hours to 32 hours per week, up from 24 hours per week. This increased the

agency's expenditure estimate by \$3,475. This salaries and wages increase is partially offset by decreases in KPERS payments.

6. **MEMBERSHIP DUES AND SUBSCRIPTIONS.** The agency increased its estimate for membership dues and subscriptions by \$1,142 for FY 2023.
7. **ALL OTHER ADJUSTMENTS.** The agency decreased its estimates in gasoline and computer programming for a combined amount of \$1,601.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2023 revised estimate.

8. **NO CHANGES.** The Governor concurs with the agency's FY 2023 revised estimate.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

The agency has a supplemental request of \$16,755 for FY 2022, and an enhancement request of \$10,662 for FY 2023.

Item	FY 2022	FY 2023	Total
Attorney Fees	\$ 1,500	\$ 1,500	\$ 3,000
OITS Fees	2,553	3,362	5,915
Computer Based Testing Contracts	12,702	5,800	18,502
TOTAL	\$ 16,755	\$ 10,662	\$ 27,417

REQUEST 1 Attorney Fees

The agency increased its attorney fees by \$1,500 as per the agency's contract with the Office of the Attorney General in FY 2022. For FY 2023, the enhancement request is for the same amount of \$1,500.

The Governor concurs with this request.

REQUEST 2 OITS Fees

The agency has transitioned onto the Office of Information Technology Services (OITS) domain and leased computers. This has caused an increase of \$2,553 in FY 2022. For FY 2023, the OITS fees has increased the agency's estimate by \$3,362

The Governor concurs with this request.

REQUEST 3 Computer Based Testing Contract

Starting in FY 2021, the agency moved to CBT from paper testing for its barbering theory exams. Due to an oversight on the part of the vendor, the agency was not billed for FY 2021. As a result, testing expenditures for FY 2022 increased by \$12,702. For FY 2023, the CBT contract has increased the agency's estimate for testing expenditures by \$5, 800.

The Governor concurs with this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

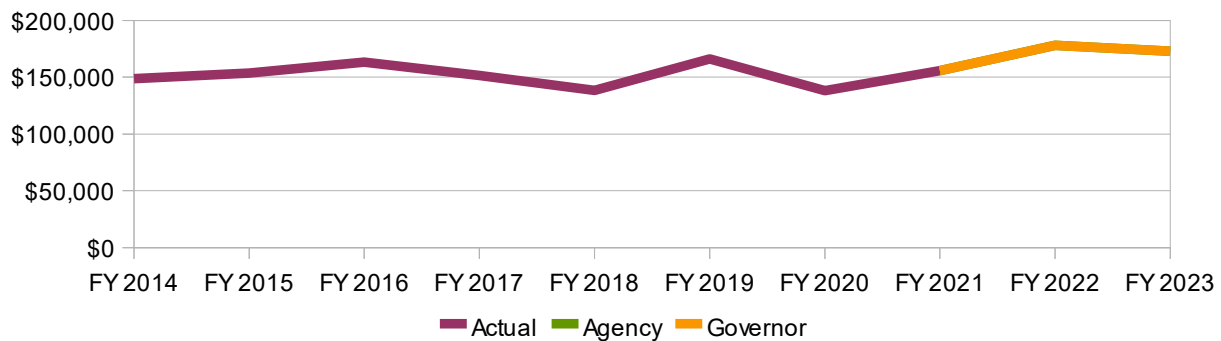
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 155,776	\$ 178,073	\$ 178,073	\$ 172,840	\$ 172,840
FTE Positions:					
A Administration	2.4	3.1	3.1	3.1	3.1

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 65-1801 *et seq.*

PROGRAM GOALS:

- Inspection. Enforcement of existing barber statutes and sanitary regulations through inspection of barber establishments and barber colleges
- Licensing. Ensure that all newly trained barbers have met the statutory qualifications to practice the profession:
 - a) Examine all barber college graduates and applicants to become barber instructors to ascertain skill level before licensing;
 - b) Review all license applications of barbers from reciprocating states to ensure they have met the statutory qualifications;
 - c) Issue new and/or renewal licenses for students, barbers, instructors, barber shops and barber colleges; and
 - d) Review packets submitted by prospective new barber colleges.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of licenses renewed on time*	78.0%	83.4%	81.0%	84.0%	84.0%
2. Number of Examinees*	90	84	84	85	85
3. Percent of barber shops found in violation of statutory and regulatory requirements.	8.0%	7.0%	8.0%	6.0%	5.0%
4. Percentage of barber colleges with sanitation violations	1.0%	0.0%	0.6%	0.0%	0.0%
5. Percent of examinees being licensed	33.0%	23.0%	28.6%	46.0%	51.0%
Output Measure:					
6. Total number of licenses renewed/restored*	1,713	2,132	1,882	2,150	2,168
7. Percentage of examinees being licensed*	-	23.0%	--	46.0%	51.0%
8. Percent of expired licenses restored by licensees	22.0%	16.5%	18.8%	16.0%	13.0%

FIGURE 13

ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	138,050	155,776		178,073	172,840
TOTAL	\$ 138,050	\$ 155,776		\$ 178,073	\$ 172,840
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	16.8 %	12.8 %		14.3 %	(2.9) %
FTE Positions	2.2	2.4		3.1	3.1

*The Governor's Office does not utilize this measure for evaluation purposes.

BEHAVIORAL SCIENCES REGULATORY BOARD

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	856,438	981,995	981,995	988,412	988,412
<i>Subtotal</i>	<u>\$ 856,438</u>	<u>\$ 981,995</u>	<u>\$ 981,995</u>	<u>\$ 988,412</u>	<u>\$ 988,412</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 856,438</u>	<u>\$ 981,995</u>	<u>\$ 981,995</u>	<u>\$ 988,412</u>	<u>\$ 988,412</u>
Percentage Change:					
State General Fund	--	--	--	--	--
All Funds	0.9 %	14.7 %	14.7 %	0.7 %	0.7 %
FTE Positions	9.0	9.5	9.5	9.5	9.5

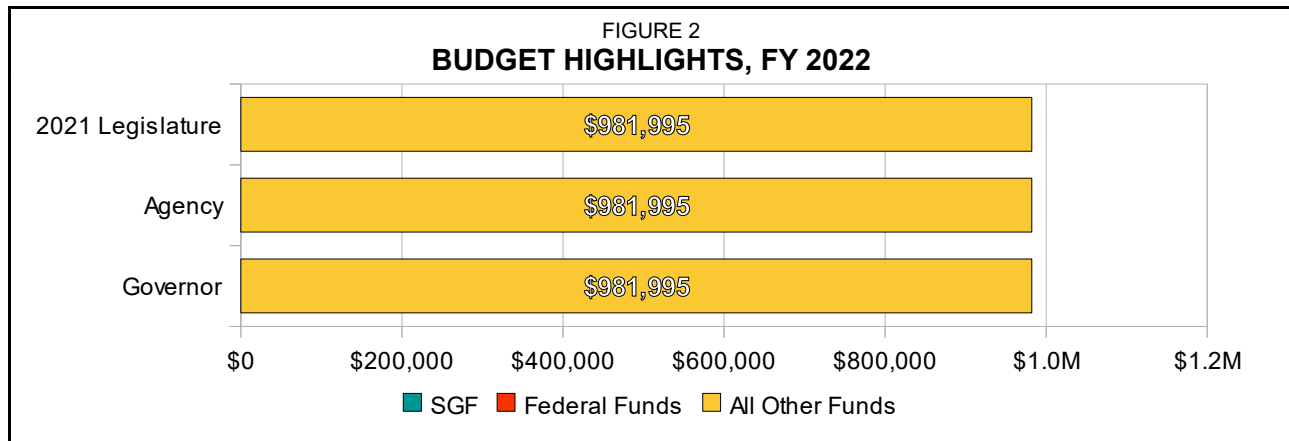
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Behavioral Sciences Regulatory Board's mission, as statutorily established by the Legislature through its enactment of KSA 74-7501, is to protect the public's health, safety and welfare from unlawful or unprofessional practitioners who fall under the Board's jurisdiction. The agency has defined the statutory credentialing qualifications by establishing, through rules and regulations, minimal educational and experiential requirements that applicants seeking credentialing in each of the regulated groups must satisfy before the board grants the applicable credential. The Board has defined statutorily prohibited conduct through rules and regulations and has defined those acts that constitute unprofessional or incompetent practice.

The 12 members of the Board include 2 licensed psychologists, 2 licensed social workers, 1 licensed professional counselor, 1 licensed master's-level psychologist, 1 licensed marriage and family therapist, 1 licensed addiction counselor or licensed clinical addiction counselor, and 4 public members. The Governor appoints all Board members to serve four-year terms.

EXECUTIVE SUMMARY

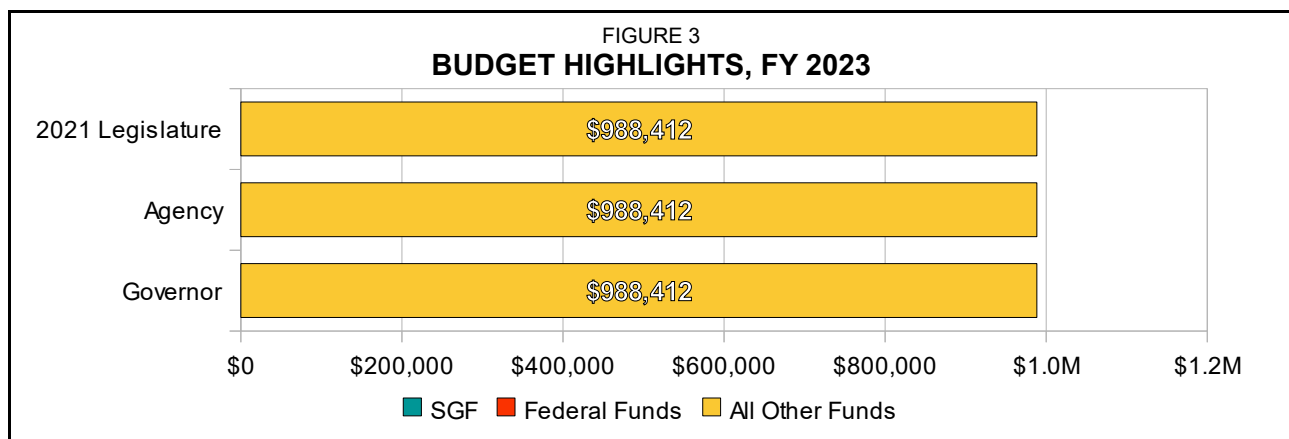
The 2021 Legislature approved a budget of \$981,995, all from special revenue funds, for the Behavioral Sciences Regulatory Board in FY 2022. No adjustments have been made subsequently to that amount.



The **agency** requests a revised estimate of \$981,995, all from special revenue funds, for expenditures in FY 2022. This is same as the FY 2022 approved amount.

The agency estimate also includes 9.5 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests a revised estimate of \$988,412, all from special revenue funds, for expenditures for FY 2023. This is an increase of \$20,350, or 2.1 percent, above the FY 2023 approved amount. The increase is due to continued funding for the licensing specialist position related to the passage of 2021 HB 2066 concerning occupational and professional licensing. The 2021 legislature added the funding in FY 2022 but not for FY 2023.

The agency request also includes 9.5 FTE positions, which is 0.5 FTE positions above the approved amount. The increase is to maintain the agency's current FTE position increase from FY 2022 due to the passage of 2021 HB 2066 concerning occupational and professional licensing.

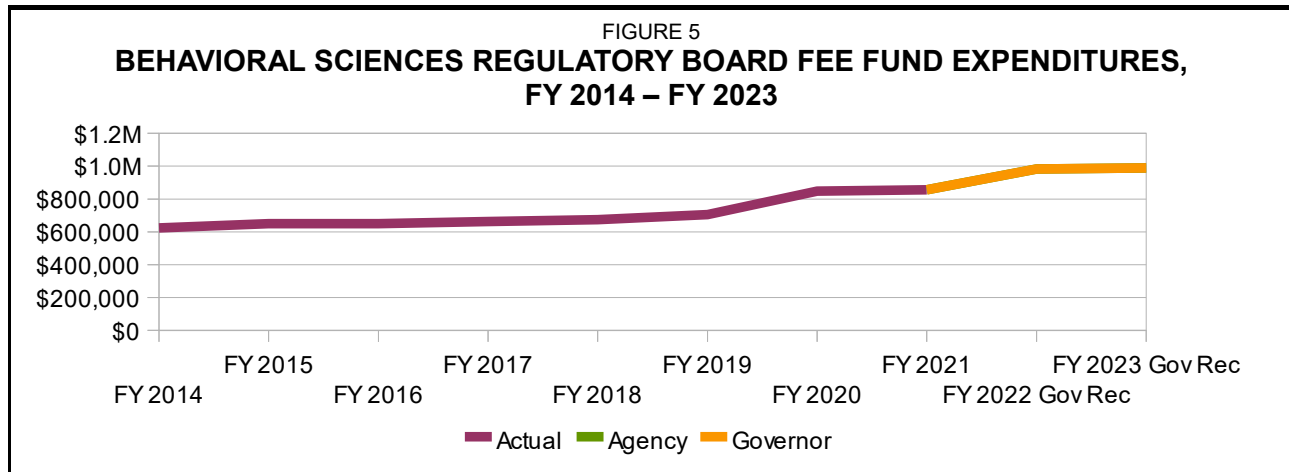
The **Governor** concurs with the agency's FY 2023 revised estimate.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

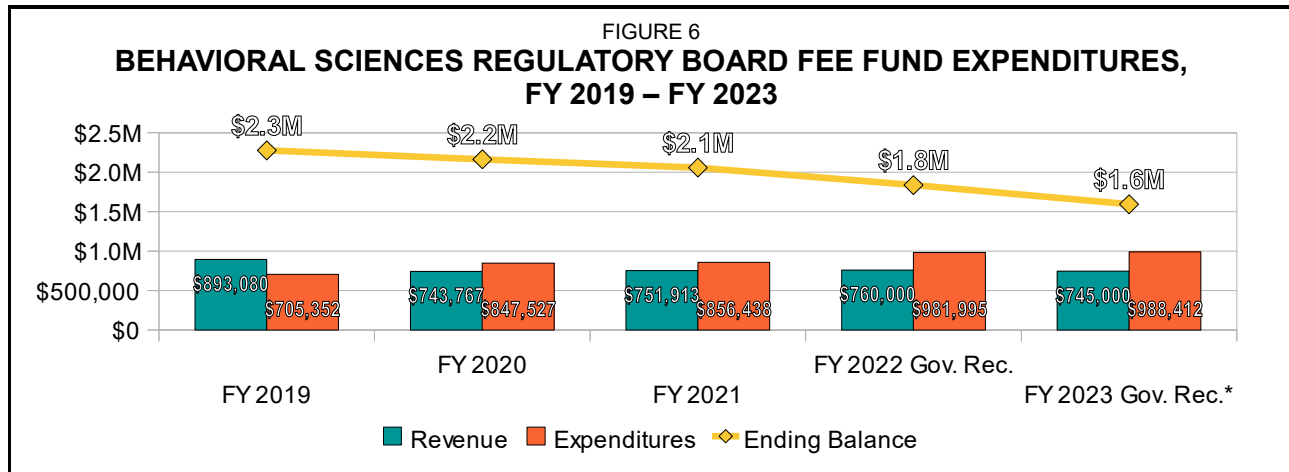
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 589,836	\$ 626,634	\$ 626,634	\$ 628,389	\$ 628,389
Contractual Services	261,905	337,769	337,769	343,260	343,260
Commodities	3,021	9,200	9,200	9,225	9,225
Capital Outlay	1,676	8,392	8,392	7,538	7,538
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 856,438</i>	<i>\$ 981,995</i>	<i>\$ 981,995</i>	<i>\$ 988,412</i>	<i>\$ 988,412</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 856,438</i>	<i>\$ 981,995</i>	<i>\$ 981,995</i>	<i>\$ 988,412</i>	<i>\$ 988,412</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 856,438	\$ 981,995	\$ 981,995	\$ 988,412	\$ 988,412
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
BSRB Fee Fund	856,438	981,995	981,995	988,412	988,412
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 856,438	\$ 981,995	\$ 981,995	\$ 988,412	\$ 988,412
FTE Positions	9.0	9.5	9.5	9.5	9.5

BEHAVIORAL SCIENCES REGULATORY BOARD FEE FUND



In accordance with KSA 74-7505, the Behavioral Sciences Regulatory Board Fee Fund replaced the Psychologists Fee Fund and the Social Work Examiners Fee Fund in 1980. The new Board inherited the previous Boards' authorities to set charge and collect fees. As a fee-funded agency, the Board currently contributes the lesser of 10.0 percent or \$100,000 of fee revenue to the State General Fund (SGF) for the cost of support services provided by other state agencies under KSA 74-3170a, and the remainder is held in the agency fee fund. These retained fees fund the agency.

BEHAVIORAL SCIENCES REGULATORY BOARD FEE FUND



* For FY 2023, the lowest month ending balance for the Behavioral Sciences Regulatory Board Fee Fund will occur in June, with a balance of \$1.6 million.

The Behavioral Sciences Regulatory Board Fee Fund receives fees from the regulated professions for applications, as well as original and renewal licensing fees. In addition to these fees, the agency also charges for services such as providing copies of documents.

The 2021 Legislature enacted Senate Sub. for HB 2208, which set the maximum fee cap at \$50 to be a Board-approved supervisor for the professions of professional counseling and marriage and family therapist. Since that time, the Board voted to recommend the fee be set at \$20 in regulations.

Additionally, the 2021 Legislature enacted SB 170, which adds Kansas as a member state to a multistate compact for licensed psychologists called PSYPACT, as of January 1, 2022. In SB 170, language was included to allow the agency to charge a fee, not to exceed \$25, at the time of original licensure or renewal, to licensed psychologists who participate in PSYPACT. The Board voted to set the amount of the fee at \$25 per each two-year renewal for any licensed psychologist who participates in PSYPACT.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Application Fees:			
Social Worker (Associate & Bachelor's)	\$ 50	\$ 150	KSA 65-6314
Social Worker (Master's)	50	150	KSA 65-6314
Social Worker (Specialist Clinical)	50	150	KSA 65-6314
Psychologist	175	225	KSA 74-5310
Psychologist (Master's)	50	200	KSA 74-5365
Psychotherapist (Clinical)	50	200	KSA 74-5365
Professional Counselor	50	100	KSA 65-5808
Professional Counselor (Clinical)	50	175	KSA 65-5808
Marriage and Family Therapist	50	150	KSA 65-6411
Marriage and Family Therapist (Clinical)	50	175	KSA 65-6411
Addiction Counselor	50	150	KSA 65-6618
Master's-Level Addiction Counselor	50	150	KSA 65-6618
Addiction Counselor (Clinical)	50	150	KSA 65-6618
Original Fees:			
Social Worker (Associate & Bachelor's)	\$ 150	\$ 150	KSA 65-6314
Social Worker (Master's)	150	150	KSA 65-6314
Social Worker (Specialist Clinical)	150	150	KSA 65-6314
Psychologist	50	150	KSA 74-5310
Psychologist (Master's)	150	200	KSA 74-5365
Psychotherapist (Clinical)	150	200	KSA 74-5365
Professional Counselor	150	175	KSA 65-5808
Professional Counselor (Clinical)	150	175	KSA 65-5808
Marriage and Family Therapist	150	175	KSA 65-6411
Marriage and Family Therapist (Clinical)	150	175	KSA 65-6411
Addiction Counselor	100	150	KSA 65-6618
Master's-Level Addiction Counselor	75	150	KSA 65-6618
Addiction Counselor (Clinical)	150	150	KSA 65-6618
Assistant Behavioral Analyst	70	N/A	KAR 102-8-2
Behavioral Analyst	70	N/A	KAR 102-8-2
Renewal Fees:			
Social Worker (Associate & Bachelor's)	\$ 50	\$ 150	KSA 65-6314
Social Worker (Master's)	75	150	KSA 65-6314
Social Worker (Specialist Clinical)	100	150	KSA 65-6314
Psychologist	150	200	KSA 74-5310
Psychologist (Master's)	100	200	KSA 74-5365
Psychotherapist (Clinical)	125	200	KSA 74-5365
Professional Counselor	100	150	KSA 65-5808
Professional Counselor (Clinical)	125	175	KSA 65-5808
Marriage and Family Therapist	100	175	KSA 65-6411
Marriage and Family Therapist (Clinical)	125	175	KSA 65-6411

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Addiction Counselor	50	150	KSA 65-6618
Master's-Level Addiction Counselor	75	150	KSA 65-6618
Addiction Counselor (Clinical)	50	150	KSA 65-6618
Assistant Behavioral Analyst	70	N/A	KAR 102-8-2
Behavioral Analyst	120	N/A	KAR 102-8-2
Temporary License Fees			
Social Worker (Associate & Bachelor's)	50	50	KSA 65-6314
Social Worker (Master's)	50	50	KSA 65-6314
Social Worker (Specialist Clinical)	50	50	KSA 65-6314
Psychologist	100	200	KSA 74-5316
Psychologist (Master's)	100	200	KSA 74-5316
Professional Counselor	50	175	KSA 65-5808
Marriage and Family Therapist	150	175	KSA 65-6405
Addiction Counselor	75	100	KSA 65-6618
Master's-Level Addiction Counselor	75	100	KSA 65-6618

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 981,995	\$ 981,995	9.5
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 981,995</i>	<i>\$ 981,995</i>	<i>9.5</i>
Agency Revised Estimate:				
2. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 981,995</i>	<i>\$ 981,995</i>	<i>9.5</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 981,995	\$ 981,995	9.5

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$981,995 appropriated to the Behavioral Sciences Regulatory Board in FY 2022.

1. **NO CHANGES.** No changes were made to the \$981,995 appropriated to the Behavioral Sciences Regulatory Board in FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$981,995, all from special revenue funds, for expenditures in FY 2022. This is same as the FY 2022 approved amount. There are increased expenditures in commodities of \$500, or 5.7 percent, and capital outlay of \$1,342, or 19.0 percent. There are decreased expenditures in salaries and wages of \$1,255, or 0.2 percent, and contractual services of \$587, or 0.2 percent, below the FY 2022 approved amount. The increases are primarily attributable to increased expenditures on stationery and office furniture. The decreases are in salary and wage benefits and travel expenses.

The **agency** estimate also includes 9.5 FTE positions, which is the same as the approved number.

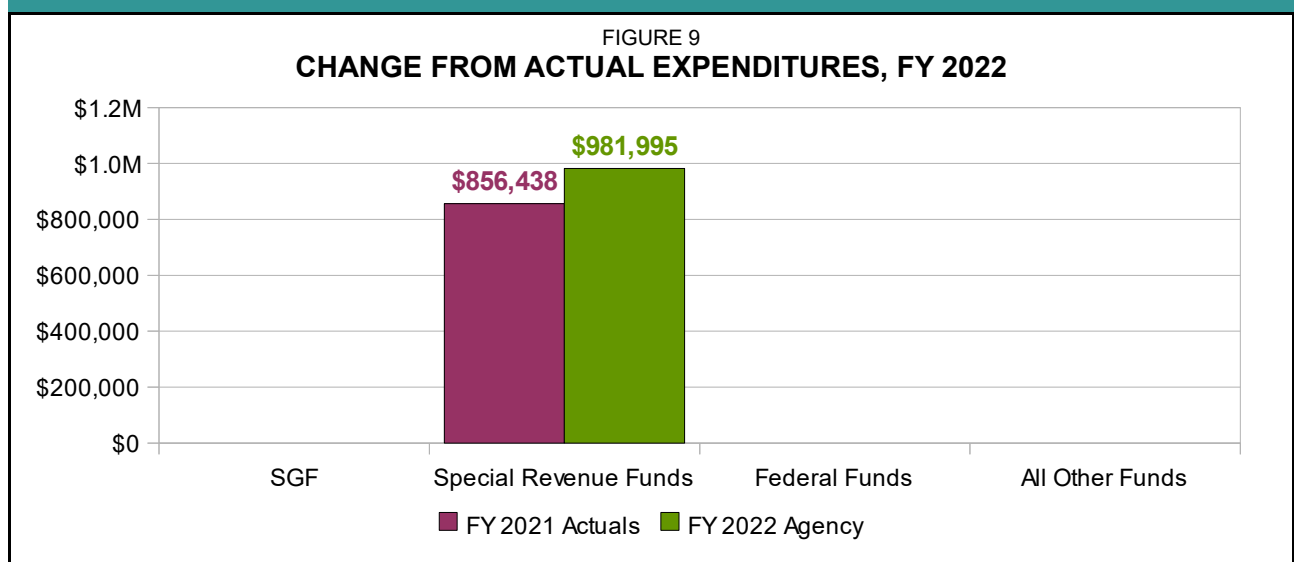
2. **NO CHANGES.** The agency made no changes to the legislative approved amount in FY 2022.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2022 revised estimate.

3. **NO CHANGES.** The Governor made no changes to the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised expenditures of \$981,995, all from special revenue funds, in FY 2022. This is an increase of \$125,557 or 14.7 percent, above the FY 2021 actual expenditures. The increase is attributable to salaries and wages expenditure increases of \$36,798, or 6.2 percent; contractual services expenditure increases of \$75,864, or 29.0 percent; commodities expenditure increases of \$6,179, or 204.5 percent; and capital outlay expenditure increases of \$6,716, or 400.7 percent, above the FY 2021 actual expenditure amounts. The increases are due to decreased expenditures in FY 2021 due to the COVID-19 pandemic and the addition of a licensing specialist position and equipment related to the passage of 2021 HB 2066 concerning occupational and professional licensing and increased travel expenditures.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 968,062	\$ 968,062	9.0
1. No Changes				
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 968,062</i>	<i>\$ 968,062</i>	<i>9.0</i>
Agency Request:				
2. Licensing Specialist (2021 HB 2066)	-	20,350	20,350	0.5
<i>Subtotal—Agency Request</i>	<i>\$ -</i>	<i>\$ 20,350</i>	<i>\$ 20,350</i>	<i>0.5</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 988,412	\$ 988,412	9.5

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$988,412 appropriated to the Behavioral Sciences Regulatory Board in FY 2023.

1. **NO CHANGES.** No changes were made to the \$988,412 appropriated to the Behavioral Sciences Regulatory Board in FY 2023.

AGENCY REQUEST

The **agency** requests a revised estimate of \$988,412, all from special revenue funds, for expenditures for FY 2023. This is an increase of \$20,350, or 2.1 percent, above the FY 2023 approved amount. The increase is due to continued funding for the licensing specialist position related to the passage of 2021 HB 2066 concerning occupational and professional licensing. The 2021 legislature added the funding in FY 2022 but not for FY 2023.

The **agency** request also includes 9.5 FTE positions, which is 0.5 FTE position above the approved amount. The increase is to maintain the agency's current FTE position increase from FY 2022 due to the passage of 2021 HB 2066 concerning occupational and professional licensing.

The **agency** request includes the following adjustments:

2. **LICENSING SPECIALIST (2021 HB 2066).** The agency requests \$20,350 and 0.5 FTE position for continued funding for the licensing specialist position related to the passage of 2021 HB 2066 concerning occupational and professional licensing. The 2021 legislature added the funding in FY 2022 but not for FY 2023.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2023 revised estimate.

The **Governor's** recommendation includes the following adjustments:

3. **NO CHANGES.** The Governor made no changes to the agency's FY 2023 revised estimate.

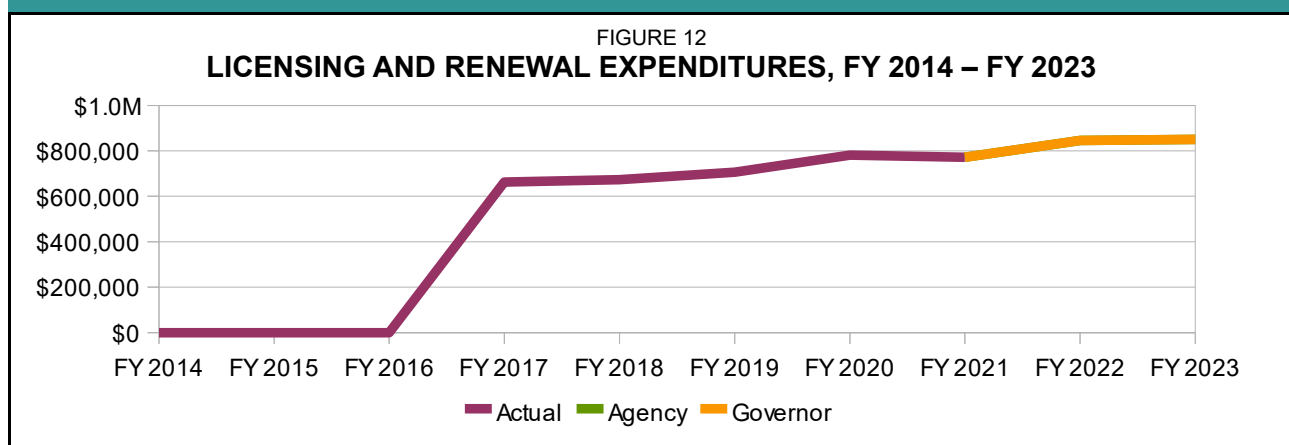
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Investigation and Discipline	\$ 85,094	\$ 136,920	\$ 136,920	\$ 138,454	\$ 138,454
Licensing and Renewal	771,344	845,075	845,075	849,958	849,958
TOTAL	\$ 856,438	\$ 981,995	\$ 981,995	\$ 988,412	\$ 988,412
FTE Positions:					
Investigation and Discipline	1.4	1.4	1.4	1.4	1.4
Licensing and Renewal	7.6	8.1	8.1	8.1	8.1
TOTAL	9.0	9.5	9.5	9.5	9.5

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

LICENSING AND RENEWAL



Staff Note: Prior to FY 2017, all expenditures came from an administration program, which was then split into the two current programs of the agency.

STATUTORY BASIS: • KSA 74-7507

PROGRAM GOALS:

- Grant licensure to applicants who meet the statutory standards by reviewing applications in a timely manner, determining whether sufficient information has been provided to evaluate necessary criteria, and following up for additional information when necessary.
- Renew licenses for applicants who meet the statutory standards by reviewing materials in a timely manner, determining whether sufficient information has been provided to evaluate necessary criteria, and following up for additional information when necessary.
- Spend agency funding responsibly in the Licensing program to effectively process licensure requests while avoiding unnecessary expenditures.

The Licensing and Renewal program issues and renews licenses and registrations to those individuals meeting the qualifications.

The program also provides information to the Legislature, the public, and other interested parties.

FIGURE 13
LICENSING AND RENEWAL, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of new applications reviewed within 30 days of receipt*	85.0 %	80.0 %	86.0 %	87.0 %	92.0 %
2. Percent of renewal application reviewed within 30 day of receipt	85.0 %	98.0 %	93.0 %	87.0 %	95.0 %
3. Program Cost Per License Renewed (by program expenditures/renewals)*	\$ 133	\$ 156	\$ 142	\$ 138	163
Output Measure:					
4. Number of permanent licenses issued	1,465	1,540	1,553	1,485	1,560
5. Number of renewal applications processed*	5,873	4,947	5,332	6,089	506
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	781,695	771,344		845,075	849,958
TOTAL	<u>\$ 781,695</u>	<u>\$ 771,344</u>		<u>\$ 845,075</u>	<u>\$ 849,958</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	10.8 %	(1.3) %		9.6 %	0.6 %
FTE Positions	7.6	7.6		8.1	8.1

*The Governor's Office does not utilize this measure for evaluation purposes.

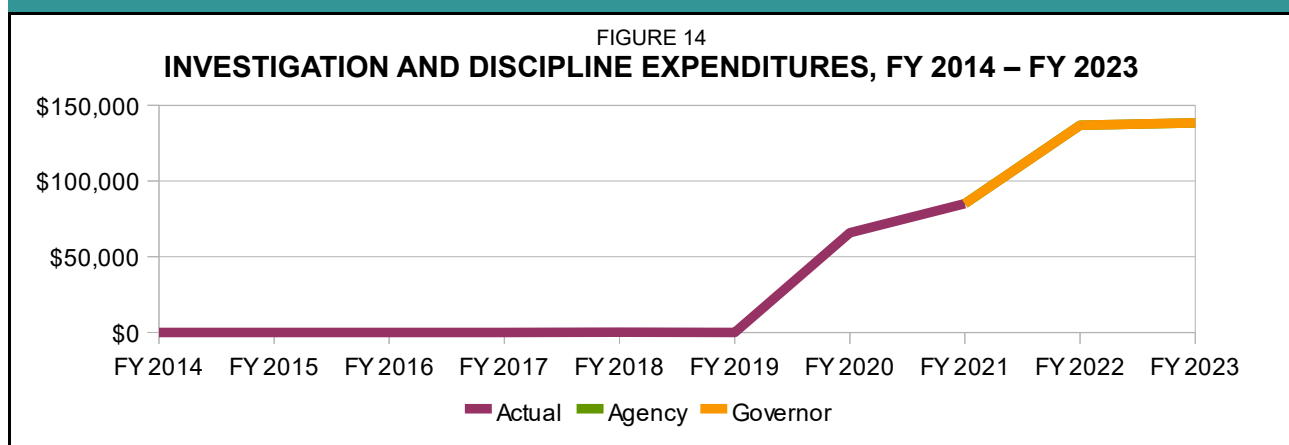
BUDGET ANALYSIS

The **agency** requests FY 2023 Licensing and Renewal program expenditures of \$849,958, all from special revenue funds. This is an all funds increase of \$24,569, or 3.0 percent, above the FY 2023 approved amount. The increase is due to the continued funding for the 0.5 FTE

positions and equipment for the licensing specialist position related to 2021 HB 2066.

The **Governor** concurs with the agency's revised estimate for FY 2023.

INVESTIGATION AND DISCIPLINE



Staff Note: Prior to FY 2020, the agency did not have an effective method to split expenditures between the two programs, so funding was budgeted, but almost all expenditures appeared to come from Licensing program.

STATUTORY BASIS: • KSA 74-7508

PROGRAM GOALS:

- All complaints/Report of Alleged Violations (RAVs) from licensees and members of the public will be reviewed in a timely manner, a determination will be made whether the agency has jurisdiction to investigate the RAVs, and the agency will begin investigations in a timely manner.
- Investigative staff will attempt to maintain an average length of time from receipt of RAV to completion of investigation in 180 days, when it is appropriate to end the investigation.
- Spend agency funding responsibly in the Investigation and Discipline program to effectively investigate RAVs, while avoiding unnecessary expenditures.

The Investigation and Discipline program protects the public through timely investigation of allegations of misconduct and implementation of disciplinary actions.

In addition, the program enforces the orders of the BSRB and prevents individuals from unlawful and unauthorized practice of the professions regulated by the Board.

FIGURE 15
INVESTIGATION AND DISCIPLINE, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of investigations commencing within 30 days of receipt of complaint*	90.0 %	98.0 %	94.0 %	98.0 %	98.0 %
2. Percent of investigative reports finalized and submitted to Complaint Review Committee within 180 days of receipt of complaint/RAV*	86.0 %	72.0 %	84.0 %	95.0 %	95.0 %
3. Program cost of RAV reviewed using RAV per dollar spent by program*	\$ 331	\$ 645	\$ 488	\$ 790	\$ 768
Output Measure:					
4. Number of Report of Violations Reviewed	199	132	177	178	185
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	65,832	85,094		136,920	138,454
TOTAL	\$ 65,832	\$ 85,094		\$ 136,920	\$ 138,454
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	100.0 %	29.3 %		60.9 %	1.1 %
FTE Positions	1.4	1.4		1.4	1.4

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests FY 2023 Investigation and Discipline program expenditures of \$138,454, all from special revenue funds. This is a decrease of \$4,219, or 3.0 percent below the FY 2023 approved amount. The decrease is due to decreased employer benefit contributions.

The **Governor** concurs with the agency's revised estimate for FY 2023.

BOARD OF COSMETOLOGY

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	1,138,370	1,144,804	1,144,804	1,159,953	1,159,953
<i>Subtotal</i>	<u>\$ 1,138,370</u>	<u>\$ 1,144,804</u>	<u>\$ 1,144,804</u>	<u>\$ 1,159,953</u>	<u>\$ 1,159,953</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 1,138,370</u>	<u>\$ 1,144,804</u>	<u>\$ 1,144,804</u>	<u>\$ 1,159,953</u>	<u>\$ 1,159,953</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	4.8 %	0.6 %	0.6 %	1.3 %	1.3 %
FTE Positions	14.0	14.0	14.0	14.0	14.0

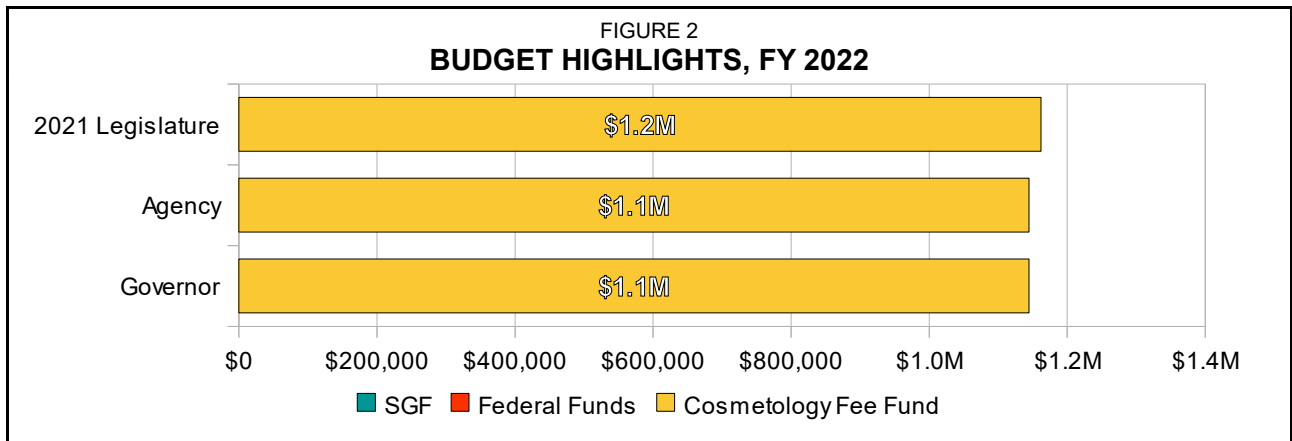
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Board of Cosmetology is responsible for ensuring the health, safety, and welfare of the consuming public. This regulatory responsibility shall be attained through a proactive, efficient, and responsive structure. The Board accepts the responsibility to provide licensees access to information necessary to ensure the health, safety, and welfare of the consuming public. The Board licenses cosmetology schools, instructors, cosmetologists, electrologists, estheticians, manicurists, cosmetology technicians, body piercers, tattoo artists, and permanent cosmetic facilities. Instructors are required to obtain continuing education hours to maintain their certification. The Board also contracts with an exam company to administer national standardized written and practical examinations to license students training in the cosmetology and body art fields.

The Board of Cosmetology consists of a single administration program and utilizes three agency divisions to achieve its goals: administration, licensing, and enforcement.

EXECUTIVE SUMMARY

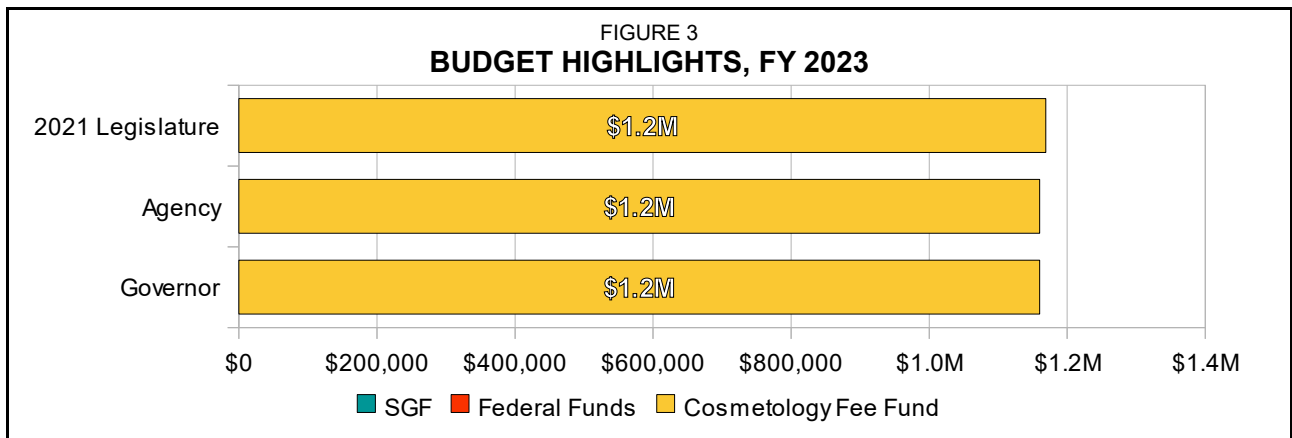
The 2021 Legislature approved a budget of \$1.2 million, all from the Cosmetology Fee Fund, for the Board of Cosmetology for FY 2022.



The **agency** estimates revised operating expenditures of \$1.1 million, all from the Cosmetology Fee Fund, in FY 2022. This is a decrease of \$17,401, or 1.5 percent, below the amount approved by the 2021 Legislature.

This change was entirely driven by a decrease in the agency contributions for employee fringe benefits, including health care, retirement, and unemployment compensation.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** estimates revised operating expenditures of \$1.2 million, all from the Cosmetology Fee Fund, for FY 2023. This is a decrease of \$9,111, or 0.8 percent, below the amount approved for FY 2023.

This decrease is due to a \$21,611 decrease in expenditures for salary and employee fringe benefits. This decrease is partially offset by a \$12,500 increase in expenditures for attorney fees.

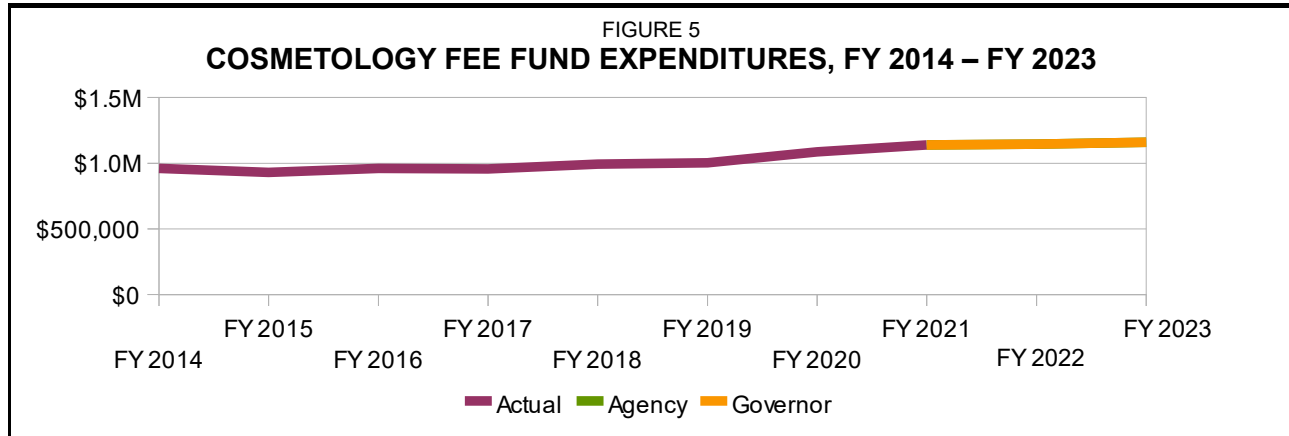
The **Governor** concurs with the agency's FY 2023 revised estimate.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

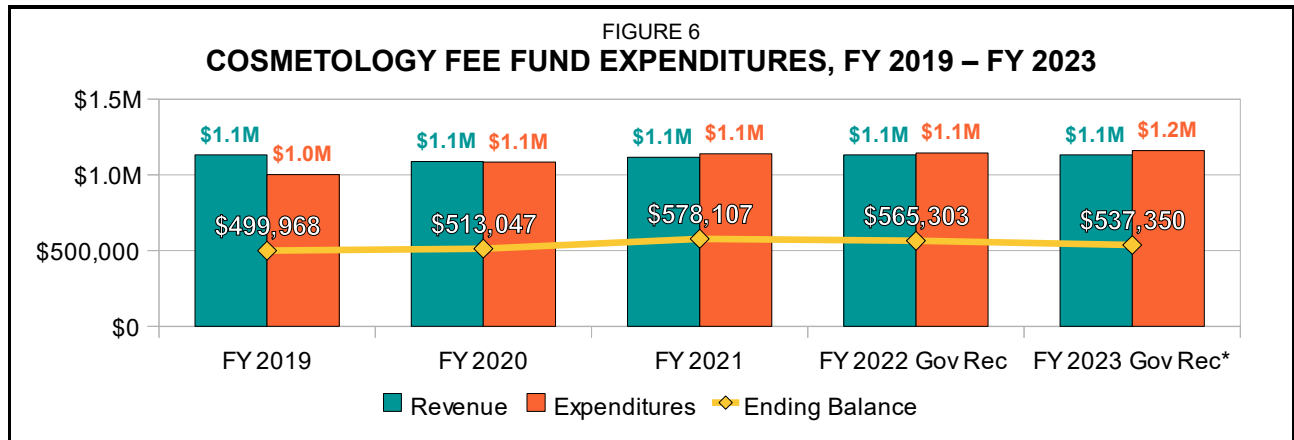
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 764,143	\$ 789,724	\$ 789,724	\$ 792,073	\$ 792,073
Contractual Services	336,563	309,715	309,715	322,515	322,515
Commodities	15,768	22,415	22,415	22,415	22,415
Capital Outlay	21,896	22,950	22,950	22,950	22,950
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 1,138,370	\$ 1,144,804	\$ 1,144,804	\$ 1,159,953	\$ 1,159,953
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 1,138,370	\$ 1,144,804	\$ 1,144,804	\$ 1,159,953	\$ 1,159,953
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 1,138,370	\$ 1,144,804	\$ 1,144,804	\$ 1,159,953	\$ 1,159,953
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue	1,138,370	1,144,804	1,144,804	1,159,953	1,159,953
Fund	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 1,138,370	\$ 1,144,804	\$ 1,144,804	\$ 1,159,953	\$ 1,159,953
FTE Positions	14.0	14.0	14.0	14.0	14.0

COSMETOLOGY FEE FUND



The Board of Cosmetology is a fee-funded agency. The revenue received provides financing for all agency operations. KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the State General Fund, up to a maximum of \$100,000 per fiscal year per fund. There have not been any major changes in expenditures for the Cosmetology Fee Fund for the last few years. Expenditures have remained steady between \$1.0 million to \$1.1 million since FY 2018.

COSMETOLOGY FEE FUND



* For FY 2023, the lowest month ending balance for the Cosmetology Fee Fund will occur in July, with a balance of \$453,464.

