

BUDGET ANALYSIS

FISCAL YEAR 2024

Submitted to the 2023 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 2023

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BUDGET ANALYSIS

FISCAL YEAR 2024

Volume I

*Governor's Budget Report Overview
General Government*

KLRD

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FOREWORD

The *Fiscal Year 2024 Budget Analysis* is provided to assist the Legislature in the review of agency budget requests and the Governor's budget recommendations for fiscal years 2023 and 2024.

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 2024 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 2024

Abstracters' Board of Examiners **PRATT, MOLLY** (785-296-1494)
Adjutant General's Department **RIEDEL, MURL** (785-296-3184)

Behavioral Sciences Regulatory Board **LaMUNYON, DAYTON** (785-296-4405)

Board of Accountancy **PRATT, MOLLY** (785-296-1494)

Board of Barbering **DE BOER, MARTIN** (785-296-4439)

Board of Cosmetology **DE BOER, MARTIN** (785-296-4439)

Board of Examiners in Optometry **DRURY, LUKE** (785-296-7250)

Board of Indigents' Defense Services **DE BOER, MARTIN** (785-296-4439)

Board of Nursing **LEOPOLD, MEGAN** (785-296-4419)

Board of Tax Appeals **CAINE, CHARDAE** (785-296-3183)

Board of Technical Professions **PRATT, MOLLY** (785-296-1494)

Board of Veterinary Examiners **DRURY, LUKE** (785-296-7250)

Citizens' Utility Ratepayer Board **DRURY, LUKE** (785-296-7250)

Department for Children and Families **DEAR, DYLAN** (785-296-0665)

Department of Administration **WU, STEVEN** (785-296-4447)

Department of Wildlife and Parks **DRURY, LUKE** (785-296-7250)

Emergency Medical Services Board **RIEDEL, MURL** (785-296-3184)

Governmental Ethics Commission **LIGHT, JENNIFER** (785-296-4410)

Health Care Stabilization Fund Board of Governors
LIGHT, JENNIFER (785-296-4410)

Judicial Branch **DE BOER, MARTIN** (785-296-4439)

Judicial Council **DE BOER, MARTIN** (785-296-4439)

Kansas Board of Hearing Aid Examiners **PROSSER, AMANDA** (785-296-7879)

Kansas Board of Pharmacy **CAINE, CHARDAE** (785-296-3183)

Kansas Board of Regents **HORTON, BRIANNA** (785-296-6684)

Kansas Bureau of Investigation **RIEDEL, MURL** (785-296-3184)

Kansas Commission on Peace Officers' Standards and Training
MORROW, SHIRLEY (785-296-3542)

Kansas Commission on Veterans Affairs Office **LIGHT, JENNIFER** (785-296-4410)

Kansas Corporation Commission **DRURY, LUKE** (785-296-7250)

Kansas Dental Board **DRURY, LUKE** (785-296-7250)

Kansas Department for Aging and Disability Services **LaMUNYON, DAYTON** (785-296-4405)

Kansas Department of Agriculture **DRURY, LUKE** (785-296-7250)

Kansas Department of Commerce **CAINE, CHARDAE** (785-296-3183)

Kansas Department of Corrections and Correctional Facilities
MORROW, SHIRLEY (785-296-3542)

Kansas Department of Credit Unions **LIGHT, JENNIFER** (785-296-4410)

Kansas Department of Health and Environment **LEOPOLD, MEGAN** (785-296-4419)

Kansas Department of Labor **WU, STEVEN** (785-296-4447)

Kansas Department of Revenue **CAINE, CHARDAE** (785-296-3183)

Kansas Department of Transportation **RIEDEL, MURL** (785-296-3184)

Kansas Guardianship Program **PROSSER, AMANDA** (785-296-7879)

Kansas Highway Patrol **RIEDEL, MURL** (785-296-3184)

Kansas Human Rights Commission **PRATT, MOLLY** (785-296-1494)

Kansas Insurance Department **LIGHT, JENNIFER** (785-296-4410)

Kansas Lottery **DE BOER, MARTIN** (785-296-4439)

Kansas Public Employees Retirement System **WU, STEVEN** (785-296-4447)

Kansas Racing and Gaming Commission **DE BOER, MARTIN** (785-296-4439)

Kansas Sentencing Commission **MORROW, SHIRLEY** (785-296-3542)

Kansas State Board of Healing Arts **LEOPOLD, MEGAN** (785-296-4419)

Kansas State Board of Mortuary Arts **DRURY, LUKE** (785-296-7250)

Kansas State Department of Education **SCOTT, J.G.** (785-296-4397)

Kansas State Fair **DRURY, LUKE** (785-296-7250)

Kansas State School for the Blind **PROSSER, AMANDA** (785-296-7879)

Kansas State School for the Deaf **PROSSER, AMANDA** (785-296-7879)

Kansas Water Office **DRURY, LUKE** (785-296-7250)

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 **DE BOER, MARTIN** (785-296-4439)

Office of Information and Technology Services **FISHER, JAMES** (785-296-6490)

Office of the Attorney General **DE BOER, MARTIN** (785-296-4439)

Office of the Governor **LEOPOLD, MEGAN** (785-296-4419)

Office of the Revisor of Statutes **DECKARD, AMY** (785-296-4429)

Office of the Secretary of State **LIGHT, JENNIFER** (785-296-4410)

Office of the State Bank Commissioner **LIGHT, JENNIFER** (785-296-4410)

Office of the State Treasurer **LIGHT, JENNIFER** (785-296-4410)

Pooled Money Investment Board **LIGHT, JENNIFER** (785-296-4410)

Postsecondary Education Systemwide **HORTON, BRIANNA** (785-296-6684)

Real Estate Appraisal Board **PROSSER, AMANDA** (785-296-7879)

Real Estate Commission **PROSSER, AMANDA** (785-296-7879)

State Fire Marshal **RIEDEL, MURL** (785-296-3184)

State Historical Society **PROSSER, AMANDA** (785-296-7879)

State Institutions for Intellectual Disabilities **LaMUNYON, DAYTON** (785-296-4405)

State Institutions for Mental Health **LaMUNYON, DAYTON** (785-296-4405)

State Library **PROSSER, AMANDA** (785-296-7879)

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OVERVIEW OF THE FISCAL YEAR 2024

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 2024 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 certain 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 2022 actual expenditures and the Governor's FY 2023 and FY 2024 recommendations.