Expenditures and revenues have remained steady for the Cosmetology Fee Fund since FY 2019. For FY 2023, the agency estimates expenditures to increase to \$1.2 million, which would result in a lower ending balance of \$537,530.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Cosmetology Profession Practitioners			
Cosmetologist License (initial)	\$ 60	\$ 60	KSA 65-1904
Cosmetologist License (renewal)	50	60	KSA 65-1904
Cosmetologist Instructor License (initial)	75	100	KSA 65-1904
Cosmetologist Instructor License (renewal)	50	75	KSA 65-1904
Cosmetologist Technician License (renewal)	45	60	KSA 65-1904
Electrologist License (initial)	60	60	KSA 65-1904
Electrologist License (renewal)	50	60	KSA 65-1904
Esthetician License (initial)	60	60	KSA 65-1904
Esthetician License (renewal)	50	60	KSA 65-1904
Esthetics Instructor License (initial)	75	100	KSA 65-1904
Esthetics Instructor License (renewal)	50	75	KSA 65-1904
Nail Technician/Manicurist License (initial)	60	60	KSA 65-1904
Nail Technician/Manicurist License (renewal)	50	60	KSA 65-1904
Nail Technician/Manicurist Instructor License (initial)	75	100	KSA 65-1904
Nail Technician/Manicurist Instructor License (renewal)	50	75	KSA 65-1904
Reciprocity Application Fee	75	75	KSA 65-1904
Cosmetology Profession Establishments			
Salon or Clinic License (initial)	\$ 60	\$ 100	KSA 65-1904
Salon or Clinic License (renewal)	50	50	KSA 65-1904
Examination			
Instructor Examination Fee	\$ 75	\$ 75	KSA 65-1904
Cosmetologist Examination Fee	75	75	KSA 65-1904
Manicurist Examination Fee	75	75	KSA 65-1904
Esthetician Examination Fee	75	75	KSA 65-1904
Electrologist Examination Fee	75	75	KSA 65-1904
Tattoo Artist Examination Fee	75	N/A	KSA 65-1904
Cosmetic/Permanent Tattoo Artist Examination Fee	75	N/A	KSA 65-1904
Tattoo Artist Exam Application Fee	50	N/A	KSA 65-1904
Body Piercing Exam Application Fee	50	N/A	KSA 65-1904
Cosmetic/Permanent Tattoo Artist Exam Application Fee	50	N/A	KSA 65-1904

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 1,162,205	\$ 1,162,205	14.0
1. No Changes	-	-	-	0-
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 1,162,205	\$ 1,162,205	14.0
Agency Revised Estimate:				
2. Employee Benefits	\$ -	\$ (18,942)	\$ (18,942)	--
3. All Other Adjustments		1,541	1,541	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 1,144,804	\$ 1,144,804	14.0
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	-
TOTAL	\$ -	\$ 1,144,804	\$ 1,144,804	14.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$1.2 million appropriated to the Board of Cosmetology for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$1.2 million appropriated to the Board of Cosmetology for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised operating expenditures of \$1.1 million, all from Cosmetology Fee Fund, in FY 2022. This is a decrease of \$17,401, or 1.5 percent, below the amount approved by the 2021 Legislature.

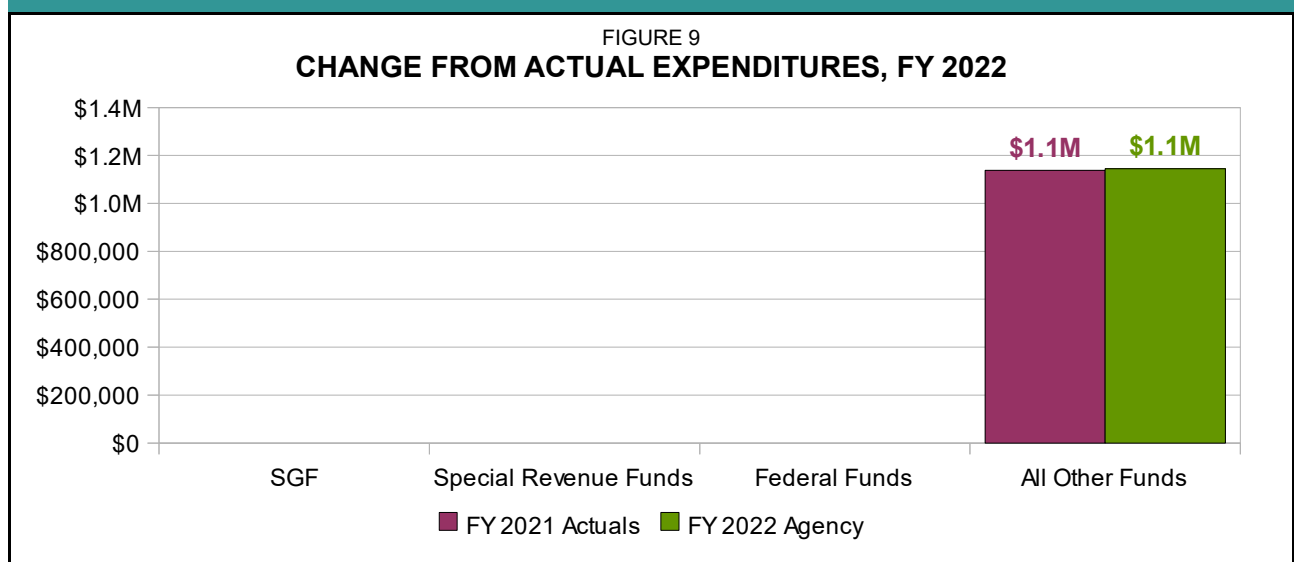
The **agency** estimate includes the following adjustments:

2. **EMPLOYEE BENEFITS.** The agency decreased its contribution for employee benefits by \$18,492 in FY 2022. These expenditures include health care, retirement, and unemployment compensation.
3. **OTHER ADJUSTMENTS.** The agency estimate includes an increase of \$1,541 in other adjustments including employee salaries.

GOVERNOR'S RECOMMENDATION

4. **NO CHANGES.** The **Governor** concurs with the agency's revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 revised estimate is \$1.1 million, all from the Cosmetology Fee Fund. This is an increase of \$6,434, or 0.6 percent, above the FY 2021 actual expenditures.

This increase is due to higher estimates for gasoline, stationery, and office supplies.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 1,169,064	\$ 1,169,064	14.0
1. No Changes	-	-	-	--
<i>Subtotal-Legislative Approved</i>	<i>\$ -</i>	<i>\$ 1,169,064</i>	<i>\$ 1,169,064</i>	<i>14.0</i>
Agency Request:				
2. Attorney Fees	\$ -	\$ 12,500	\$ 12,500	--
3. Employee Benefits	-	(23,251)	(23,251)	--
4. All Other Adjustments	-	1,640	1,640	0-
<i>Subtotal-Agency Request</i>	<i>\$ -</i>	<i>\$ 1,159,953</i>	<i>\$ 1,159,953</i>	<i>14.0</i>
Governor's Recommendation:				
5. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 1,159,953	\$ 1,159,953	14.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$1.2 million appropriated to the Board of Cosmetology for FY 2023.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$1.2 million appropriated to the Board of Cosmetology for FY 2023.

AGENCY REQUEST

The **agency** estimates revised operating expenditures of \$1.2 million, all from the Cosmetology Fee Fund, for FY 2023. This is a decrease of \$9,111 or 0.8 percent, below the amount approved for FY 2023.

The **agency** request includes the following adjustments:

2. **ATTORNEY FEES.** The agency has increased its estimate for attorney fees per contract with the Attorney General's Office.
3. **EMPLOYEE RETIREMENT AND HEALTH BENEFITS.** The agency decreased its estimate for employee retirement and health benefits by \$23,251 for FY 2023.
4. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes an increase of \$1,640 in other miscellaneous adjustments for FY 2023.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate.

5. **NO CHANGES.** The **Governor** concurs with the agency's revised estimate.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

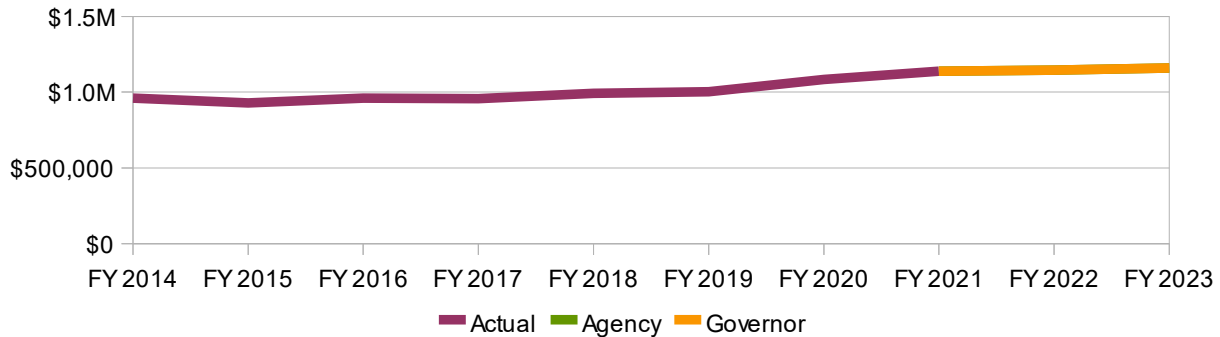
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 1,138,149	\$ 1,144,804	\$ 1,144,804	\$ 1,159,953	\$ 1,159,953
COVID-19	21	-	-	-	-
Transactions					
TOTAL	\$ 1,138,170	\$ 1,144,804	\$ 1,144,804	\$ 1,159,953	\$ 1,159,953
FTE Positions:					
Administration	14.0	14.0	14.0	14.0	14.0
COVID-19	-	-	-	-	-
Transactions					
TOTAL	14.0	14.0	14.0	14.0	14.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 65-1901 *et seq.*

PROGRAM GOALS: • Safeguard the general public's health and safety through administration of policies and regulations.
• Regulate the cosmetology, tanning facility, and body art industries appropriately as required by law.
• Provide support to the regulated industries with informational tools necessary to meet the health and sanitation requirements determined by statute, rules, and regulations.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of facilities inspected for compliance with health, sanitation and infection control regulations (FY 2019 and FY 2020 reflect routine inspections and Compliance Inspections Vs. total number of facilities. Per House Budget Committee Chair request, data has been updated to reflect completed annual routine inspections starting FY 2021, which includes part of calendar year 2020.)	100.0 %	70.0 %	83.0 %	100.0 %	100.0 %
2. Percentage of disciplinary actions implemented to enforce health, sanitation and infection control regulations (H&S Discipline vs. all discipline by fiscal year)	48.0 %	62.0 %	55.0 %	50.0 %	45.0 %
3. Percentage of practitioners maintaining current license (total renewable licenses vs. renewals)	92.0 %	94.0 %	91.0 %	95.0 %	95.0 %

FIGURE 13

ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
4. Number of annual routine inspections assigned*	4,852	4,978	4,849	5,000	5,000
5. Number of disciplinary actions issued*	268	423	346	350	350
6. Number of renewable licenses*	17,299	17,159	17,334	17,350	17,350
7. Number of agency statutes and regulations*	142	142	143	142	142
8. Percentage of statutes and regulations reviewed to ensure industry standards are reflected in Kansas*	47.0 %	48.0 %	46.0 %	50.0 %	50.0 %
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	-		-	-
Federal Funds	-	-		-	-
All Other Funds	1,086,073	1,138,370		1,144,804	1,159,953
TOTAL	<u>\$ 1,086,073</u>	<u>\$ 1,138,370</u>		<u>\$ 1,144,804</u>	<u>\$ 1,159,953</u>
Percentage Change:					
SGF	--	--		--	--
All Funds	8.3 %	4.8 %		0.6 %	1.3 %
FTE Positions	14.0	14.0		14.0	14.0

* The Governor's Office does not utilize this measure for evaluation purposes.

KANSAS DEPARTMENT OF CREDIT UNIONS

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	1,092,602	1,274,367	1,274,367	1,274,454	1,274,454
<i>Subtotal</i>	<u>\$ 1,092,602</u>	<u>\$ 1,274,367</u>	<u>\$ 1,274,367</u>	<u>\$ 1,274,454</u>	<u>\$ 1,274,454</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 1,092,602</u>	<u>\$ 1,274,367</u>	<u>\$ 1,274,367</u>	<u>\$ 1,274,454</u>	<u>\$ 1,274,454</u>
Percentage Change:					
State General Fund	--	--	--	--	--
All Funds	14.3 %	16.6 %	16.6 %	-- %	-- %
FTE Positions	12.0	12.0	12.0	12.0	12.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

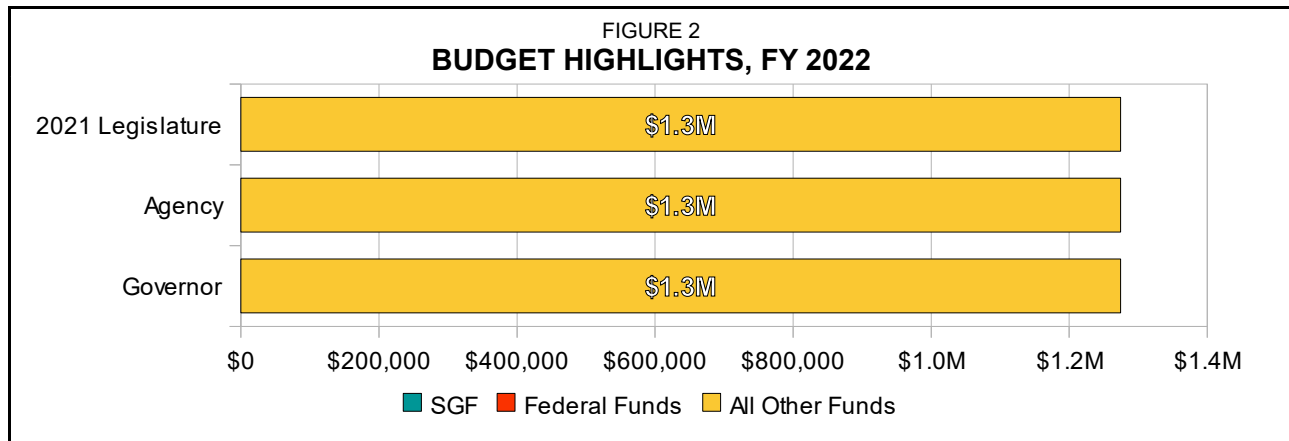
The mission of the Kansas Department of Credit Unions is to protect Kansas citizens from undue risk by ensuring safe and sound operation of state-chartered credit unions. The agency regulates state-chartered credit unions to assure compliance with state and federal laws, and is empowered to conduct examinations, grant new charters, approve mergers, and provide for liquidation procedures when necessary. There are 59 natural-person member-owned state-chartered credit unions and one corporate credit union in Kansas under the agency's supervision.

Concurrently with the Kansas Department of Credit Unions, the National Credit Unions Administration (NCUA), a federal agency, administers a network of federal-chartered credit unions operating in Kansas. State-chartered credit unions are required by law to insure their deposits through the NCUA. Federal-chartered credit unions are exempt from the Kansas Department of Credit Unions' oversight.

The agency is supervised by the Credit Union Administrator, who is appointed to a four-year term by the Governor, subject to confirmation by the Senate. The Administrator is advised by the Credit Union Council, a seven-member council appointed by the Governor. Each Council member serves a three-year term and is limited to two consecutive terms. Five of the appointed members must be officers of Kansas state-chartered credit unions with at least one member being from each congressional district in the state. The remainder of the members are from the state at large. No more than four of the seven members can be of the same political party.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$1.3 million, all from the Credit Union Fee Fund, for the Kansas Department of Credit Unions in FY 2022.

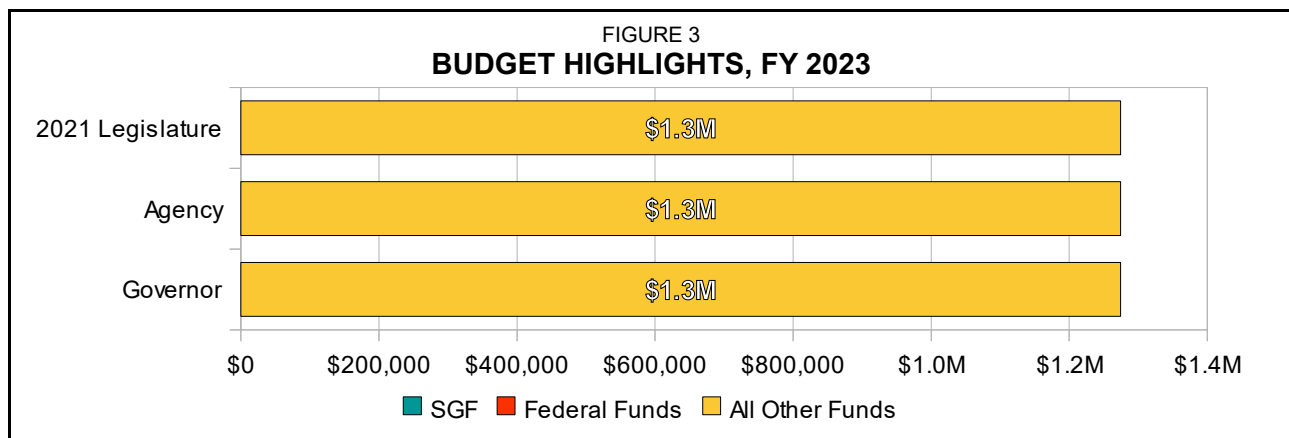


The **agency** requests a revised estimate of \$1.3 million, all from the Credit Union Fee Fund, in FY 2022. There is not an overall change in the agency's budget, however there are several shifts in the categories of expenditures:

- **EMPLOYEE SHIFT TO INDEPENDENT CONTRACTOR.** The agency's estimate includes a shift of \$46,170 from salaries and wages expenditures to contractual services expenditures due to the agency reclassifying a part-time employee from an employee to an independent contractor.
- **SHIFT IN CAPITAL OUTLAY EXPENDITURES.** Additionally, the agency had originally budgeted to replace a vehicle in its fleet during FY 2022. However, given the current state of the COVID-19 pandemic, and the low need to travel, the agency decided to shift those expenditures to replace office equipment for its employees working virtually.

The revised estimate includes 12.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests a revised estimate of \$1.3 million, all from the Credit Union Fee Fund, for expenditures for FY 2023. While there is no overall decrease in the agency's budget, the estimate includes a shift of \$54,091 between categories of expenditures. The revised estimate includes similar shifts in salaries and wages expenditures to continue to account for one employee becoming a contractor from FY 2022. Additionally the same shifts in capital outlay expenditures from FY 2022 occur in FY 2023, as the agency continues to shift to virtual operations. The revised estimate includes 12.0 FTE positions, which is the same as the approved number.

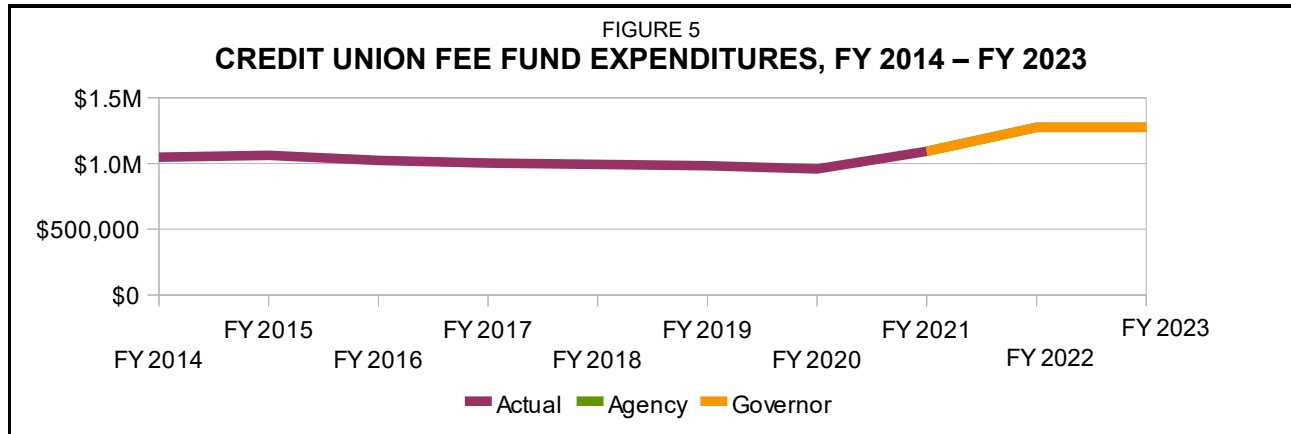
The **Governor** concurs with the agency's FY 2023 revised estimate.

EXPENDITURES AND FINANCING

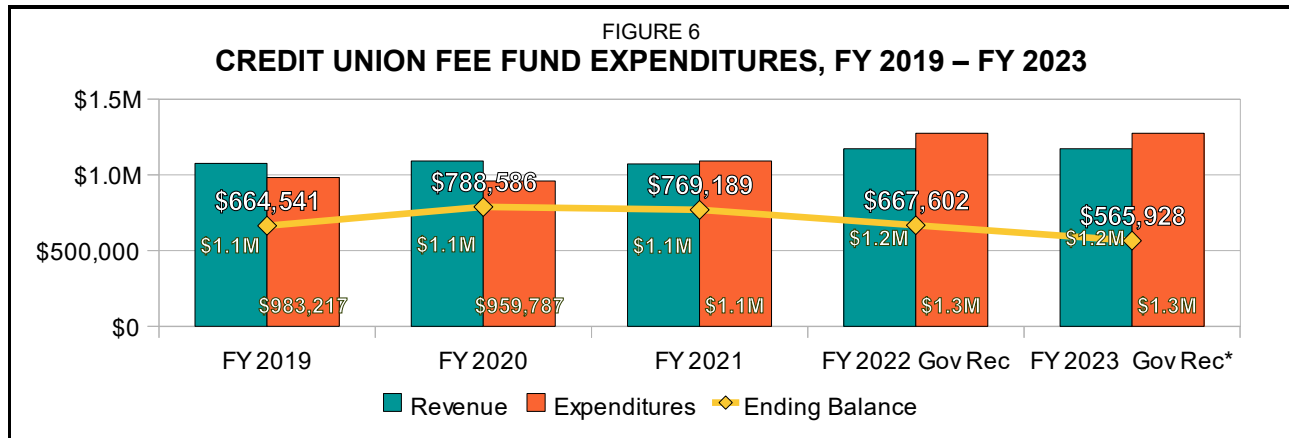
FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 929,874	\$ 965,162	\$ 965,162	\$ 967,187	\$ 967,187
Contractual Services	145,874	269,872	269,872	267,934	267,934
Commodities	8,250	18,108	18,108	18,108	18,108
Capital Outlay	8,604	21,225	21,225	21,225	21,225
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 1,092,602	\$ 1,274,367	\$ 1,274,367	\$ 1,274,454	\$ 1,274,454
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 1,092,602	\$ 1,274,367	\$ 1,274,367	\$ 1,274,454	\$ 1,274,454
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 1,092,602	\$ 1,274,367	\$ 1,274,367	\$ 1,274,454	\$ 1,274,454
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Credit Union Fee Fund	1,092,602	1,274,367	1,274,367	1,274,454	1,274,454
TOTAL	\$ 1,092,602	\$ 1,274,367	\$ 1,274,367	\$ 1,274,454	\$ 1,274,454
FTE Positions	12.0	12.0	12.0	12.0	12.0

CREDIT UNION FEE FUND



CREDIT UNION FEE FUND



* For FY 2023, the lowest month ending balance for the Credit Union Fee Fund will occur in July, with a balance of \$441,892.

The Kansas Department of Credit Unions receives revenue from fees based on the asset size of state-chartered credit unions on December 31, which are deposited in the agency's fee fund. Prior to June 1 of each year, the Credit Union Administrator, after advising the Credit Union Council, establishes an examination fee that is determined to be sufficient to meet the budget requirements of the agency. The current fee is a flat fee of 0.02 percent of all assets of the credit union. For example, a credit union with total assets of \$1.0 million would be assessed a fee of \$200, while a credit union with total assets of \$100.0 million would be assessed a fee of \$20,000. The agency collects fees twice each fiscal year, typically in July and January. KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund.

The National Association of State Credit Unions Supervisors (NASCUS) recommends maintaining enough of a balance forward each fiscal year to cover the first quarter's expenses. With estimated ending balances of \$769,189 in FY 2021, \$667,602 in FY 2022, and \$565,928 in FY 2023, the agency estimates its balance will fulfill NASCUS recommendations.

FY 2022 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
<i>Amount Approved by 2021 Legislature</i>	\$ -	\$ 1,274,367	\$ 1,274,367	12.0
1. No Changes	-	-	-	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 1,274,367	\$ 1,274,367	12.0
Agency Revised Estimate:				
2. Part-time Employee to Contract Employee	-	-	-	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 1,274,367	\$ 1,274,367	12.0
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 1,274,367	\$ 1,274,367	12.0

LEGISLATIVE APPROVED

The 2021 Legislature appropriated \$1.3 million, all from the Credit Union Fee Fund, to the the Kansas Department of Credit Unions for FY 2022.

1. **NO CHANGES.** The Kansas Department of Credit Unions is a wholly fee-funded agency, and as such they do not receive SGF funding. Therefore, there were no reappropriations or other subsequent adjustments made to the approved amount.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$1.3 million, all from the Credit Union Fee Fund, in FY 2022. While there is no overall decrease in the agency's budget, the estimate includes a shift of \$46,170 between categories of expenditures:

2. **EMPLOYEE SHIFTED TO CONTRACT STATUS.** The agency's estimate includes a shift of \$46,170 from salaries and wages expenditures to contractual services expenditures due to the agency reclassifying a part-time employee from an employee to an independent contractor.

Additionally, the agency had originally budgeted to replace a vehicle in its fleet during FY 2022. However, given the current state of the COVID-19 pandemic, and the low need to travel, the agency decided to shift those expenditures to replace office equipment for its employees working virtually.

The **agency** estimate also includes 12.0 FTE positions, which is the same as the number approved by the 2021 Legislature.

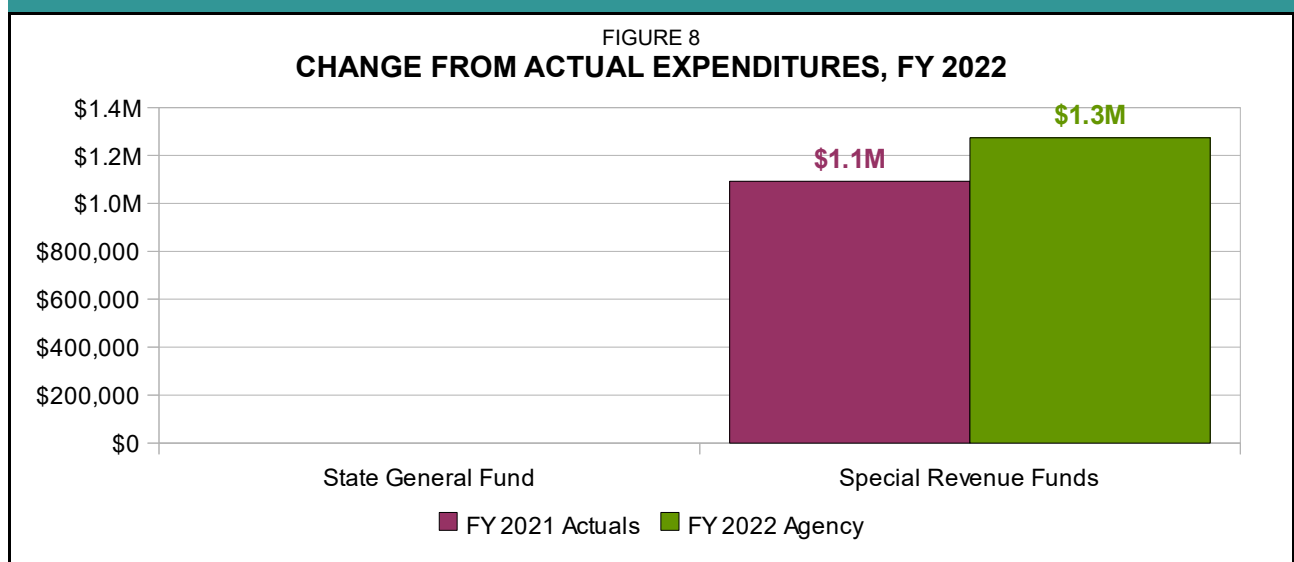
GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$1.3 million, all from the Credit Union Fee Fund, for expenditures in FY 2022. The **Governor's** recommendation includes the following adjustments:

3. **NO CHANGES.** The Governor concurs with the agency's revised estimate in FY 2022.

The **Governor's** recommendation also includes 12.0 FTE positions, which is the same as the agency's revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The Kansas Department of Credit Unions requests a revised estimate of \$1.3 million, all from the Credit Union Fee Fund, in FY 2022. This is an increase of \$181,765 above FY 2021 actual expenditures. The increase is related to two reasons:

- **OPEN POSITION WITHIN THE AGENCY.** The agency currently has a vacant financial examiner position open, which the agency plans to fill in FY 2022.
- **DECREASED TRAVEL-RELATED EXPENDITURES.** The agency's contractual services expenditures are primarily for travel and subsistence expenditures to accomplish its examinations and trainings. Given the state of the COVID-19 pandemic during FY 2021, the agency experienced a drop in those travel-related expenditures. Currently, the agency anticipates resuming those expenditures in FY 2022.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 1,274,367	\$ 1,274,367	12.0
1. No Changes	-	-	-	--
Subtotal—Agency Revised Estimate	\$ -	\$ 1,274,367	\$ 1,274,367	12.0
Agency Request:				
2. Part-Time Employee to Contract Employee	-	-	-	--
Subtotal—Agency Estimate	\$ -	\$ 1,274,367	\$ 1,274,367	12.0
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 1,274,367	\$ 1,274,367	12.0

LEGISLATIVE APPROVED

The 2021 Legislature appropriated \$1.3 million, all from the Credit Union Fee Fund, to the the Kansas Department of Credit Unions for FY 2023. There were no subsequent adjustments made to the appropriated amount.

1. **NO CHANGES.** The Department of Credit Unions is a wholly fee-funded agency, and as such they do not receive SGF funding. Therefore, there were no subsequent adjustments made to the approved amount.

AGENCY REQUEST

The **agency** requests a revised estimate of \$1.3 million, all from the Credit Union Fee Fund, for FY 2023. While there is no overall decrease in the agency's budget, the estimate includes a shift of \$54,091 between categories of expenditures:

2. **EMPLOYEE SHIFTED TO CONTRACT STATUS.** Similar to FY 2022, the agency's estimate includes a shift of \$54,091 from salaries and wages expenditures to contractual services expenditures due to the agency reclassifying a part-time employee from an employee to an independent contractor. As the agency is a biennial agency, the 2021 Legislature approved its FY 2023 budget, which would require the shift to be made in its FY 2023 budget.

The **agency** estimate also includes 12.0 FTE positions, which is the same as the number approved by the 2021 Legislature.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$1.3 million, all from the Credit Union Fee Fund, for expenditures for FY 2023. The **Governor's** recommendation includes the following adjustment:

3. **NO CHANGES.** The Governor concurs with the agency's revised estimate for FY 2023.

The **Governor's** recommendation also includes 12.0 FTE positions, which is the same as the agency's revised estimate.

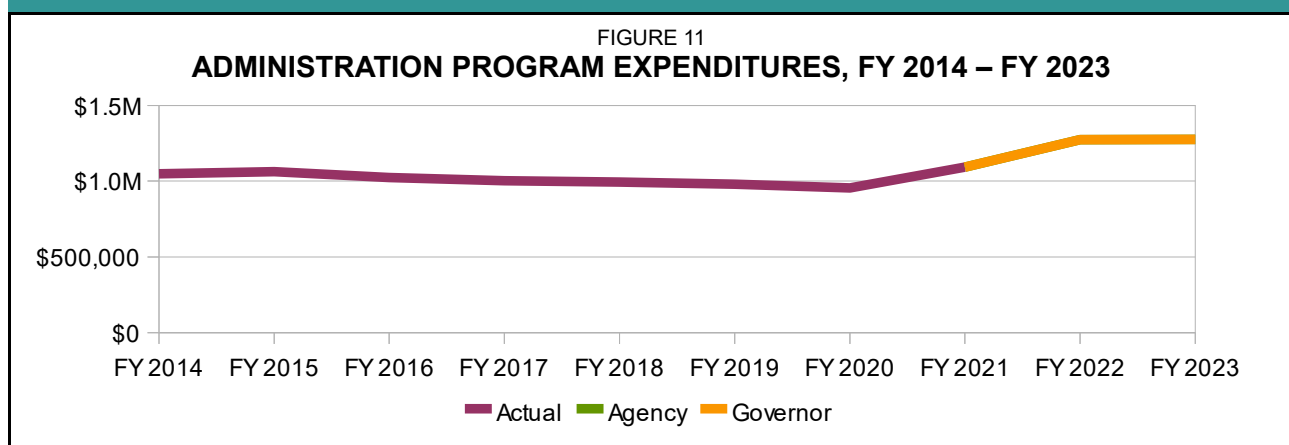
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	1,092,602	1,274,367	1,274,367	1,274,454	1,274,454
TOTAL	\$ 1,092,602	\$ 1,274,367	\$ 1,274,367	\$ 1,274,454	\$ 1,274,454
FTE Positions:					
Administration	12.0	12.0	12.0	12.0	12.0
TOTAL	12.0	12.0	12.0	12.0	12.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION PROGRAM



STATUTORY BASIS: • KSA 17-2201 through 17-2269

PROGRAM GOALS: • Examine each credit union at least once every 18 months.

The Kansas Department of Credit Unions performs examinations of the state-chartered credit unions at least once every 18 months. The agency's goals are to complete an annual examination of each credit union, handle consumer complaints within 30 days from the

date received, and provide timely supervisory callbacks on the monitoring of problem credit unions. Credit unions pay an annual operation fee based on asset size, which is set by the Credit Union Administrator, and based on expenditure limits approved by the Legislature.

FIGURE 12
**ADMINISTRATION PROGRAM,
PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of examinations performed every 18 months	100.0%	100.0%	100.0%	100.0%	100.0%
Output Measure:					
2. Examinations performed	46	49	52	50	50
3. Callbacks performed*	10	9	11	10	10
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	955,787	1,092,602		1,274,367	1,274,454
TOTAL	<u>\$ 955,787</u>	<u>\$ 1,092,602</u>		<u>\$ 1,274,367</u>	<u>\$ 1,274,454</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(2.5) %	14.3 %		16.6 %	0.0 %
FTE Positions	12.0	12.0		12.0	12.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The Kansas Department of Credit Unions is a single-program agency. All of its expenditures are located in its Administration Program.

FY 2022 REVISED ESTIMATE

The **agency's** revised estimate includes \$1.3 million, all from the Credit Union Fee Fund, for

expenditures for the agency in FY 2022. There is not an overall change in the agency's budget, however there are several shifts in the categories of expenditures:

- The agency's estimate includes a shift of \$46,170 from salaries and wages expenditures to contractual services expenditures due to the agency reclassifying a part-time employee from an employee to an independent contractor.
- Additionally, the agency had originally budgeted to replace a vehicle in its fleet during FY 2022. However, given the current state of the COVID-19 pandemic, and the low need to travel, the agency decided to shift those expenditures to replace office equipment for its employees working virtually.

The revised estimate includes 12.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.

FY 2023 REVISED ESTIMATE

The **agency** requests a revised estimate of \$1.3 million, all from the Credit Union Fee Fund, for FY 2023. While there is no overall decrease in the agency's budget, the estimate includes a shift of \$54,091 between categories of expenditures. The revised estimate includes similar shifts in salaries and wages expenditures to continue to account for one employee becoming a contractor from FY 2022. Additionally, the same shifts in capital outlay expenditures from FY 2022 occur in FY 2023, as the agency continues to shift to virtual operations. The revised estimate includes 12.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's FY 2023 revised estimate.

KANSAS DENTAL BOARD

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	381,181	418,500	418,500	417,000	417,000
<i>Subtotal</i>	<i>\$ 381,181</i>	<i>\$ 418,500</i>	<i>\$ 418,500</i>	<i>\$ 417,000</i>	<i>\$ 417,000</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 381,181	\$ 418,500	\$ 418,500	\$ 417,000	\$ 417,000
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(8.9) %	9.8 %	9.8 %	(0.4) %	(0.4) %
FTE Positions	3.0	3.0	3.0	3.0	3.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Kansas Dental Board was established in 1943 to enforce the Dental Practices Act, KSA 65-1420 to 65-1469. The Board licenses qualified candidates desiring to practice dentistry or dental hygiene in Kansas, administers examinations, and issues credentials to applicants according to licensure regulations. The Board also issues sedation permits to dentists and extended care permits to hygienists.

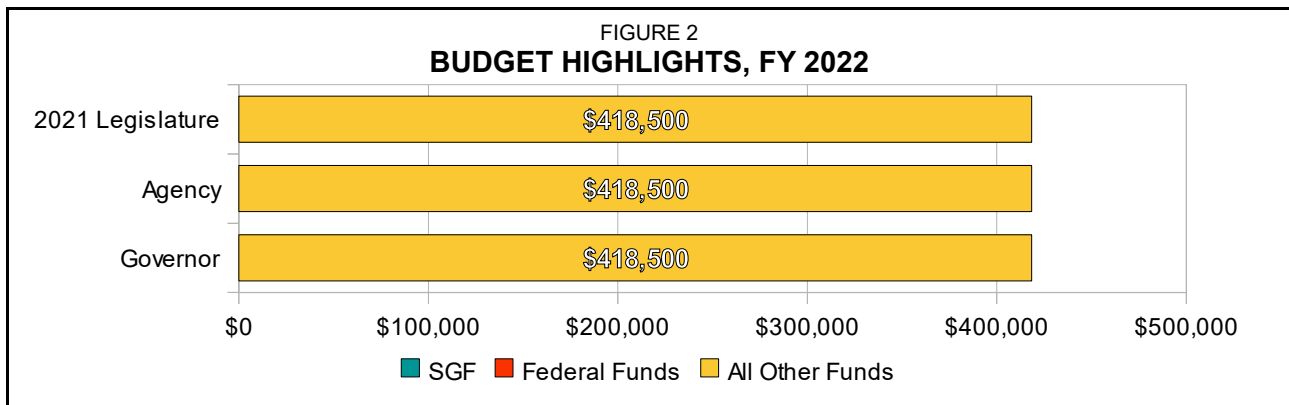
The Board conducts inspections of licensees to ensure compliance with sanitary and other regulations and investigates complaints of incompetence, negligence, illegal practice, and other violations of the Dental Practices Act. When warranted, administrative hearings are held, and the Board is empowered to suspend, restrict, or revoke the license of the practitioner.

In 1998, the Board was expanded from five to nine members, and it includes six dentists, two dental hygienists, and one member from the general public. Board members are appointed for four-year terms by the Governor, and of the six licensed dentist Board members, one must be appointed from each congressional district and two from the state at large.

In 2006, the Board began staggering the renewal of all licenses based on license numbers. Odd-numbered licenses renew in odd years, and even-numbered licenses renew in even years. Prior to 2006, dentists and hygienists renewed in alternating years. Previously, the Board collected more revenue in years when the dental licenses renewed because renewal fees for dentists are higher. The change has allowed the agency to operate with a more-consistent revenue stream.

EXECUTIVE SUMMARY

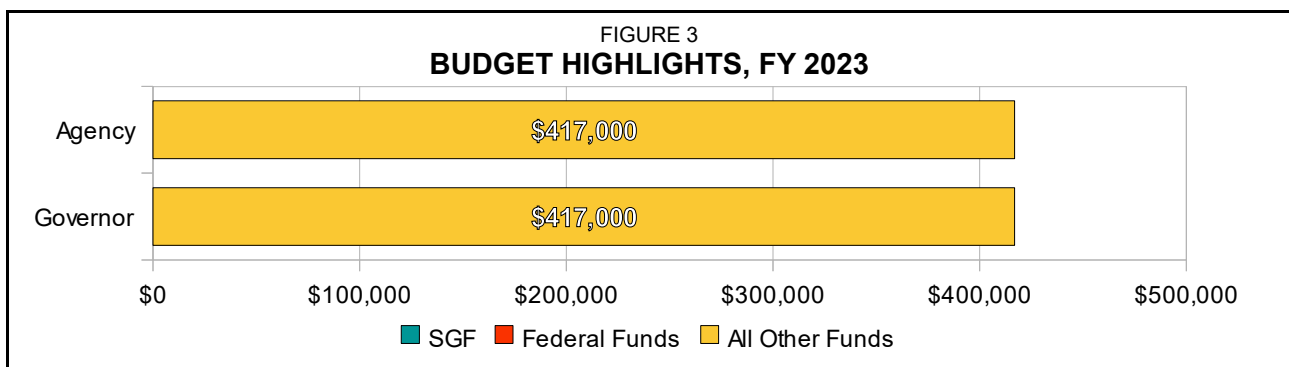
The 2021 Legislature approved a budget of \$418,500, all from special revenue funds, for the Kansas Dental Board in FY 2022 and \$417,000, all from special revenue funds, for FY 2023.



The **agency** requests \$418,500, all from special revenue funds, for operating expenditures in FY 2022. This revised estimate is no change from the amount approved by the 2021 Legislature. Within the approved amount, the agency estimates a slight decrease in expenditures for office supplies and group health insurance, and increased expenditures for contractual services.

The revised estimate includes 3.0 FTE positions, which is the same number approved by the 2021 Legislature.

The **Governor** concurs with the agency's revised estimate of \$418,500, all from the Dental Board Fee Fund, and 3.0 FTE positions in FY 2022.



The **agency** requests \$417,000, all from special revenue funds, for operating expenditures in FY 2023. This revised estimate is no change from the amount approved by the 2021 Legislature and a decrease of \$1,500, all from special revenue funds, below the amount approved in FY 2022. The decrease is primarily attributable to lower anticipated expenditures for travel-related costs and office supplies, partially offset by an anticipated increase in employee fringe benefits.

The revised estimate includes 3.0 FTE positions, which is the same number approved by the 2021 Legislature.

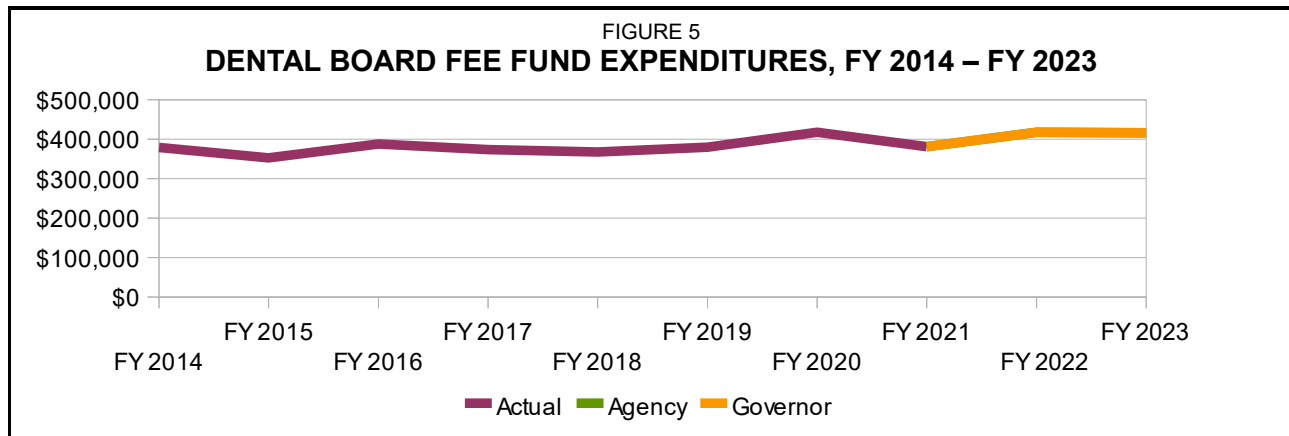
The **Governor** concurs with the agency's revised estimate of \$417,000, all from the Dental Board Fee Fund, and 3.0 FTE positions for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 159,315	\$ 213,070	\$ 213,070	\$ 214,073	\$ 214,073
Contractual Services	219,672	205,430	205,430	202,927	202,927
Commodities	2,194	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 381,181	\$ 418,500	\$ 418,500	\$ 417,000	\$ 417,000
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 381,181	\$ 418,500	\$ 418,500	\$ 417,000	\$ 417,000
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 381,181	\$ 418,500	\$ 418,500	\$ 417,000	\$ 417,000
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Dental Board Fee	381,181	418,500	418,500	417,000	417,000
Fund	-	-	-	-	-
TOTAL	\$ 381,181	\$ 418,500	\$ 418,500	\$ 417,000	\$ 417,000
FTE Positions	3.0	3.0	3.0	3.0	3.0

DENTAL BOARD FEE FUND



The Dental Board Fee Fund expenditures have remained relatively stable since 2014, with the lowest expenditures in FY 2015 at \$352,748 and the highest expenditures in FY 2020 at \$417,881.

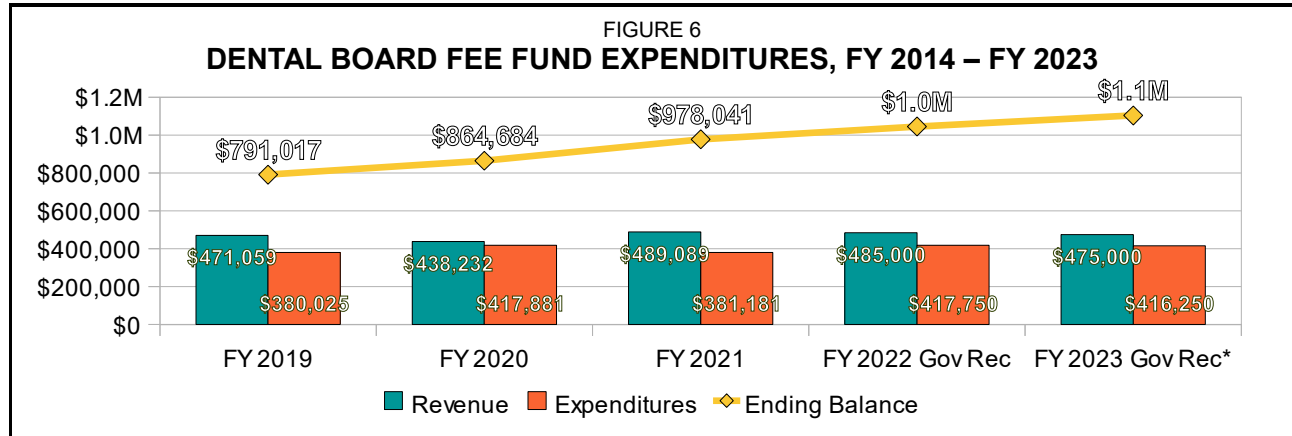
The Dental Board receives most of its revenue from biennial registration fees. The 1995 Legislature passed legislation changing the Board's practice of annual licensing to biennial licensing. This change reduced the Board's mailing expenses and related costs. Starting in FY 2015, the biennial fee for dentists was reduced from \$300 to \$275, with a statutory maximum of \$325. The biennial fee for dental hygienists was reduced from \$150 to \$125, with a statutory maximum of \$160. These biennial fees will be effective FY 2015 through FY 2023. Projected savings to licensees from reduced fees is more than \$350,000. The agency's statutory fee limits were increased by the 2005 Legislature.

In FY 2011, the Special Litigation Reserve Fund was established to ensure adequate resources in the event of significant legal action against licensees. The agency periodically requests transfers from the Dental Board Fee Fund to the Special Litigation Reserve Fund to ensure necessary funding. The Board does not currently anticipate the need to make transfers into the Special Litigation Reserve Fund in FY 2021, FY 2022, or FY 2023.

KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the State General Fund (SGF) up to a maximum of \$100,000 per fiscal year per fund. The table below summarizes estimated receipts and fund balances based upon the agency estimate and the Governor's recommendation.

In past years, the Dental Board has provided transfers to the Board of Pharmacy to share in the funding of K-TRACS (the State's prescription drug monitoring program). These included a transfer of \$14,109 in FY 2019 and a transfer of \$29,113 in FY 2020. The 2019 Legislature authorized a transfer of \$41,500, all from the Dental Board Fee Fund, to the Board of Pharmacy as part of a multi-agency plan to provide new funding for K-TRACS for FY 2020 and FY 2021. The 2020 Legislature deleted the \$41,500 transfer in FY 2021, and there are no planned transfers in FY 2022 or FY 2023.

DENTAL BOARD FEE FUND



* For FY 2023, the lowest month ending balance for the Dental Board Fee Fund will occur in September, with a balance of \$936,379.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Examination fee for dental applicants	\$ 200	\$ 200	65-1447
Biennial license renewal fee for dentists	275	325	65-1447
Examination fee for dental hygienist applicants	100	100	65-1447
Biennial license renewal fee for dental hygienists	125	160	65-1447
Registration fee to operate a mobile dental facility or portable operation	350	500	65-1447

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 418,500	\$ 418,500	3.0
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 418,500</i>	<i>\$ 418,500</i>	<i>3.0</i>
Agency Revised Estimate:				
2. No Changes	-	-	-	-
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 418,500</i>	<i>\$ 418,500</i>	<i>3.0</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	-
TOTAL	\$ -	\$ 418,500	\$ 418,500	3.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$418,500 appropriated to the Kansas Dental Board for FY 2022.

AGENCY ESTIMATE

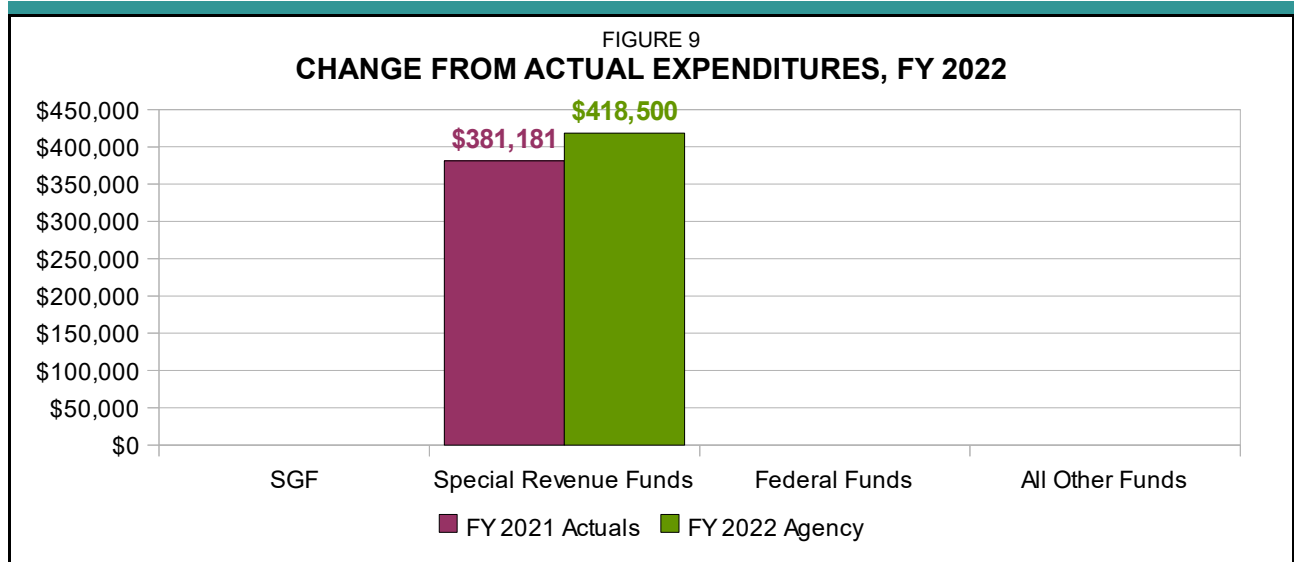
The **agency's** revised estimate of \$418,500, all from special revenue funds, is no change from the amount approved by the 2021 Legislature. Within the approved amount, the agency estimates a slight decrease in expenditures for office supplies, group health insurance, and increased expenditures for contractual services.

The revised estimate includes 3.0 FTE positions, which is the same number approved by the 2021 Legislature.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate of \$418,500, all from the Dental Board Fee Fund, and 3.0 FTE positions in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 budget included increased expenditures for classified staff and employee health insurance. In addition, historically, each year's budget request has been higher than the actual amount for the same fiscal year due to the flexibility built into each year's budget to account for possible increases in contractual legal fees.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved Budget, FY 2022	\$ -	\$ 417,000	\$ 417,000	3.0
Agency Request:				
1. No changes	-	-	-	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 417,000	\$ 417,000	3.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 417,000	\$ 417,000	3.0

AGENCY REQUEST

The **agency** requests \$417,000, all from special revenue funds, for FY 2023. This estimate is no change from the amount approved by the 2021 Legislature and a decrease of \$1,500, all from special revenue funds, below the amount approved for FY 2022. The decrease below the FY 2022 estimate is primarily attributable to lower anticipated expenditures for travel-related costs and office supplies, partially offset by an anticipated increase in employee fringe benefits.

The revised estimate includes 3.0 FTE positions, which is the same number approved by the 2021 Legislature.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate of \$417,000, all from the Dental Board Fee Fund, and 3.0 FTE positions for FY 2023.

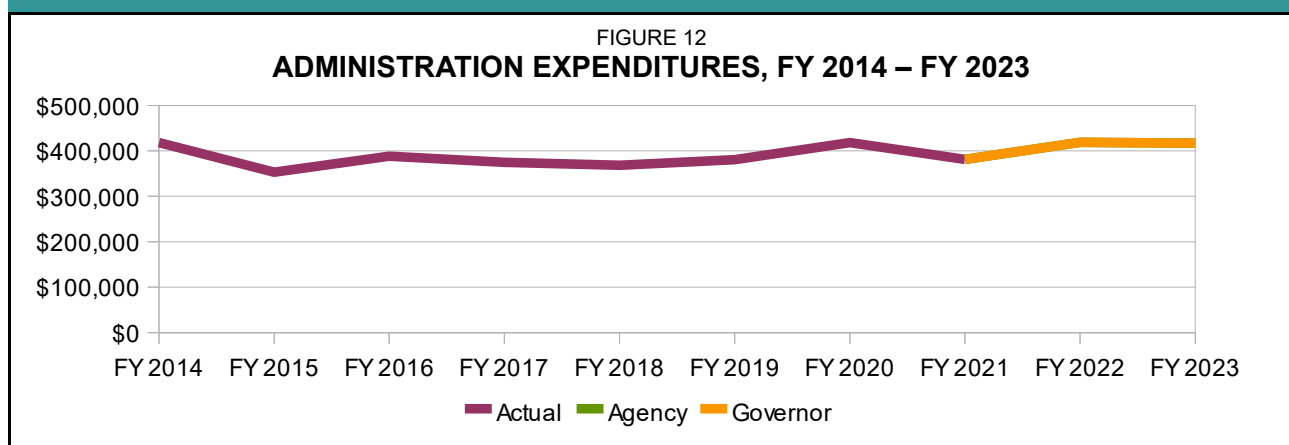
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 381,181	\$ 418,500	\$ 418,500	\$ 417,000	\$ 417,000
FTE Positions:					
Administration	3.0	3.0	3.0	3.0	3.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 74-1404

PROGRAM GOALS:

- License qualified candidates desiring to practice dentistry or dental hygiene in Kansas.
- Monitor compliance with sanitary and other regulations through routine sanitation inspections.
- Ensure safe dental practices by investigating complaints of incompetence, negligence, and illegal practice and revoking or suspending the licenses of practitioners engaging in negligent or illegal practice.

The Administration program encompasses all aspects of the Kansas Dental Board's work. The Board licenses qualified candidates desiring to practice dentistry or dental hygiene in Kansas, administers examinations, and

issues credentials to applicants according to licensure regulations. The Board also issues sedation permits to dentists and extended care permits to hygienists.

FIGURE 13

KANSAS DENTAL BOARD, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of Sanitation Inspections for DDS (360 per year at \$100 through CY 19 and \$110 starting in CY 20)	303	303	322	360	360
2. Cost per sanitation inspection*	\$ 105	\$ 110	\$ 105	\$ 110	\$ 110
3. Average cost per license	\$ 76.98	\$ 69.81	\$ 72.55	\$ 77.14	\$ 76.87
4. Average cost of board sanitation corrections*	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
5. Average cost of board investigations for complaints of incompetence, negligence, and illegal practice*	\$ 47,575	\$ 70,325	\$ 54,633	\$ 88,250	\$ 85,000
6. Percentage of complaints to total licensees	1.5 %	1.5 %	--	1.8 %	1.8 %
Output Measure:					
7. Total number of dentists licensed*	2,289	2,289	2,281	2,275	2,275
8. Total number of hygienists licensed*	3,144	3,162	3,140	3,150	3,150
9. Number of complaints received	80	83	85	100	100
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	218,211	381,181		418,500	417,000
TOTAL	\$ 218,211	\$ 381,181		\$ 418,500	\$ 417,000
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(42.6) %	74.7 %		9.8 %	(0.4) %
FTE Positions	3.0	3.0		3.0	3.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS**FY 2022**

The **agency's** revised estimate in FY 2022 is \$418,500, all from special revenue funds. This revised estimate is no change from the amount approved by the 2021 Legislature. Within the approved amount, the agency estimates a slight decrease in expenditures for office supplies and group health insurance, and increased expenditures for contractual services. The revised estimate includes 3.0 FTE positions, which is the same number approved by the 2021 Legislature.

FY 2023

The **agency** requests \$417,000, all from special revenue funds, for operating expenditures in FY 2023. This revised estimate

is no change from the amount approved by the 2021 Legislature and a decrease of \$1,500, all special revenue funds, below the amount approved for FY 2022. The decrease is primarily attributable to lower anticipated expenditures for travel-related costs and office supplies, partially offset by an anticipated increase in employee fringe benefit expenditures.

The revised estimate includes 3.0 FTE positions, which is the same number approved by the 2021 Legislature.

GOVERNOR RECOMMENDATION

The Governor concurs with the agency's revised estimates for FY 2022 and FY 2023.

GOVERNMENTAL ETHICS COMMISSION

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 446,942	\$ 470,233	\$ 470,233	\$ 545,603	\$ 520,554
Federal Funds	-	-	-	-	-
All Other Funds	257,351	253,531	253,531	263,446	257,352
<i>Subtotal</i>	<i>\$ 704,293</i>	<i>\$ 723,764</i>	<i>\$ 723,764</i>	<i>\$ 809,049</i>	<i>\$ 777,906</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 704,293	\$ 723,764	\$ 723,764	\$ 809,049	\$ 777,906
Percentage Change:					
State General Fund	13.0 %	5.2 %	5.2 %	16.0 %	10.7 %
All Funds	1.6 %	2.8 %	2.8 %	11.8 %	7.5 %
FTE Positions	8.0	8.5	8.5	8.5	8.5

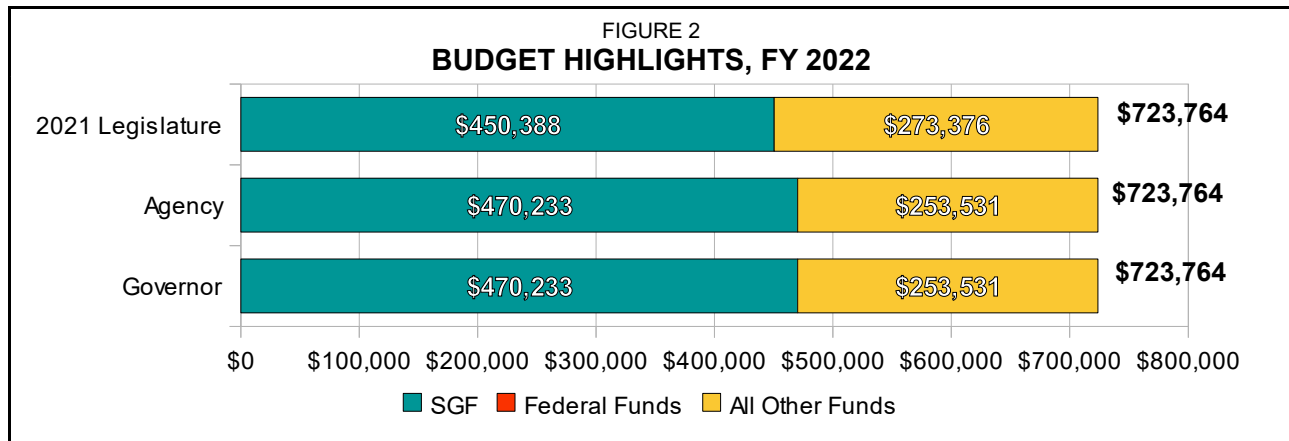
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Governmental Ethics Commission is charged with administering, interpreting, and enforcing the Campaign Finance Act and laws relating to conflicts of interest, financial disclosure, and the regulation of lobbying. These laws establish the public's right to information about the financial affairs of Kansas' public officials, lobbyists, and candidates for state and local office. The Commission also renders advisory opinions and can adopt rules and regulations.

Each year, the Commission receives thousands of financial disclosure reports filed by candidates, political parties and party committees, public officials, and lobbyists. During non-election years, the Commission staff conduct comprehensive audits of previous filings; process new candidate Appointment of Treasurer forms and Political Action Committee Statement of Organization forms; ensure all persons subject to Commission regulation receive all pertinent campaign finance information for upcoming elections; process failure-to-file notices; and file complaints. During election years, the Commission devotes 80.0 percent to 90.0 percent of staff time to answering campaign-related questions, assisting candidates and candidate treasurers in completing their reports, and reviewing the receipts and expenditure reports filed. In addition to these responsibilities, the Commission enforces and assures lobbyists' compliance with state lobbying laws.

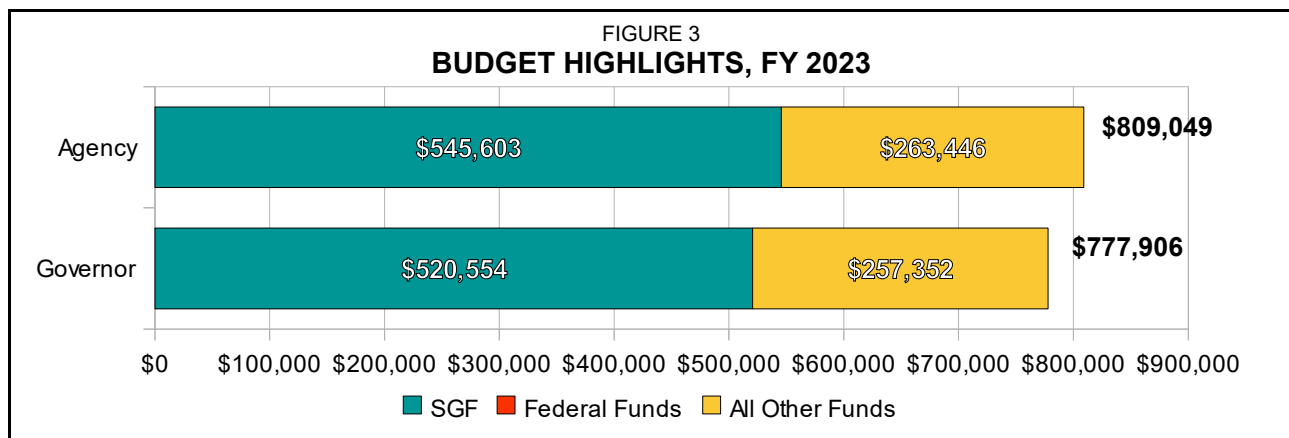
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$723,764, including \$450,388 from the State General Fund (SGF), for the Governmental Ethics Commission in FY 2022.



The **agency** requests a revised estimate of \$723,764, including \$470,233 SGF, in FY 2022. This is the same all funds amount approved by the 2021 Legislature and includes an SGF increase of \$19,485. The SGF increase is due to the agency's supplemental request to restore \$20,756 SGF that was allotted by the Governor in the June 2020 allotment. The allotted funds were to be used to fund the conversion of a part-time attorney to a full-time position as approved by the 2020 Legislature. The agency has been using the Governmental Ethics Commission Fee Fund to fund the position.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$809,049, including \$545,603 SGF, for FY 2023. This is an all funds increase of \$85,285, or 11.8 percent, above the FY 2023 approved amount.

Significant items in the agency request include the following:

- **ENHANCEMENT—RESTORATION OF GOVERNOR'S JUNE 2020 ALLOTMENT.** The agency requests \$20,756 SGF, as approved by the 2020 Legislature;
- **ENHANCEMENT—SALARY PAY PLAN.** The agency requests \$79,566, including \$73,472 SGF, to provide pay increases after a salary study was conducted by a subcommittee of the Commission;
- Reduction in printing expenditures related to electronic document distribution and in-house printing (\$4,000);

- Reduction in data entry temporary assistance (\$3,000);
- Reduction in budgeted mileage (\$2,705);
- Reduction in postage cost projection fees (\$2,500); and
- Reduction in court reporter expenditures (\$1,000).

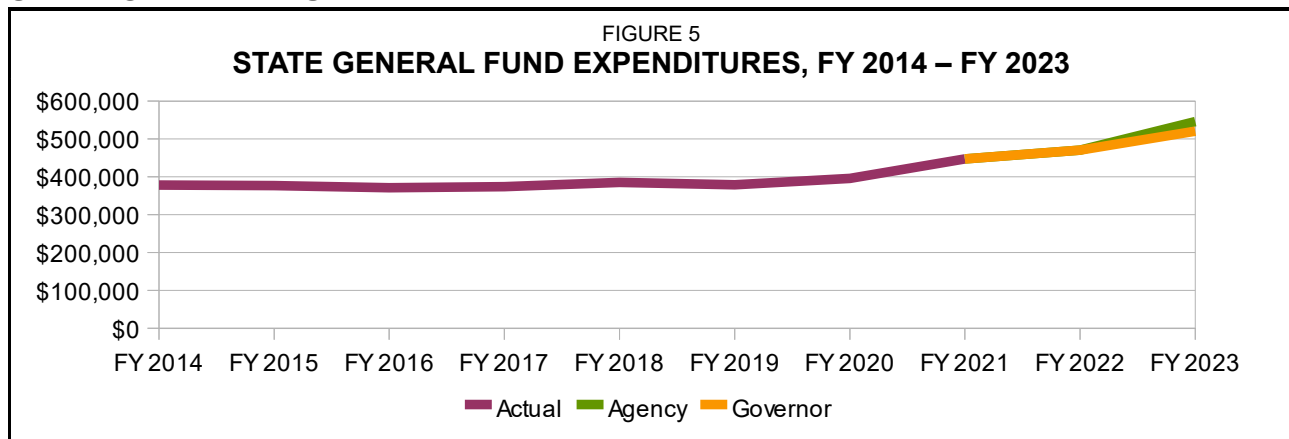
The **Governor** recommends \$777,906, including \$520,554 SGF, for FY 2023. This includes a partial adoption of the salary pay plan enhancement request, totaling \$48,423, all SGF.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

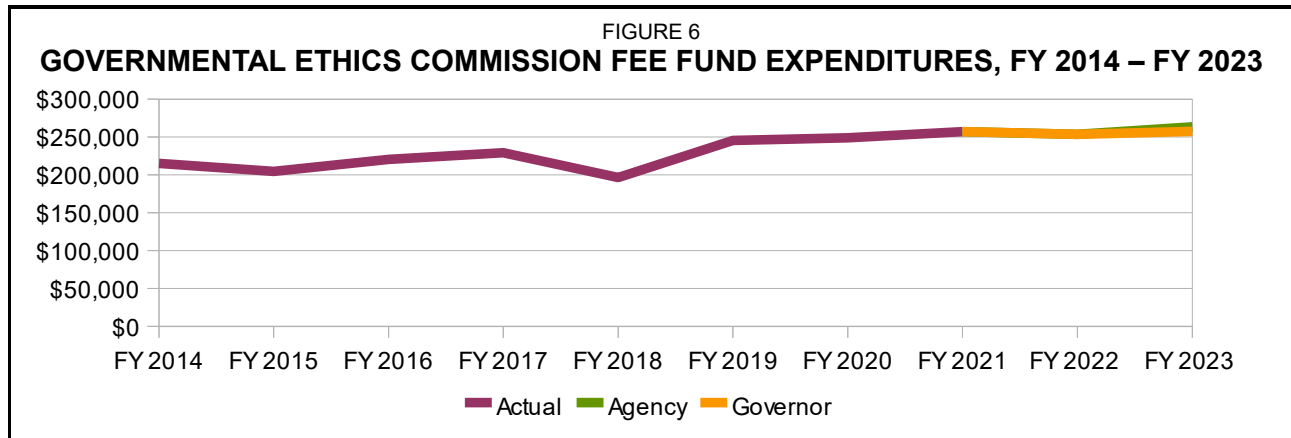
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 547,431	\$ 599,577	\$ 599,577	\$ 680,522	\$ 649,379
Contractual Services	113,117	119,087	119,087	123,427	123,427
Commodities	3,500	4,500	4,500	4,500	4,500
Capital Outlay	40,245	600	600	600	600
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 704,293</i>	<i>\$ 723,764</i>	<i>\$ 723,764</i>	<i>\$ 809,049</i>	<i>\$ 777,906</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal– Operating</i>	<i>\$ 704,293</i>	<i>\$ 723,764</i>	<i>\$ 723,764</i>	<i>\$ 809,049</i>	<i>\$ 777,906</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 704,293	\$ 723,764	\$ 723,764	\$ 809,049	\$ 777,906
Financing:					
State General Fund	\$ 446,942	\$ 470,233	\$ 470,233	\$ 545,603	\$ 520,554
Governmental Ethics Fee Fund	257,261	253,531	253,531	263,446	257,352
Coronavirus Relief Fund	90	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 704,293	\$ 723,764	\$ 723,764	\$ 809,049	\$ 777,906
FTE Positions	8.0	8.5	8.5	8.5	8.5

STATE GENERAL FUND



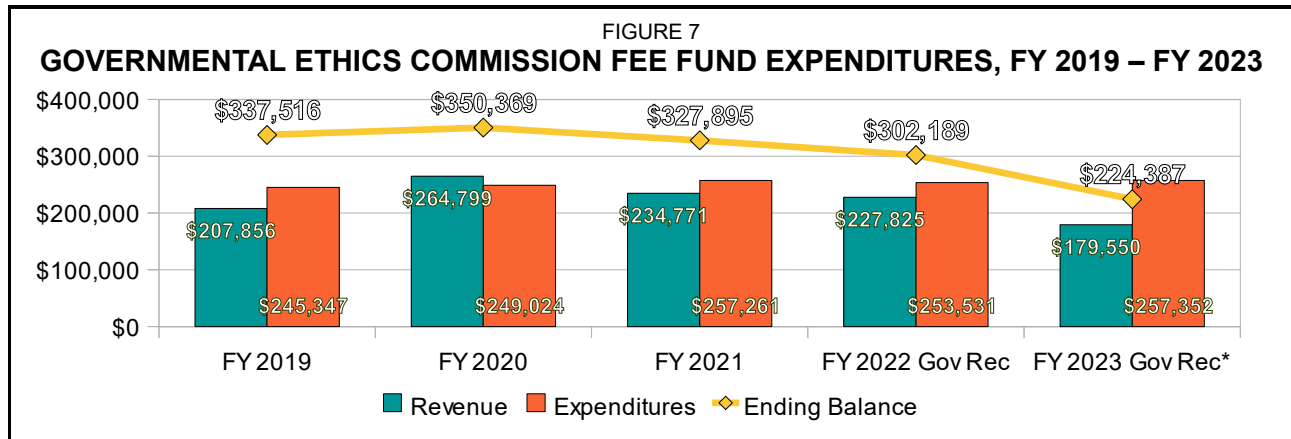
For the Governmental Ethics Commission, SGF expenditures have remained primarily consistent between FY 2014 and FY 2020. In FY 2021, SGF expenditures increased due to the 2019 Legislature adding \$60,000 to the agency's budget to bring funding in line with historical levels of SGF support.

GOVERNMENTAL ETHICS COMMISSION FEE FUND



The Governmental Ethics Commission Fee Fund is a statutory fee fund. It is funded by candidate filing fees, lobbyist registration fees, political action committees and registration fees, as required by KSA 25-4119a, KSA 25-4119f, KSA 46-265, and KSA 25-4145.

GOVERNMENTAL ETHICS COMMISSION FEE FUND



* For FY 2023, the lowest month ending balance for the Governmental Ethics Commission Fee Fund will occur in January, with a balance of \$248,292.

The ending balance of the Governmental Ethics Commission Fee Fund has steadily decreased over the past several years. This decrease is caused by increased expenditures and decreased revenues. This fee fund is impacted by the four-year election cycle, with revenue and expenditures being largely collected and expended in the years prior to a major election.

FIGURE 8
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit
Filing fee for candidates for Governor and Lieutenant Governor	\$ 650	\$ 650
Filing fee for candidates for other offices elected statewide	650	650
Filing fee for candidates for State Legislature, State Board of Education, and other local offices	50	50
Fee for Political Action Committees with anticipated receipts of \$500 or less	25	25
Fee for Political Action Committees with anticipated receipts of \$501, but less than \$2,500	50	50
Fee for Political Action Committee with anticipated receipts greater than \$2,501	300	300
Lobbyist fee for anticipated spending of \$1,000 or less on behalf of any one employer (per employer)	50	50
Lobbyist fee for anticipated spending of more than \$1,000 on behalf of any one employer (per employer)	350	350
Fee for non-owner, non-partner lobbying firm employees	450	450

FY 2022 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 450,388	\$ 273,376	\$ 723,764	8.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 450,388</i>	<i>\$ 273,376</i>	<i>\$ 723,764</i>	<i>8.0</i>
Agency Revised Estimate:				
2. Restoring Governor's June 2020 Allotment	\$ 20,756	\$ (20,756)	\$ -	--
3. Investigator Position Shift	-	-	-	0.5
4. All Other Adjustments	(911)	911	-	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 470,233</i>	<i>\$ 273,376</i>	<i>\$ 723,764</i>	<i>8.5</i>
Governor's Recommendation:				
5. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 470,233	\$ 273,376	\$ 723,764	8.5

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$723,764 appropriated to the Governmental Ethics Commission for FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$723,764, including \$470,233 SGF in FY 2022. This is no change from the FY 2022 approved all funds amount, and an increase of \$19,845 SGF.

The **agency** estimate includes the following adjustments:

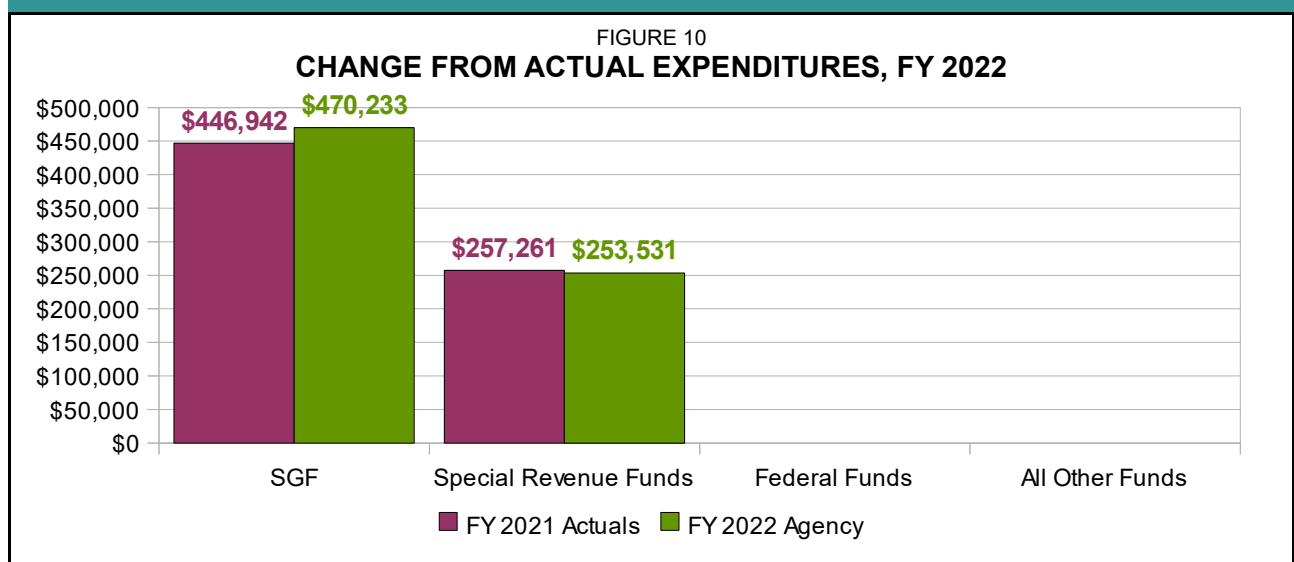
2. **SUPPLEMENTAL REQUEST - GOVERNOR'S JUNE 2020 ALLOTMENT.** The agency's supplemental request would restore \$20,756 SGF, thus decreasing expenditures from the Governmental Ethics Commission Fee Fund. The 2020 Legislature approved the conversion of a part-time attorney to a full-time position. The Governor subsequently allotted the funding in the June 2020 allotment. The agency has been using the Governmental Ethics Commission Fee Fund to fund this position.
3. **INVESTIGATOR POSITION SHIFT.** The agency shifted a contracted investigator position to the salaries and wages category.
4. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes other adjustments, such as reducing printing expenditures related to electronic document distribution and in-house printing, budgeted mileage, Office of Information Technology Services expenses due to rate adjustments, court reporting costs, and office supplies, offset by costs related to the replacement of computer peripherals.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$723,764, including \$470,233 SGF, in FY 2022.

5. **NO CHANGES.** The Governor concurs with the agency's revised estimate in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised expenditures of \$723,764, including \$470,233 SGF, in FY 2022. This is an increase of \$19,471, or 2.8 percent, above the FY 2021 actual expenditures. This increase is attributable to the Governor's June 2020 allotment of funding approved by the 2020 Legislature for the conversion of a part-time attorney to a full-time position.

FY 2023 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved, FY 2023	\$ 450,388	\$ 285,189	\$ 735,577	8.5
Agency Request:				
1. Enhancement - Restoring Governor's June 2020 Allotment	\$ 20,756	\$ (20,756)	\$ -	--
2. Enhancement - Salary Pay Plan	73,472	6,094	79,566	--
3. All Other Adjustments	987	(7,081)	(6,094)	--
<i>Subtotal—Agency Estimate</i>	<i>\$ 545,603</i>	<i>\$ 263,446</i>	<i>\$ 809,049</i>	<i>8.5</i>
Governor's Recommendation:				
4. Partial Adoption of Salary Pay Plan Enhancement Request	\$ (25,049)	\$ (6,094)	\$ (31,143)	--
TOTAL	\$ 520,554	\$ 257,352	\$ 777,906	8.5

AGENCY REQUEST

The **agency** requests \$809,049, including \$545,603 SGF, for FY 2023. This is an all funds increase of \$85,285, or 11.8 percent, above the FY 2023 approved amount.

The **agency** request includes the following adjustments:

- 1. ENHANCEMENT—RESTORING GOVERNOR'S JUNE 2020 ALLOTMENT.** The agency's enhancement request would restore \$20,756 SGF that the 2020 Legislature approved for the conversion of a part-time attorney to a full-time position. The Governor subsequently allotted the funding in the June 2020 allotment.
- 2. ENHANCEMENT—SALARY PAY PLAN.** The agency requests \$79,566 to provide pay increases after a salary study was conducted by a subcommittee of the Commission.
- 3. ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes other adjustments, such as reducing printing expenditures related to electronic document distribution and in-house printing, budgeted mileage, Office of Information Technology Services expenses due to rate adjustments, court reporting costs, and office supplies, offset by costs related to the replacement of computer peripherals.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$777,906, including \$520,554 SGF, for FY 2023. This amount includes fully funding the agency's enhancement request to restore the Governor's June 2020 allotment.

The **Governor's** recommendation includes the following adjustment:

- 4. PARTIAL ADOPTION OF SALARY PAY PLAN ENHANCEMENT REQUEST.** The Governor recommends partial adoption of the salary pay plan enhancement request, totaling \$48,423, all SGF.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

REQUEST 1

SUPPLEMENTAL—RESTORING GOVERNOR'S JUNE 2020 ALLOTMENT

The 2020 Legislature approved the conversion of a part-time attorney to a full-time position. The Governor subsequently allotted funding for this position. The agency has been using special revenue funds for this position. The agency requests the position be funded with SGF moneys for FY 2022 and FY 2023.

RESTORING GOVERNOR'S JUNE 2020 ALLOTMENT			
Item	SGF	Fee Fund	Total
Salary and Benefits	\$ 20,756	\$ (20,756)	\$ -
TOTAL	\$ 20,756	\$ (20,756)	\$ -

The Governor recommends adoption of this request.

REQUEST 2

ENHANCEMENT—RESTORING GOVERNOR'S JUNE 2020 ALLOTMENT

The 2020 Legislature approved the conversion of a part-time attorney to a full-time position. The Governor subsequently allotted funding for this position. The agency has been using special revenue funds for this position. The agency requests the position be funded with SGF moneys for FY 2022 and FY 2023.

RESTORING GOVERNOR'S JUNE 2020 ALLOTMENT			
Item	SGF	Fee Fund	Total
Salary and Benefits	\$ 20,756	\$ (20,756)	\$ -
TOTAL	\$ 20,756	\$ (20,756)	\$ -

The Governor recommends adoption of this request.

REQUEST 3

ENHANCEMENT—SALARY PAY PLAN

The salary pay plan results from a study by a subcommittee of the Commission. The subcommittee reviewed salary data for ethics commission directors of other states and other State of Kansas agency directors, as well as salary history and requirements for other positions within the agency and provided the full Commission with recommendations ranging from salary increases from 5.0 to 48.0 percent.

SALARY PAY PLAN			
Item	SGF	Fee Fund	Total
Salaries and Wages (Agency Request)	\$ 73,472	\$ 6,094	\$ 79,566
Salaries and Wages (Governor's Recommendation)	48,423	0	48,423

The Governor recommends partial adoption of this request, with salary increases ranging from 5.3 to 15.8 percent.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

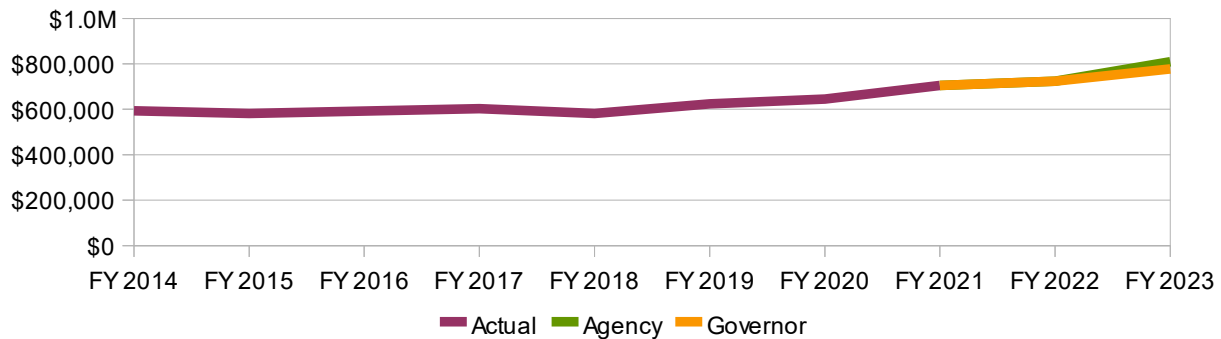
FIGURE 12 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 704,293	\$ 723,764	\$ 723,764	\$ 809,049	\$ 777,906
FTE Positions:					
Administration	8.0	8.5	8.5	8.5	8.5

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 13
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 25-4142; KSA 46-215

PROGRAM GOALS:

- Ensure that all reports receive a review of compliance with the law.
- Provide the necessary mandatory tools required to support other programs.
- Reduce the severity and number of unintentional violations of the Campaign Finance Act and lobbying and ethics laws.
- Rapidly correct unintentional and non-severe violations of the Campaign Finance Act and lobbying and ethics laws.

The Administration program provides for the means for other programs to be successful, such as paying rent, information technology bills, and the monumental building surcharge,

and providing office supplies. The program also includes the Education, Awareness, Compliance, and Enforcement (of the Campaign Finance Act) subprograms.

FIGURE 14
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of campaign finance entities receiving Error and Omission Notices*	17.2 %	17.9 %	17.8 %	18.4 %	16.8 %
2. Percent of lobbyist receiving Error and Omission Notices*	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
3. Percent of Interest filers receiving Error and Omission Notices*	0.0 %	0.0 %	0.03 %	0.1 %	0.1 %
Output Measure:					
4. Number of Error and Omission Notices sent to campaign finance entities*	260	602	433	227	426
5. Number of Error and Omission Notices sent to lobbyists*	1	0	0.33	2	2
6. Number of statements of substantial interest filed	5,561	5,744	5,642	5,852	5,765
7. Number of trainings performed*	11	11	11.67	12	15
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 395,476	\$ 446,942		\$ 470,233	\$ 520,554
Federal Funds	-	90		-	-
All Other Funds	249,024	257,261		253,531	257,352

FIGURE 14
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
TOTAL	\$ 644,500	\$ 704,293		\$ 723,764	\$ 777,906
Percentage Change:					
SGF	0.4%	13.0 %		5.2 %	10.7 %
All Funds	(12.2) %	9.3 %		2.8 %	7.5 %
FTE Positions	7.5	8.0		8.5	8.5

* The Governor's Office does not utilize this measure for evaluation purposes.

KANSAS STATE BOARD OF HEALING ARTS

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

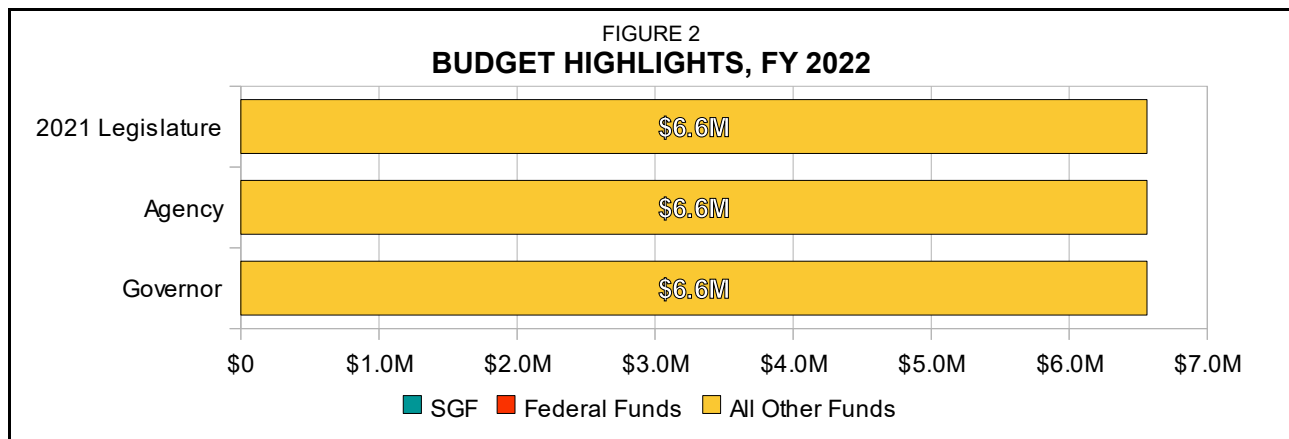
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	21,713	-	-	-	-
All Other Funds	6,015,727	6,562,233	6,585,427	6,587,656	6,630,727
<i>Subtotal</i>	<u>\$ 6,037,440</u>	<u>\$ 6,562,233</u>	<u>\$ 6,585,427</u>	<u>\$ 6,587,656</u>	<u>\$ 6,630,727</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 6,037,440</u>	<u>\$ 6,562,233</u>	<u>\$ 6,585,427</u>	<u>\$ 6,587,656</u>	<u>\$ 6,630,727</u>
Percentage Change:					
State General Fund	--%	-- %	-- %	-- %	-- %
All Funds	9.2 %	8.7 %	9.1 %	0.4 %	0.7 %
FTE Positions	61.0	61.0	61.0	61.0	61.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Kansas State Board of Healing Arts, created in 1957, licenses and regulates medical, osteopathic, and chiropractic doctors. Additionally, the agency issues temporary permits, postgraduate training permits, special permits, institutional licenses, temporary education licenses, visiting professor licenses, and visiting clinical professor licenses under the Healing Arts Act.

EXECUTIVE SUMMARY

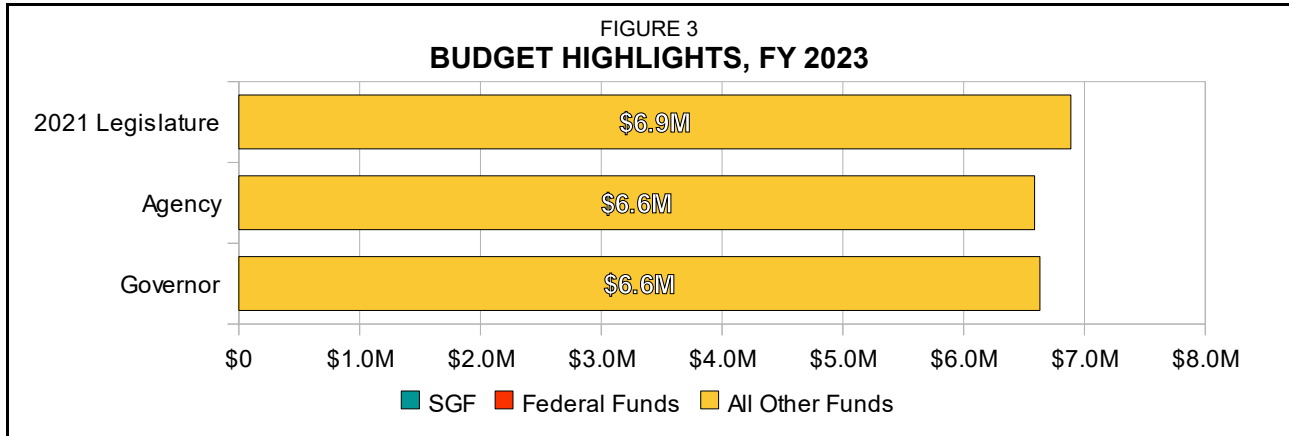
The 2021 Legislature approved a budget of \$6.6 million, all from special revenue funds, for the Kansas State Board of Healing Arts for FY 2022.



The **agency** requests a revised estimate of \$6.6 million, all from special revenue funds, in FY 2022. This is the same as the approved amount. However, there are adjustments to the expenditure categories. The revised estimate includes decreases in salaries and wages of

\$55,217, or 1.2 percent, and commodities of \$9,150, or 17.8 percent, with offsetting increases in contractual services of \$917, or 0.1 percent, and capital outlay of \$63,450, or 119.9 percent, from the approved amounts.

The **Governor** recommends expenditures of \$6.6 million, all from special revenue funds. This is an increase of \$23,194, or 0.4 percent, above the revised estimate amount. The increase is due to the Governor's 24/7 pay plan in FY 2022.



The **agency** requests \$6.6 million, all from special revenue funds. This is a decrease of \$300,000, or 4.4 percent, below the approved amount. The decrease is primarily in capital outlay.

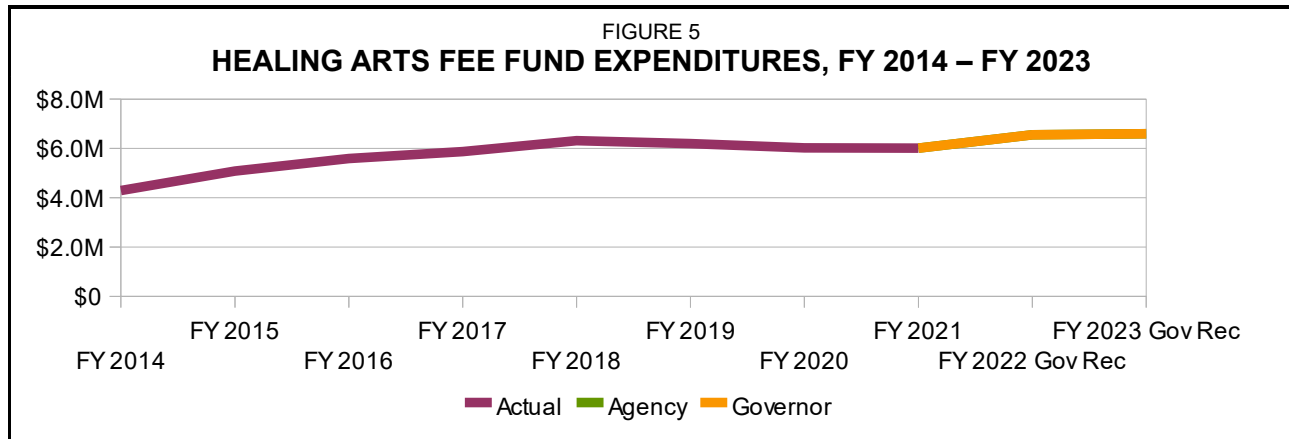
The **Governor** recommends expenditures of \$6.6 million, all from special revenue funds. This is an increase of \$43,071, or 0.6 percent, above the agency request. The increase is due to the Governor's 24/7 pay plan for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 4,038,190	\$ 4,609,023	\$ 4,632,217	\$ 4,614,182	\$ 4,657,253
Contractual Services	1,677,269	1,794,510	1,794,510	1,848,824	1,848,824
Commodities	24,130	42,350	42,350	49,450	49,450
Capital Outlay	297,851	116,350	116,350	75,200	75,200
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 6,037,440</i>	<i>\$ 6,562,233</i>	<i>\$ 6,585,427</i>	<i>\$ 6,587,656</i>	<i>\$ 6,630,727</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 6,037,440</i>	<i>\$ 6,562,233</i>	<i>\$ 6,585,427</i>	<i>\$ 6,587,656</i>	<i>\$ 6,630,727</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 6,037,440	\$ 6,562,233	\$ 6,585,427	\$ 6,587,656	\$ 6,630,727
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Healing Arts Fee Fund	6,007,867	6,527,233	6,550,427	6,552,656	6,595,727
Federal Funds	21,713	-	-	-	-
All Other Funds	7860	35,000	35,000	35,000	35,000
TOTAL	\$ 6,037,440	\$ 6,562,233	\$ 6,585,427	\$ 6,587,656	\$ 6,630,727
FTE Positions	61.0	61.0	61.0	61.0	61.0

HEALING ARTS FEE FUND



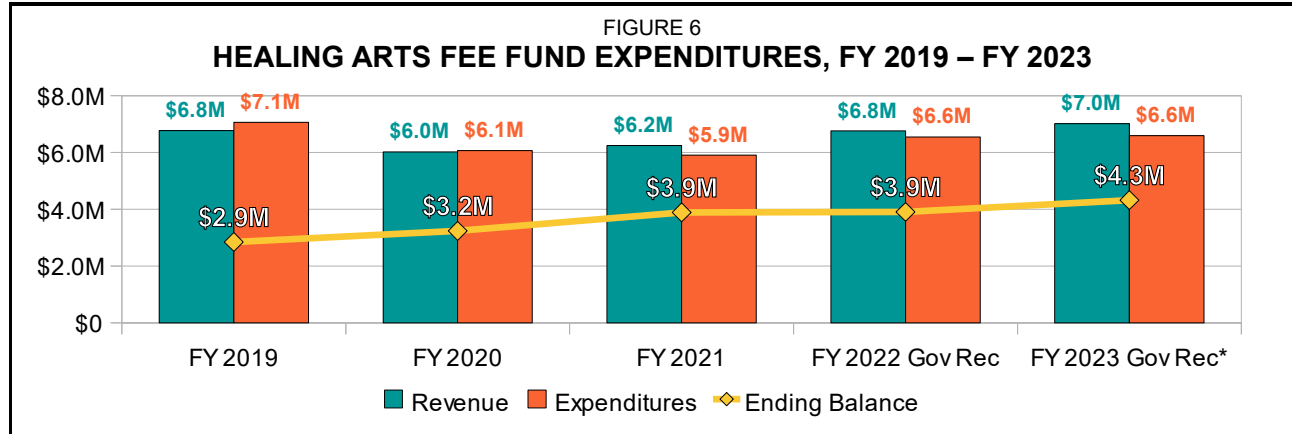
The Healing Arts Fee Fund is mainly derived from licensing and registration fees, deposited in the Healing Arts Fee Fund pursuant to KSA 65-2885. Maximum fees are established in statute, and the actual rates are set by rule and regulation. The fees vary based on the type of license or registration sought.

The Board is able to process license and registration applications online; however, the licensee or registrant also has the option of submitting a paper renewal. Fees are slightly reduced for online renewals. The Board's regulations also establish fees for late renewals or reinstatement of a revoked license.

Included below is a table of the Board's fees, which constitute the bulk of the fund revenue.

KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund. The table below summarizes the estimated receipts and fund balances based on the agency estimate and the Governor's recommendation.

HEALING ARTS FEE FUND



* For FY 2023, the lowest month ending balance for the Healing Arts Fee Fund will occur in April, with a balance of \$1.9 million.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Doctors of Medicine and Surgery	\$ 330	\$ 500	KSA 65-2852
Doctors of Osteopathic Medicine and Surgery	330	500	<i>Id.</i>
Doctors of Chiropractic Medicine	330	500	<i>Id.</i>
Doctors of Podiatric Medicine	330	500	<i>Id.</i>
Doctors of Naturopathic Medicine	125	150	<i>Id.</i>
Physician Assistants	150	150	<i>Id.</i>
Physical Therapists	70	70	<i>Id.</i>
Physical Therapist Assistants	70	70	<i>Id.</i>
Occupational Therapists	75	80	<i>Id.</i>
Occupational Therapy Assistants	75	80	<i>Id.</i>
Respiratory Therapists	75	80	<i>Id.</i>
Athletic Trainers	70	70	<i>Id.</i>
Radiologic Technologists	50	80	<i>Id.</i>
Certified Nurse Midwives	100	100	<i>Id.</i>
Acupuncturists	150	300	<i>Id.</i>

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 6,562,233	\$ 6,562,233	63.0
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 6,562,233</i>	<i>\$ 6,562,233</i>	<i>63.0</i>
Agency Revised Estimate:				
2. Corrected FTE Positions	-	-	-	(2.0)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 6,562,233</i>	<i>\$ 6,562,233</i>	<i>61.0</i>
Governor's Recommendation:				
3. 24/7 Pay Plan	-	23,194	23,194	-
TOTAL	\$ -	\$ 6,585,427	\$ 6,585,427	61.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$6.6 million appropriated to the Kansas State Board of Healing Arts for FY 2022.

AGENCY ESTIMATE

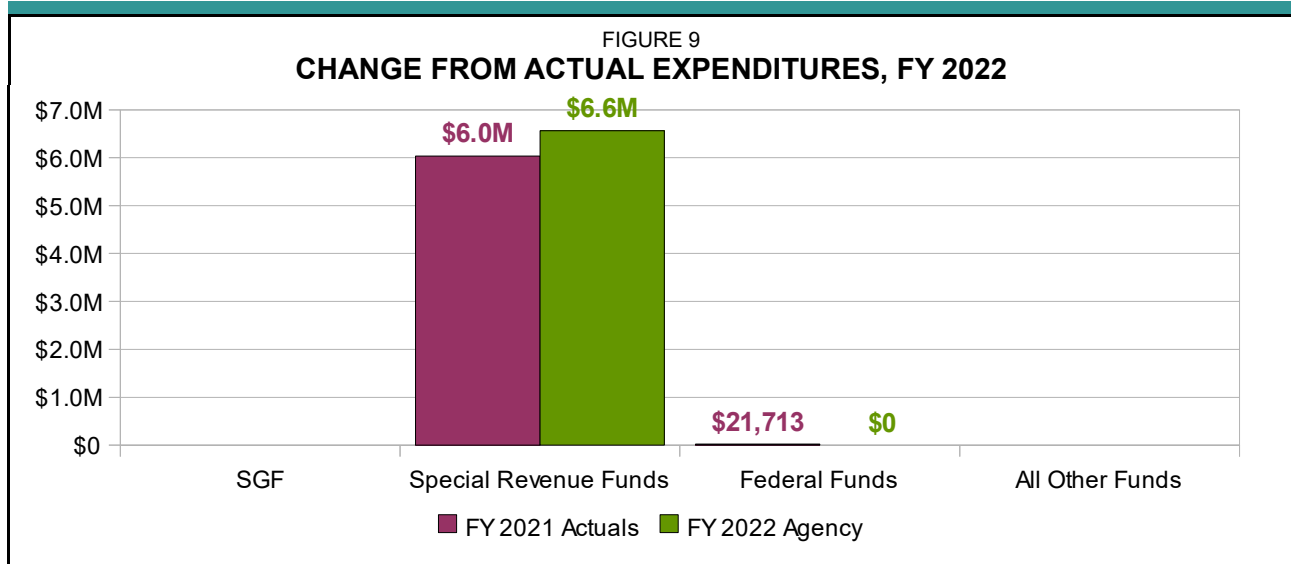
The **agency** requests \$6.6 million, all from special revenue funds in FY 2022. There are no changes to the total amount. However, there are changes to the expenditure categories. The revised estimate includes a decrease of \$55,217, or 1.2 percent, in salaries and wages and a decrease of \$9,150, or 17.8 percent, in commodities, below the approved amount. The revised estimate includes increases of \$917, or 0.1 percent, in contractual services and \$63,450, or 119.9 percent, in capital outlay. The increase in capital outlay is due to replacement of 10 desktop computers, 25 monitors, 10 laptops, 5 printers, and additional licenses, books and other equipment.

2. **CORRECTED FTE POSITIONS.** There was a correction of 2.0 FTE positions.

GOVERNOR'S RECOMMENDATION

3. The **Governor** recommends expenditures of \$6.6 million, all from special revenue funds. This is an increase of \$23,194, or 0.4 percent, above the agency request. The increase is due to the Governor's 24/7 pay plan in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



There is an increase of \$524,793, all from special revenue funds, between FY 2021 actual amounts and the revised estimate in FY 2022. The revised estimate includes increases in salaries and wages of \$570,833 and contractual services of \$117,241. The revised estimate includes a decrease of \$181,501 in capital outlay due to a reduction in expenditures for equipment and furniture. The lower actual expenditures in salaries and wages in FY 2021 was due to open positions and employees hired in at lower starting salaries than the employees leaving the agency.

Sub. for HB 2066 (2021) regarding occupational and professional licensing standards became law, and there was an increase to salaries and wages and an additional FTE positions added due to the changes associated with this new law in FY 2022.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Amount Approved by 2021 Legislature	\$ -	\$ 6,887,656	\$ 6,887,656	62.0
Agency Request:				
1. Capital Outlay Adjustments	\$ -	\$ (293,350)	\$ (293,350)	--
2. All Other Adjustments	-	(6,650)	(6,650)	(1.0)
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 6,587,656	\$ 6,587,656	61.0
Governor's Recommendation:				
3. 24/7 Pay Plan	-	43,071	43,071	--
TOTAL	\$ -	\$ 6,630,727	\$ 6,630,727	61.0

AGENCY REQUEST

The **agency** requests a revised estimate of \$6.6 million, all from special revenue funds, for FY 2023. This is a decrease of \$300,000 below the approved amount. The revised estimate includes decreases of salaries and wages (\$24,731), commodities (\$4,800) and capital outlay (\$293,350), partially offset by an increase in contractual services (\$22,881). The primary decrease is due to reduced purchases of computer equipment.

- CAPITAL OUTLAY ADJUSTMENTS.** There is a decrease of \$293,350, all from special revenue funds due to a decrease in the revised estimate for replacement of computer equipment and furniture.
- ALL OTHER ADJUSTMENTS.** There are decreases in salaries and wages of \$24,731 and commodities of \$4,800 with a partially offsetting increase in contractual services of \$22,881. The net reduction to the revised estimate is \$6,650. There was also a correction of 1.0 FTE position.

GOVERNOR'S RECOMMENDATION

- The **Governor** recommends \$6.6 million, all from special revenue funds. This is an increase of \$43,071, or 0.6 percent, for the Governor's 24/7 pay plan for FY 2023.

PERFORMANCE MEASURES OVERVIEW

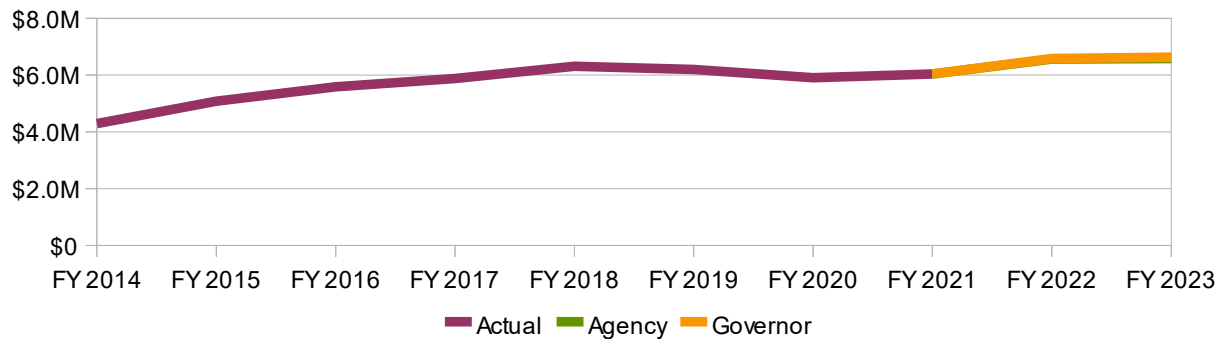
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 6,037,440	\$ 6,562,233	\$ 6,585,427	\$ 6,587,656	\$ 6,630,727
FTE Positions:					
Administration	61.0	61.0	61.0	61.0	61.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 65-2800 *et seq.*

PROGRAM GOALS: • Issue Licenses.
• Investigate complaints.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Ave.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Total Licenses Issued	3,130	3,554	3,179	3,944	4,377
2.Total Investigations	1,216	773	978	960	936
3.Total Complaints	4,437	3,322	4,047	4,000	3,900
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	6,476,642	6,037,440		6,585,427	6,630,727
TOTAL	\$ 6,476,642	\$ 6,037,440		\$ 6,585,427	\$ 6,630,727
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	9.6 %	(6.8) %		9.1 %	0.7 %
FTE Positions	61.0	61.0		61.0	61.0

KANSAS BOARD OF HEARING AID EXAMINERS

FY 2021 – FY 2023 BUDGET ANALYSIS

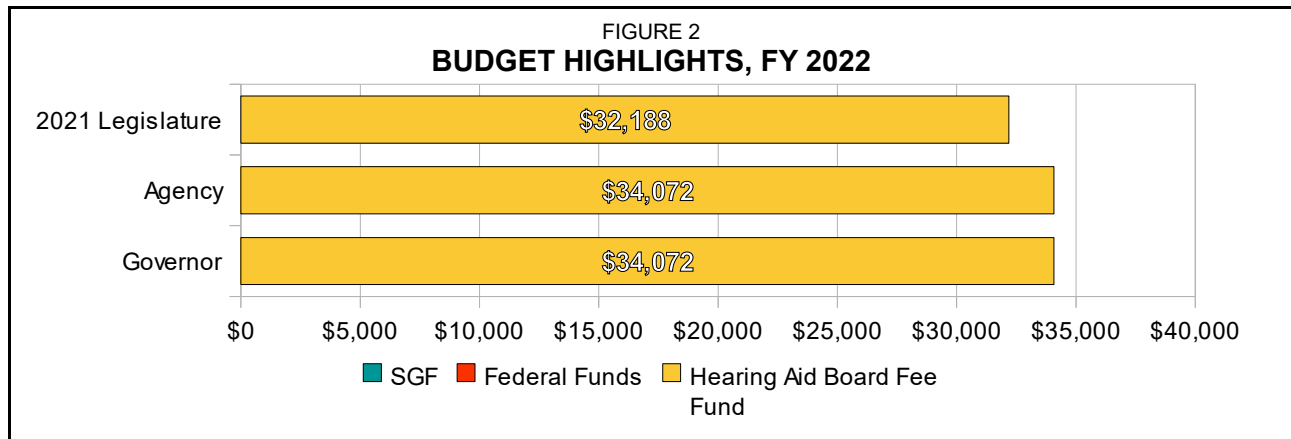
FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,857	-	-	-	-
All Other Funds	39,156	34,072	34,072	34,010	34,010
<i>Subtotal</i>	<i>\$ 41,013</i>	<i>\$ 34,072</i>	<i>\$ 34,072</i>	<i>\$ 34,010</i>	<i>\$ 34,010</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 41,013	\$ 34,072	\$ 34,072	\$ 34,010	\$ 34,010
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	78.1 %	(16.9) %	(16.9) %	(0.2) %	(0.2) %
FTE Positions	0.0	0.0	0.0	0.0	0.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Kansas Board of Hearing Aid Examiners regulates hearing aid dispensers by determining the competence of new practitioners entering the field, ensuring licensees keep their equipment calibrated and meet continuing education requirements, and investigating complaints. The Board consists of three licensed hearing aid dispensers and two public members who are appointed by the Governor. The staff consists of one unclassified, part-time employee who serves as the Executive Officer.

EXECUTIVE SUMMARY

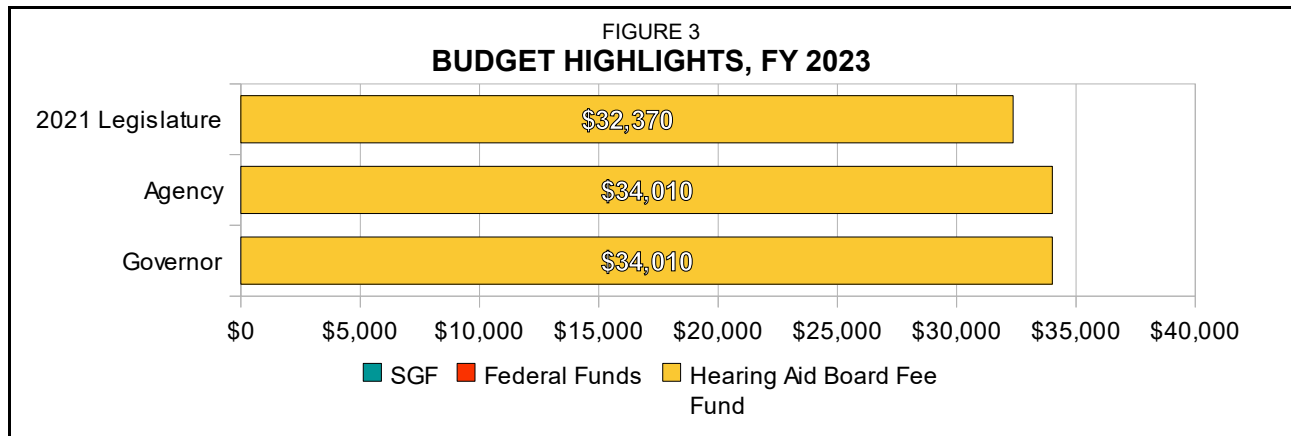
The 2021 Legislature approved a budget of \$32,188, all from the Hearing Aid Board Fee Fund, for the Kansas Board of Hearing Aid Examiners for FY 2022. No adjustments have been made subsequently to that amount.



The **agency** estimates revised expenditures of \$34,072 in FY 2022, all from the Hearing Aid Board Fee Fund. The revised estimate is an increase of \$1,884, or 5.9 percent, above the agency's FY 2022 approved amount. In FY 2022, the agency changed executive directors. The increase is primarily due to the new Executive Director's rate of pay being higher than the previous Executive Director's rate of pay. The agency requests no FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.

The 2021 Legislature approved a budget of \$32,370, all from the Hearing Aid Board Fee Fund, for the Kansas Board of Hearing Aid Examiners for FY 2023. No adjustments have been made subsequently to that amount.



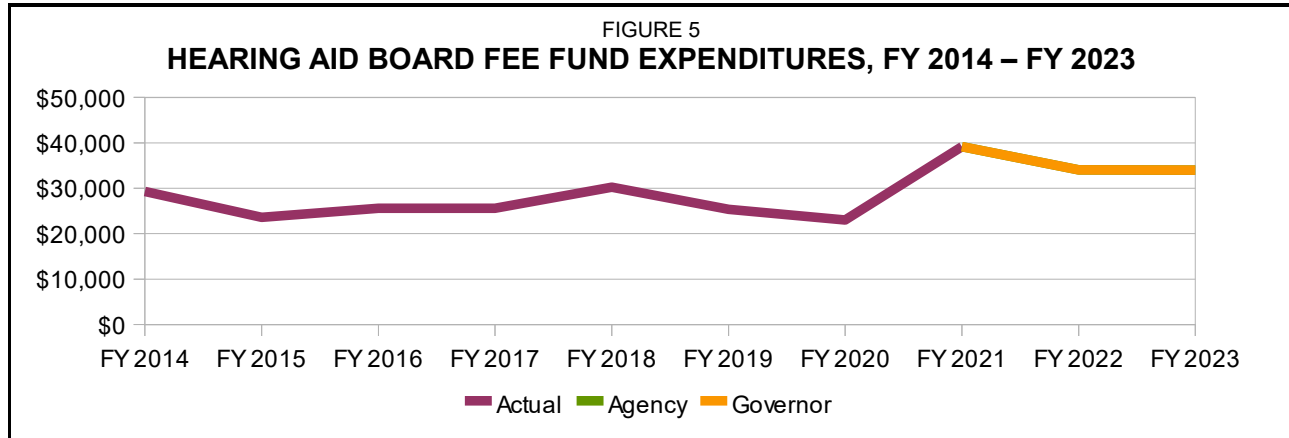
The **agency** estimates revised expenditures of \$34,010, all from the Hearing Aid Board Fee Fund, for FY 2023. The revised estimate is an increase of \$1,640, or 5.1 percent, above the FY 2023 approved amount. The increase is primarily due to continuing the pay increase for the new executive director hired in FY 2022. The agency requests no FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate for FY 2023.

EXPENDITURES AND FINANCING

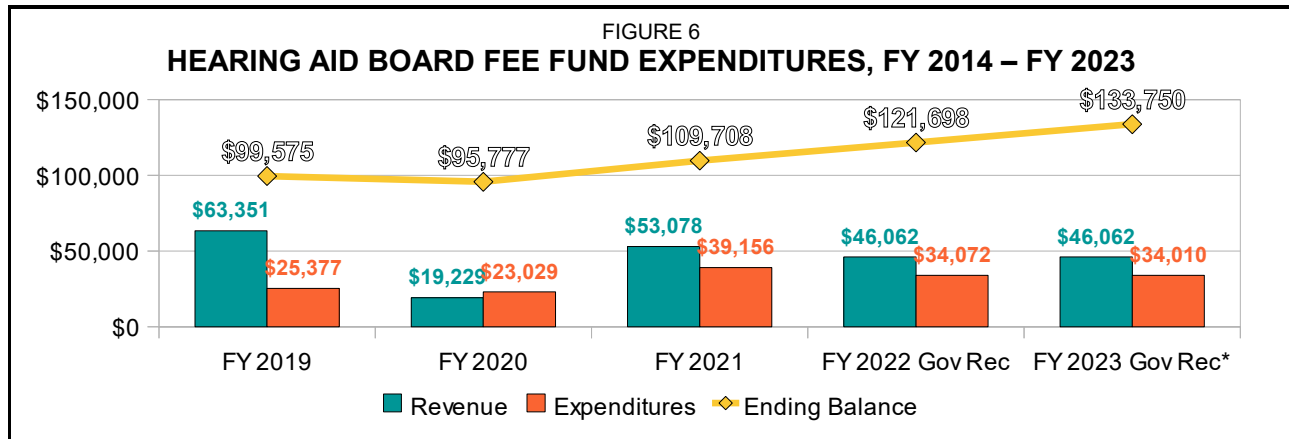
FIGURE 4 BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023					
Category of Expenditure:	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Salaries and Wages	\$ 19,963	\$ 23,605	\$ 23,605	\$ 23,542	\$ 23,542
Contractual Services	19,112	10,377	10,377	10,378	10,378
Commodities	81	90	90	90	90
Capital Outlay	1,857	-	-	-	-
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 41,013</i>	<i>\$ 34,072</i>	<i>\$ 34,072</i>	<i>\$ 34,010</i>	<i>\$ 34,010</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 41,013</i>	<i>\$ 34,072</i>	<i>\$ 34,072</i>	<i>\$ 34,010</i>	<i>\$ 34,010</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 41,013	\$ 34,072	\$ 34,072	\$ 34,010	\$ 34,010
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,857	-	-	-	-
Hearing Aid Board	39,156	34,072	34,072	34,010	34,010
Fee Fund	-	-	-	-	-
TOTAL	\$ 41,013	\$ 34,072	\$ 34,072	\$ 34,010	\$ 34,010
FTE Positions	0.0	0.0	0.0	0.0	0.0

HEARING AID BOARD FEE FUND



The Hearing Aid Board Fee Fund is funded by receipts from licensing fees for practicing dispensers. The types of fees, current rates, statutory limits, and statutory authority are set forth in Figure 7, below. Ten percent of the agency's incoming revenue is deposited into the SGF.

HEARING AID BOARD FEE FUND



* For FY 2023, the lowest month ending balance for the Hearing Aid Board Fee Fund will occur in September, with a balance of \$117,932.

The Hearing Aid Board Fee Fund ending balance has increased since FY 2021 and is expected to continue increasing in FY 2022 and FY 2023.

- In FY 2021, expenditures increased by \$16,127, or 70.1 percent, above FY 2020 actual expenditures. This increase is primarily due to the agency entering into a contract for the development of an interactive agency website. The website development was completed in FY 2021.
- In FY 2022, expenditures are expected to decrease by \$5,084, 13.0 percent, below FY 2021 actual expenditures. While the website development concluded in FY 2021, the agency's revised estimate includes expenditures for website maintenance, and an increase to the Executive Director's salary, which occurred in FY 2022 when the new Executive Director started. These expenditures are expected to continue in FY 2023.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
License Application	\$ 100	\$ 150	KSA 74-5810a
Temporary License	100	150	KSA 74-5810a
Temporary License Renewal	100	150	KSA 74-5810a
License	100	150	KSA 74-5810a
License or Certificate of Endorsement Renewal	100	150	KSA 74-5810a
License or Certificate of Endorsement Late Renewal	200	200	KSA 74-5810a
License or Certificate of Endorsement Reinstatement	300	300	KSA 74-5810a
Inactive License or Renewal of Inactive License	25	25	KSA 74-5810a
Conversion of Inactive License to Active License	100	150	KSA 74-5810a
Written Examination Fee	35	50	KSA 74-5810a
Practical Examination Fee (each section)	25	35	KSA 74-5810a
State License Verification (per state)	15	25	KSA 74-5810a
Replacement of Certificate or License	15	25	KSA 74-5810a
Change of Supervisor	15	25	KSA 74-5810a
Insufficient Funds	25	35	KSA 74-5810a

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 32,188	\$ 32,188	0.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 32,188</i>	<i>\$ 32,188</i>	<i>0.0</i>
Agency Revised Estimate:				
2. Executive Director Salary and Benefits	\$ -	\$ 3,008	\$ 3,008	--
3. All Other Adjustments	-	(1,124)	(1,124)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 34,072</i>	<i>\$ 34,072</i>	<i>0.0</i>
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 34,072	\$ 34,072	0.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$32,188 appropriated to the Kansas Board of Hearing Aid Examiners for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised expenditures of \$34,072, all from the Hearing Aid Board Fee Fund, in FY 2022. The revised estimate is an increase of \$1,884, or 5.9 percent, above the agency's FY 2022 approved amount. The agency requests no FTE positions, which is the same as the approved amount.

The **agency** estimate includes the following adjustments:

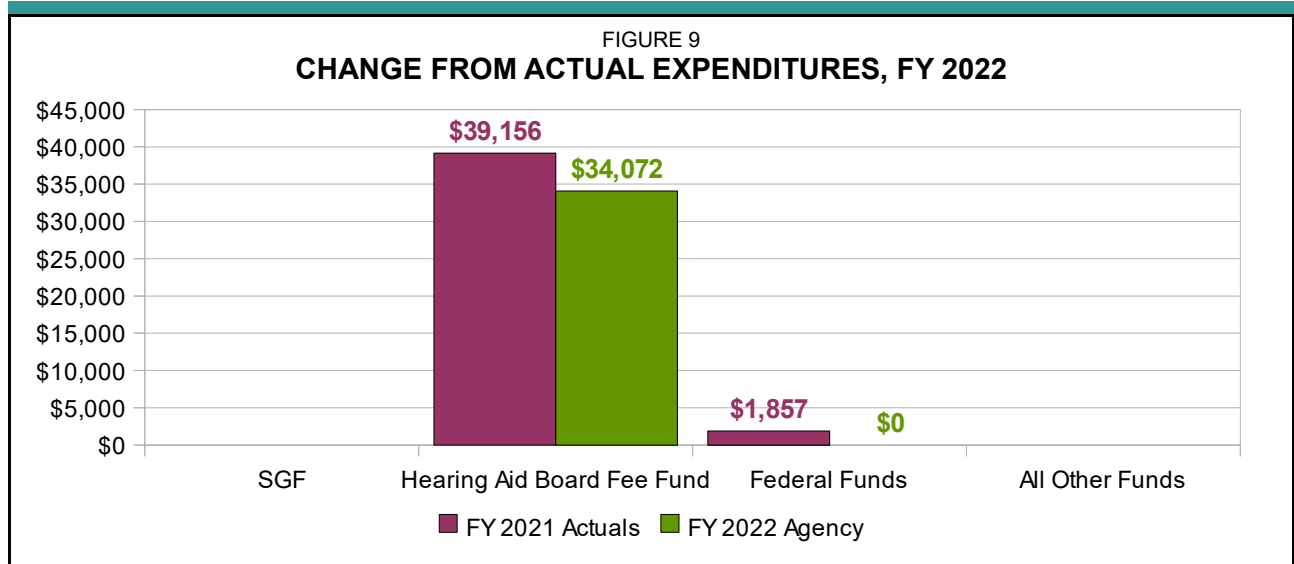
2. **EXECUTIVE DIRECTOR SALARY AND BENEFITS.** In FY 2022, the agency changed executive directors. The new Executive Director received a pay raise over the previous Executive Director's rate of pay, which contributed to increased expenditures for salaries and benefits in FY 2022.
3. **ALL OTHER ADJUSTMENTS.** The increased expenditures on salaries and benefits in FY 2022 were offset by slightly lower than expected expenditures on office supplies and website maintenance.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2022.

4. **NO CHANGES.** The Governor recommends no changes to the agency's revised estimate in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 revised estimate is \$34,072, all from the Hearing Aid Board Fee Fund. This is a decrease of \$6,941, or 16.9 percent, below FY 2021 actual expenditures. The decrease from FY 2021 to FY 2022 is primarily due to the agency completing a contract to overhaul its website in FY 2021. The decrease is also attributed to a reduction in capital outlay expenditures, which were funded with federal COVID-19 relief funds.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 32,370	\$ 32,370	0.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 32,370	\$ 32,370	0.0
Agency Request:				
2. Executive Director Salary and Benefits	\$ -	\$ 2,942	\$ 2,942	--
3. All Other Adjustments	-	(1,302)	(1,302)	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 34,010	\$ 34,010	0.0
Governor's Recommendation:				
4. Reduced Resources	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 34,010	\$ 34,010	0.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$32,370 appropriated to the Kansas Board of Hearing Aid Examiners for FY 2023.

AGENCY REQUEST

The agency estimates revised expenditures of \$34,010, all from the Hearing Aid Board Fee Fund, for FY 2023. The revised estimate is an increase of \$1,640, or 5.1 percent, above the FY 2023 approved amount. The agency requests no FTE positions, which is the same as the approved amount.

2. **EXECUTIVE DIRECTOR SALARY AND BENEFITS.** The FY 2023 approved amount did not reflect the new Executive Director's pay raise, which was granted when the new Executive Director started in FY 2022. This contributed to increased expenditures in salaries and benefits for FY 2023.
3. **ALL OTHER ADJUSTMENTS.** Increased expenditures on the Executive Director's salary and benefits are expected to be offset by decreased expenditures in contractual services, including decreased expenditures on printing.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2023.

4. **NO CHANGES.** The Governor recommends no changes to the agency's revised estimate for FY 2023.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

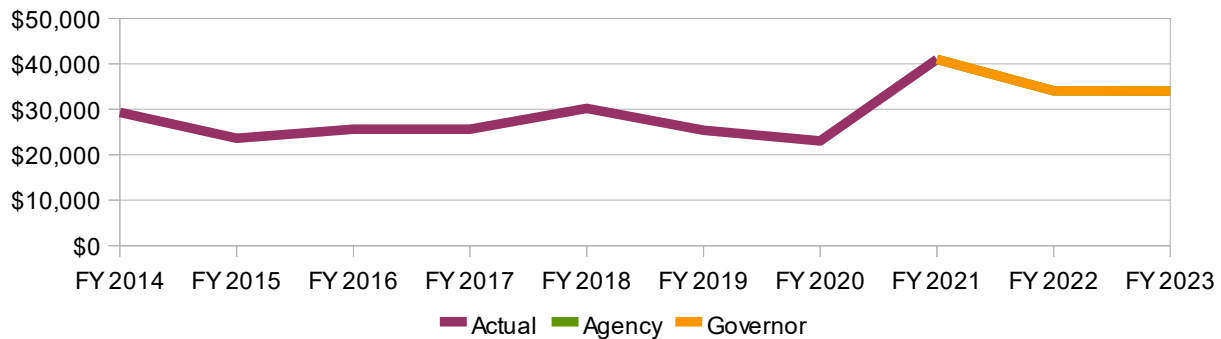
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 41,013	\$ 34,072	\$ 34,072	\$ 34,010	\$ 34,010
FTE Positions:					
Administration	-	-	-	-	-

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 74-5801 through 74-5826

PROGRAM GOALS: • Work to establish online renewals and update continuing education requirements in rules and regulations.
• Establish servicing renewal system to make annual license renewals more efficient.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
1. License Renewals	113	451	340	400	400
2. License Applications	40	41	37	39	39
3. Temporary Licenses*	13	9	11	9	N/A
4. Temporary Renewals*	10	6	7	6	N/A
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	1,857		-	-
All Other Funds	23,029	39,156		34,072	34,010
TOTAL	\$ 23,029	\$ 41,013		\$ 34,072	\$ 34,010
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(10.2) %	78.1 %		(16.9) %	0.2 %
FTE Positions	0.0	0.0		0.0	0.0

* Indicates measure not used by the Governor for performance purposes.

KANSAS STATE BOARD OF MORTUARY ARTS

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	285,237	367,875	367,875	308,394	308,394
<i>Subtotal</i>	<u>\$ 285,237</u>	<u>\$ 367,875</u>	<u>\$ 367,875</u>	<u>\$ 308,394</u>	<u>\$ 308,394</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 285,237</u>	<u>\$ 367,875</u>	<u>\$ 367,875</u>	<u>\$ 308,394</u>	<u>\$ 308,394</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(2.5) %	29.0 %	29.0 %	(16.2) %	(16.2) %
FTE Positions	3.0	3.0	3.0	3.0	3.0

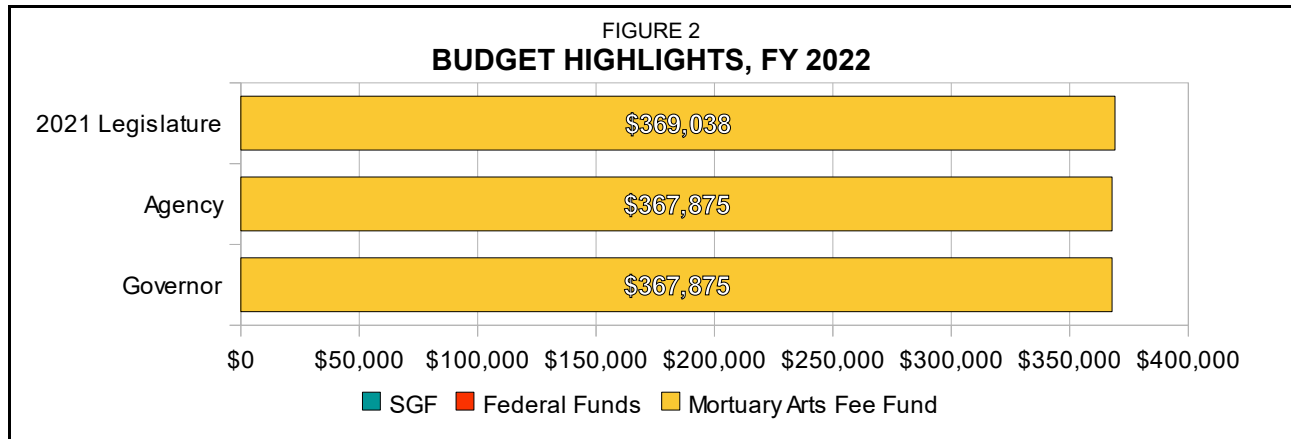
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Kansas State Board of Mortuary Arts regulates embalmers, funeral directors, assistant funeral directors, apprentice embalmers, crematory operators, funeral establishments, branch funeral establishments, and crematories. The five-member Board ensures funeral homes, crematories, licensees, apprentices, and student embalmers operate according to state laws, and that they serve in the best interest of the consumer by meeting and maintaining licensing and regulatory requirements.

To accomplish these things, the Board provides information detailing the Kansas licensing process; provides assistance to potential licensees who may not understand or meet licensing requirements; maintains information on all individuals who seek and maintain licenses; inspects funeral homes and crematory facilities twice a year; investigates complaints regarding the practice of the mortuary arts profession; and takes appropriate disciplinary measures, if warranted. The Board also informs Kansas consumers about laws related to the death process, funeral pre-arrangements, and the funeral process.

EXECUTIVE SUMMARY

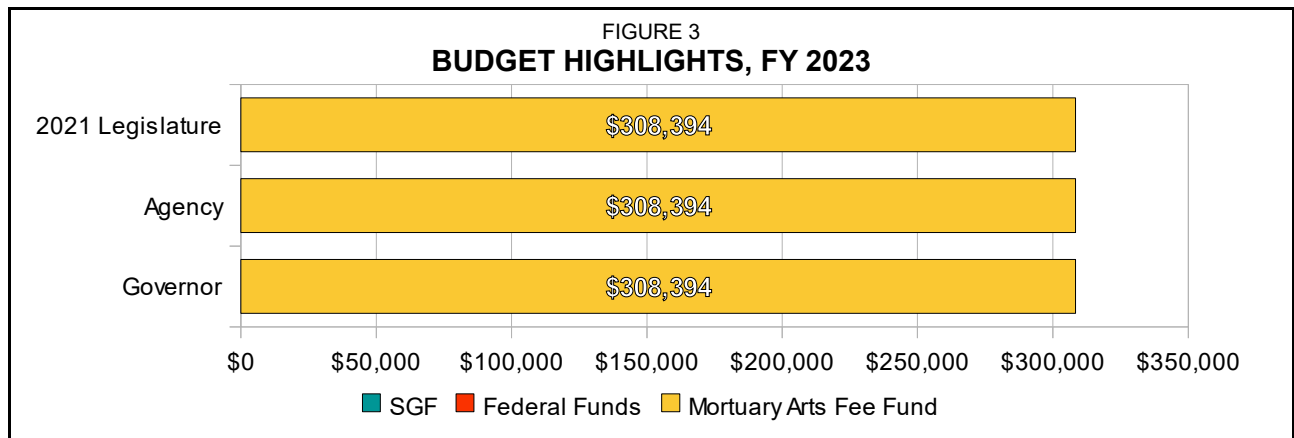
The 2021 Legislature approved a budget of \$369,038, all from the Mortuary Arts Fee Fund, for the Kansas State Board of Mortuary Arts for FY 2022. No adjustments have been made subsequently to that amount.



The **agency** estimates revised expenditures of \$367,875 in FY 2022, all from the Mortuary Arts Fee Fund. The revised estimate is a decrease of \$1,163, or 0.3 percent, below the FY 2022 approved amount. The agency requests 3.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.

The 2021 Legislature approved a budget of \$308,394, all from the Mortuary Arts Fee Fund, for the Kansas State Board of Mortuary Arts for FY 2023. No adjustments have been made subsequently to that amount.



The **agency** estimates revised expenditures of \$308,394. The revised estimate is the same as the agency's FY 2023 approved amount. The agency budgeted an additional \$1,195 for computer replacement, which is offset by reductions in fringe benefit expenditures. The agency requests 3.0 FTE positions, which is the same as the FY 2023 approved number.

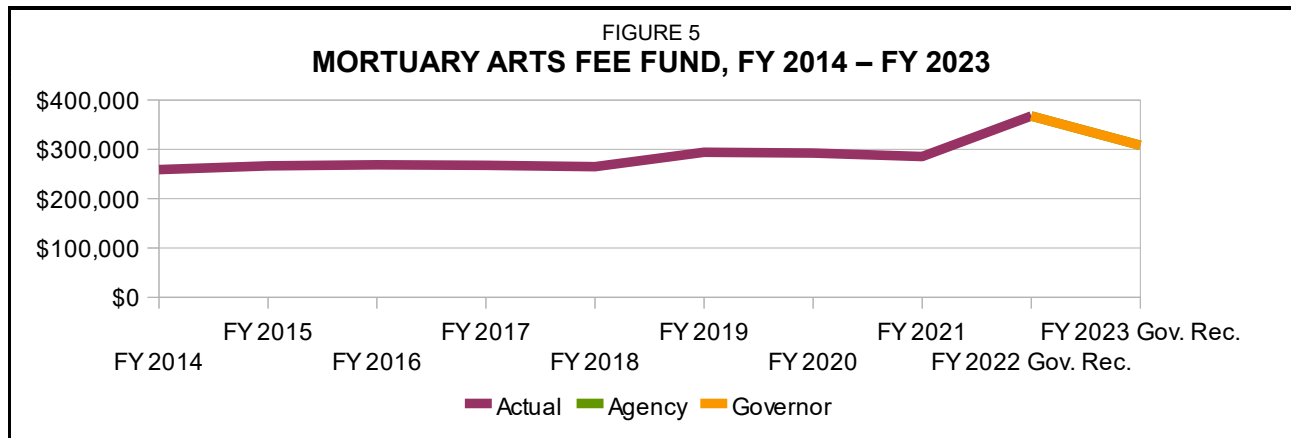
The **Governor** concurs with the agency's revised estimate for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

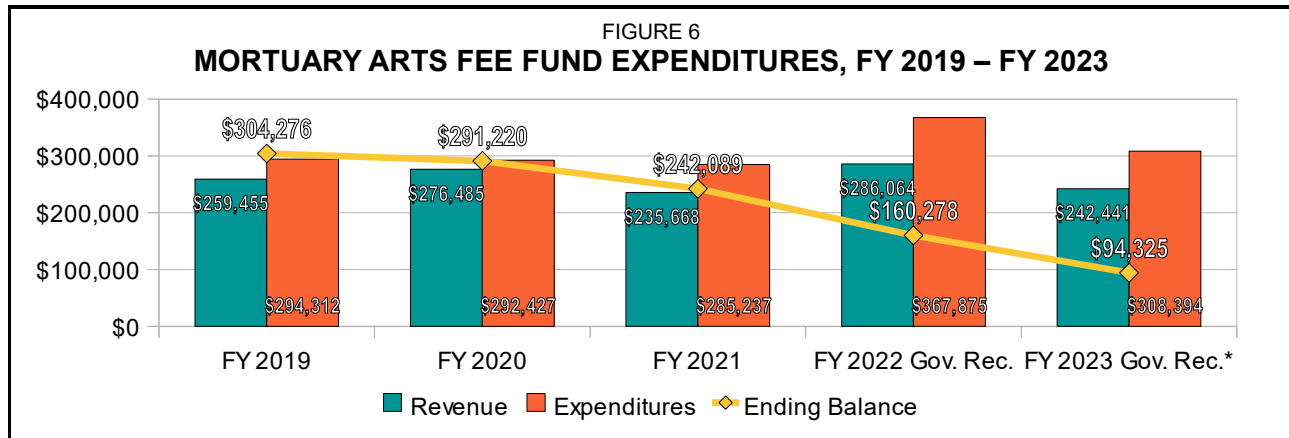
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 226,011	\$ 276,955	\$ 276,955	\$ 213,249	\$ 213,249
Contractual Services	55,384	82,370	82,370	85,175	85,175
Commodities	3,842	7,550	7,550	7,775	7,775
Capital Outlay	-	1,000	1,000	2,195	2,195
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 285,237</i>	<i>\$ 367,875</i>	<i>\$ 367,875</i>	<i>\$ 308,394</i>	<i>\$ 308,394</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 285,237</i>	<i>\$ 367,875</i>	<i>\$ 367,875</i>	<i>\$ 308,394</i>	<i>\$ 308,394</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 285,237	\$ 367,875	\$ 367,875	\$ 308,394	\$ 308,394
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
Mortuary Arts Fee Fund	285,237	367,875	367,875	308,394	308,394
TOTAL	\$ 285,237	\$ 367,875	\$ 367,875	\$ 308,394	\$ 308,394
FTE Positions	3.0	3.0	3.0	3.0	3.0

MORTUARY ARTS FEE FUND



The Mortuary Arts Fee Fund is a statutory fee fund funded through revenues from (1) issuance and renewal of licenses; (2) administration of exams for funeral directors and assistant funeral directors; (3) sales of rule books, lists, and duplicate licenses; and (4) continuing education programming.

MORTUARY ARTS FEE FUND



* For FY 2023, the lowest month ending balance for the Mortuary Arts Fee Fund will occur in June, with a balance of \$94,325.

The ending balance of the Mortuary Arts Fee Fund is projected to decrease over the coming years.

- From FY 2020 to FY 2021, the ending balance decreased by \$49,131, or 16.9 percent. This is due to decreased revenues and slightly decreased expenditures in FY 2021. The decreased revenues are primarily due to the COVID-19 pandemic.
- From FY 2021 to FY 2022, the ending balance is expected to decrease by \$81,811, or 33.8 percent. The decreased ending balance is primarily due to an increase of expenditures by \$82,638, or 29.0 percent, above FY 2021 expenditures. The increase is partially offset by increased revenues from FY 2021 to FY 2022. The increased expenditures in FY 2022 are primarily due to:
 - The agency hiring a temporary Funeral Home/Crematory Inspector in FY 2022 while the current Funeral Home/Crematory Inspector is on leave; and
 - The agency's inspector resuming travel.
- From FY 2022 to FY 2023, the ending balance is expected to decrease by \$65,953, or 41.1 percent. Expenditures are expected to decrease from FY 2022 to FY 2023 due to the agency hiring a permanent inspector and no longer paying salary and benefits for the temporary inspector. However, revenues are also expected to decrease from FY 2022 to FY 2023.

In light of FY 2023's ending balance of \$94,325, the agency states that it likely will be necessary to increase fees beginning January 1, 2023. The agency states fees remain well within statutory maximums and have not been increased since January 2006. The current fees and their statutory limits are set forth in Figure 7, on the following page. The Board is yet to determine which fees to increase and by how much.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Embalmer endorsement application fee	\$ 350	\$ 500	KSA 65-1727
Embalmer reciprocity application fee	350	500	KSA 65-1727
Funeral director examination fee	200	400	KSA 65-1727
Funeral director reciprocity application fee	350	500	KSA 65-1727
Embalmer/funeral director reciprocity application fee	350	500	KSA 65-1727
Assistant funeral director application fee	150	300	KSA 65-1727
Assistant funeral director examination fee	50	300	KSA 65-1727
Embalmer license and renewal fee	168	350	KSA 65-1727
Funeral director license and renewal fee	228	450	KSA 65-1727
Crematory operator license and renewal fee	50	200	KSA 65-1727
Assistant funeral director license and renewal fee	180	400	KSA 65-1727
Apprentice embalmer registration fee	100	250	KSA 65-1727
Funeral establishment license fee	650	1,500	KSA 65-1727
Branch establishment license fee	650	1,500	KSA 65-1727
Crematory license fee	650	1,500	KSA 65-1727
Crematory renewal fee	650	1,500	KSA 65-1727
Funeral establishment/crematory license fee	950	1,500	KSA 65-1727
Funeral establishment/crematory renewal fee	950	1,500	KSA 65-1727
Branch establishment/crematory license fee	950	1,500	KSA 65-1727
Branch establishment/crematory renewal fee	950	1,500	KSA 65-1727
Duplicate license	15	30	KSA 65-1727
Rule book	5	20	KSA 65-1727
Continuing education program sponsor application	-	25	KSA 65-1727
Continuing education program license application	-	25	KSA 65-1727
List of licensees	10	N/A	N/A
List of funeral homes	5	N/A	N/A
Informational brochures	-	N/A	N/A

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 369,038	\$ 369,038	3.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 369,038	\$ 369,038	3.0
Agency Revised Estimate:				
2. Employer Contributions for KPERS	\$ -	\$ (3,536)	\$ (3,536)	--
3. Unemployment Insurance	-	706	706	--
4. Other Adjustments	-	1,667	1,667	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 367,875	\$ 367,875	3.0
Governor's Recommendation:				
5. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 367,875	\$ 367,875	3.0

LEGISLATIVE APPROVED

No adjustments were made to the \$369,038 appropriated by the 2021 Legislature to the Board of Mortuary Arts in FY 2022.

1. **NO CHANGES.** No adjustments were made to the approved amount in FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised expenditures of \$367,875 in FY 2022. This is a decrease of \$1,163, or 0.32 percent, below the FY 2022 approved amount. The agency requests 3.0 FTE positions, which is the same as the approved number.

The **agency** estimate includes the following adjustments:

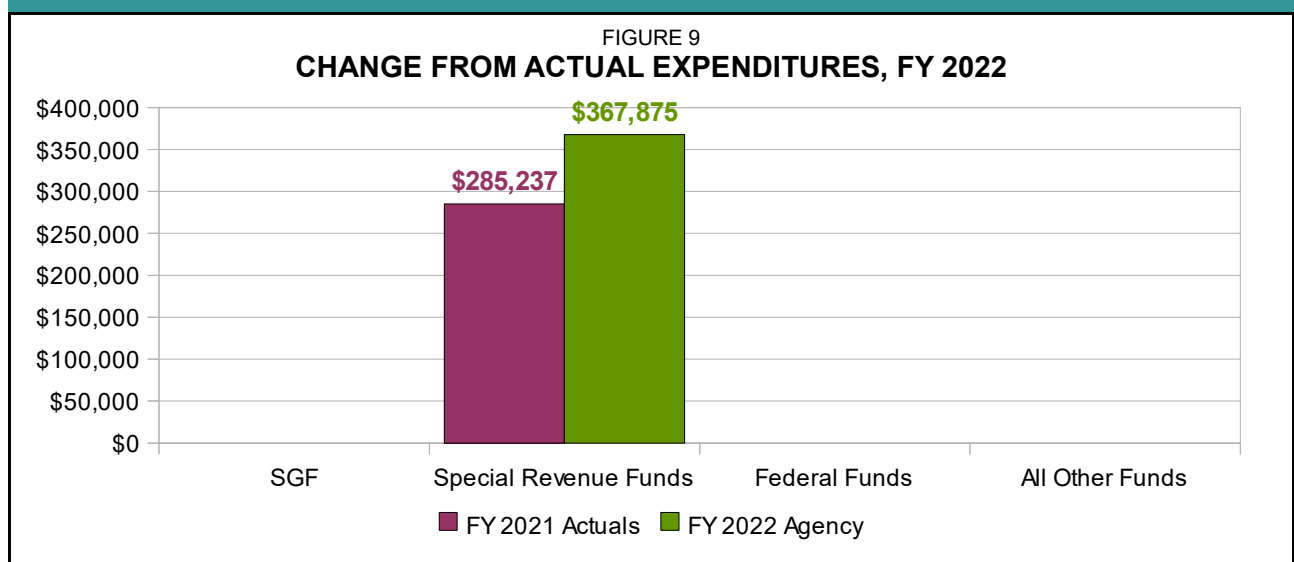
2. **EMPLOYER CONTRIBUTIONS FOR KPERS.** The agency estimates \$27,027 as the agency's contribution to the Kansas Public Employees Retirement System (KPERS) for FY 2022. This is a decrease of \$3,536, or 11.6 percent, below the agency's FY 2022 approved amount for contribution to KPERS.
3. **UNEMPLOYMENT INSURANCE.** The agency estimates \$868 as the agency's expenditure for unemployment insurance for FY 2022. This is an increase of \$706, or 435.8 percent, above the agency's FY 2022 approved amount for unemployment insurance.
4. **OTHER ADJUSTMENTS.** The agency estimates other adjustments of \$1,667. These adjustments include changes to group health and hospitalization insurance and Medicare expenditures.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2022.

5. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 revised estimate is \$367,875, all from the Mortuary Arts Fee Fund. This is an increase of \$82,638, or 29.0 percent, above FY 2021 actual expenditures. Although the FY 2022 revised estimate is an increase over FY 2021 actual expenditures, it is a slight decrease from the FY 2022 approved amount.

The increase from FY 2021 actual expenditures are primarily to pay the salary and benefits for a temporary Funeral Home/Crematory Inspector while the current Funeral Home/Crematory Inspector was on leave. The increase is also due to the inspector resuming travel.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 308,394	\$ 308,394	3.0
1. No Changes	\$ -	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 308,394</i>	<i>\$ 308,394</i>	<i>3.0</i>
Agency Request:				
2. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Request</i>	<i>\$ -</i>	<i>\$ 308,394</i>	<i>\$ 308,394</i>	<i>3.0</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 308,394	\$ 308,394	3.0

LEGISLATIVE APPROVED

No adjustments were made to the \$308,394 appropriated by the 2021 Legislature to the Board of Mortuary Arts for FY 2023.

1. **NO CHANGES.** No adjustments were made to the approved amount for FY 2023.

AGENCY REQUEST

The **agency** estimates revised expenditures of \$308,394, all from the Mortuary Arts Fee Fund, for FY 2023.

2. **NO CHANGES.** The agency's revised estimate is the same as the agency's FY 2023 approved amount. The agency requests an additional \$1,195 for computer replacement, which is offset by reductions in fringe benefit expenditures. The agency requests 3.0 FTE positions, which is the same as the FY 2023 approved amount.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate for FY 2023.

3. **NO CHANGES.** The Governor recommends no changes to the agency's revised estimate for FY 2023.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

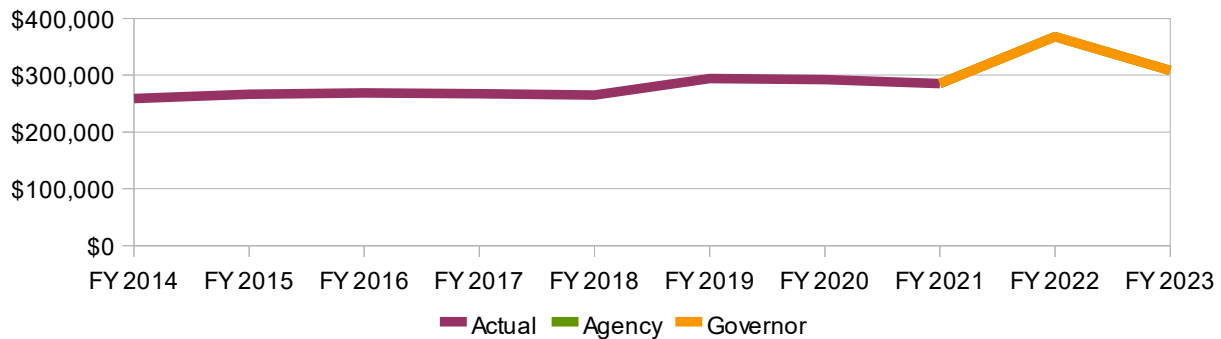
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 285,237	\$ 367,875	\$ 367,875	\$ 308,394	\$ 308,394
FTE Positions:					
Administration	3.0	3.0	3.0	3.0	3.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 65-1701 and 74-1701

PROGRAM GOALS: • Ensure that all funeral homes, crematories, licensees, apprentices, and student embalmers operate according to state law.
• Ensure that all funeral homes, crematories, licensees, apprentices, and student embalmers operate to serve in the best interest of the consumer by meeting and maintaining licensing and regulatory requirements.
• Educate and inform the public of their options when conducting business with licensees.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

Financing	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Governor FY 2022	Governor FY 2023
Outcome Measure:					
1. Average hours of staff time assisting individuals with the licensure process*	640	650	643	645	650
2. Percent of complaints requiring investigation that result in the finding of any possible violations*	42.0 %	40.0 %	45.3 %	40.0 %	45.0 %
3. Hours of administrative time spent investigating complaints*	655	700	699	700	725
4. Percent of investigations that result in a disciplinary action or warning/advisory notification taken by either the Board or another regulatory authority	42.0 %	65.0 %	55.3 %	65.0 %	65.0 %
5. Percent of inquiries resulting in the filing of a complaint*	25.0 %	24.0 %	26.0 %	25.0 %	25.0 %
Output Measure:					
6. Number of all licenses and registrations on file	2,140	2,190	2,167	2,165	2,170
7. Number of individuals seeking assistance with the licensure process*	550	560	553	565	570
8. Number of complaints received	24	35	29	30	30
9. Number of complaints requiring investigation*	24	35	38	26	26

* Indicates a performance measure not utilized by the Governor

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

Financing	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	292,427	285,237		367,875	308,394
TOTAL	<u>\$ 292,427</u>	<u>\$ 285,237</u>		<u>\$ 367,875</u>	<u>\$ 308,394</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(0.6) %	(2.5) %		29.0 %	(16.2) %
FTE Positions	3.0	3.0		3.0	3.0

BOARD OF NURSING

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	50,006	-	-	-	-
All Other Funds	3,025,934	3,417,107	3,441,286	3,378,966	3,423,871
<i>Subtotal</i>	<u>\$ 3,075,940</u>	<u>\$ 3,417,107</u>	<u>\$ 3,441,286</u>	<u>\$ 3,378,966</u>	<u>\$ 3,423,871</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 3,075,940</u>	<u>\$ 3,417,107</u>	<u>\$ 3,441,286</u>	<u>\$ 3,378,966</u>	<u>\$ 3,423,871</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	4.8 %	11.1 %	11.9 %	(1.1) %	(0.5) %
FTE Positions	27.0	27.0	27.0	27.0	27.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Board of Nursing was created in 1913 to regulate the practice of nursing by maintaining licensure of covered classes, surveying schools, and conducting disciplinary activities. The Board consists of 11 members appointed by the Governor, each serving a 4-year term. As required by law, six Board members are registered professional nurses; two are licensed practical nurses; and three are members of the public. The following three divisions assist in facilitating the responsibilities of the agency.

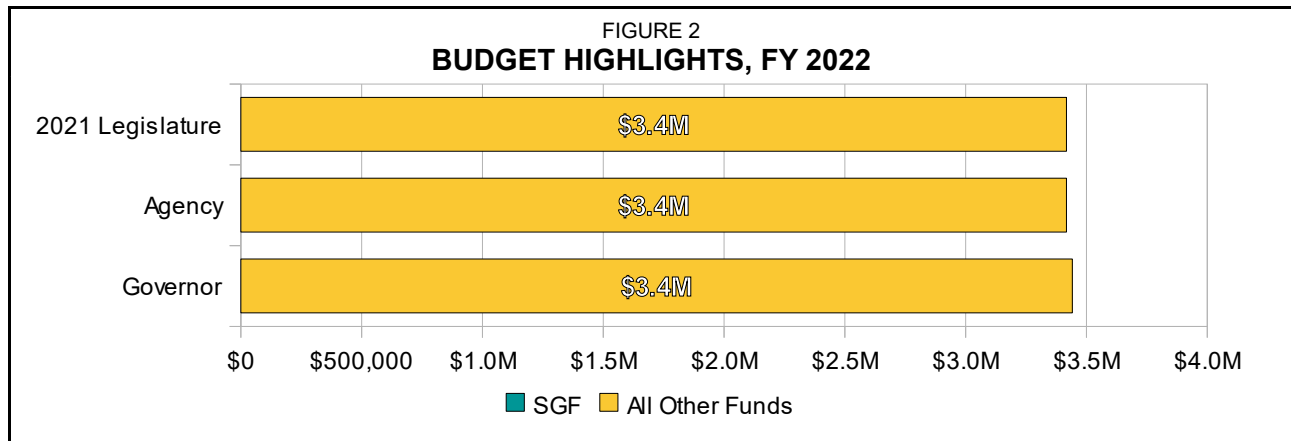
LICENSING DIVISION. The Board's Licensing Division evaluates nursing schools and maintains the licensure of practical nurses, registered nurses, advanced practice registered nurses, registered nurse anesthetists, and mental health technicians.

EDUCATION DIVISION. The Board's Education Division is tasked with developing stronger ties with professional organizations and nurses across Kansas by providing staff for speaking engagements, setting up information booths at conventions, and conducting presentations about nursing regulation to nursing students. In addition, the Board is responsible for reviewing and approving continuing education providers and programs for its licensees and accredits schools that meet the Board's rules and regulations.

LEGAL DIVISION. The Board's Legal Division investigates complaints concerning unlawful practices and may, after hearings, suspend or revoke a practitioner's license. The Board also may discipline licensees who violate the Kansas Nurse Practice Act by classifying the violation, investigating actionable categories, and disposing of cases accordingly.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$3.4 million, all from special revenue funds, for the Board of Nursing for FY 2022 and \$3.3 million, all from special revenue funds, for FY 2023.



The **agency** estimates revised FY 2022 expenditures of \$3.4 million, all from special revenue funds, which is the same amount as the FY 2022 approved amount.

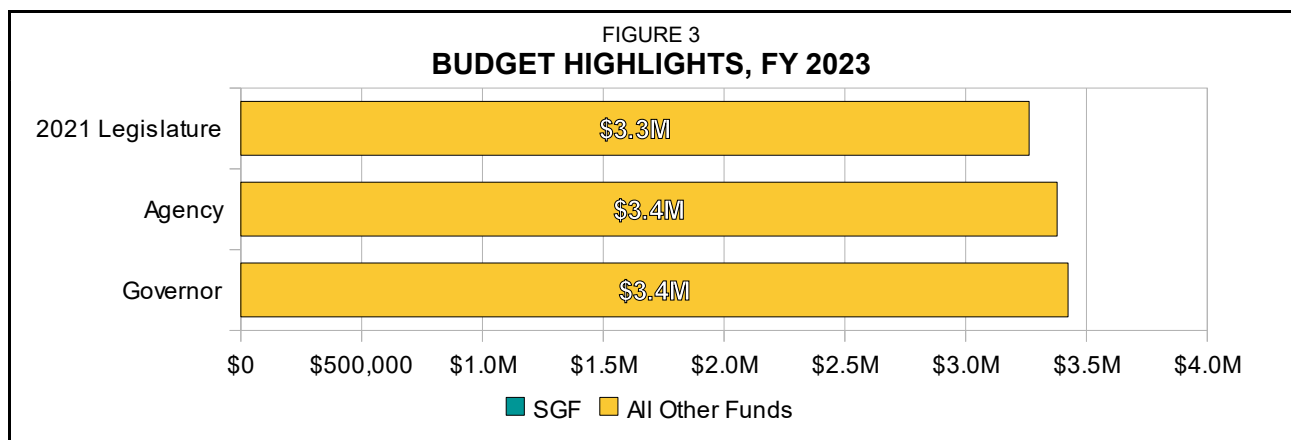
Significant items in the agency estimate include the following:

- **NEW SOFTWARE MODULE.** The agency is purchasing the enforcement module of their current licensing software. This will provide the ability to use technology to track the investigative cases within the agency's licensing system and provide for consistent case documentation.
- **SOFTWARE UPGRADE.** The agency is upgrading their Microsoft software, as required, to ensure compatibility to receive standard security updates.

The **Governor** recommends expenditures of \$3.4 million, all from special revenue funds. This is an increase of \$24,179, or 0.7 percent, above the agency's revised estimate.

Significant items in the Governor's recommendation include the following:

- **NURSE PAY ADJUSTMENT.** The Governor recommends adding \$24,179, all from the Board of Nursing Fee Fund, in FY 2022 to implement the 24/7 pay initiative recommended by the SPARK Taskforce and approved by the State Finance Council. The plan provides a temporary base pay increase for hourly and salaried staff, pay differentials for hourly personnel, and one-time premium pay allocations up to \$3,500 for salaried staff.



The **agency** estimates revised expenditures of \$3.4 million for FY 2023, all from special revenue funds, which is an all funds increase of \$116,407, or 3.6 percent, above the FY 2023 approved amount.

Significant items in the agency request include the following:

- **LICENSING SOFTWARE UPGRADE.** The agency indicates its licensing software needs to be updated to ensure required security protocol updates are performed for the imaging system, the enforcement module, and public verifications. The upgrade is estimated at \$160,000, but \$43,592 was already budgeted in the FY 2023 approved amount. Therefore, the remaining \$116,407 is requested to meet the total funding for this purchase for FY 2023.

The **Governor** recommends expenditures of \$3.4 million, all from special revenue funds. This is an increase of \$44,905, or 1.3 percent, above the agency's revised estimate.

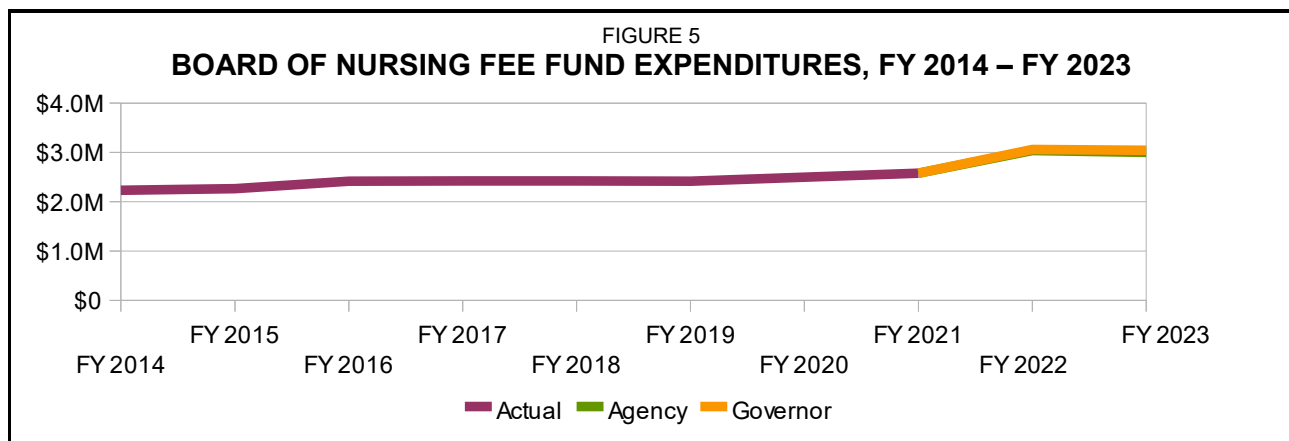
Significant items in the Governor's recommendation include the following:

- **NURSE PAY ADJUSTMENT.** The Governor also recommends adding \$44,905, all from the Board of Nursing Fee Fund, for FY 2023 to continue the 24/7 pay initiative recommended by the SPARK Taskforce and approved by the State Finance Council. For FY 2023, the plan provides a continuation of the temporary base pay increase as well as the temporary pay differentials for hourly personnel.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

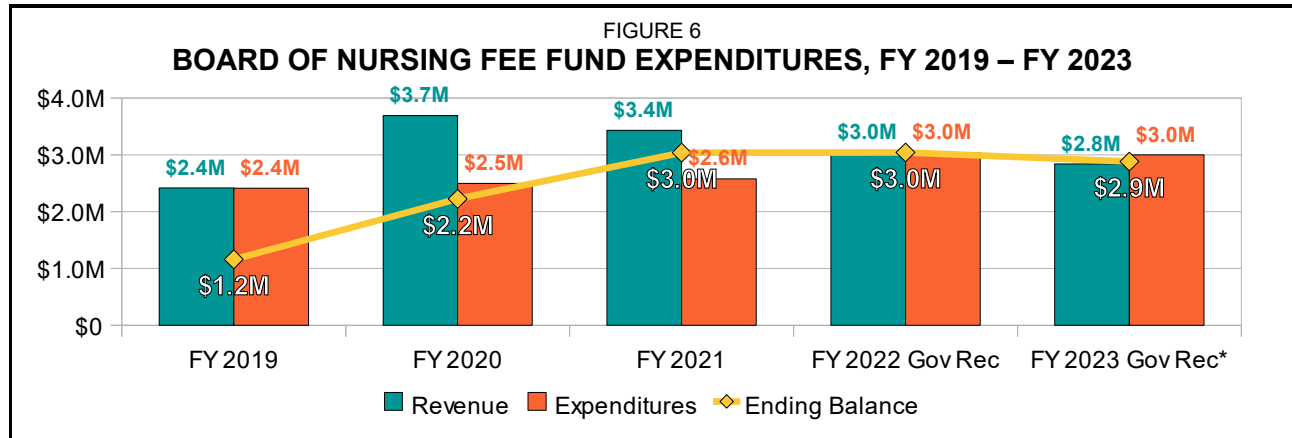
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 1,709,619	\$ 1,999,132	\$ 2,023,311	\$ 2,000,209	\$ 2,045,114
Contractual Services	1,178,931	1,221,175	1,221,175	1,334,657	1,334,657
Commodities	11,707	14,100	14,100	15,300	15,300
Capital Outlay	175,683	182,700	182,700	28,800	28,800
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 3,075,940	\$ 3,417,107	\$ 3,441,286	\$ 3,378,966	\$ 3,423,871
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal– Operating	\$ 3,075,940	\$ 3,417,107	\$ 3,441,286	\$ 3,378,966	\$ 3,423,871
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 3,075,940	\$ 3,417,107	\$ 3,441,286	\$ 3,378,966	\$ 3,423,871
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Board of Nursing Fee Fund	2,577,806	3,037,107	3,061,286	2,998,966	3,043,871
Criminal Background Fund	448,128	380,000	380,000	380,000	380,000
Coronavirus Relief Fund- Federal	50,006	-	-	-	-
TOTAL	\$ 3,075,940	\$ 3,417,107	\$ 3,441,286	\$ 3,378,966	\$ 3,423,871
FTE Positions	27.0	27.0	27.0	27.0	27.0



The Board is responsible for examining, licensing, and renewing licenses of qualified nurse applicants and conducting hearings upon charges for limitation, suspension, or revocation of a license. According to KSA 74-1108, the executive administrator of the Board can levy fees, charges, or penalties for these services. KSA 74-1106 authorizes the Board of Nursing to apply for and receive grant funds, as well as receive donations, bequests, and gifts. KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent is deposited into the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund.

The 2017 Legislature approved transfers of \$36,000 in FY 2018 and \$37,000 for FY 2019 from the Board of Nursing Fee Fund to the Board of Pharmacy, as part of a multi-agency agreement to share costs associated with K-TRACS (the State's prescription drug monitoring program). The 2019 Legislature approved transfers of \$103,500 for FY 2020 and FY 2021 from the Board of Nursing Fee Fund to the Board of Pharmacy, as part of a multi-agency plan to provide new funding for K-TRACS. The 2020 Legislature deleted the transfer of \$103,500 from the Board of Nursing Fee Fund to the Board of Pharmacy for K-TRACS in FY 2021.

BOARD OF NURSING FEE FUND



* For FY 2023, the lowest month ending balance for the Board of Nursing Fee Fund will occur in July, with a balance of \$2.8 million.

Board of Nursing Fee Fund revenue increased by \$1.3 million from FY 2019 to FY 2020. From FY 2021 to FY 2023, the funds amount decreased from \$3.4 million to \$2.9 million. There will be an operating transfer of \$70,000 for K-TRACS for FY 2022 and FY 2023.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Advanced Practice Registered Nurse	\$ 50	\$ 50	KSA 65-1118
Registered Nurse Anesthetist	75	75	KSA 65-1118
Registered Nurse (single state)	100	150	KSA 65-1118
Registered Nurse (multi-state)	125	300	KSA 65-1118
Practical Nurse (single state)	75	100	KSA 65-1118
Practical Nurse (multi-state)	125	300	KSA 65-1118
Mental Health Technician	50	50	KSA 65-4208

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 3,417,107	\$ 3,417,107	27.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 3,417,107</i>	<i>\$ 3,417,107</i>	<i>27.0</i>
Agency Revised Estimate:				
2. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 3,417,107</i>	<i>\$ 3,417,107</i>	<i>27.0</i>
Governor's Recommendation:				
3. Nurse Pay Adjustment (seven months)	\$ -	\$ 24,179	\$ 24,179	--
TOTAL	\$ -	\$ 3,441,286	\$ 3,441,286	27.0

LEGISLATIVE APPROVED

1. Subsequent to the 2021 Session, no adjustments were made to the \$3.4 million appropriated to the Board of Nursing for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised FY 2022 expenditures of \$3.4 million, all from special revenue funds, which is the same amount as the FY 2022 approved amount. This amount includes salaries and wages expenditures, which makes up the majority of the agency's budget. Also included in this amount is expenditures for contractual services such as building space rental, computer programming, dues and subscriptions, cellphones, and other normal operating expenditures.

2. **NO CHANGES.** Despite no changes in total expenditures, the agency reallocated spending from capital outlay for software and salaries to begin the licensing software upgrade.

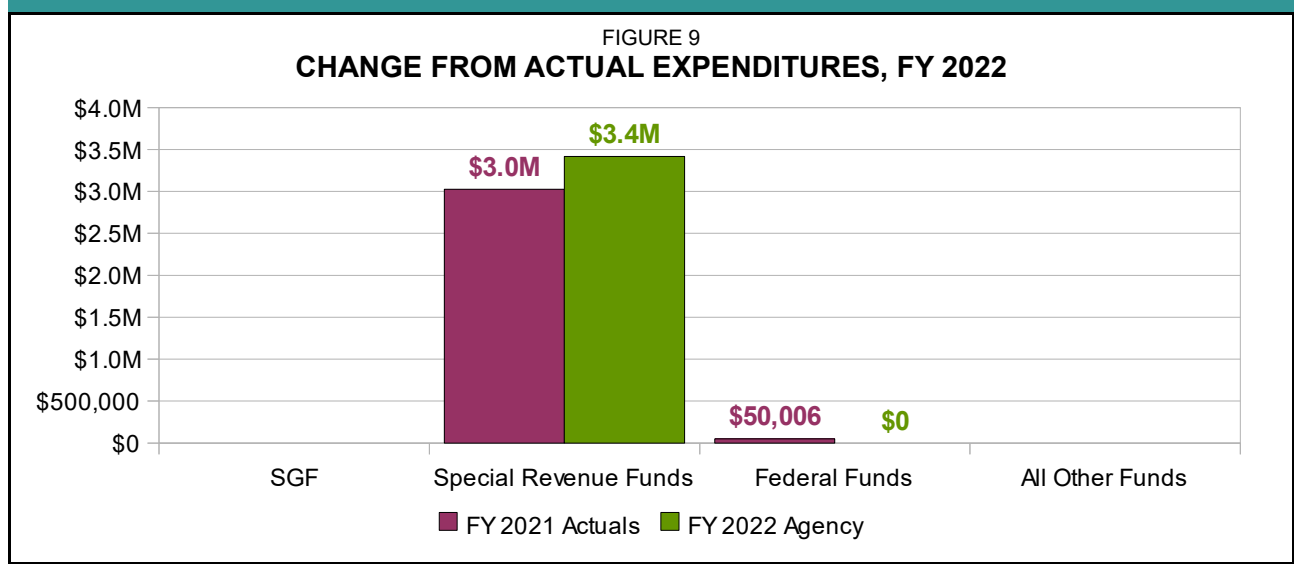
GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$3.4 million, all from special revenue funds. This is an increase of \$24,179, or 0.7 percent, above the agency's revised estimate.

Significant items in the Governor's recommendation include the following:

3. **NURSE PAY ADJUSTMENT.** The Governor recommends adding \$24,179, all from the Board of Nursing Fee Fund, in FY 2022 to implement the 24/7 pay initiative recommended by the SPARK Taskforce and approved by the State Finance Council. The plan provides a temporary base pay increase for hourly and salaried staff, pay differentials for hourly personnel, and one-time premium pay allocations up to \$3,500 for salaried staff. This directive, effective November 28, 2021, includes seven months of FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised expenditures of \$3.4 million, all from special revenue funds, in FY 2022. This is an increase of \$341,167, or 11.1 percent, above the FY 2021 actual expenditures. This is due to an increase of expenditures on filling vacant positions, employment benefits, computer software maintenance, state building operating charges, office supplies, and other operating costs.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 3,262,559	\$ 3,262,559	27.0
Agency Request:				
1. Software Upgrade	\$ -	\$ 116,407	\$ 116,407	--
Subtotal—Agency Estimate	\$ -	\$ 3,378,966	\$ 3,378,966	27.0
Governor's Recommendation:				
2. Nurse Pay Adjustment (full year)	\$ -	\$ 44,905	\$ 44,905	--
TOTAL	\$ -	\$ 3,423,871	\$ 3,423,871	27.0

AGENCY REQUEST

The **agency** estimates revised FY 2023 expenditures of \$3.4 million, all from special revenue funds. This is an increase of \$116,407, or 3.6 percent, which is attributable to an adjustment for a software upgrade.

The **agency** request includes the following adjustments:

1. **LICENSING SOFTWARE UPGRADE.** The agency indicates its licensing software needs to be updated to ensure required security protocol updates are performed for the imaging system, the enforcement module, and public verifications. The upgrade is estimated at \$160,000, but \$43,592 was already budgeted in the FY 2023 approved amount. Therefore, the remaining \$116,407 is requested to meet the total funding for this purchase for FY 2023.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$3.4 million, all from special revenue funds. This is an increase of \$44,905 or 1.3 percent, above the agency's revised estimate.

Significant items in the Governor's recommendation include the following:

2. **NURSE PAY ADJUSTMENT.** The Governor also recommends adding \$44,905, all from the Board of Nursing Fee Fund, for FY 2023 to continue the 24/7 pay initiative recommended by the SPARK Taskforce and approved by the State Finance Council. For FY 2023, the plan provides a continuation of the temporary base pay increase as well as the temporary pay differentials for hourly personnel.

ENHANCEMENT REQUEST

REQUEST 1 SOFTWARE UPGRADE

FY 2023 AGENCY ENHANCEMENT						
Item	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Software Upgrade	\$ -	\$ 116,407	--	\$ -	\$ 116,407	-

The agency requests \$116,407 for a software upgrade in FY 2023. This upgrade will allow the agency to maintain new security protocols for the enforcement module and public verifications. This ensures that security updates are regularly being installed as recommended by the vendor and also ensures proper function of the software system used for licensure requirement purposes. The total cost of the upgrade is \$160,000, of which \$43,593 is funded within the existing approved budget.

The Governor recommends fully funding this enhancement request for FY 2023.

SPECIAL TOPICS

TOPIC 1

NURSING LICENSURE COMPACT

The 2018 Legislature passed 2018 HB 2496, which established provisions for the implementation of the Nursing Licensure Compact. This classified the traditional license for professional nurses and practice nurses as a single-state license and created a new category of licensure for multistate applicants.

The bill also increased the statutory limit for the application fee for a professional nurse license from \$75 to \$150, the application fee for a practice nurse license from \$50 to \$100, and the biennial license renewal fee for professional nurses and practical nurses from \$60 to \$120. In addition, it increased the statutory limit for license reinstatement fees from \$70 to \$150, and increased the statutory limit on the license reinstatement fee for a temporary permit from \$100 to \$175. In addition, the bill set the statutory limit for a multistate license application fee for a professional nurse or practice nurse at \$300, set the statutory limit for the biennial renewal fee for a multistate license for professional nurses and practical nurses at \$200, and set the statutory limits for reinstatement fees for multistate licenses and multistate licenses with temporary permits at \$300.

K-TRACS

K-TRACS is the prescription drug monitoring program for the State of Kansas. Established by KSA 65-1683, it is used by prescribers and pharmacists to promote patient safety through prevention of prescription drug misuse, abuse, and diversion. Pharmacies are required to report the controlled substances and other drugs of concern they dispense to K-TRACS on a daily basis.

K-TRACS is administered by the Board of Pharmacy, but the Board of Nursing has provided funding through a transfer from the Board of Nursing Fee Fund. Recent budgetary adjustments include:

- The 2017 Legislature approved transfers of \$36,000 in FY 2018 and \$37,000 for FY 2019 from the Board of Nursing Fee Fund to the Board of Pharmacy, as part of a multi-agency agreement to share costs associated with K-TRACS.
- The 2019 Legislature approved transfers of \$103,500 for FY 2020 and FY 2021 from the Board of Nursing Fee Fund to the Board of Pharmacy, as part of a multi-agency plan to provide new funding for K-TRACS.
- The 2020 Legislature deleted the transfer of \$103,500 from the Board of Nursing Fee Fund to the Board of Pharmacy for K-TRACS in FY 2021.
- The 2021 Legislature approved a budget that includes a transfer of \$70,000 from the Board of Nursing Fee Fund to the Board of Pharmacy for K-TRACS in both FY 2022 and FY 2023.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

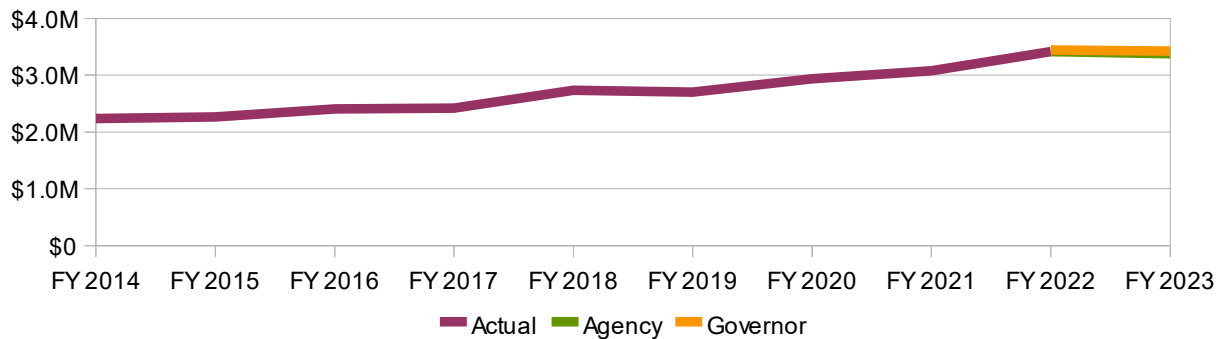
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 3,075,940	\$ 3,417,107	\$ 3,441,826	\$ 3,378,966	\$ 3,423,871
FTE Positions:					
Administration	27.0	27.0	27.0	27.0	27.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • License requirements are governed by KSA 65-1115 (RN); KSA 65-1116 (LPNs); KSA 65-1130 (advanced practice RN); KSA 65-1152 (registered nurse anesthetist)

PROGRAM GOALS: • Provide licenses and renewal licenses to eligible practical nurses, registered nurses, advanced practice registered nurses, registered nurse anesthetists, and mental health technicians.

- Issue licenses to practice or authorization to practice within three business days after receipt of all required information 95 percent of the time.
- Review and approve continuing education providers and programs that meet the Board's rules and regulations.
- Oversee the nursing programs, which includes surveying each nursing program once every five to ten years.
- Review complaints received in the agency for possible violations of the Nurse Practice Act and assign a priority within two weeks of date received.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of investigations open	1,197	597	1331	550	600
2. Percent of initial applications processed within three business days	100.0 %	99.8 %	99.9 %	98.0 %	98.0 %
3. Percent of reinstatement licensure applications processed within three business days	88.9 %	100.0 %	96.3 %	98.0 %	98.0 %
4. Percent of application information entered in licensing software accurately	93.1 %	99.9 %	97.3 %	96.0 %	96.0 %
5. Percent of investigations completed within nine months of receiving a complaint	66.0 %	29.2 %	53.0 %	35.0 %	40.0 %
6. Number of initial orders, consent orders and evidentiary hearings (new in FY 2020)*	168	29	--	30	30
7. Number of denied licenses*	12	6	13	10	10

8. Percentage of renewal licensure applications processed within 3 business days after receipt of required information*	98.8 %	100.0 %	98.6 %	98.0 %	98.0 %
9. Percentage of nursing programs submitting an annual report as per regulation*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
10. Number of Diversion agreements*	52	20	44	30	30
11. Cost per License*	\$ 9.00	\$ 8.55	\$ 8.42	\$ 10.03	\$ 9.76
Output Measure:					
12. Total fines deposited in State General Fund for violations of the Nurse Practice Act*	\$ 33,384	\$ 17,546	\$ 35,107	\$ 40,000	\$ 40,000
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	50,006		-	-
All Other Funds	2,936,430	3,025,934		3,441,286	3,423,871
TOTAL	<u>\$ 2,936,430</u>	<u>\$ 3,075,940</u>		<u>\$ 3,441,286</u>	<u>\$ 3,423,871</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %*
All Funds	(99.0) %	4.8 %		11.9 %	(0.5) %
FTE Positions	27.0	27.0		27.0	27.0

* The Governor's Office does not utilize this measure for evaluation purposes.

BOARD OF EXAMINERS IN OPTOMETRY

FY 2021 – FY 2023 BUDGET ANALYSIS

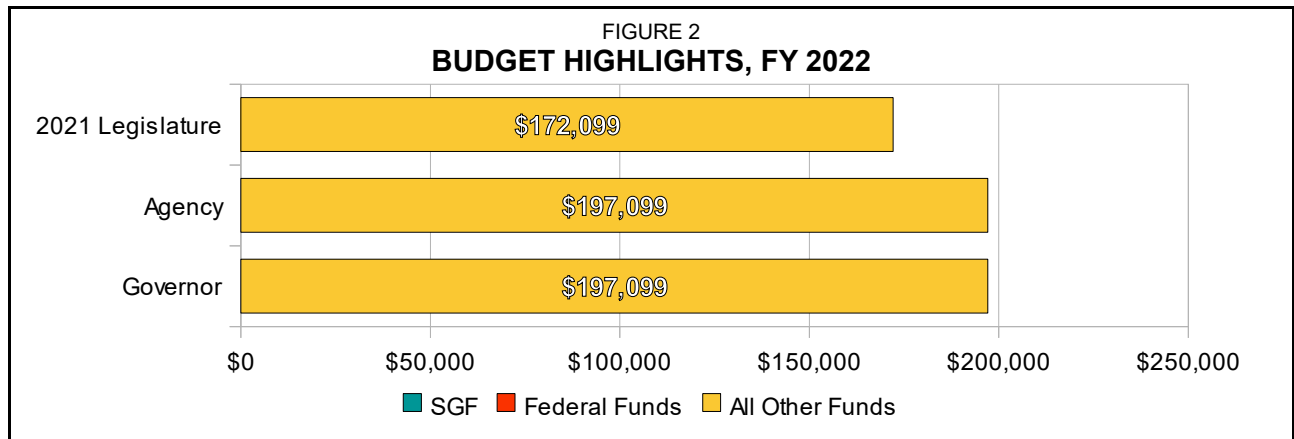
FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	160,702	197,099	197,099	199,618	199,618
<i>Subtotal</i>	<u>\$ 160,702</u>	<u>\$ 197,099</u>	<u>\$ 197,099</u>	<u>\$ 199,618</u>	<u>\$ 199,618</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 160,702</u>	<u>\$ 197,099</u>	<u>\$ 197,099</u>	<u>\$ 199,618</u>	<u>\$ 199,618</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	11.0 %	22.6 %	22.6 %	1.3 %	1.3 %
FTE Positions	1.0	1.0	1.0	1.0	1.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Board of Examiners in Optometry was created in 1909 to administer and enforce the provisions of the Optometry Act to ensure the highest quality of eye care is provided to the citizens of Kansas. The Board is responsible for evaluating the qualifications of new applicants for the practice of optometry through examinations and review of qualifications.

EXECUTIVE SUMMARY

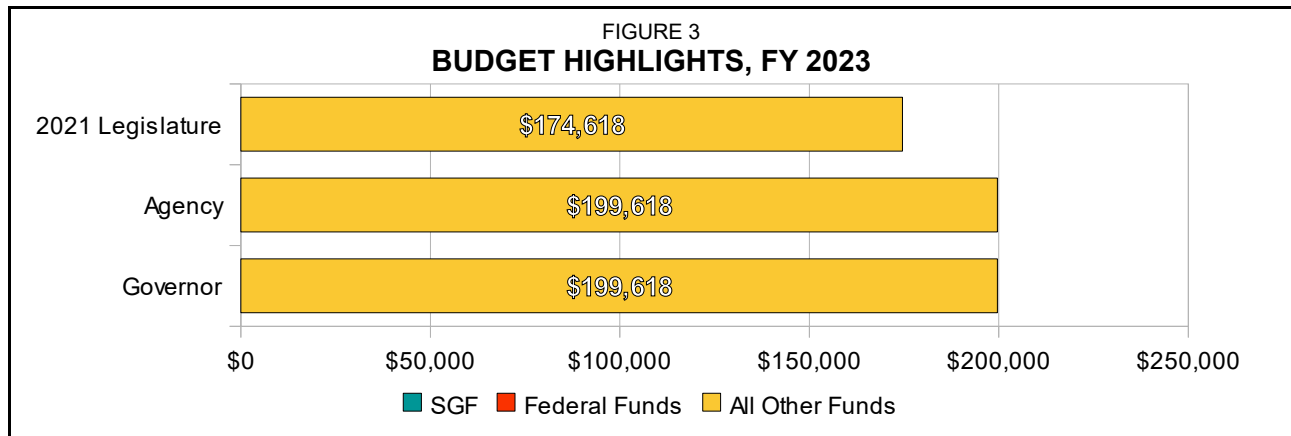
The 2021 Legislature approved a budget of \$172,099, all from special revenue funds, for the Board of Examiners in Optometry for FY 2022. No adjustments have been made subsequently to that amount.



The **agency** estimates revised expenditures of \$197,099 in FY 2022. This is an increase of \$25,000, or 14.5 percent, above the agency's FY 2022 approved amount. This increase is due to the agency's supplemental request for an unforeseen increase in legal expenditures. The agency estimates 1.0 FTE position, which is the same as the FY 2022 approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.

The 2021 Legislature approved a budget of \$174,618, all from special revenue funds, for the Board of Examiners in Optometry for FY 2023. No adjustments have been made subsequently to that amount.



The **agency** estimates revised expenditures of \$199,618, all from special revenue funds, for FY 2023. The revised estimate is an increase of \$25,000, or 14.3 percent, above the agency's FY 2023 approved amount. This increase is due to the agency's supplemental request for an unforeseen increase in legal expenditures. The agency requests 1.0 FTE position, which is the same as the FY 2022 revised estimate and the FY 2023 approved number.

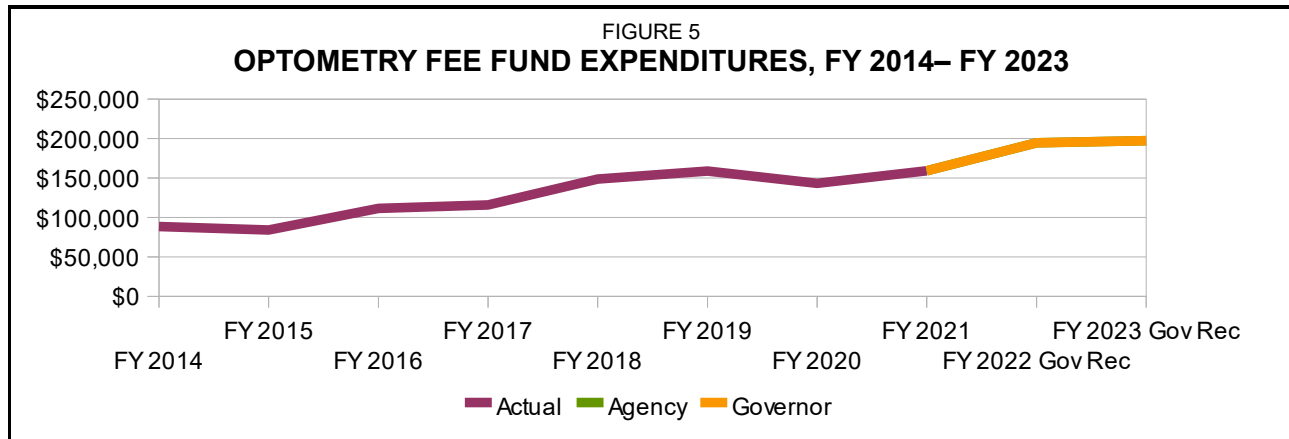
The **Governor** concurs with the agency's revised estimate for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

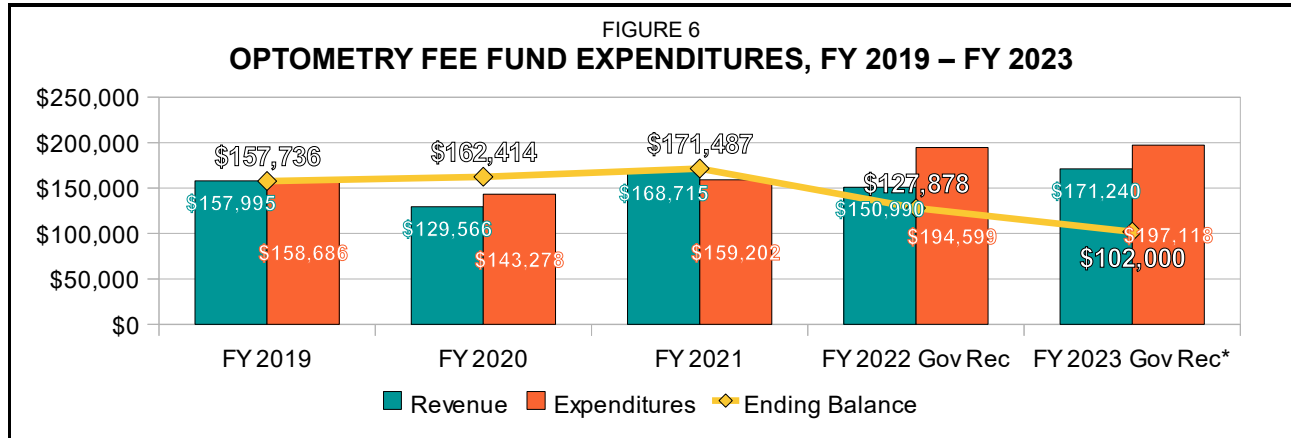
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 72,961	\$ 73,542	\$ 73,542	\$ 73,663	\$ 73,663
Contractual Services	80,291	121,047	121,047	123,445	123,445
Commodities	175	2,510	2,510	2,510	2,510
Capital Outlay	7,275	-	-	-	-
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 160,702</i>	<i>\$ 197,099</i>	<i>\$ 197,099</i>	<i>\$ 199,618</i>	<i>\$ 199,618</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 160,702</i>	<i>\$ 197,099</i>	<i>\$ 197,099</i>	<i>\$ 199,618</i>	<i>\$ 199,618</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 160,702	\$ 197,099	\$ 197,099	\$ 199,618	\$ 199,618
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Funds	160,702	197,099	197,099	199,618	199,618
TOTAL	\$ 160,702	\$ 197,099	\$ 197,099	\$ 199,618	\$ 199,618
FTE Positions	1.0	1.0	1.0	1.0	1.0

OPTOMETRY FEE FUND



The Optometry Fee Fund generates revenue from the collection of fees related to the licensing of optometrists. Of these fees, the lesser of 10.0 percent or \$100,000, is remitted to the State General Fund, and the remaining funds are credited to the Optometry Fee Fund.

OPTOMETRY FEE FUND



* For FY 2023, the lowest month ending balance for the Optometry Fee Fund will occur in February, with a balance of \$49,439.

The ending balance of the Optometry Fee Fund remained steady from FY 2019 to FY 2021. Beginning in FY 2022, the ending balance is expected to decrease. This trend is expected to continue in FY 2023. The decreased ending balance is due to increased expenditures on legal services in FY 2022 and FY 2023. The agency states the increase is the result of an unanticipated disciplinary hearing in FY 2022, as well as ongoing investigations that will likely end in litigation.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Initial license examination fee	\$ 150	\$ 450	KSA 65-1505
First examination retake fee	75	150	KSA 65-1505
Subsequent examination retake fee	45	150	KSA 65-1505
Initial license	30	150	KSA 65-1505
Renewal (biennial)	450	800	KSA 65-1509
Late Fee	500	500	KSA 65-1505
Reciprocal license	150	450	KSA 65-1505
Reactivation of license	100	450	KSA 65-1509

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 172,099	\$ 172,099	1.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 172,099</i>	<i>\$ 172,099</i>	<i>1.0</i>
Agency Revised Estimate:				
2. Supplemental—Legal Services	\$ -	\$ 25,000	\$ 25,000	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 197,099</i>	<i>\$ 197,099</i>	<i>1.0</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 197,099	\$ 197,099	1.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to \$172,099 approved for the Board of Examiners in Optometry for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised expenditures of \$197,099, all from special revenue funds, in FY 2022. This is an increase of \$25,000, or 14.5 percent, above the FY 2022 approved amount. The agency requests 1.0 FTE position, which is the same as the FY 2022 approved number.

The **agency** estimate includes the following adjustment:

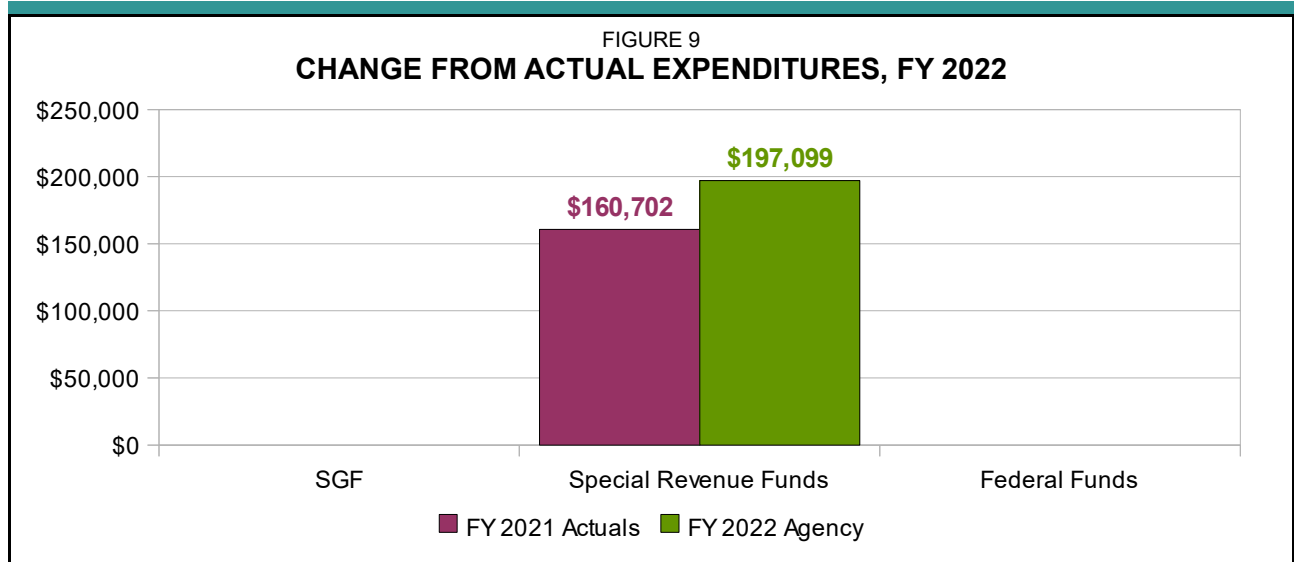
2. **SUPPLEMENTAL—LEGAL SERVICES.** The agency estimates an increase of \$25,000 above the FY 2022 approved amount for expenditures on attorneys. This increase is due to an unforeseen disciplinary hearing occurring in FY 2022, as well as other investigations with the potential to result in litigation costs above the FY 2022 approved expenditures on attorneys.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2022.

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency's FY 2022 revised estimate is \$36,397, or 22.6 percent, above the agency's FY 2021 actual expenditures. This increase is primarily due to increased legal expenditures in FY 2022. The agency states that an unforeseen disciplinary hearing necessitated increased expenditures on legal services.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:	\$ -	\$ 174,618	\$ 174,618	1.0
Amount Approved by 2021 Legislature				
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 174,618	\$ 174,618	1.0
Agency Request:				
2. Supplemental—Legal Services	\$ -	\$ 25,000	\$ 25,000	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 199,618	\$ 199,618	1.0
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 199,618	\$ 199,618	1.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no changes were made to the \$174,618 appropriated to the Board of Optometry for FY 2023.

AGENCY REQUEST

The **agency** estimates revised expenditures of \$199,618, all from special revenue funds, for FY 2023. This is an increase of \$25,000, or 14.3 percent, above the FY 2023 approved amount. The agency requests 1.0 FTE position, which is the same as the FY 2022 revised estimate and the FY 2023 approved number.

The **agency** request includes the following adjustment:

2. **SUPPLEMENTAL—LEGAL SERVICES.** The agency estimates an increase of \$25,000 above the FY 2023 approved amount for expenditures on attorneys. This increase is due to ongoing investigations with the potential to result in litigation costs above the FY 2023 approved expenditures on attorneys.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate for FY 2023.

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

SUPPLEMENTAL REQUEST

REQUEST 1 LEGAL SERVICES

Item	FY 2022	FY 2023	TOTAL
Legal Services	\$ 25,000	\$ 25,000	\$ 50,000

The agency requests an additional \$25,000 in FY 2022 and FY 2023 for additional legal services. This increase is due to an unforeseen disciplinary hearing occurring in FY 2022, as well as other investigations with the potential to result in litigation costs.

The Governor recommends adoption of this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

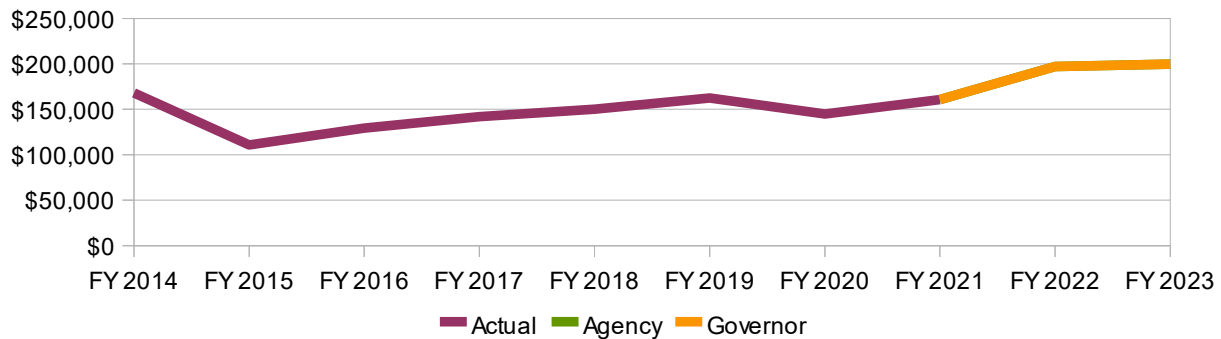
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 160,702	\$ 197,099	\$ 197,099	\$ 199,618	\$ 199,618
FTE Positions:					
Administration	1.0	1.0	1.0	1.0	1.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 65-1501 to 65-1526

PROGRAM GOALS: • License qualified optometrists.
• Investigate reports of infractions of the law and administer appropriate resolutions.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Passing Exam Percent*	91 %	95 %	93 %	90 %	N/A
2. License Renewals	330	382	363	350	400
3. Average Days to Close Complaints	20	139	54	90	90
4. Total License Fees Received*	\$ 149,400	\$ 171,900	\$ 163,800	\$ 158,400	\$ N/A
Output Measure:					
5. Cost of Biennial License*	\$ 450	\$ 450	\$ 450	\$ 450	\$ N/A
6. Cost of salaries and OE Tracker (Continuing Education Tracking Program) Fees per Licensee*	\$ 95.37	\$ 95.29	\$ 94.44	\$ 95.48	\$ N/A
Additional Measures:					
7. Number of Consumer Complaints	14	8	10.3	10	10
8. Costs of Complaints per Licensee*	\$ 20.09	\$ 20.07	\$ 19.86	\$ 20.12	\$ N/A
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	144,808	160,702		197,099	199,618
TOTAL	\$ 144,808	\$ 160,702		\$ 197,099	\$ 199,618
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	10.8 %	11.0 %		22.6 %	1.3 %
FTE Positions	1.0	1.0		1.0	1.0

*The Governor's Office does not utilize this measure for evaluation purposes.

KANSAS BOARD OF PHARMACY

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

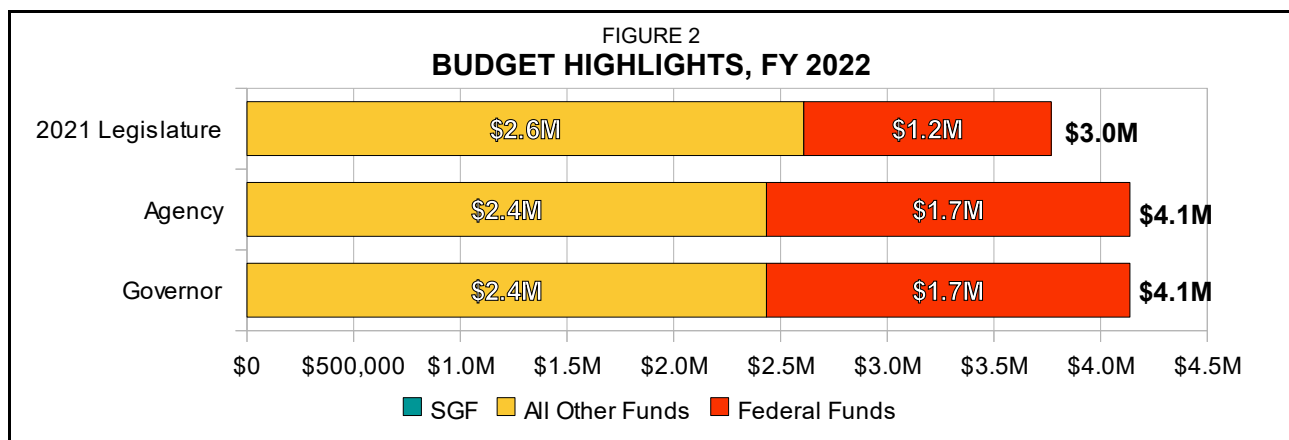
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,388,932	1,703,940	1,703,940	518,303	518,303
All Other Funds	1,643,922	2,433,826	2,433,826	3,352,132	3,352,132
<i>Subtotal</i>	<i>\$ 3,032,854</i>	<i>\$ 4,137,766</i>	<i>\$ 4,137,766</i>	<i>\$ 3,870,435</i>	<i>\$ 3,870,435</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 3,032,854	\$ 4,137,766	\$ 4,137,766	\$ 3,870,435	\$ 3,870,435
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	25.7 %	36.4 %	36.4 %	(6.5) %	(6.5) %
FTE Positions	18.0	18.5	18.5	18.8	18.8

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Kansas Board of Pharmacy is responsible for the enforcement of the Pharmacy Act and the Controlled Substances Act. The mission of the Board is to ensure all persons and entities conducting business relating to the practice of pharmacy in Kansas are properly licensed and registered to protect public health, safety, and welfare and to promote understanding of pharmacy-related practices. The seven-member board is appointed by the Governor for overlapping four-year terms and is composed of six licensed pharmacists and one public member.

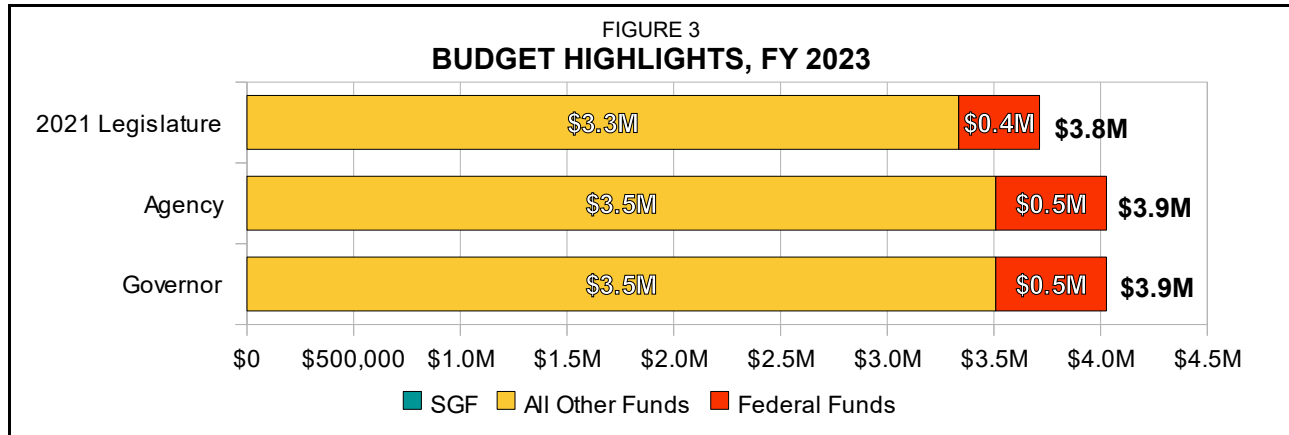
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$3,769,296, for the Kansas Board of Pharmacy for FY 2022.



The **agency** requests \$4.1 million, all from special revenue funds in FY 2022. This is an increase of \$368,470, or 9.8 percent, above the approved amount. The salaries and wages increases are primarily due to increased costs of employer contributions to retirement and group health insurance. Additionally, salaries funded by the Harold Rogers grant decreased, and the salary increased for a position funded by a U.S. Department of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA) grant. The contractual services increases are due to computer software maintenance, Office of Information Technology Services (OITS) fees, and attorney fees.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$3,870,435, all from special revenue funds for FY 2023. This is an increase of \$156,639 above the approved amount. The increase is primarily due to a new grant (\$157,058) from SAMHSA, in which the Kansas Board of Pharmacy will serve as the Prescription Drug Monitoring Program (PDMP) project partner subrecipient.

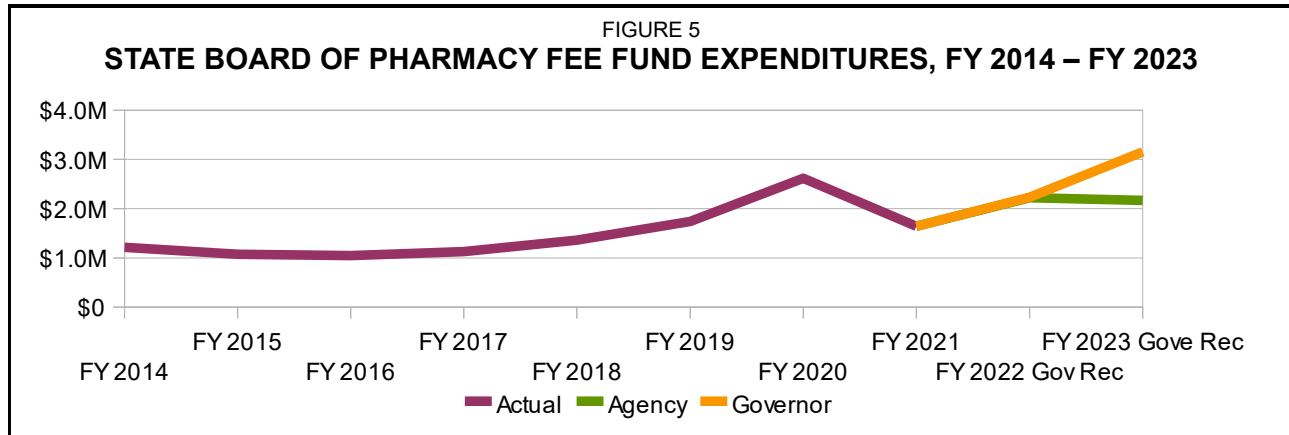
The **Governor** concurs with the agency's FY 2023 revised estimate.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

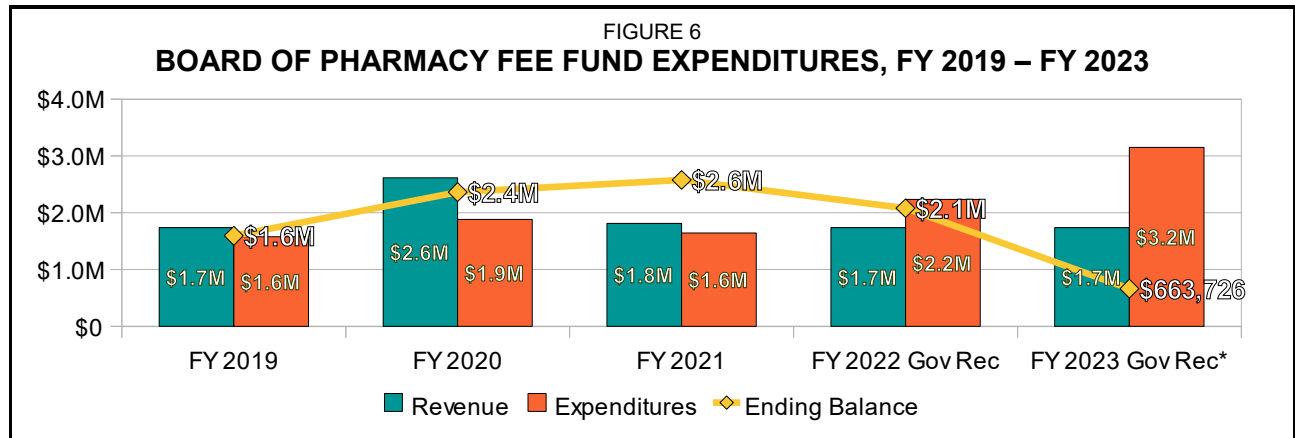
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 1,346,667	\$ 1,542,600	\$ 1,542,600	\$ 1,619,982	\$ 1,619,982
Contractual Services	1,642,896	2,488,766	2,488,766	2,138,853	2,138,853
Commodities	14,925	42,400	42,400	44,400	44,400
Capital Outlay	28,366	64,000	64,000	67,200	67,200
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 3,032,854</i>	<i>\$ 4,137,766</i>	<i>\$ 4,137,766</i>	<i>\$ 3,870,435</i>	<i>\$ 3,870,435</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 3,032,854</i>	<i>\$ 4,137,766</i>	<i>\$ 4,137,766</i>	<i>\$ 3,870,435</i>	<i>\$ 3,870,435</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 3,032,854	\$ 4,137,766	\$ 4,137,766	\$ 3,870,435	\$ 3,870,435
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,388,932	1,703,940	1,703,940	518,303	518,303
All Other Funds	1,643,922	2,433,826	2,433,826	3,352,132	3,352,132
TOTAL	\$ 3,032,854	\$ 4,137,766	\$ 4,137,766	\$ 3,870,435	\$ 3,870,435
FTE Positions	18.0	18.5	18.5	18.8	18.8

STATE BOARD OF PHARMACY FEE FUND



The State Board of Pharmacy Fee Fund receives fee revenue from the licensing of pharmacists, pharmacy technicians, pharmacies, drug manufacturers and distributors, and retail dealers, as well as the administration of pharmacist licensing examinations. Licenses and permits are renewed on a biennial basis. KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund.

BOARD OF PHARMACY FEE FUND



* For FY 2023, the lowest month ending balance for the Board of Pharmacy Fee Fund will occur in May, with a balance of \$6,215.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Pharmacists by Exam	\$ 100	\$ 350	KSA 74-1609
Pharmacists by Reciprocity	125	250	<i>Id.</i>
Pharmacy Renewal	150	200	<i>Id.</i>
Pharmacy Intern	20	25	<i>Id.</i>
Pharmacy Technician	20	50	<i>Id.</i>
Pharmacy Registration	150	150	<i>Id.</i>
Pharmacy Renewal	125	125	<i>Id.</i>
Manufacturer Registration	350	500	<i>Id.</i>
Manufacturer Renewal	350	400	<i>Id.</i>
Wholesale Distributor Registration	350	500	<i>Id.</i>
Wholesale Distributor Renewal	350	400	<i>Id.</i>
Non-prescription Drug Wholesaler	50	50	<i>Id.</i>
Non-prescription Drug Wholesaler Renewal	50	50	<i>Id.</i>
Institutional Drug Room	25	40	<i>Id.</i>
Institutional Drug Room Renewal	20	35	<i>Id.</i>
Veterinary Medical Teaching Hospital Pharmacy	25	40	<i>Id.</i>
Retailer Dealer Permit	10	12	<i>Id.</i>
Retailer Dealer Permit Renewal	10	12	<i>Id.</i>
Sample Distribution Permit	30	50	<i>Id.</i>
Sample Distribution Permit Renewal	30	50	<i>Id.</i>
Durable Medical Equipment Provider	300	300	<i>Id.</i>
Durable Medical Equipment Provider Renewal	300	300	<i>Id.</i>
Third-party Logistics Provider	350	500	<i>Id.</i>
Third-party Logistics Provider Renewal	350	400	<i>Id.</i>
Non-Prescription Third-party Logistics Provider	50	50	<i>Id.</i>
Non-Prescription Third-party Logistics Provider Renewal	50	50	<i>Id.</i>
Outsourcing Facility	350	500	<i>Id.</i>
Outsourcing Facility Renewal	350	400	<i>Id.</i>
Repackager	350	500	<i>Id.</i>
Repackager Renewal	350	400	<i>Id.</i>
Automated Dispensing System	20	40	<i>Id.</i>
Automated Dispensing System Renewal	20	35	<i>Id.</i>

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 3,769,296	\$ 3,769,296	19.5
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	\$ -	\$ -	\$ -	--
Agency Revised Estimate:				
2. Salaries and Wages	\$	\$ 34,828	\$ 34,828	-
3. Contractual Services		353,218	353,218	-
4. All Other Adjustments - Commodities	-	(19,576)	(19,576)	(1.0)
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 4,137,766	\$ 4,137,766	18.5
Governor's Recommendation:				
5. No Changes	-	-	-	-
TOTAL	\$ -	\$ 4,137,766	\$ 4,137,766	18.5

LEGISLATIVE APPROVED

1. Subsequent to the 2021 Session, no adjustments were made to the \$3.8 million, all from special revenue funds, appropriated to the Kansas Board of Pharmacy in FY 2022.

AGENCY ESTIMATE

The **agency's** revised estimate totals \$4.1 million, all from special revenue funds. This is an increase of \$368,470, or 9.8 percent, above the approved amount. The salaries and wages increases are due to increased costs of employer contributions to retirement and group health insurance. The contractual services increases are due to computer software maintenance and OITS fees.

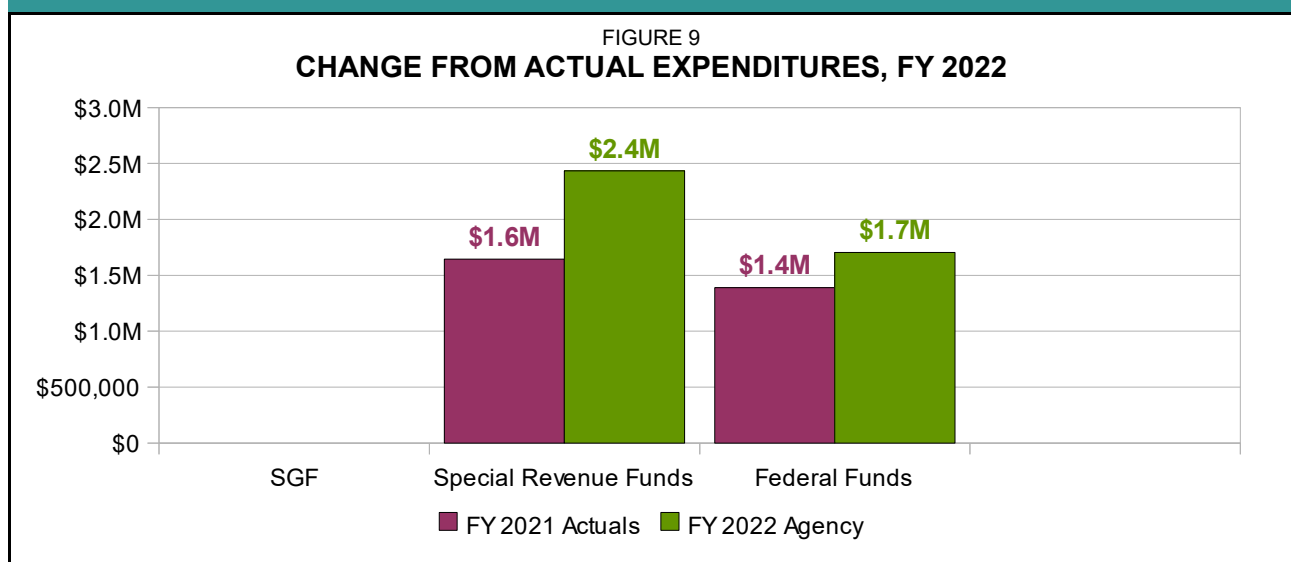
The **agency** estimate includes the following adjustments:

2. **SALARIES AND WAGES.** The salaries and wages increases are due to increased costs for retirement and group health insurance. There were decreases in salaries and wages for the Harold Rogers grant program but also increases from the new SAMHSA grant position.
3. **CONTRACTUAL SERVICES.** The contractual services increases are primarily due to computer software maintenance and OITS fees. There are also increases for attorney fees due to an upward trend in complaints, cases, and hearings. There are also increased Kansas Bureau of Investigation fees due to an increased number of background checks.
4. **ALL OTHER ADJUSTMENTS.** There is a decrease in commodities due to decreased expenditures for office supplies. There was also an adjustment to an unfunded FTE position.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



There is an increase of \$1.1 million, all from special revenue funds, between FY 2021 actual amounts and the revised estimate in FY 2022. There are increases in salaries and wages of \$195,933, contractual services of \$845,870, commodities of \$27,475, and capital outlay of \$35,634. Due to the passage of 2021 Sub. for HB 2066 concerning occupational and professional licensing standards, there is an increase in salaries and wages and an additional FTE position added to implement the changes associated with this new law. Contractual services increases include computer software rental and maintenance. Commodity increases are due to increased expenditures for office supplies and gasoline, and increases for capital outlay include software and furniture expenditures.

There is also a new grant from the U.S. Department of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA), in which the Board of Pharmacy will serve as the Prescription Drug Monitoring Program (PDMP) project partner subrecipient.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 3,713,796	\$ 3,713,796	19.0
Agency Request:				
1. Supplemental	\$ -	\$ 40,065	\$ 40,065	0.75
2. All Other Adjustments	-	116,574	116,574	(1.0)
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 3,870,435	\$ 3,870,435	18.8
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 3,870,435	\$ 3,870,435	18.8

AGENCY REQUEST

The **agency** requests \$3.9 million, all from special revenue funds, for FY 2023. This is an increase of \$156,639 above the approved amount. The increase is primarily due to a new grant and an enhancement request.

The **agency** request includes the following adjustments:

1. **SUPPLEMENTAL.** The enhancement is for the continued support for 2021 Sub. for HB 2066. The supplemental increases salaries and wages by \$40,065 to fund an additional 0.75 FTE position.
2. **ALL OTHER ADJUSTMENTS.** There is an additional increase of \$44,992 in salaries and wages expenditures due to increased fringe benefit costs and an increase in contractual services for computer software maintenance. The revised estimate includes a partially offsetting decrease of \$19,576 for commodities for office supplies. The new SAMHSA grant is \$157,058 for FY 2023. There is also an adjustment to an unfunded position.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate for FY 2023.

SUPPLEMENTAL REQUEST

REQUEST 1
2021 SUB. FOR HB 2066 SALARIES AND WAGES

Item	SGF	Other Funds	Total	FTE
Salaries and Wages	\$ -	\$ 40,065	\$ 40,065	0.75

The supplemental request is for the continued support for 2021 Sub. for HB 2066. This would increase salaries and wages by \$40,065 to fund an additional 0.75 FTE.

The Governor recommends adoption of this request.

PERFORMANCE MEASURES OVERVIEW

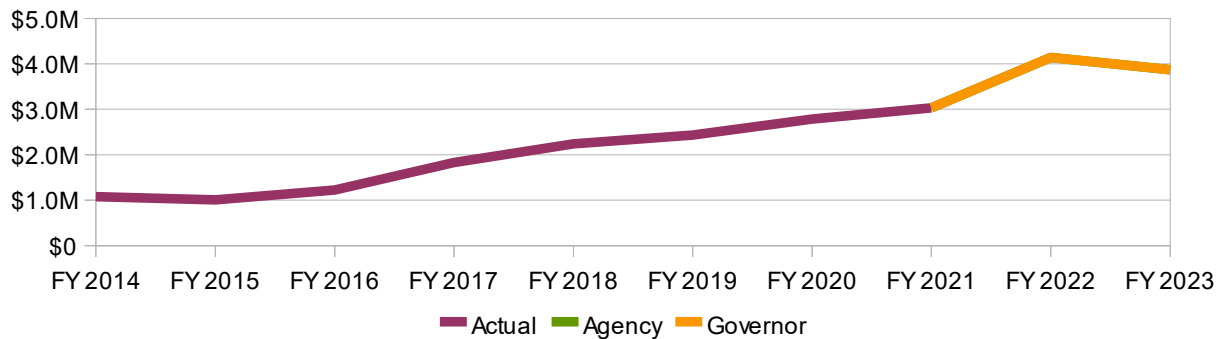
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 3,032,854	\$ 4,137,766	\$ 4,137,766	\$ 3,870,435	\$ 3,870,435
FTE Positions:					
Administration	18.0	18.5	18.5	18.8	18.8

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 65-1625 *et seq.*

PROGRAM GOALS: • Track prescriber, dispenser, and patient information for all scheduled substances and drugs of concern dispensed in Kansas.
• Licenses of pharmacies and pharmacists.
• Compliance with drugs and regulations regarding the practice of pharmacy.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Ave.	Target FY2022	Target FY 2023
Outcome Measure:					
1. Percent of Initial Applications Processed within 30 days of Receipt	80.00 %	64.21 %	74.29 %	75.00 %	77.00 %
2. Number of Complaints Received*	109	313	475	350	350
3. Number of Continuing Education courses approved*	60	54	65	60	60
4. Number of K-TRACS queries*	17,605,322	20,837,650	16,066,117	21,000,000	22,000,000
Output Measure:					
5. Number of Connected states and federal entities*	37	37	35	37	37
6. Number of Threshold Patients*	97	88	117	85	80
7. Number of Clinical Alerts Notifications*	191,484	188,984	190,234	188,000	188,000
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	899,508	1,388,932		1,703,940	518,303
All Other Funds	1,882,115	1,643,922		2,433,826	3,352,132
TOTAL	\$ 2,781,623	\$ 3,032,854		\$ 4,137,766	\$ 3,870,435
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	14.3 %	9.0 %		36.4 %	(6.5) %
FTE Positions	18.0	18.0		18.5	18.75

*The Governor's Office does not utilize this measure for evaluation purposes.

REAL ESTATE APPRAISAL BOARD

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	268,759	340,802	340,802	344,867	344,867
<i>Subtotal</i>	<i>\$ 268,759</i>	<i>\$ 340,802</i>	<i>\$ 340,802</i>	<i>\$ 344,867</i>	<i>\$ 344,867</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	<i>\$ 268,759</i>	<i>\$ 340,802</i>	<i>\$ 340,802</i>	<i>\$ 344,867</i>	<i>\$ 344,867</i>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(19.0) %	26.8 %	26.8 %	1.2 %	1.2 %
FTE Positions	2.0	2.0	2.0	2.0	2.0

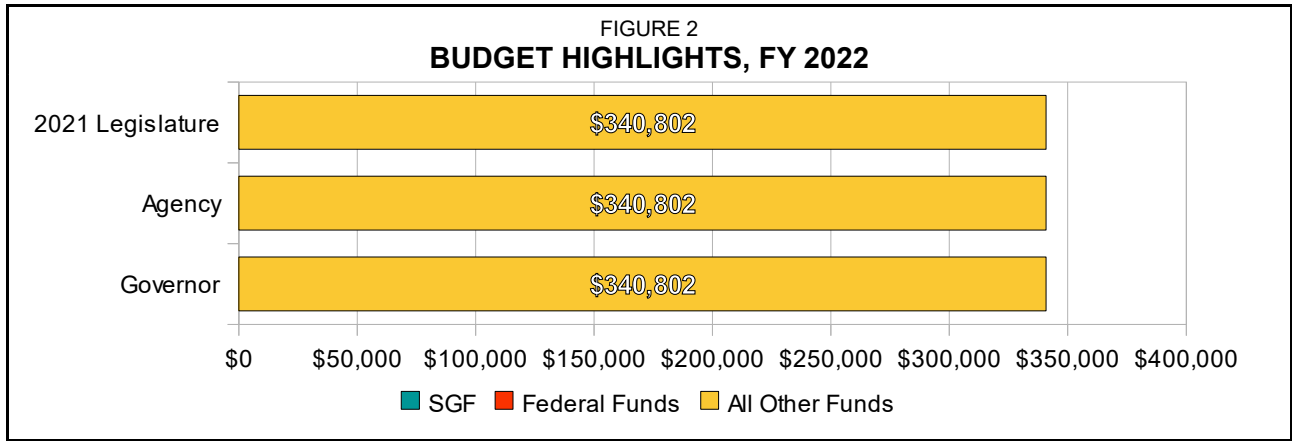
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Real Estate Appraisal Board's mission is to protect consumers of real estate services provided by its licensees by assuring that the licensees are sufficiently trained and tested to assure competency and independent judgment. In addition, the Board protects the public interest by enforcing both federal and state law to assure that its licensees act in accordance with professional standards and ethics. These responsibilities are accomplished through a variety of efforts including testing of potential licensees, pre-license and continuing education requirements, investigation of complaints, and disciplinary action taken against licensees as warranted.

The board, governed by KSA 58-4101 *et seq.* and KSA 58-4701 *et seq.*, is composed of seven members who are appointed to staggered three-year terms by the Governor. At least one member must represent the general public, at least two members must represent financial institutions, and at least three members must be licensed real estate appraisers.

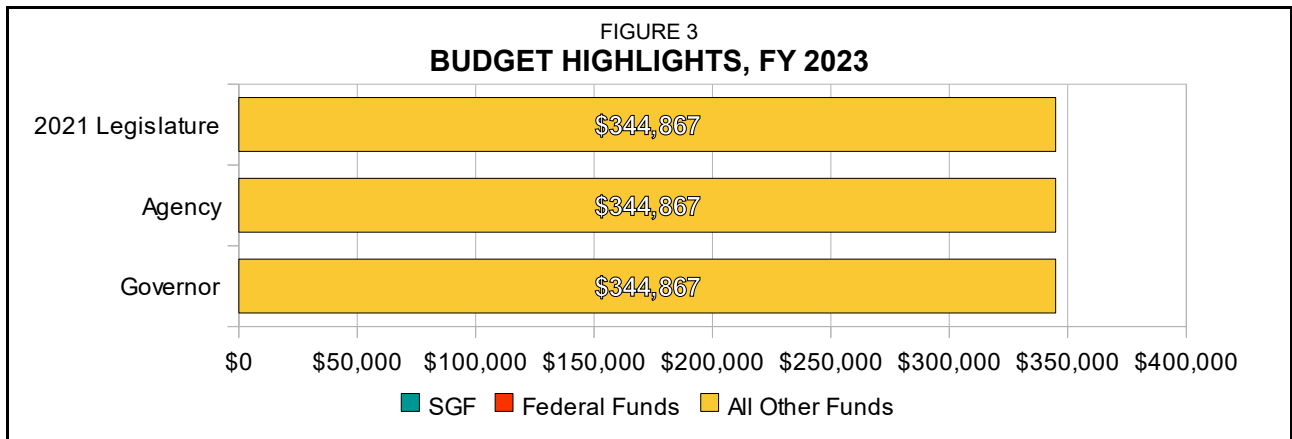
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$340,802, all from special revenue funds, for the Real Estate Appraisal Board in FY 2022. No adjustments have been made subsequently to that amount.



The **agency** requests a revised estimate of \$340,802, all from special revenue funds, for expenditures in FY 2022. This is same as the FY 2022 approved amount. The agency estimate also includes includes 2.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests a revised estimate of \$344,867, all from special revenue funds, for expenditures for FY 2023. This is same as the FY 2023 approved amount. The agency estimate also includes includes 2.0 FTE positions, which is the same as the approved number.

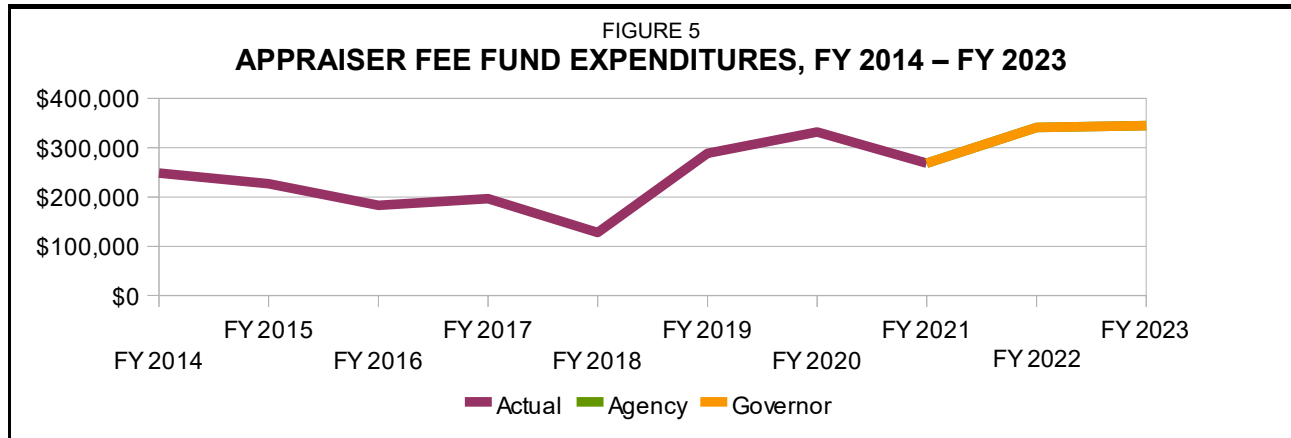
The **Governor** concurs with the agency's FY 2023 revised estimate.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

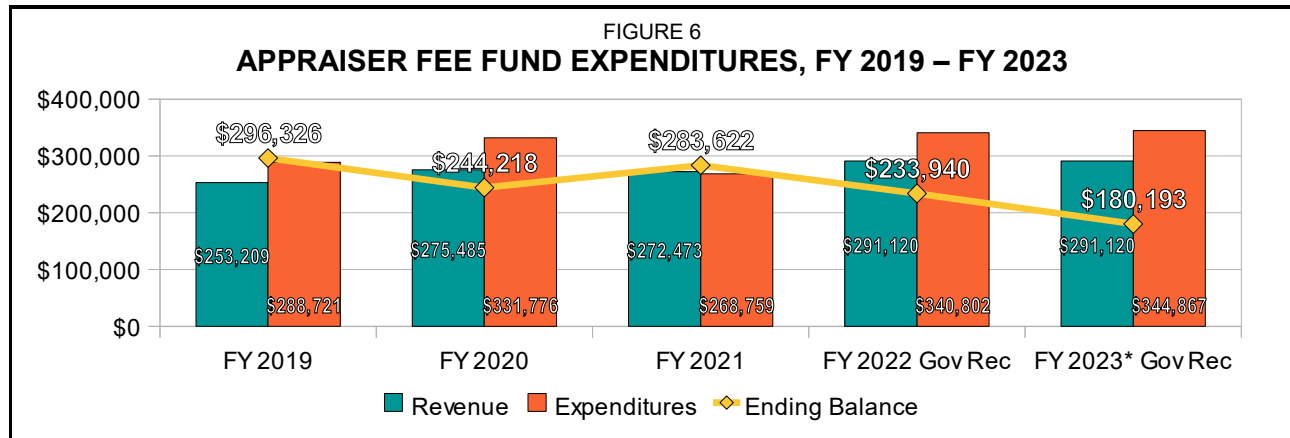
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 182,734	\$ 186,466	\$ 186,466	\$ 186,667	\$ 186,667
Contractual Services	83,640	150,336	150,336	154,200	154,200
Commodities	2,129	3,000	3,000	3,000	3,000
Capital Outlay	256	1,000	1,000	1,000	1,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 268,759</i>	<i>\$ 340,802</i>	<i>\$ 340,802</i>	<i>\$ 344,867</i>	<i>\$ 344,867</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 268,759</i>	<i>\$ 340,802</i>	<i>\$ 340,802</i>	<i>\$ 344,867</i>	<i>\$ 344,867</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 268,759	\$ 340,802	\$ 340,802	\$ 344,867	\$ 344,867
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Appraiser Fee Fund	268,759	340,802	340,802	344,867	344,867
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 268,759	\$ 340,802	\$ 340,802	\$ 344,867	\$ 344,867
FTE Positions	2.0	2.0	2.0	2.0	2.0

APPRAISER FEE FUND



The Appraiser Fee Fund is the primary receipting and expenditure fund of the commission. The fund is where all license, application, and other fees are deposited (per KSA 58-4107). The revenue received provides financing for all agency operations, with 90.0 percent being retained by the agency and 10.0 percent being deposited into the State General Fund (SGF).

APPRAISER FEE FUND



* For FY 2023, the lowest month ending balance for the Appraiser Fee Fund will occur in July, with a balance of \$140,432.

The Appraiser Fee Fund receives fees in the amounts noted within the following fee table that are related to the licensure, education, and compliance for the certified and licensed persons who conduct real property appraisals in Kansas.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Application for Certification and Licensure	\$ 50	\$ 50	KSA 58-4107
Original Certification and Licensure	225	300	KSA 58-4107
Annual Renewal	150	300	KSA 58-4107
Late Renewal Fee	50	50	KSA 58-4107
Certification Letter	10	25	KSA 58-4107
New Continuing Education Course Approval	50	100	KSA 58-4107
New Pre-licensing Course Approval	100	100	KSA 58-4107
Renewal of Courses	25	25	KSA 58-4107
Approval and Renewal of all Appraisal Qualifications	10	25	KSA 58-4107
Reinstatement of License Fee	50	50	KSA 58-4107
Temporary Practice Permit	50	50	KSA 58-4107
Appraisal Management Company Registration	1,500	3,500	KSA 58-4708
Appraisal Management Company Renewal Fee	900	3,500	KSA 58-4708
Appraisal Management Company Late Fee	100	500	KSA 58-4708

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 340,802	\$ 340,802	2.0
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 340,802</i>	<i>\$ 340,802</i>	<i>2.0</i>
Agency Revised Estimate:				
2. No Changes	-	-	-	-
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 340,802</i>	<i>\$ 340,802</i>	<i>2.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	-
TOTAL	\$ -	\$ 340,802	\$ 340,802	2.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$340,802 appropriated to the Real Estate Appraisal Board for FY 2022.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$340,802 appropriated to the Real Estate Appraisal Board for FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$340,802, all from special revenue funds, for expenditures in FY 2022. This is same as the FY 2022 approved amount. There are increased expenditures in salaries and wages of \$4,419, or 2.4 percent, for base salary increases and capital outlay of \$1,000 for printers. The agency reallocated contractual service expenditures from outside counsel fees to a new information technology database project.

The **agency** estimate also includes includes 2.0 FTE positions, which is the same as the approved number.

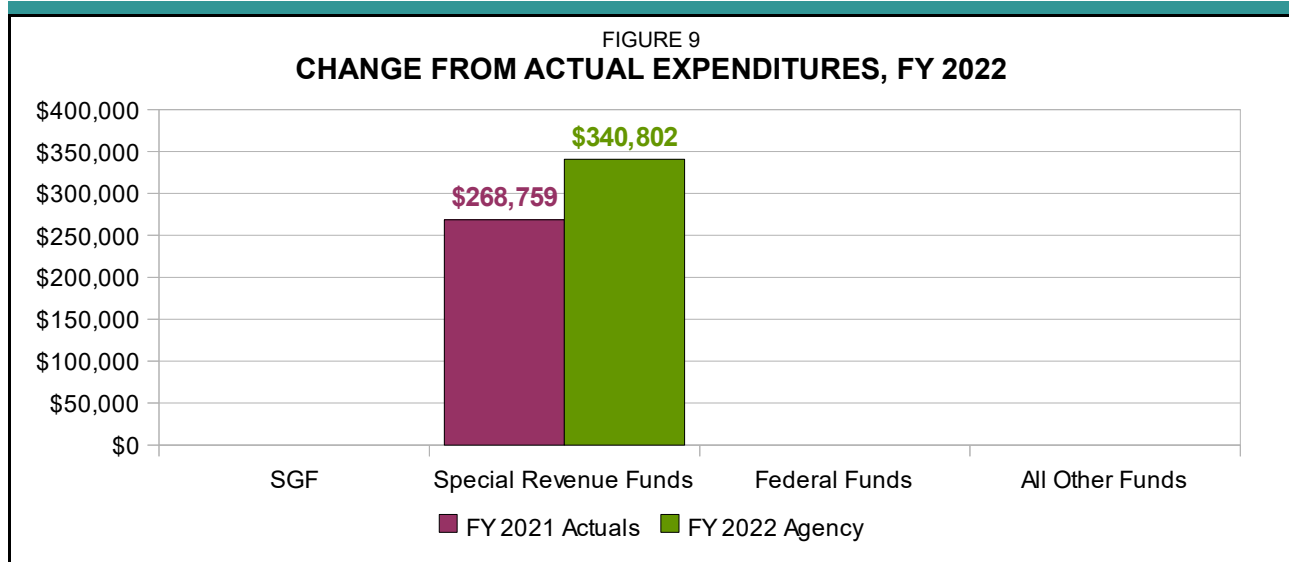
2. **NO CHANGES.** The agency made no changes to the legislative approved amount in FY 2022.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2022 revised estimate.

3. **NO CHANGES.** The Governor made no changes to the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised expenditures of \$340,802, all from special revenue funds, in FY 2022. This is an increase of \$72,043, or 26.8 percent, above the FY 2021 actual expenditures. The increase is attributable to expenditure increases above the FY 2021 actual expenditure amounts in the following categories:

- Salaries and wages: an increase of \$3,732, or 2.0 percent;
- Contractual services: an increase of \$66,696, or 79.9 percent;
- Commodities: an increase of \$871, or 40.9 percent; and
- Capital outlay: an increase of \$744, or 290.6 percent.

The increases are due to the implementation of a new database, increased attorney fees, an increase in complaints received by the agency, and an increase in applications.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 344,867	\$ 344,867	2.0
1. No Changes				
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 344,867</i>	<i>\$ 344,867</i>	<i>2.0</i>
Agency Request:				
2. No Changes	-	-	-	--
<i>Subtotal—Agency Request</i>	<i>\$ -</i>	<i>\$ 344,867</i>	<i>\$ 344,867</i>	<i>2.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	-
TOTAL	\$ -	\$ 344,867	\$ 344,867	2.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$344,867 appropriated to the Real Estate Appraisal Board for FY 2023.

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$340,802 appropriated to the Real Estate Appraisal Board for FY 2022.

AGENCY REQUEST

The **agency** requests a revised estimate of \$344,867, all from special revenue funds, for expenditures for FY 2023. This is same as the FY 2023 approved amount. The agency estimate also includes includes 2.0 FTE positions, which is the same as the approved number.

2. **NO CHANGES.** The agency made no changes to the legislative approved amount.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2023 revised estimate.

3. **NO CHANGES.** The Governor made no changes to the agency's FY 2023 revised estimate.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11

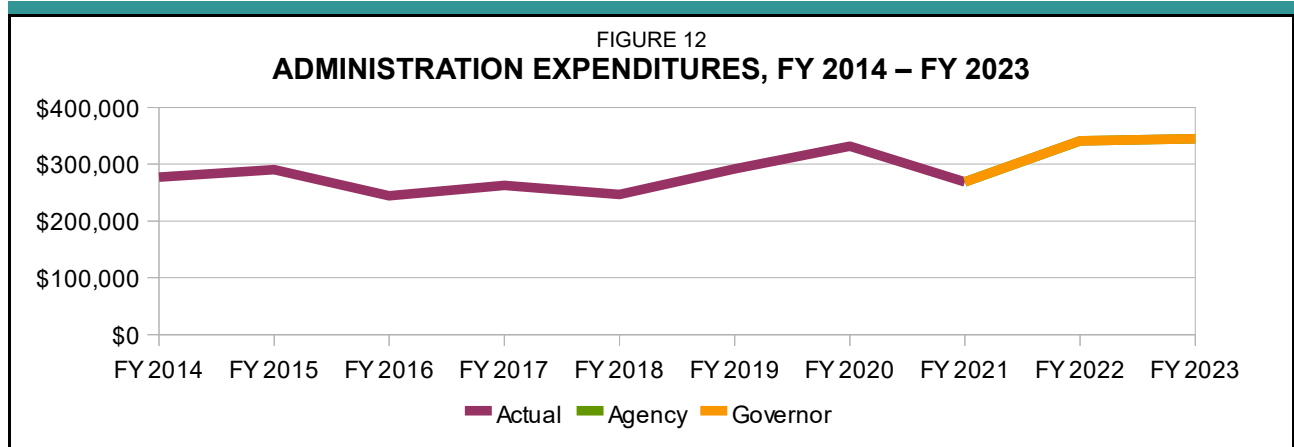
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023

Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 268,759	\$ 340,802	\$ 340,802	\$ 344,867	\$ 344,867
FTE Positions:					
Administration	2.0	2.0	2.0	2.0	2.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 58-4101 *et seq.*, 58-4701 *et seq.*

PROGRAM GOALS: • Continue to work diligently to get complaints processed in the one-year time frame mandated by the Appraisal Subcommittee (ASC) of The Appraisal Foundation.
• Continue to maintain excellent reviews conducted by the ASC.

The Administration program is the agency's only budgetary program. It is responsible for the licensure, education, and compliance of the

certified and licensed persons who conduct real property appraisals in Kansas.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Current active real estate appraisers	992	979	985	1,000	1,000
2.Number of new real estate appraisal licenses issued*	81	82	76	90	90
3.Percent of real estate appraisal licensees denied*	5.0 %	7.0 %	5.7 %	5.0%	5.0%
4.Current active appraisal management companies	116	112	114	125	125
5.Number of new real estate appraisal management companies registered*	11	10	8	10	10
6.Percentage of appraisal licenses found in violation with a biennial renewal audit of continuing education*	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
7.Percentage of licenses renewed online or by email*	50.0 %	20.0 %	35.0 %	30.0 %	30.0 %
8.Number of appraiser complaints*	22	20	25	20	20
9.Percent of closed complaints resulting in disciplinary action being taken*	10.0 %	20.0 %	13.3 %	25.0 %	25.0 %
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	331,776	268,759		340,802	344,867
TOTAL	\$ 331,776	\$ 268,759		\$ 340,802	\$ 344,867
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	13.7 %	(19.0) %		26.8 %	1.2 %
FTE Positions	2.0	2.0		2.0	2.0

*The Governor's Office does not utilize this measure for evaluation purposes.

REAL ESTATE COMMISSION

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	1,333,454	1,344,894	1,344,894	1,361,783	1,361,783
<i>Subtotal</i>	<u>\$ 1,333,454</u>	<u>\$ 1,344,894</u>	<u>\$ 1,344,894</u>	<u>\$ 1,361,783</u>	<u>\$ 1,361,783</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 1,333,454</u>	<u>\$ 1,344,894</u>	<u>\$ 1,344,894</u>	<u>\$ 1,361,783</u>	<u>\$ 1,361,783</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	6.4 %	0.9 %	0.9 %	1.3 %	1.3 %
FTE Positions	12.0	12.0	12.0	12.0	12.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

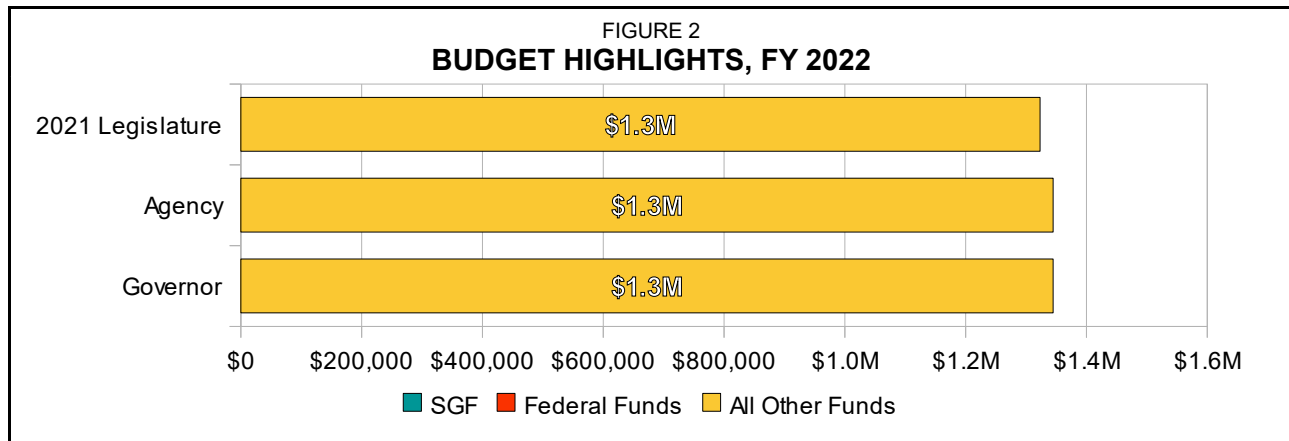
The Real Estate Commission protects the public interest in the selling, purchasing, and leasing of real estate and develops responsive policies and procedures that are customer service focused and not unduly burdensome to regulated real estate licensees.

The agency administers a program of licensure, education, and compliance relating to the transacting of real estate by salespersons and brokers in Kansas. The Commission is composed of five members appointed by the Governor for staggered four-year terms. One member is appointed from each congressional district and one member from the state at large. At least three members shall have been real estate brokers for at least five years, and at least one member shall have never been a real estate broker.

The agency operates under the authority granted by KSA 74-4201 *et seq.*; KSA 58-3034 *et seq.* prescribes licensing standards for real estate brokers and salespersons; and KSA 58-30,101 *et seq.* governs brokerage relationships between real estate salespersons, brokers, and their clients and customers.

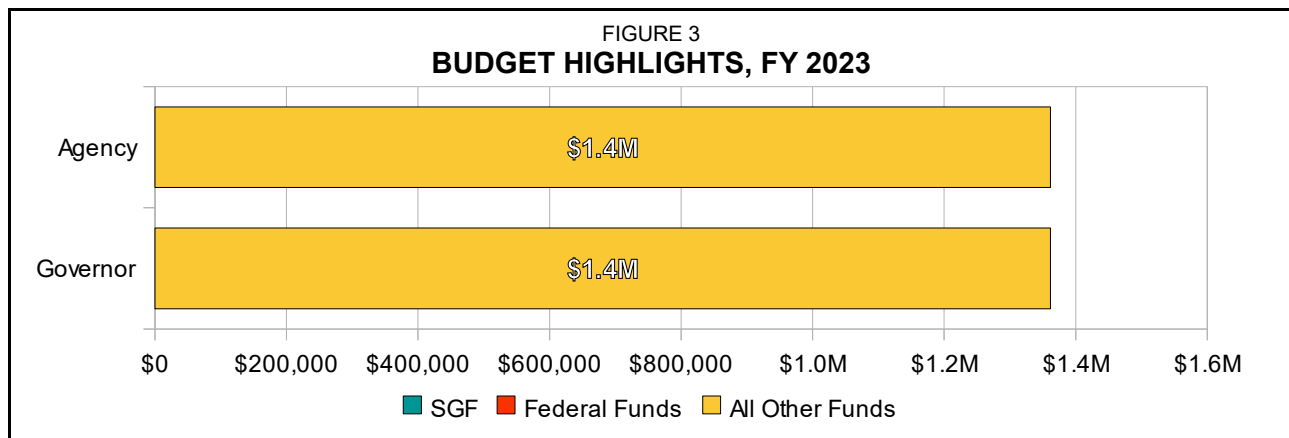
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$1.3 million, all from special revenue funds, for the Real Estate Commission in FY 2022. This agency does not have any expenditures from the State General Fund (SGF). There have been no subsequent adjustments to that amount.



The **agency** requests a revised estimate of \$1.3 million, all from special revenue funds, in FY 2022. This is an increase of \$21,691, or 1.6 percent, above the FY 2022 approved amount. The agency estimate also includes 12.0 FTE positions in FY 2022. This is an increase of 0.3 FTE positions above the approved amount.

The **Governor** concurs with the agency's FY 2022 revised estimate.



- The **agency** requests a revised estimate of \$1.4 million, all from special revenue funds, for FY 2023. The request is an increase of \$27,630, or 2.1 percent, above the FY 2023 approved amount. The agency requests an enhancement for legal representation by the Attorney General (\$7,100). The agency also increased contractual services expenditures by \$25,000 for the costs of administering background checks required for the original license application. The Kansas Bureau of Investigation bills the agency for fingerprinting, background checks, and criminal history reports. The increases are partially offset by a reduction in travel costs.

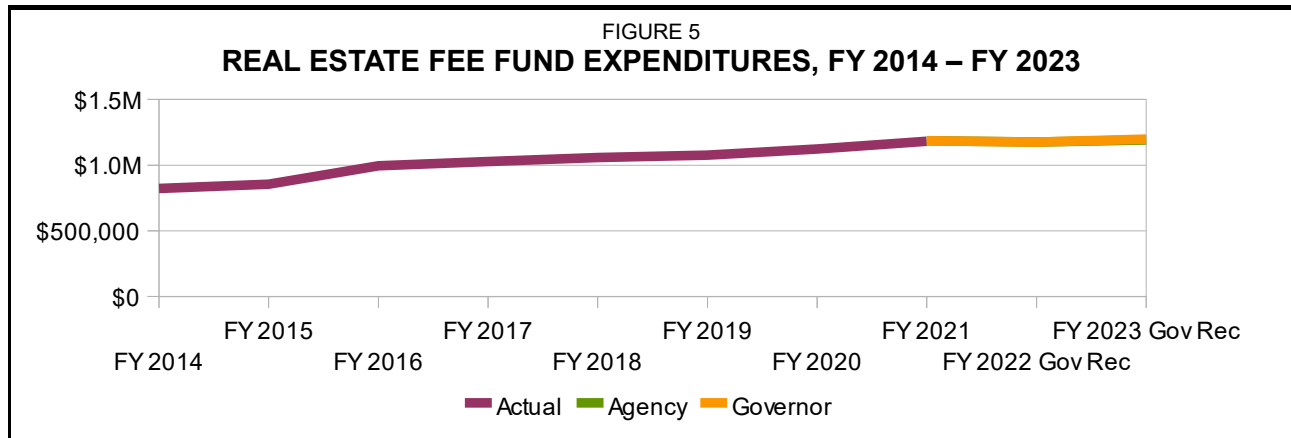
The **Governor** concurs with the agency's FY 2023 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

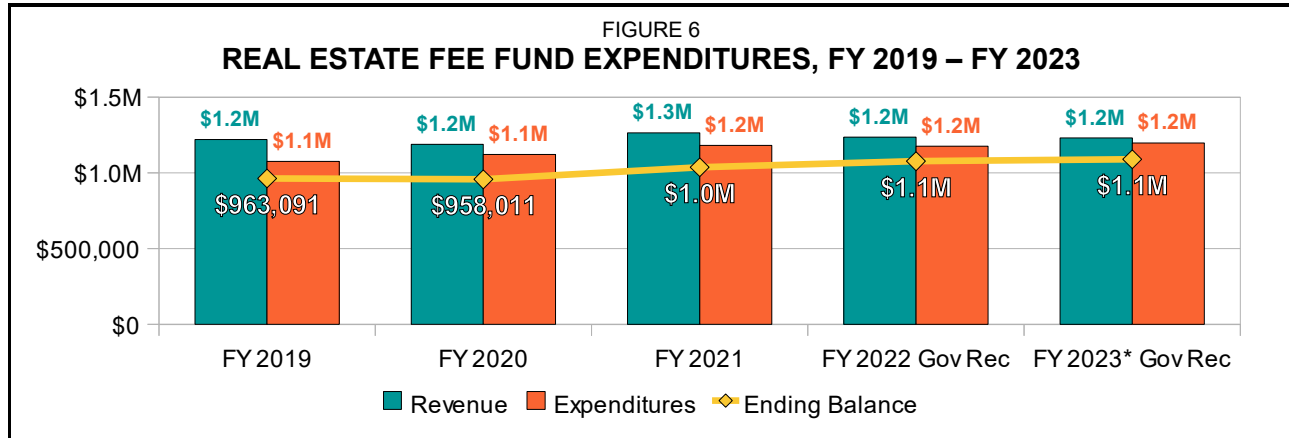
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 824,231	\$ 834,902	\$ 834,902	\$ 844,942	\$ 844,942
Contractual Services	491,986	505,742	505,742	512,341	512,341
Commodities	2,535	2,200	2,200	2,450	2,450
Capital Outlay	14,702	2,050	2,050	2,050	2,050
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 1,333,454</i>	<i>\$ 1,344,894</i>	<i>\$ 1,344,894</i>	<i>\$ 1,361,783</i>	<i>\$ 1,361,783</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 1,333,454</i>	<i>\$ 1,344,894</i>	<i>\$ 1,344,894</i>	<i>\$ 1,361,783</i>	<i>\$ 1,361,783</i>
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 1,333,454	\$ 1,344,894	\$ 1,344,894	\$ 1,361,783	\$ 1,361,783
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Real Estate Fee Fund	1,181,364	1,175,955	1,175,955	1,196,838	1,197,838
Federal Funds	-	-	-	-	-
All Other Funds	152,090	168,939	168,939	164,945	163,945
TOTAL	\$ 1,333,454	\$ 1,344,894	\$ 1,344,894	\$ 1,361,783	\$ 1,361,783
FTE Positions	12.0	12.0	12.0	12.0	12.0

REAL ESTATE FEE FUND



The Real Estate Fee Fund is the primary receipting and expenditure fund of the commission. The fund is where all license, application, and other fees are deposited (per KSA 58-3074). The revenue received provides financing for all agency operations, with 90.0 percent being retained by the agency and 10.0 percent being deposited into the SGF.

REAL ESTATE FEE FUND



* For FY 2023, the lowest month ending balance for the Real Estate Fee Fund will occur in July, with a balance of \$893,427.

The Real Estate Fee Fund receives fees in the amounts noted within the following fee table that are related to the licensure, education, and compliance of the transacting of real estate by salespersons and brokers in Kansas.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Real Estate Broker Application	\$ 50	\$ 50	KSA 58-3063
Real Estate Broker License (Original and Renewal)	175	200	KSA 58-3063
Real Estate Salesperson Application	15	25	KSA 58-3063
Real Estate Salesperson License	125	150	KSA 58-3063
Course Approval (Provider)	75	75	KSA 58-3063
Course Approval (Licensee)	10	20	KSA 58-3063
License Reinstatement	15	15	KSA 58-3063
Background Investigation	60	Cost Recovery*	
Open Company Office (Primary and Branch)	100	100	KSA 58-3063

* Each individual applying for a new license after July 1, 2007, is required to be fingerprinted and submit to a criminal history record check through the Kansas Bureau of Investigation (KBI) or the Federal Bureau of Investigation. The fee is used to pay for the cost of the criminal history check, participation in the KBI Rap Back Program, and the Commission's administrative costs. The KBI Rap Back Program provides an update regarding new criminal arrests and dispositions for any licensees who have been fingerprinted.

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 1,323,203	\$ 1,323,203	11.7
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 1,323,203	\$ 1,323,203	11.7
Agency Revised Estimate:				
2. FTE position increases	\$ -	\$ -	\$ -	0.3
3. Background Checks	-	27,249	27,249	-
4. Private Vehicle Mileage	-	(3,578)	(3,578)	-
5. All Other Adjustments	-	(1,980)	(1,980)	-
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 1,344,894	\$ 1,344,894	12.0
Governor's Recommendation:				
6. No Changes	-	-	-	-
TOTAL	\$ -	\$ 1,344,894	\$ 1,344,894	12.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2021 Session, no adjustments were made to the \$1.3 million appropriated to the Real Estate Commission in FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$1.3 million, all from special revenue funds, in FY 2022. This is an increase of \$21,691, or 1.6 percent, above the FY 2022 approved amount. There are increased expenditures in salaries and wages of \$1,737, or 0.2 percent, and an increase of contractual services of \$20,914, or 4.3 percent. There are decreased expenditures in commodities of \$710, or 24.4 percent, and capital outlay of \$250, or 10.9 percent.

The **agency** request includes the following adjustments:

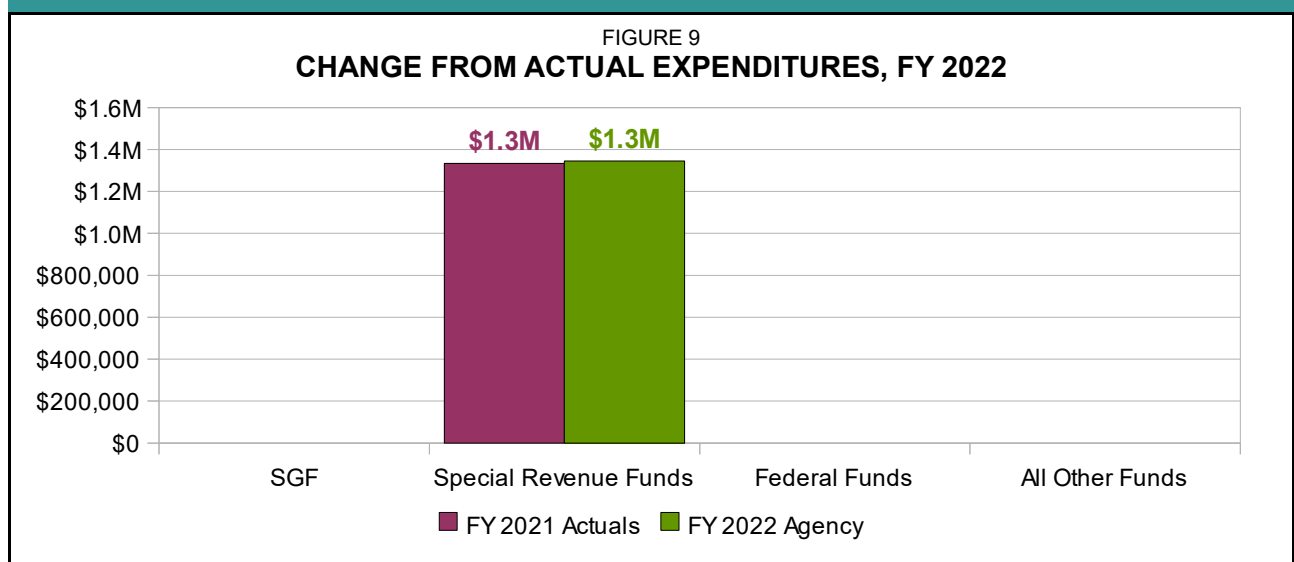
2. **FTE POSITIONS.** The agency estimate also includes 12.0 FTE positions in FY 2022. This is an increase of 0.3 FTE positions above the approved amount. This increase is attributable to two part-time positions being changed to full-time positions due to increased volume of work as a result of a record number of active real estate licenses.
3. **BACKGROUND CHECKS.** The increase in contractual services expenditures is due in part to the costs of administering background checks required for the original license application. The Kansas Bureau of Investigation bills the agency for fingerprinting, background checks, and criminal history reports.
4. **PRIVATE VEHICLE MILEAGE.** The agency's estimate for private vehicle mileage decreased by \$3,578.
5. **OTHER ADJUSTMENT.** The agency made other adjustments, deleting \$1,980 mostly in various contractual service fees. This amount is partially offset by adjustment to fringe benefit expenditures in salaries.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2022 revised estimate.

6. **NO CHANGES.** The Governor concurs with the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised expenditures of \$1.3 million, all from special revenue funds, in FY 2022. This is an increase of \$11,440, or 0.9 percent, above the FY 2021 actual expenditures. The increase is attributable to salaries and wages expenditures of \$10,671, or 1.3 percent, and contractual services of \$13,756, or 2.8 percent.

Salaries and wages increases reflect costs associated with the 0.3 FTE positions increase, including employer contributions to health and retirement benefits. Contractual services primarily increased due to travel and job-related training expenditures.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:	\$ -	\$ 1,334,153	\$ 1,334,153	11.7
Agency Request:				
1. Enhancement—Funding for the Attorney General's Fee Increase	\$ -	\$ 7,100	\$ 7,100	-
2. Background Checks	-	25,000	25,000	-
3. Private Vehicle Mileage	-	(3,278)	(3,278)	-
4. Meals and Lodging	-	(6,179)	(6,179)	-
5. FTE position increases	-	-	-	0.3
6. All Other Adjustments	-	4,987	4,987	-
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 1,361,783	\$ 1,361,783	12.0
Governor's Recommendation:				
7. No changes	\$ -	\$ -	\$ -	-
TOTAL	\$ -	\$ 1,361,783	\$ 1,361,783	12.0

AGENCY REQUEST

The **agency** requests a revised estimate of \$1.4 million, all from special revenue funds, for FY 2023. The request is an increase of \$27,630, or 2.1 percent, above the FY 2023 approved amount. The agency requests an enhancement for legal representation by the Attorney General (\$7,100). The agency also increased contractual services expenditures by \$25,000 for the costs of administering background checks required for the original license application. The Kansas Bureau of Investigation bills the agency for fingerprinting, background checks, and criminal history reports. The increases are partially offset by a reduction in travel costs.

The **agency** request includes the following adjustments:

1. **ENHANCEMENT—ATTORNEY GENERAL'S FEE INCREASE.** The agency requests \$7,100, all from special revenue funds, to fund the Kansas Attorney General's increase in their legal representation charges for FY 2023.
2. **BACKGROUND CHECKS.** The increase in contractual services expenditures are due in part to the costs of administering background checks required for the original license application. The Kansas Bureau of Investigation bills the agency for fingerprinting, background checks, and criminal history reports.
3. **PRIVATE VEHICLE MILEAGE.** The agency's estimate for private vehicle mileage decreased by \$3,278.
4. **MEALS AND LODGING.** The agency's estimate for meals and lodging is reduced by \$6,179.
5. **FTE POSITIONS.** The agency estimate also includes 12.0 FTE positions in FY 2022. This is an increase of 0.3 FTE positions above the approved amount. This increase is attributable to two part-time positions being changed to full-time positions due to increased volume of work as a result of a record number of active real estate licenses.

6. **OTHER ADJUSTMENTS.** The agency made other adjustments for an increase of \$4,987, which is predominantly attributable to credit card processing fees (\$2,750) and conference fees (\$3,090).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2023 request.

7. **NO CHANGES.** The Governor makes no adjustments to the agency FY 2023 request.

ENHANCEMENT REQUESTS

REQUEST 1

ENHANCEMENT REQUEST

The agency requests \$7,100, all from special revenue funds, for the increase in Attorney General's legal representation charges for FY 2023.

Item	TITLE				FTE
	SGF	Special Revenue Funds	All Funds		
Funding for the Attorney General's Fee Increase	\$ -	\$ 7,100	\$ 7,100		-

The agency reports that there will be a 25.0 percent increase in the Attorney General's legal representation charges for FY 2023 due to a budget proviso that increased the Board of Indigents' Defense Services assigned counsel rate from \$80 an hour to \$100 an hour in FY 2022. Existing law allows the Attorney General to charge up to, but not above, the assigned counsel hourly rate.

The Governor recommends the adoption of this request.

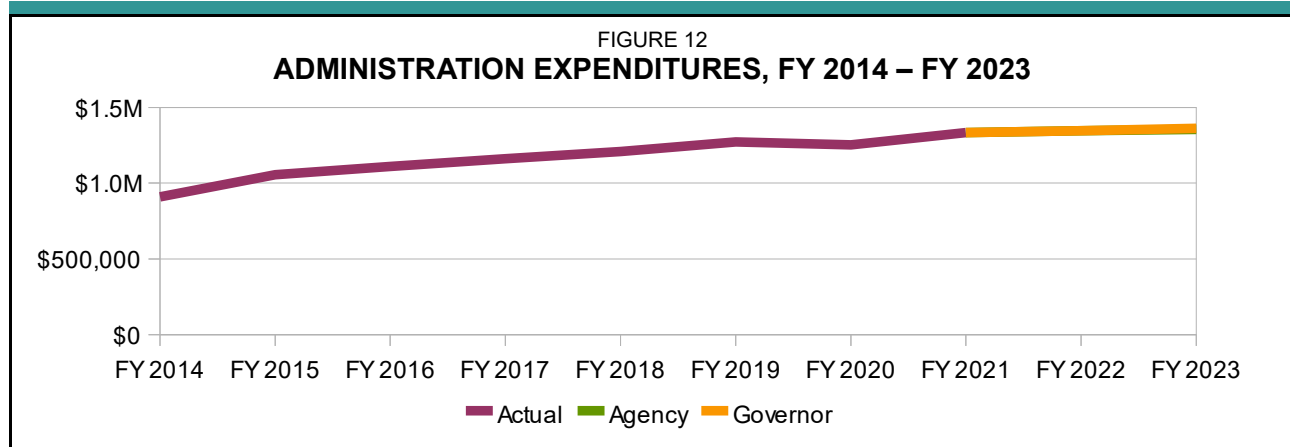
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 133,454	\$ 1,344,894	\$ 1,344,894	\$ 1,361,783	\$ 1,361,783
FTE Positions:					
Administration	12.0	12.0	12.0	12.0	12.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 74-4202(b)

PROGRAM GOALS:

- License only those individuals who have successfully completed all pre-licensing and continuing education requirements required by Kansas law.
- Increase licensees' knowledge of Kansas real estate practice law through education and outreach.
- Regulate real estate licensed activities to require compliance with commission statutes and regulations.

The Administration program is the agency's only budgetary program. The program is responsible for the licensure, education and compliance relating to the transacting of real estate by salesperson or brokers.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of licenses renewed online	94	95	93	96	96
2. Number of compliance reviews performed	281	249	309	300	325
3. Average regulatory cost per real estate license	\$ 75.94	\$ 65.82	\$ 73.00	\$ 67.98	\$ 68.43
Output Measure:					
4. Number of Active Real Estate Licensees	16,498	16,999	16,562	17,300	17,400
5. Percentage of licenses issued within one day of completion	99.0 %	99.0 %	99.0 %	99.0 %	99.0 %
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,253,005	1,333,454		1,344,894	1,361,783
TOTAL	\$ 1,253,005	\$ 1,333,454		\$ 1,344,894	\$ 1,361,783
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(1.4) %	6.4 %		0.9 %	1.3 %
FTE Positions	12.0	12.0		12.0	12.0

BOARD OF TECHNICAL PROFESSIONS

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

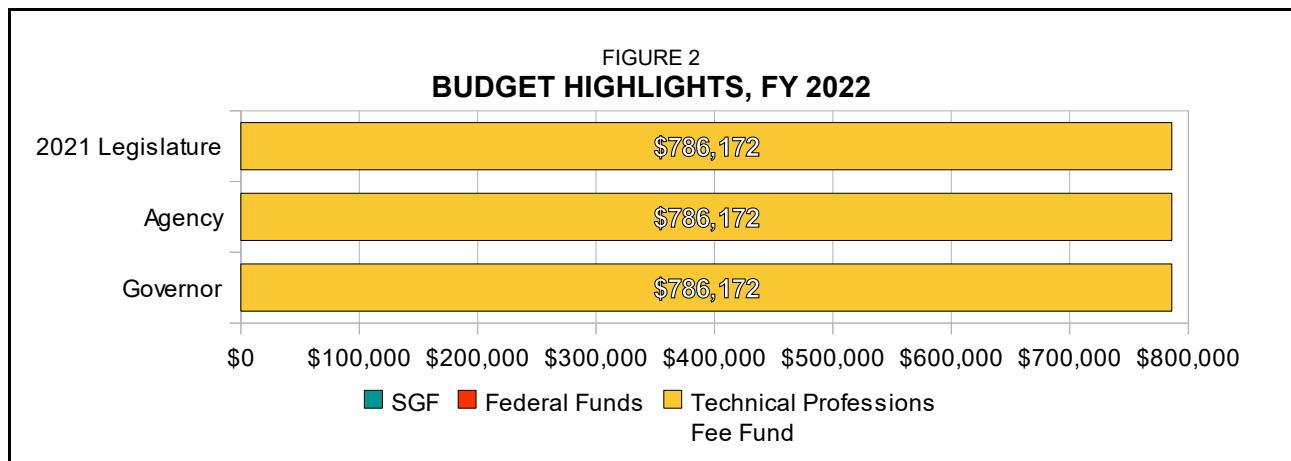
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	59	-	-	-	-
All Other Funds	622,473	786,172	786,172	792,091	792,091
<i>Subtotal</i>	<i>\$ 622,532</i>	<i>\$ 786,172</i>	<i>\$ 786,172</i>	<i>\$ 792,091</i>	<i>\$ 792,091</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 622,532	\$ 786,172	\$ 786,172	\$ 792,091	\$ 792,091
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(0.3) %	26.3 %	26.3 %	0.8 %	0.8 %
FTE Positions	5.0	5.0	5.0	5.0	5.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The purpose of the Board of Technical Professions is to establish and maintain a high standard of integrity, skills, and practice in the technical professions and to safeguard the life, health, property, and welfare of the public. The Board exists to protect the interests of the people of Kansas by assuring the practices of engineering, architecture, land surveying, landscape architecture, and geology are carried out only by those persons proven to be qualified as prescribed by statutes and the Board's rules and regulations.

EXECUTIVE SUMMARY

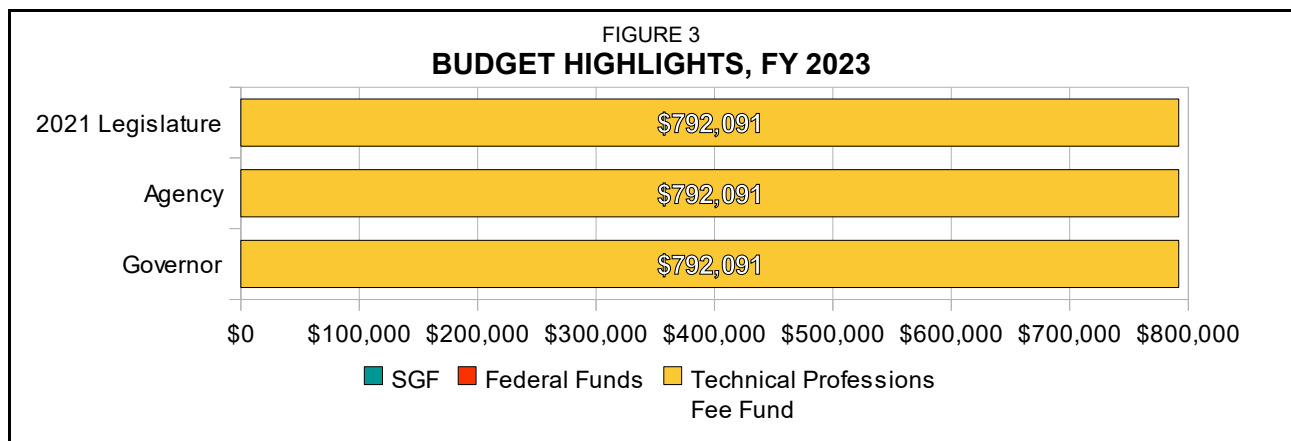
The 2021 Legislature approved a budget of \$786,172, all from the Technical Professions Fee Fund, for the Board of Technical Professions for FY 2022.



The **agency** estimates revised operating expenditures of \$786,172 in FY 2022, all from the Technical Professions Fee Fund. This is the same as the amount approved by the 2021 Legislature.

The agency increased its estimate for membership dues and subscriptions by \$5,000. This increase reflects the subscription fees for national associations of the five disciplines that the agency regulates. The agency increased its estimate for attorney fees by \$5,000 per contract with the Attorney General's office. The agency decreased its estimate for salaries and wages by \$2,024 due to reduced fringe benefits costs. The agency decreased its estimate for computer equipment and programming by \$13,000. The agency used to provide testing equipment and software for the geology license exam, but vendors now provide these to the applicants directly. The agency also increased its estimate for the state building capital charge by \$6,000.

The **Governor** concurs with the agency's FY 2022 revised estimate.



The **agency** requests operating expenditures of \$792,091, all from Technical Professions Fee Fund, for FY 2023. This is the same as the amount approved by the Legislature for FY 2023.

The agency increased its estimate for membership dues and subscriptions by \$5,000. This increase reflects the subscriptions fees for national associations of the five disciplines that the agency regulates. The agency increased its estimate for attorney fees by \$5,000 per contract with the Attorney General's office. The agency decreased its estimate for computer equipment and programming by \$13,000. The agency used to provide testing equipment and software for the geology license exam, but vendors now provide these to the applicants directly. The agency also increased its estimate for the state building capital charge by \$6,000.

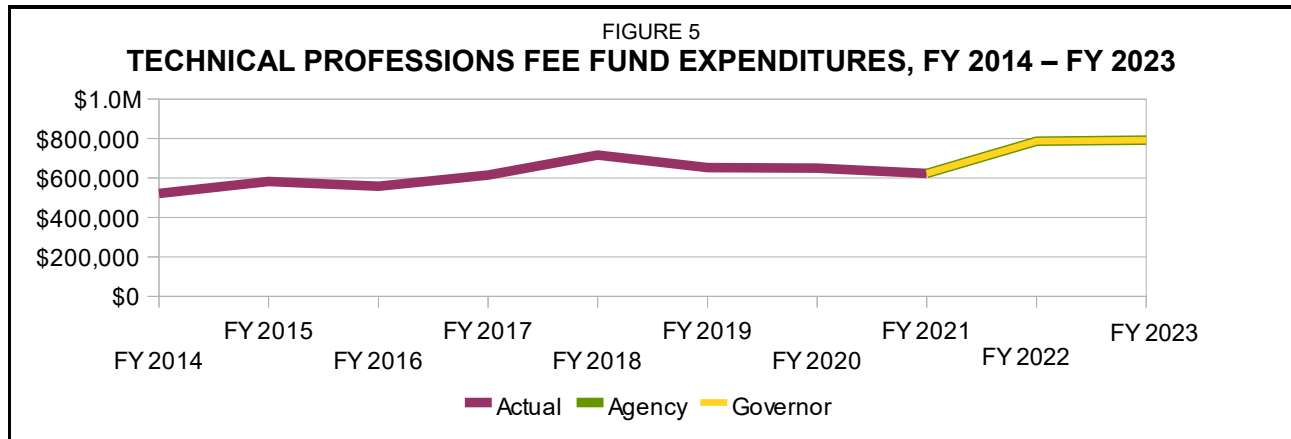
The **Governor** concurs with the agency's FY 2023 revised estimate.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

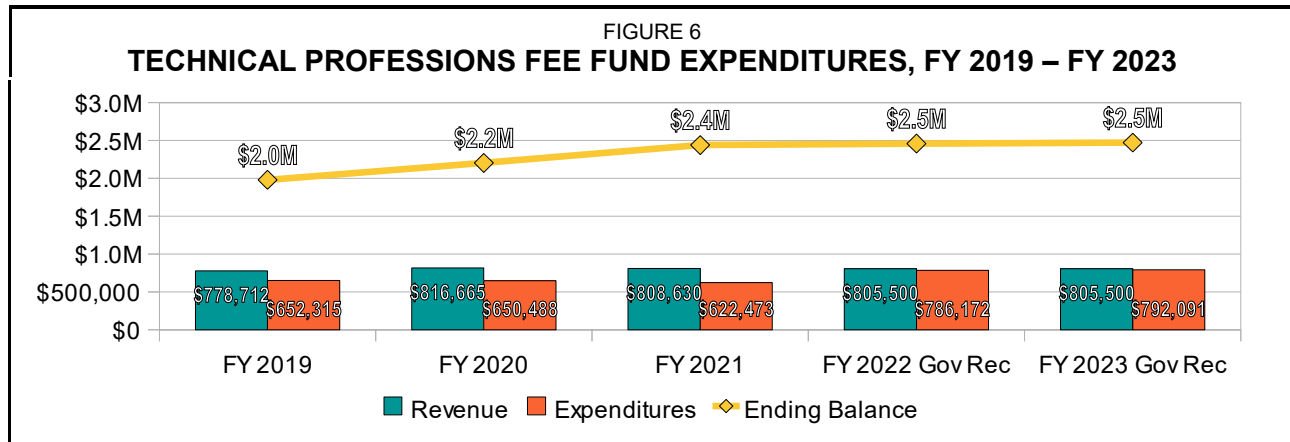
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 298,116	\$ 341,398	\$ 341,398	\$ 346,152	\$ 346,152
Contractual Services	319,743	435,274	435,274	436,439	436,439
Commodities	2,728	5,500	5,500	5,500	5,500
Capital Outlay	1,945	4,000	4,000	4,000	4,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 622,532</i>	<i>\$ 786,172</i>	<i>\$ 786,172</i>	<i>\$ 792,091</i>	<i>\$ 792,091</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 622,532</i>	<i>\$ 786,172</i>	<i>\$ 786,172</i>	<i>\$ 792,091</i>	<i>\$ 792,091</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 622,532	\$ 786,172	\$ 786,172	\$ 792,091	\$ 792,091
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	59	-	-	-	-
Tech. Professions FF	622,473	786,172	786,172	792,091	792,091
TOTAL	\$ 622,532	\$ 786,172	\$ 786,172	\$ 792,091	\$ 792,091
FTE Positions	5.0	5.0	5.0	5.0	5.0

TECHNICAL PROFESSIONS FEE FUND



The Technical Professions Fee Fund is funded from new and renewal license fees for individuals and businesses, as well as from license reinstatement and replacement fees and reciprocity license fees. The revenue received provides financing for all operations, with 90.0 percent being retained by the agency and 10.0 percent being deposited in the State General Fund. KSA 75-3170a(a) provides that 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are deposited into the SGF, up to a maximum of \$100,000 per fiscal year per fund.

TECHNICAL PROFESSIONS FEE FUND



* For FY 2023, the lowest month ending balance for the Technical Professions Fee Fund will occur in October, with a balance of \$2.1 million.

Lowered expenditures in FY 2019 through FY 2021 drove higher balances in the Technical Professions Fee Fund. The agency anticipates higher expenditures in FY 2022 and FY 2023 will eliminate that growth.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Individual License	\$ 60	\$ 200	KSA 74-7009
Biennial Individual License	70	200	KSA 74-7009
Individual License Reinstatement	100	200	KSA 74-7009
Business Entity License (original)	170	300	KSA 74-7009
Biennial Business License (renewal)	95	300	KSA 74-7009
Business Entity License Reinstatement	150	200	KSA 74-7009
Individual License Reciprocity	250	500	KSA 74-7009
Replacement License Certificate	20	20	KSA 74-7009

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 786,172	\$ 786,172	5.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 786,172	\$ 786,172	5.0
Agency Revised Estimate:				
2. Salaries and Wages Adjustments	\$ -	\$ (2,024)	\$ (2,024)	--
3. Membership Dues and Subscriptions	-	5,000	5,000	--
4. Attorney Fees	-	5,000	5,000	--
5. Monumental Building Surcharge	-	6,000	6,000	--
6. Computer Equipment/ Programming	-	(13,000)	(13,000)	--
7. OITS Domain and Computer Lease	-	4,500	4,500	--
8. All Other Adjustments	-	(5,476)	(5,476)	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 786,172	\$ 786,172	5.0
Governor's Recommendation:				
9. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 786,172	\$ 786,172	5.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** No adjustments were made to the \$786,172, all from the Technical Professions Fee Fund, approved by the 2021 Legislature.

AGENCY ESTIMATE

The **agency** estimates revised operating expenditures of \$786,172, all from Technical Professions Fee Fund, in FY 2022. This is the same as the amount approved by the 2021 Legislature.

The **agency** estimate includes the following adjustments:

2. **SALARIES AND WAGES ADJUSTMENTS.** The agency decreased its salaries and wages estimate by \$2,024 below the 2021 Legislature approved estimate due to reduced fringe benefit costs.
3. **MEMBERSHIP DUES AND SUBSCRIPTIONS.** The agency increased the estimate for membership dues and subscriptions by \$5,000. This increase reflects changes in subscription fees for the national associations of the five disciplines that the agency regulates.
4. **ATTORNEY FEES.** The agency increased its estimate for assigned counsel fees from \$40,000 to \$45,000. This change is per direction from the Office of the Attorney General.
5. **MONUMENTAL BUILDING SURCHARGE.** The agency increased its estimate for the state building capital charge from \$6,000 to \$12,000.
6. **COMPUTER EQUIPMENT AND PROGRAMMING.** The agency decreased its estimate for computer equipment and programming by \$13,000. The agency used to provide

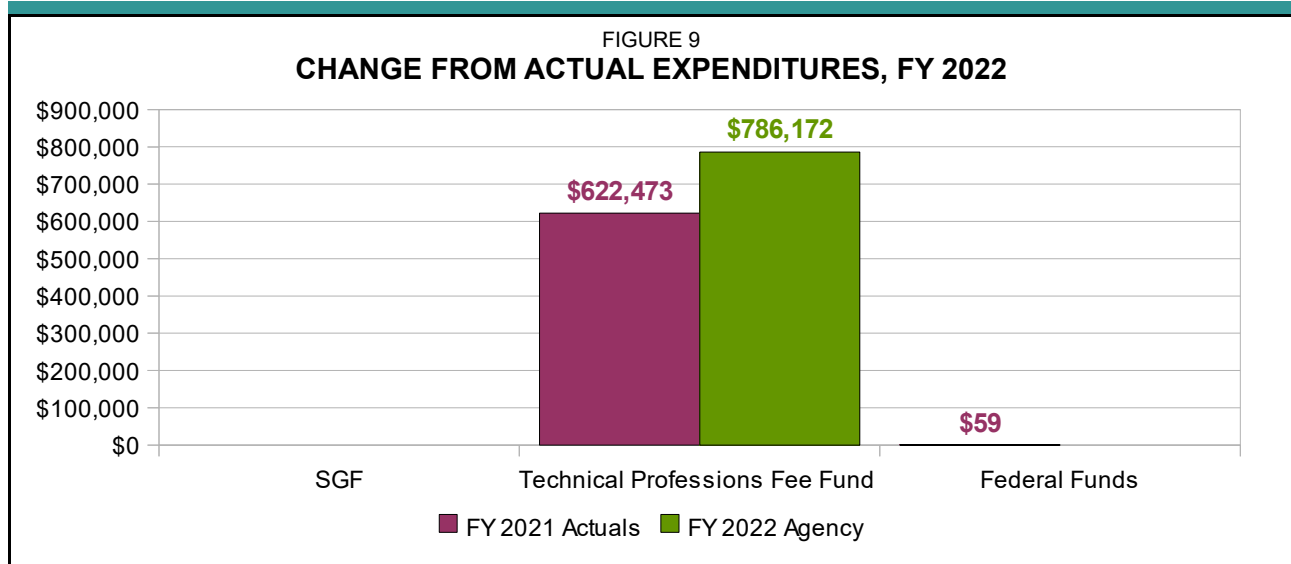
testing equipment and software for the geology license exam, but vendors now provide these to the applicants directly.

7. **OFFICE OF INFORMATION TECHNOLOGY SERVICES FEES.** The agency increased its estimate for Office of Technology Services (OITS) domain access and computer lease fees by \$4,500
8. **OTHER OPERATING ADJUSTMENTS.** The agency made various other adjustments, which decreased the expenditure estimate by \$5,476.

GOVERNOR'S RECOMMENDATION

9. **NO CHANGES.** The **Governor** concurs with the agency's revised estimate in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised FY 2022 expenditures of \$786,172, which is an increase of \$163,640, or 26.3 percent, above FY 2021 actual expenditures. The biggest increases are in salaries and wages, and contractual services. In salaries and wages, an increase of \$43,282 from the FY 2021 actual expenditures is due to an increase in staff salary and fringe benefits. In contractual services, private vehicle miles increased from \$78 in FY 2021 to \$8,000 in FY 2022. This is due to little to no travel reimbursement for board members during FY 2021 due to the COVID-19 pandemic.

Further, there is an increase of \$12,644 for other fees under contractual services from FY 2021 to FY 2022. The agency used these funds to contract private investigators. Assigned council-contract lawyer and dues and subscriptions line items under the contractual services categories saw an increase of \$8,000 and \$4,240 respectively. The fees for assigned council went up per direction from the Office of the Attorney General. The dues and subscriptions line item refers to the membership fees for national associations for the five disciplines that the agency regulates, and those fees are set to increase per those associations.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislature Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 792,091	\$ 792,091	5.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 792,091</i>	<i>\$ 792,091</i>	<i>5.0</i>
Agency Request:				
2. Attorney Fees	\$ -	\$ 5,000	\$ 5,000	--
3. Salaries and Wages Adjustments	-	811	811	--
4. Membership Dues and Subscriptions	-	5,000	5,000	--
5. Monumental Building Surcharge	-	6,000	6,000	--
6. Computer Equipment / Programming	-	(13,000)	(13,000)	--
7. OITS domain and computer lease	-	4,500	4,500	--
8. All Other Adjustments	-	(8,311)	(8,311)	--
<i>Subtotal—Agency Request</i>	<i>\$ -</i>	<i>\$ 792,091</i>	<i>\$ 792,091</i>	<i>5.0</i>
Governor's Recommendation:				
9. No Changes	-	-	-	--
TOTAL	\$ -	\$ 792,091	\$ 792,091	5.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** No adjustments were made to the \$792,091, all from the Technical Professions Fee Fund, approved by the 2021 Legislature.

AGENCY REQUEST

The **agency** requests operating expenditures of \$792,091, all from the Technical Professions Fee Fund, for FY 2023. This is the same as the amount approved by the 2021 Legislature for FY 2023.

The **agency** request includes the following adjustments:

2. **ATTORNEY FEES.** The agency increased its estimate for assigned counsel fees from \$40,000 to \$45,000 for FY 2023. This change is per direction from the Office of the Attorney General.
3. **SALARIES AND WAGES ADJUSTMENTS.** The agency increased its salaries and wages expenditures by \$811 above the FY 2023 approved amount.
4. **MEMBERSHIP DUES AND SUBSCRIPTIONS.** The agency increased the estimate for dues and subscriptions expenditures by \$5,000 above the approved amount for FY 2023. This increase reflects changes in subscription fees for the national associations of the five disciplines that the agency regulates.
5. **MONUMENTAL BUILDING SURCHARGE.** The agency increased its estimate for the state building capital charge from \$6,000 to \$12,000 for FY 2023.
6. **COMPUTER EQUIPMENT AND PROGRAMMING FEES.** The agency decreased its estimate for computer equipment and programming by \$13,000. The agency used to provide testing equipment and software for the geology license exam, but vendors now provide these to the applicants directly.

7. **OITS FEES.** The agency increased its estimate for OITS domain access and computer lease fees by \$4,500.
8. **OTHER OPERATING ADJUSTMENTS.** The agency made various other adjustments, which decreased the expenditure estimate by \$8,311.

GOVERNOR'S RECOMMENDATION

9. **NO CHANGES.** The **Governor** concurs with the agency's FY 2023 revised estimate.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

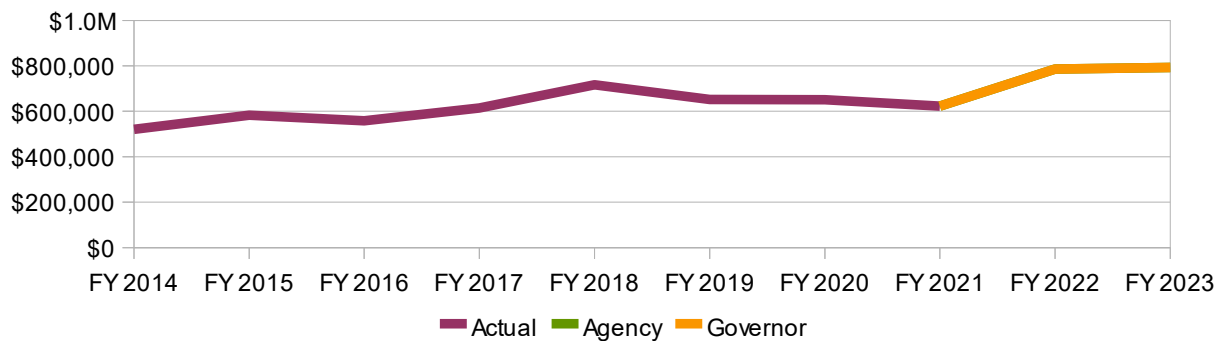
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 622,532	\$ 786,172	\$ 786,172	\$ 792,091	\$ 792,091
FTE Positions:					
Administration	5.0	5.0	5.0	5.0	5.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 74-7001

PROGRAM GOALS: • Ensure only qualified individuals become licensed as architects, engineers, surveyors, landscape architects, and geologists.
• Ensure all business entities obtain a certificate of authorization to legally practice a technical profession.
• Ensure only qualified persons and businesses continue to be licensed in Kansas by licensure renewals.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of intern and by exam applications for all disciplines*	356	387	404	430	430
2. Number of reciprocity applications for all disciplines*	696	728	695	675	675
3. Number of new business applications*	166	204	193	170	170
4. Number of individual license renewals for all disciplines	8,447	7,291	7,674	7,460	7,460
5. Number of business license renewals	1,087	1,459	1,345	1,300	1,300
6. Number of individual licenses	16,638	16,682	16,565	16,325	16,325
7. Number of business licenses	2,809	2,825	2,824	2,800	2,800
Output Measure:					
8. Reciprocity application fee \$250*	\$ 174,000	\$ 182,000	\$ 173,667	\$ 168,750	\$ 168,750
9. Business Application fee \$170*	28,220	34,680	32,753	28,900	28,900
10. Individual license renewal fee \$70*	591,290	510,370	537,180	522,200	522,200
11. Business license renewal fee \$95*	103,265	138,605	127,807	123,500	123,500

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	94	59		-	-
All Other Funds	650,488	622,473		786,172	792,091
TOTAL	\$ 650,582	\$ 622,532		\$ 786,172	\$ 792,091
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(0.3) %	(4.3) %		26.3 %	0.8 %
FTE Positions	5.0	5.0		5.0	5.0

* The Governor's Office does not utilize this measure for evaluation purposes.

POOLED MONEY INVESTMENT BOARD

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2021 – FY 2023					
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	731,757	762,595	762,595	787,603	787,603
Subtotal	\$ 731,757	\$ 762,595	\$ 762,595	\$ 787,603	\$ 787,603
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 731,757	\$ 762,595	\$ 762,595	\$ 787,603	\$ 787,603
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	2.0 %	4.2 %	4.2 %	3.3 %	3.3 %
FTE Positions	5.0	5.0	5.0	5.0	5.0

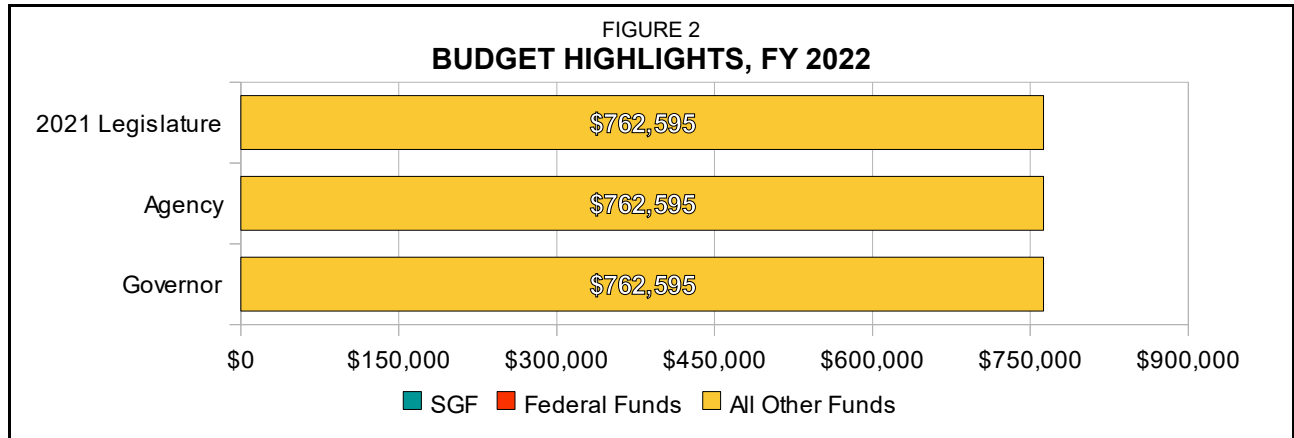
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Pooled Money Investment Board (PMIB) and its authority are established under the State Moneys Law, KSA 75-4201 *et seq.* The PMIB manages the investable state money available from the State General Fund and the hundreds of other individual state agency funds received by the Office of the State Treasurer. PMIB also provides investment management services for individual state agencies with statutorily authorized investment authority. The agencies are referred to as “special funds,” and include the Kansas Department of Transportation and the Health Care Stabilization Fund.

In addition, PMIB administers the Kansas Municipal Investment Pool (MIP), a state program providing local municipal entities with an investment alternative for their idle funds. For investment and cash flow management purposes, MIP moneys are combined with investable state moneys to create the Pooled Money Investment Portfolio (PMIP). Under state statutes, investments are allowed in Kansas bank certificates of deposit, U.S. Treasury securities, U.S. governmental agency securities, high-grade commercial paper, high-grade corporate bonds, and overnight repurchase agreements.

EXECUTIVE SUMMARY

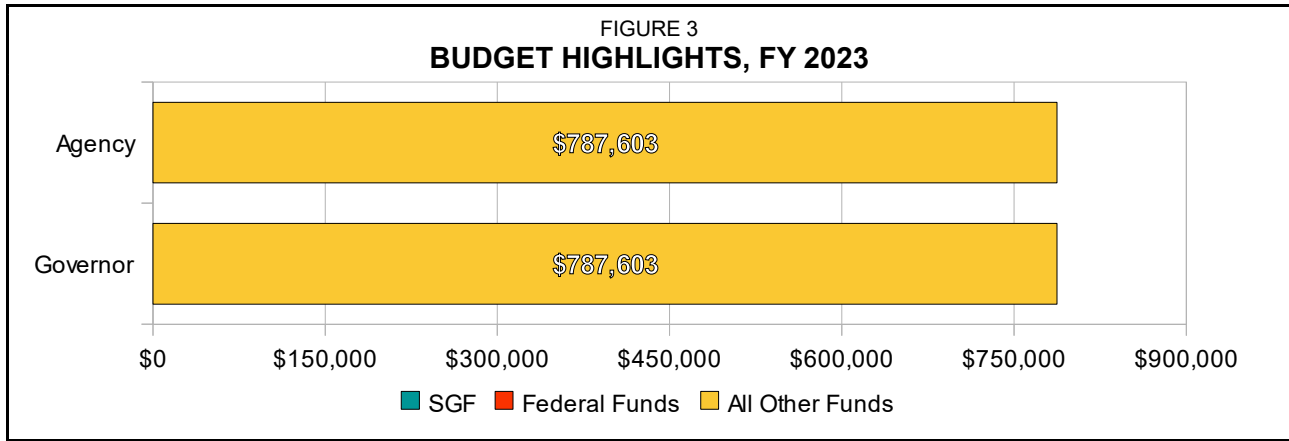
The 2021 Legislature approved \$762,595, all from the Pooled Money Investment Portfolio Fee Fund, for the Pooled Money Investment Board for FY 2022..



The **agency** requests a revised estimate of \$762,595, all from the Pooled Money Investment Portfolio Fee Fund, for expenditures in FY 2022. This is unchanged from the FY 2022 approved amount.

The revised estimate includes 5.0 FTE positions, which is unchanged from the FY 2022 approved number.

The **Governor** concurs with the agency's revised estimate in FY 2022.



The **agency** requests \$787,603, all from the Pooled Money Investment Portfolio Fee Fund, for FY 2023, which is an increase of \$25,008 above the FY 2022 revised estimate. Every two years, a statutory performance audit is required to be performed on the PMIB. The agency requests \$12,000, all from the Pooled Money Investment Portfolio Fee Fund, to cover anticipated costs for this audit for FY 2023. The agency requests additional adjustments of \$13,008 for FY 2023. This increase includes travel expenditures to attend annual investment conferences and for the agency's technology hardware replacement plan, which includes \$3,855 for annual software licenses and assurance fees.

The agency requests 5.0 FTE positions, which is unchanged from the FY 2022 revised estimate.

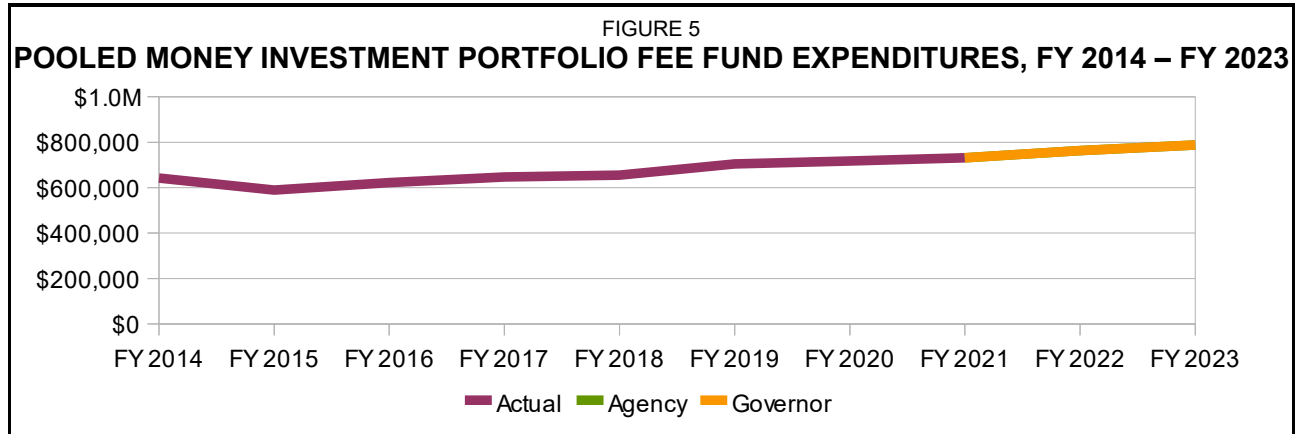
The **Governor** concurs with the agency's request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 547,423	\$ 566,093	\$ 566,093	\$ 566,666	\$ 566,666
Contractual Services	175,009	183,302	183,302	206,342	206,342
Commodities	5,515	5,900	5,900	6,140	6,140
Capital Outlay	3,810	7,300	7,300	8,455	8,455
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 731,757	\$ 762,595	\$ 762,595	\$ 787,603	\$ 787,603
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 731,757	\$ 762,595	\$ 762,595	\$ 787,603	\$ 787,603
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 731,757	\$ 762,595	\$ 762,595	\$ 787,603	\$ 787,603
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled Money	731,757	762,595	762,595	787,603	787,603
Investment	-	-	-	-	-
Portfolio Fee Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 731,757	\$ 762,595	\$ 762,595	\$ 787,603	\$ 787,603
FTE Positions	5.0	5.0	5.0	5.0	5.0

POOLED MONEY INVESTMENT PORTFOLIO FEE FUND



Administrative fees are charged for portfolio management services and deposited into the Pooled Money Investment Portfolio Fee Fund. Fees are based on the average balance of the portfolios. Pursuant to KSA 75-4235, fees not necessary for reimbursement of administrative expenses are transferred monthly to the State General Fund (SGF). The agency required interest for 3.7 days in FY 2019, 3.7 days in FY 2020, 22.2 days in FY 2021, and will require interest for an estimated 71.0 days in FY 2022 and 56.4 days for FY 2023 to pay for the agency's administrative expenditures.

FY 2022 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 762,595	\$ 762,595	5.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 762,595	\$ 762,595	5.0
Agency Revised Estimate:				
2. Salary Adjustments	\$ -	\$ 14,053	\$ 14,053	--
3. Travel Reduction	-	(5,120)	(5,120)	--
4. Banking Fees	-	(3,597)	(3,597)	--
5. All Other Adjustments	-	(5,336)	(5,336)	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 762,595	\$ 762,595	5.0
Governor's Recommendation:				
6. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 762,595	\$ 762,595	5.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** The 2021 Legislature approved an FY 2022 budget of \$762,595, all from the Pooled Money Investment Portfolio Fee Fund. No subsequent changes were made to the approved amount.

AGENCY ESTIMATE

The **agency** estimates revised expenditures of \$762,595, all from the Pooled Money Investment Portfolio Fee Fund, in FY 2022. This is unchanged from the FY 2022 approved amount. The agency requests 5.0 FTE positions, which is unchanged from the FY 2022 approved amount.

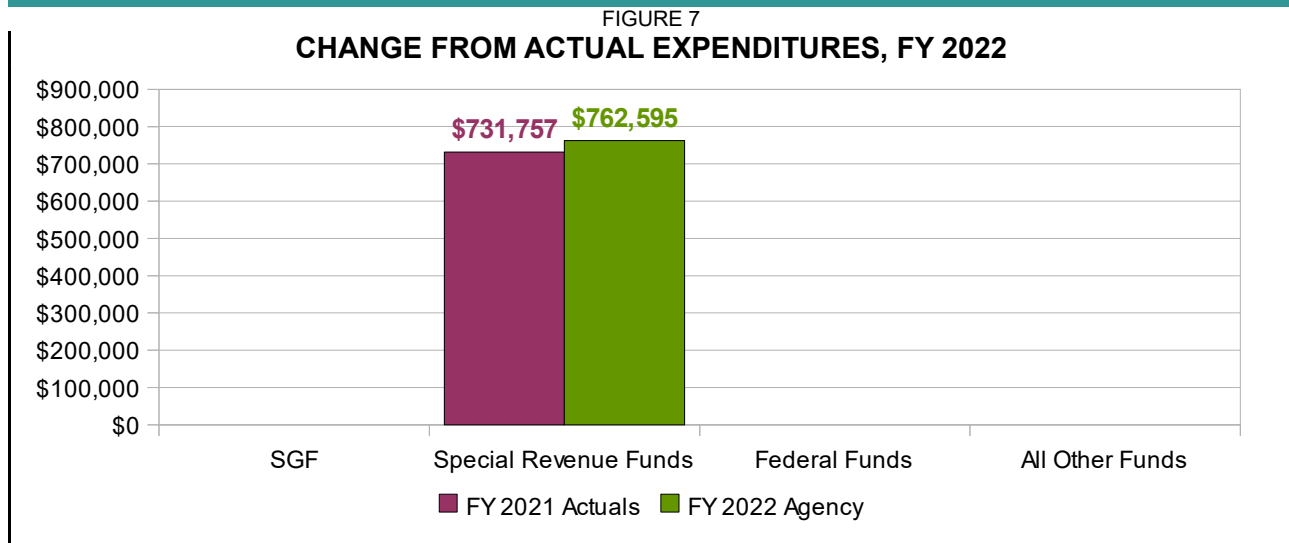
2. **SALARY ADJUSTMENTS.** The agency estimate includes \$566,093 in salaries and wages expenditures, which is an increase of \$14,053, or 2.5 percent, above the FY 2022 approved amount. The increase is attributable to performance-based salary increases for four unclassified positions and increases in employer contributions to salaries and wages fringe benefits.
3. **TRAVEL REDUCTION.** Costs for travel are estimated to decrease by \$5,120, mostly for meals and lodging.
4. **BANKING FEES.** Banking fees are estimated to decrease by \$3,597 due to lower transaction volume.
5. **ALL OTHER ADJUSTMENTS.** Various other adjustments, mostly in contractual services, decrease expenditures by \$5,336. Such expenditures include information technology services and the State Buildings Operating Charge.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2022.

6. **NO CHANGES.** The Governor recommends no changes to the agency's revised estimate in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency requests a revised estimate of \$762,595 in FY 2022, which is an increase of \$30,838, or 4.2 percent, above the FY 2021 actual amount. This increase is primarily attributable to salaries and wages expenditures (\$18,670) for performance-based salary increases for four unclassified positions and employer contributions to fringe benefits such as group health insurance. Other increases are partially attributable to an increase in contractual services (\$8,293), which includes fees for investment banking services and audit services as well as planned expenditures for travel and attendance at annual investment conferences that did not occur during FY 2021 due to the COVID-19 pandemic.

The agency's revised estimate also includes an increase in capital outlay (\$3,490) due to the agency's planned technology hardware replacement program. These expenditures include \$3,600 for three out-of-warranty computer central processing units and \$600 for two out-of-warranty printers. Additionally, the agency has planned expenditures of \$2,700 for annual software licenses and assurance fees. The agency's revised estimate includes 5.0 FTE positions, which is unchanged from the FY 2022 approved amount.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ -	\$ 762,595	\$ 762,595	5.0
Agency Request:				
1. Statutory Audit	\$ -	\$ 12,000	\$ 12,000	--
2. All Other Adjustments	-	13,008	13,008	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 787,603	\$ 787,603	5.0
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 787,603	\$ 787,603	5.0

AGENCY REQUEST

The **agency** requests \$787,603, all from the Pooled Money Investment Portfolio Fee Fund, for FY 2023. This is an increase of \$25,008, or 3.3 percent, above the FY 2022 revised estimate.

The **agency** request includes the following adjustments:

1. **STATUTORY AUDIT.** Every two years, a statutory performance audit is required to be performed on the PMIB. The agency requests \$12,000, all from the Pooled Money Investment Portfolio Fee Fund, to cover anticipated costs for this audit for FY 2023.
2. **ALL OTHER ADJUSTMENTS.** The agency requests additional adjustments of \$13,008 for FY 2023. This increase includes travel expenditures to attend annual investment conferences and for the agency's technology hardware replacement plan, which includes \$3,855 for annual software licenses and assurance fees.

The agency requests 5.0 FTE positions, which is unchanged from FY 2022 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2023.

3. **NO CHANGES.** The Governor does not recommend any changes to the agency's request for FY 2023.

SPECIAL TOPICS

TOPIC 1

KANSAS MUNICIPAL INVESTMENT POOL

Created in 1992 pursuant to KSA 12-1677a, the Municipal Investment Pool (MIP) is a state program providing local municipal entities with an investment alternative for their idle funds. For investment and cash flow management purposes, MIP moneys are combined with investable state moneys to create the Pooled Money Investment Portfolio (PMIP). In December 1996, the MIP structure was modified to eliminate the variable rate options and introduce fixed-rate investment alternatives. In November 2000, the Board added a 30-day fixed-rate option and allowed municipalities to pick their own maturity date between 30 and 179 days. In January 2016, PMIB added two new fixed-rate options—a 550 day and a 730 day—and allowed municipalities to pick their own maturity date between 30 and 725 days.

MIP balances totaled approximately:

- \$1.151 billion on June 30, 2021;
- \$1.281 billion on June 30, 2020;
- \$1.310 billion on June 30, 2019;
- \$1.166 billion on June 30, 2018;
- \$1.235 billion on June 30, 2017;
- \$951.9 million on June 30, 2016;
- \$1.056 billion on June 30, 2015;
- \$1.223 billion on June 30, 2014;
- \$962.0 million on June 30, 2013;
- \$834.0 million on June 30, 2012, and
- \$932.0 million on June 30, 2011.

MUNICIPAL INVESTMENT POOL—DEPOSITS (AS OF DECEMBER 31, 2021)

DEPOSITS	OMIP*	FX 30**	FX 90**	FX 180**	FX 365**	FX 550**	FX 730**	TOTAL
Agencies	\$ 1,884,916	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,884,916
Cities	253,858,818	0	7,158,583	42,983,504	0	0	0	304,000,905
Counties	547,097,595	2,000,000	16,380,000	13,843,328	265,000	0	0	579,585,923
Schools	280,601,911	210,737	5,398,562	500,000	0	0	0	286,711,210
Other	116,639,394	0	10,774,276	5,100,005	0	50,808	445,497	133,009,980
TOTAL	\$ 1,200,082,634	\$ 2,210,737	\$ 39,711,421	\$ 62,426,837	\$ 265,000	\$ 50,808	\$ 445,497	\$ 1,305,192,934

*OMIP is the Overnight Municipal Investment Pool option, with deposits of a minimum original duration of one day

** FX are fixed-rate deposits with 30, 90, 180, 365, 550 or 730 day maturities

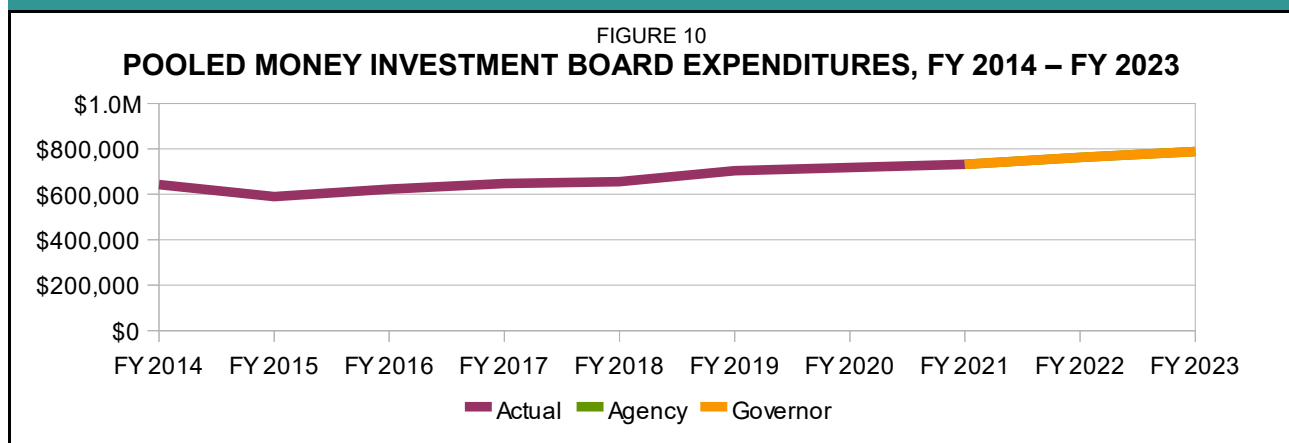
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 731,757	\$ 762,595	\$ 762,595	\$ 787,603	\$ 787,603
FTE Positions:					
Administration	5.0	5.0	5.0	5.0	5.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

POOLED MONEY INVESTMENT BOARD



The Pooled Money Investment Board was part of the Office of the State Treasurer until the 2016 Legislature directed the PMIB budget to be reported separately from the State Treasurer budget starting in FY 2017.

STATUTORY BASIS: • KSA 75-4201 *et seq.*

PROGRAM GOALS: • PMIB aspires to be a premier financial services organization; serving both citizens and the State of Kansas through professionalism, integrity, and efficiency. The PMIB strives to maximize the return on those resources entrusted to its care while remaining steadfast to the primary objectives of safety and liquidity.

FIGURE 11
POOLED MONEY INVESTMENT BOARD, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Output Measure:					
1. Yield on Idle Portfolios in Excess of Comparable Federal Agency Discount Notes and Commercial Paper	0.23 %	0.06 %	0.12 %	0.00 % to 0.10 %	0.00 % to 0.10 %
2. Number of Days of Interest Earnings to Cover Annual Budget*	3.7	22.2	9.9	71.0	56.4
3. SGF Fee Transfer (<i>In Millions</i>)*	\$ 4.0	\$ 3.2	\$ 4.0	\$ 2.4	\$ 2.5
4. Pooled Money Investment Portfolio Investment Average Balance (<i>In Billions</i>)*	\$ 4.0	\$ 5.0	\$ 4.1	\$ 6.2	\$ 5.5
5. Total Assets Under Management (<i>In Billions</i>)	\$ 4.59	\$ 5.53	--	\$ 6.67	\$ 5.80
6. Pooled Money Investment Portfolio Net Interest Income (<i>In Millions</i>)*	\$ 70.3	\$ 12.0	\$ 50.3	\$ 3.9	\$ 5.1
7. Interested Earned on the Idle Portfolio: All Funds (<i>In Millions</i>)	\$ 73.7	14.4	--	\$ 10.9	11.5
8. Pooled Money Investment Portfolio Weighted Average Rate Earned*	1.513 %	0.149 %	1.336 %	0.070 %	0.100 %
9. Pooled Money Investment Portfolio Weighted Average Maturity (<i>Days</i>)*	51.0	54.0	51.3	60.0	60.0
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	717,622	731,757		762,595	787,603

FIGURE 11					
POOLED MONEY INVESTMENT BOARD, PERFORMANCE MEASURES					
	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
TOTAL	\$ 717,622	\$ 731,757		\$ 762,595	\$ 787,603
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(1.9) %	2.0 %		4.2 %	3.3 %
FTE Positions	5.0	5.0		5.0	5.0
* The Governor's Office does not utilize this performance measure.					

BUDGET ANALYSIS

BENCHMARK INDEX

The Pooled Money Investment Board utilizes two benchmarks to measure the performance of the Pooled Money Investment Portfolio (PMIP). Benchmark "A" utilizes the S&P Local Government Pool Index. Benchmark "B" utilizes a blend of federal agency discount notes and high-grade commercial paper. The PMIP underperformed Benchmark "A" by 7.5 basis points in FY 2021 primarily due to the increasing difference of the asset mix between the PMIP and Benchmark "A". In FY 2021, the PMIP exceeded Benchmark "B" by 6.4 basis points. Using these two benchmarks, the agency estimates the PMIP yield to be within 0.10 percent of Benchmark "A" and to be flat or exceed Benchmark "B" by 0.10 percent in FY 2022 and for FY 2023.

INTEREST EARNINGS TO COVER PMIB ANNUAL BUDGET

Administrative fees are charged for portfolio management services and deposited into the Pooled Money Investment Portfolio Fee Fund. Fees are based on the average balance of the portfolios. Pursuant to KSA 75-4235, fees not necessary for reimbursement of administrative expenses are transferred monthly to the SGF. The agency estimates required interest for 71.0 days in FY 2022 and 56.4 days for FY 2023 to pay for the agency's administrative expenditures.

SGF TRANSFER

The 1996 Legislature, in KSA 75-4234, established the Pooled Money Investment Portfolio Fee Fund. This statute allows for an administrative fee to be netted from investment earnings on the PMIP. An administrative fee of up to 10 basis points is assessed on the amortized cost of state moneys and up to 25 basis points on moneys deposited in the Municipal Investment Pool (MIP). The current fee on MIP deposits is 15 basis points. Fees collected that are not required to cover the cost of PMIB administrative costs are transferred to the SGF monthly. For FY 2021, \$3.2 million in administrative fees were transferred from the PMIP Fee Fund to the SGF. The agency estimates transfers from the PMIP to the SGF of \$2.4 million in FY 2022 and \$2.5 million for FY 2023.

AVERAGE BALANCE

The amount of available investable state funds has increased while short-term interest rates remain at historic low levels. The agency anticipates a moderate increase in investable state moneys in FY 2022 as the state receives additional federal American Rescue Plan Act (ARPA) funds during the last quarter of FY 2022. The agency estimates overall cash balances to decline modestly in FY 2023 as remaining federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and ARPA funds are deployed.

BOARD OF VETERINARY EXAMINERS

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

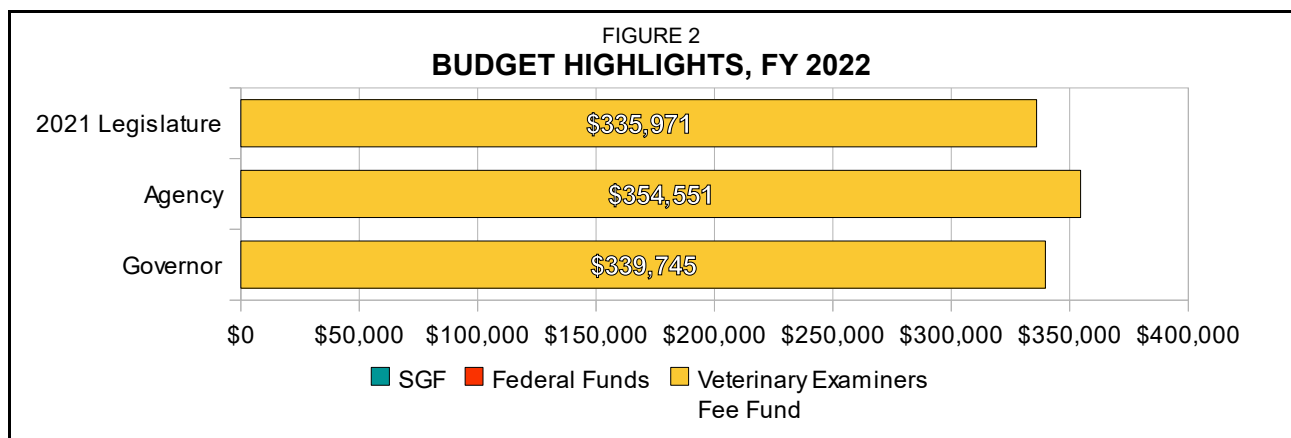
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	3,410	-	-	-	-
All Other Funds	329,980	354,551	339,745	351,671	341,531
<i>Subtotal</i>	<i>\$ 333,390</i>	<i>\$ 354,551</i>	<i>\$ 339,745</i>	<i>\$ 351,671</i>	<i>\$ 341,531</i>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 333,390	\$ 354,551	\$ 339,745	\$ 351,671	\$ 341,531
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(3.9) %	6.3 %	1.9 %	(0.8) %	0.5 %
FTE Positions	3.8	3.8	3.8	3.8	3.8

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Board of Veterinary Examiners was established in 1907 for the purpose of protecting the public health and safety by ensuring, through examination and registration, a minimum standard of skill and ability in veterinarians practicing in Kansas. The Board also is responsible for the examination and registration of veterinary technicians. In addition, the Board registers and inspects veterinary premises. The Board investigates complaints by consumers against practicing veterinarians along with allegations of unethical practice and cases of intentional or unknowing infringement on the laws governing the practice of veterinary medicine.

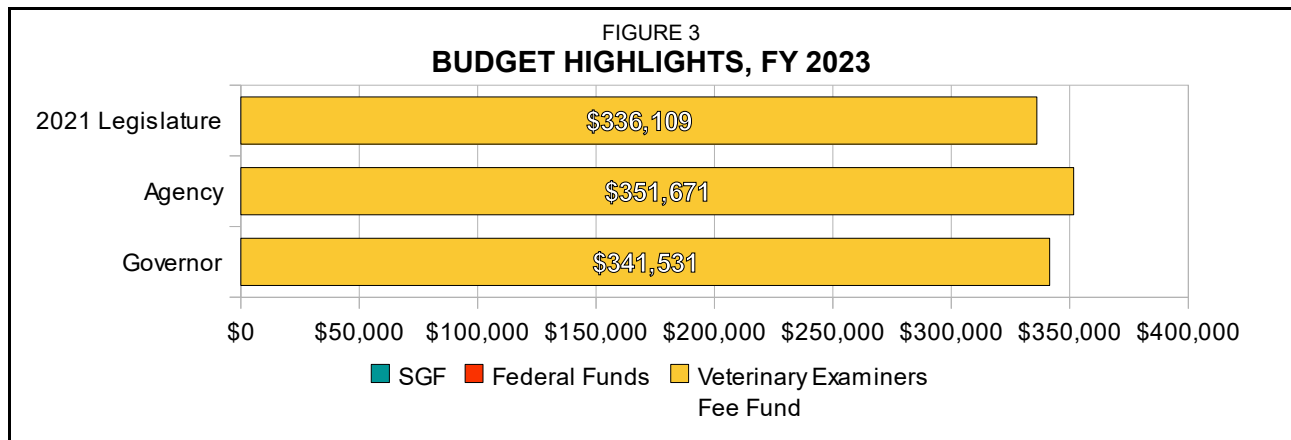
EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$335,971, all from the Veterinary Examiners Fee Fund, for the Board of Veterinary Examiners for FY 2022.



The **agency** estimates revised FY 2022 expenditures of \$354,551, all from the Veterinary Examiners Fee Fund. This is an increase of \$18,580, or 5.5 percent, above the FY 2022 approved amount. This increase is primarily caused by the agency's five supplemental requests for bonuses for investigators and increased costs for attorney fees, rent, travel, and office supplies. The increase is also caused by increased expenditures for group health insurance for the new Executive Director and new Administrative Assistant.

The **Governor** recommends FY 2022 expenditures of \$339,745, all from the Veterinary Examiners Fee Fund. This is a decrease of \$14,806, or 4.2 percent, below the agency's FY 2022 revised estimate. This decrease is due to the Governor not recommending the agency's supplemental requests for bonuses for investigators and increased costs for attorney fees, rent, travel, and office supplies.



The **agency** estimates revised FY 2023 expenditures of \$351,671, all from the Veterinary Examiners Fee Fund. This is an increase of \$15,562, or 4.6 percent, above the FY 2023 approved amount. This increase is primarily caused by the agency's five supplemental requests for increased funding for attorney fees, rent, travel, and office supplies as well as the purchase of two Adobe Acrobat Pro licenses.

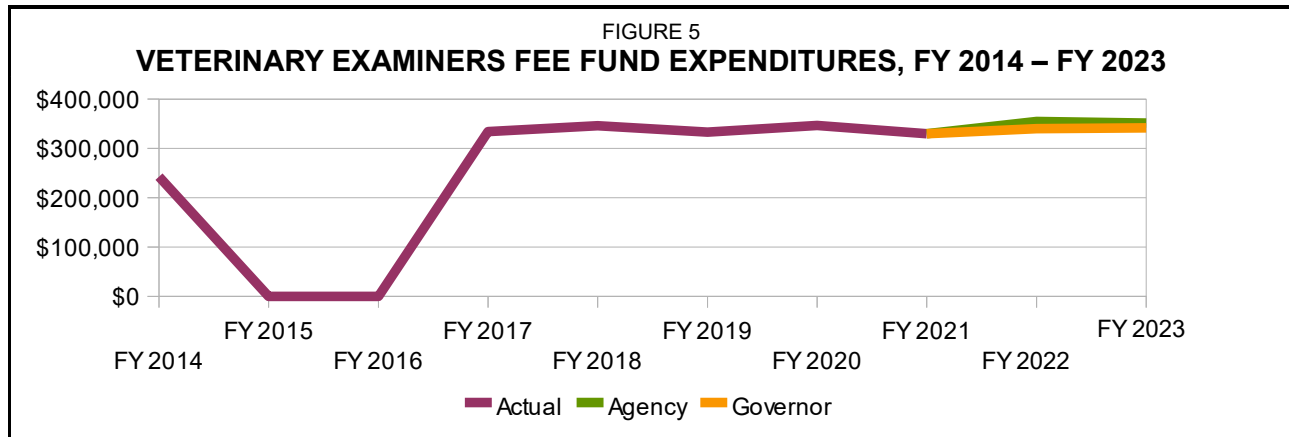
The **Governor** recommends FY 2023 expenditures of \$341,531, all from the Veterinary Examiners Fee Fund. This is a decrease of \$10,140, or 3.0 percent, below the agency's FY 2023 revised estimate. This decrease is due to the Governor not recommending the agency's supplemental requests for attorney fees, rent, travel, and office supplies as well as the purchase of two Adobe Acrobat Pro licenses.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

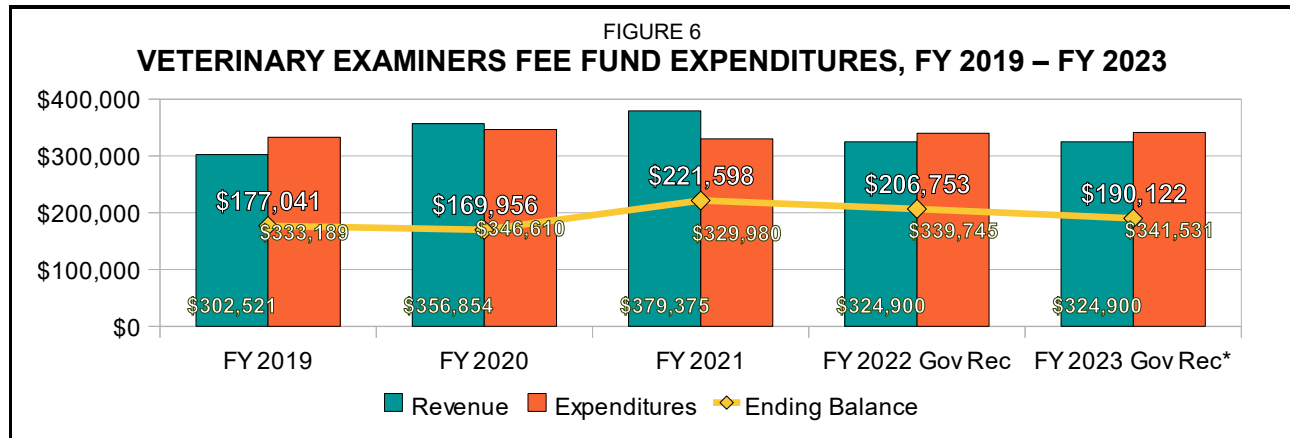
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 256,261	\$ 273,453	\$ 268,453	\$ 271,029	\$ 271,029
Contractual Services	71,935	75,113	65,857	74,429	65,067
Commodities	3,732	5,375	4,825	5,375	4,825
Capital Outlay	1,462	610	610	838	610
Debt Service Interest	-	-	-	-	-
Subtotal	\$ 333,390	\$ 354,551	\$ 339,745	\$ 351,671	\$ 341,531
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
Subtotal—Operating	\$ 333,390	\$ 354,551	\$ 339,745	\$ 351,671	\$ 341,531
Capital Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	\$ 333,390	\$ 354,551	\$ 339,745	\$ 351,671	\$ 341,531
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
COVID-19 Federal	3,410	-	-	-	-
Funds	-	-	-	-	-
Veterinary Examiners	329,980	354,551	339,745	351,671	341,531
Fee Fund	-	-	-	-	-
TOTAL	\$ 333,390	\$ 354,551	\$ 339,745	\$ 351,671	\$ 341,531
FTE Positions	3.8	3.8	3.8	3.8	3.8

VETERINARY EXAMINERS FEE FUND



The Board of Veterinary Examiners is a fee-funded agency. The revenue received provides financing for all agency operations, with 90.0 percent being retained by the agency and 10.0 percent being deposited into the State General Fund (SGF). The Board of Veterinary Examiners generates fee revenues for licensing, registering, and giving examinations to veterinarians and veterinary technicians who wish to practice veterinary medicine in Kansas. The Board also charges fees for the registration and inspection of veterinary premises. All licenses and registrations are renewed annually and include a fee for this service (KSA 47-820). SB 278 (2014) merged the agency into the Kansas Department of Agriculture for FY 2015 and FY 2016.

VETERINARY EXAMINERS FEE FUND



* For FY 2023, the lowest month ending balance for the Veterinary Examiners Fee Fund will occur in April, with a balance of \$75,278.

The Veterinary Examiners Fee Fund received higher revenue from license fees in FY 2021, but had decreased expenditures primarily due to a vacant Administrative Assistant position for part of the fiscal year. FY 2022 expenditures are estimated to increase due to the filling of that vacant position.

FIGURE 7
LICENSE FEES, FY 2022

License	Current Fee	Statutory Limit	Authority
Veterinary Medicine License (application)	\$ 125	\$ 250	KSA 47-822
Veterinary Medicine License (annual renewal)	100	100	KSA 47-822
Veterinary Medical License (renewal, if renewal is for initial license that was issued after April 30 of the preceding license year)	20	100	KSA 47-822
Veterinary Medicine License (late renewal policy)	100	100	KSA 47-829
Veterinary Premise Registration (application)	75	150	KSA 47-822
Veterinary Premise Registration (renewal)	50	50	KSA 47-822
Veterinary Premise Registration (late renewal)	50	50	KSA 47-829
Veterinary Premise Inspection	75	150	KSA 47-822
Mobile Clinic Records Audit	75	150	KSA 47-822
Veterinary Premise Noncompliance Inspections	100	150	KSA 47-822
Veterinary Technician Registration (application)	50	50	KSA 47-822
Veterinary Technician Registration (renewal)	25	25	KSA 47-822
Institutional License (application)	50	250	KSA 47-822
Institutional License (annual renewal)	25	100	KSA 47-822

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ -	\$ 335,971	\$ 335,971	4.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 335,971	\$ 335,971	4.0
Agency Revised Estimate:				
2. Supplementals	\$ -	\$ 14,806	\$ 14,806	--
3. All Other Adjustments	-	3,774	3,774	(0.2)
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 354,551	\$ 354,551	3.8
Governor's Recommendation:				
4. Supplementals	\$ -	\$ (14,806)	\$ (14,806)	--
TOTAL	\$ -	\$ 339,745	\$ 339,745	3.8

LEGISLATIVE APPROVED

1. Subsequent to the 2021 Session, no adjustments were made to the \$335,971 appropriated to the Board of Veterinary Examiners for FY 2022.

AGENCY ESTIMATE

The **agency** estimates revised FY 2022 expenditures of \$354,551, all from the Veterinary Examiners Fee Fund. This is an increase of \$18,580, or 5.5 percent, above the FY 2022 approved amount.

The **agency** estimate includes the following adjustments:

2. **SUPPLEMENTAL REQUESTS.** The agency's revised estimate include five supplemental requests for bonuses for investigators and increased costs for attorney fees, rent, travel, and office supplies.
3. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes adjustments for miscellaneous other operating expenditures, including an increase in group health insurance for the new Executive Director and new Administrative Assistant.

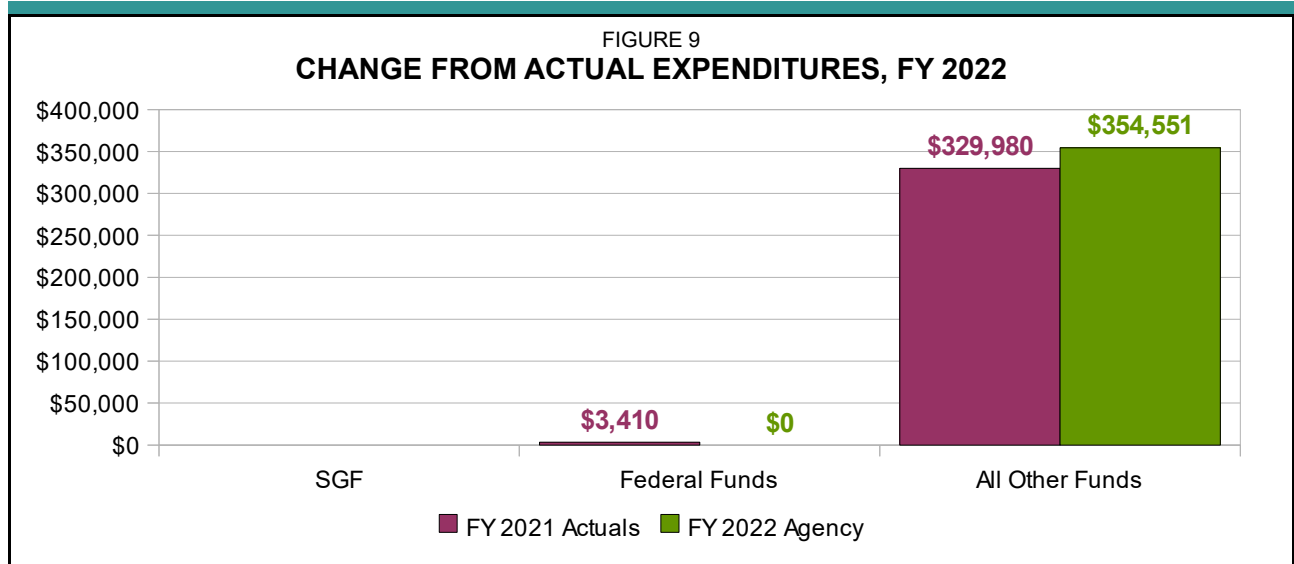
GOVERNOR'S RECOMMENDATION

The **Governor** recommends FY 2022 expenditures of \$339,745, all from the Veterinary Examiners Fee Fund. This is a decrease of \$14,806, or 4.2 percent, below the agency's FY 2022 revised estimate.

The **Governor's** recommendation includes the following adjustments:

4. **SUPPLEMENTAL REQUESTS.** The Governor does not recommend the agency's supplemental requests for bonuses for investigators and increased expenditures for attorney fees, rent, travel, and office supplies.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised FY 2022 expenditures of \$354,511, all from the Veterinary Examiners Fee Fund. This is an all funds increase of \$21,161, or 6.3 percent, above the FY 2021 actual expenditures. This increase is primarily due to the agency's supplemental requests for bonuses for investigators and increased costs for rent, attorney fees, office supplies, and travel. This increase is also due to increased costs for benefits such as group health insurance.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by the 2021 Legislature	\$ -	\$ 336,109	\$ 336,109	4.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 336,109	\$ 336,109	4.0
Agency Request:				
2. Supplementals	\$ -	\$ 10,140	\$ 10,140	--
3. All Other Adjustments	-	5,422	5,422	(0.2)
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 351,671	\$ 351,671	3.8
Governor's Recommendation:				
4. Supplementals	\$ -	\$ (10,140)	\$ (10,140)	--
TOTAL	\$ -	\$ 341,531	\$ 341,531	3.8

LEGISLATIVE APPROVED

1. Subsequent to the 2021 Session, no adjustments were made to the \$336,109 appropriated to the Board of Veterinary Examiners for FY 2023.

AGENCY REQUEST

The **agency** estimates revised FY 2023 expenditures of \$351,671, all from the Veterinary Examiners Fee Fund. This is an increase of \$15,562, or 4.6 percent, above the FY 2023 approved amount.

The **agency** request includes the following adjustments:

2. **SUPPLEMENTAL REQUESTS.** The agency's FY 2023 revised estimate includes five supplemental requests for increased funding for attorney fees, rent, travel, and office supplies as well as the purchase of two Adobe Acrobat Pro licenses.
3. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes adjustments for other miscellaneous expenditures, including increased expenditures for group health insurance, partially offset by decreased expenditures for travel for the inspector.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends FY 2023 expenditures of \$341,531, all from the Veterinary Examiners Fee Fund. This is a decrease of \$10,140, or 3.0 percent, below the agency's FY 2023 revised estimate.

The **Governor's** recommendation includes the following adjustments:

4. **SUPPLEMENTAL REQUESTS.** The Governor does not recommend the agency's supplemental requests for attorney fees, rent, travel, and office supplies as well as the purchase of two Adobe Acrobat Pro licenses.

SUPPLEMENTAL REQUESTS

The agency's revised estimate includes five supplemental requests for FY 2022, totaling \$14,806 and five supplemental requests for FY 2023, totaling \$10,140.

Item	FY 2022	FY 2023	Total
Investigator and Inspector Bonus	\$ 5,000	\$ -	\$ 5,000
Attorney Fees	4,250	4,250	8,500
Rent and Utilities	2,400	3,000	5,400
Other Contractual Services	2,606	2,112	4,718
Office Supplies	550	550	1,100
Software	-	228	228
TOTAL	\$ 14,806	\$ 10,140	\$ 24,946

REQUEST 1

INVESTIGATOR AND INSPECTOR BONUS

In FY 2022, the agency is requesting \$5,000, all from the Veterinary Examiners Fee Fund, to provide bonuses for the agency's investigator and inspector.

The Governor does not recommend adoption of this request.

REQUEST 2

ATTORNEY FEES

For FY 2022 and FY 2023, the agency has transitioned from utilizing the Office of the Attorney General for legal services to a contracted attorney. This change is estimated to increase expenditures by \$4,250 in both FY 2022 and FY 2023.

The Governor does not recommend adoption of this request.

REQUEST 3

RENT AND UTILITIES

The agency is requesting supplemental expenditures of \$2,400 in FY 2022 and \$3,000 for FY 2023 for rent and utilities. In FY 2022, the agency moved to a new office location. The agency estimates an increase in rent of \$300 in FY 2022 and \$900 for FY 2023. At its previous location, the agency did not pay utilities. To pay for utilities at its new location, the agency estimates \$2,100 per year.

The Governor does not recommend adoption of this request.

SUPPLEMENTAL REQUESTS

REQUEST 4

OTHER CONTRACTUAL SERVICES

The agency is requesting supplementals of \$2,606 in FY 2022 and \$2,112 for FY 2023 for increased contractual services expenditures. Of these amounts, \$1,700 each year is budgeted for increased travel expenditures for two new Board members who must travel farther than previous Board members. The agency estimates increased expenditures for its contract with the Office of Information Technology Services (OITS) and other communication costs, creating an increase of \$906 in FY 2022 and an increase of \$412 in FY 2023.

The Governor does not recommend adoption of this request.

REQUEST 5

OFFICE SUPPLIES

For FY 2022 and FY 2023, the agency's investigator and inspector continue to work from home. The agency is requesting increased expenditures of \$550 per year to purchase equipment and supplies for their home offices.

The Governor does not recommend adoption of this request.

REQUEST 6

SOFTWARE

The agency is requesting a supplemental of \$228 for FY 2023 to purchase two Adobe Acrobat Pro licenses.

The Governor does not recommend adoption of this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

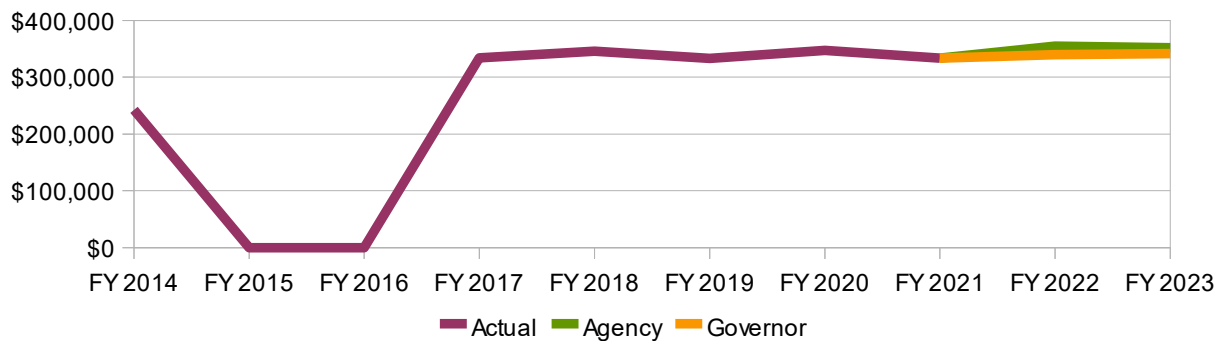
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023					
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 333,390	\$ 354,551	\$ 339,745	\$ 351,671	\$ 341,531
FTE Positions:					
Administration	3.8	3.8	3.8	3.8	3.8

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2014 – FY 2023



STATUTORY BASIS: • KSA 47-814, 47-816, 47-821, 47-829, 47-834(b), 4-847

- PROGRAM GOALS:**
- Assure the public consumer that each licensed veterinarian and veterinary technician is qualified, properly trained, and performing in accordance with the Kansas Veterinary Practice Act.
 - Assure that all Kansas veterinary premises meet or exceed minimum premise standard to assure adequate facilities for providing veterinary services to the public in a sanitary and safe manner.
 - Protect public welfare against negligent and fraudulent practices, including unlicensed practice.
 - Respond efficiently and effectively in the investigation of all allegations of violations reported to the agency.
 - Ensure that licensees practice in a manner that prevents and controls animal diseases communicable to humans.

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Licensure of New Qualified Veterinarians Per Year*	158	158	148.3	148	148
2. Registration of New Qualified Veterinary Technicians Per Year*	62	60	56.7	55	55
3. Reduce the Percent of Premises that Are Not Registered*	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
4. Reduce the Percent of Premises that Do Not Meet Minimum Standards*	0.8 %	1.0 %	0.1 %	1.0 %	1.0 %
5. Percent of Allegations or Impairment, Misuse of Drugs, and Negligence Investigated	100 %	100 %	100 %	100 %	100 %
Output Measure:					
6. Registration of New Veterinary Premises*	12	15	14	15	15
7. Register All New Premises	100 %	100 %	100 %	100 %	100 %
8. Registration of Mobile Premises*	-	40	-	6	5
9. Number of Non-complying Premises Brought into Compliance*	4	1	6	2	2

FIGURE 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
10. Number of New Premises* Registered	12	15	14	15	15
11. Actual Number of Verified Instances of Negligence and Fraudulent Veterinary Practices*	12	25	15.7	6	6
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	390	3,410		-	-
All Other Funds	346,610	329,980		339,745	341,531
TOTAL	\$ 347,000	\$ 333,390		\$ 339,745	\$ 341,531
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	4.1 %	(3.9) %		1.9 %	0.5 %
FTE Positions	3.8	3.8		3.8	3.8

*The Governor's Office does not utilize this measure for evaluation purposes.

PROGRAM DESCRIPTION

The agency utilizes one budgetary program, but categorizes its goals and performance measures into four different areas.

with minimum standard regulations and registers new premises and premises that change ownership.

LICENSURE, REGISTRATION, AND RENEWALS

The licensing of veterinarians started in 1907 with provisions in the Veterinary Practice Act. Registration of veterinary technicians was implemented in 1993.

INVESTIGATION OF COMPLAINTS

Statutes relating to impaired veterinarians were implemented in 1989. This area aims to protect public welfare against negligent and fraudulent practices as well as ensure that licensees practice in a manner that prevents animal diseases communicable to humans.

PREMISE INSPECTIONS

Regulations for minimum standards for veterinary premises sanitary conditions were implemented in 1994. Mobile premise registration began in FY 2021. This area ensures that all premises are in compliance

REVISION OF STATUTES AND REGULATIONS

Rules and regulations authority for the Board was implemented in 1969.