SUMMARY OF CHANGES TO ESTIMATED FY 2023 EXPENDITURES

The Governor recommends a revised FY 2023 budget of \$24.7 billion, including \$9.2 billion from the State General Fund (SGF). The recommendation is an all funds increase of \$1.4 billion, or 5.8 percent, and an SGF decrease of \$249.7 million, or 2.6 percent, from the FY 2023 approved budget.

The FY 2023 approved budget includes reappropriations of \$396.3 million, including \$321.6 million SGF, from FY 2022 that were unexpended and carried over into FY 2023.

Major SGF expenditure adjustments to the approved FY 2023 budget include:

- Adding \$53.0 million SGF to retire water storage contracts in the Kansas Water Office;
- Adding \$20.5 million SGF to modernize the Kansas Department of Labor Unemployment system;
- Adding \$1.3 million SGF to adopt the Board of Indigents' Defense Services revised assigned counsel caseloads estimate;
- Deleting \$198.2 million SGF to implement revised human services caseloads estimates; and
- Deleting \$65.5 million SGF to implement revised K-12 education school finance estimates.

In addition to the SGF expenditure adjustments described above, the recommendation makes several SGF revenue adjustments to FY 2023, including:

- Transferring \$500.0 million from the SGF to the Budget Stabilization Fund. This transfer would result in a balance in the Budget Stabilization Fund of approximately \$1.5 billion.
- Transferring \$220.0 million to an infrastructure leveraging fund to assist local governments in matching federal funds;
- Transferring \$50.0 million from the SGF to a state agency federal grants matching fund to assist agencies in meeting federal match requirements.

TOTAL STATE EXPENDITURES FOR FY 2024

Summary of Expenditures from All Funds

The Governor's recommendation for FY 2024 totals \$24.1 billion, including \$9.5 billion SGF. The FY 2024 recommendation is an all funds decrease of \$557.5 million, or 2.3 percent, and an SGF increase of \$271.8 million, or 2.9 percent, above the FY 2023 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 2024 recommendation for state operations is \$6.9 billion, which is a decrease of \$44.8 million, or 0.6 percent, below the FY 2023 governor's recommendation.

The decrease is primarily attributable to the Department for Children and Families exhaustion of pandemic assistance for child care and other programs (\$143.3 million) and decreases in Kansas Department of Labor unemployment operations and modernization (\$46.8 million), Kansas Water Office early retirement of water storage debt (\$57.1 million), and Kansas Department of Health and Environment (KDHE) Health pandemic child care development block grant enhancements (\$26.4 million).

The decreases are partially offset by a 5.0 percent increase to state employee pay (\$169.5 million) and increases in Kansas Lottery sports betting and revised expanded lottery estimates (\$39.9 million), Judicial Branch enhancements (\$22.1 million), and increases to the Board of Regents and Institutions (\$14.8 million).

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 2024 recommendation for aid to local units of government is \$7.5 billion, which is a decrease of \$139.2 million, or 1.8 percent, below the FY 2023 governor's recommendation. The reduction is primarily attributable to \$240.8 million in the Office of the Governor for matching grants.

The increase is partially offset by the addition of \$83.2 million for the Kansas State Department of Education for the revised education school finance estimate, and \$15.4 million in the Office of the State Treasurer for acceleration of the Food Sales Tax exemption and the addition of funding for the STAR Bond food sales tax reimbursement fund.

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 2024 recommendation for other assistance, grants, and benefits is \$8.0 billion, which is an increase of \$381.2 million, or 5.0 percent, above the FY 2023 governor’s recommendation.

The increase is predominantly reflected in the State Hospitals, Kansas Department for Aging and Disability Services, and KDHE-Health due to the expiration of the enhanced federal medical assistance percentage (FMAP) match and revised human services caseloads estimate (\$570.3 million).

The increase is partially offset by decreases in the Office of the Governor (\$164.2 million) in matching funds, the Department of Commerce (\$52.7 million) for a variety of housing and small business tax credit initiative one-time expenditures, Department of Transportation assistance (\$25.3 million), and the Office of the Attorney General for the opioid settlement distributions (\$19.6 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 2024 recommendation for capital improvements is \$1.8 billion, which is a decrease of \$754.7 million, or 29.8 percent, below the FY 2022 Governor’s recommendation. The decrease is primarily attributable to accelerated debt retirement in FY 2023.

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

	Actual FY 2022	Gov. Rec. FY 2023	Change		Gov. Rec. FY 2024	Change	
			\$	%		\$	%
State Operations	\$ 6,804.4	\$ 6,894.5	\$ 90.1	1.3 %	\$ 6,849.7	\$ (44.8)	(0.6) %
Aid to Local Units	7,084.5	7,595.6	511.1	7.2	7,456.4	(139.2)	(1.8)
Other Assistance	6,682.6	7,663.0	980.4	14.7	8,044.2	381.2	5.0
<i>Subtotal - Operations</i>	<i>\$ 20,571.5</i>	<i>\$ 22,153.1</i>	<i>\$ 1,581.6</i>	<i>7.7 %</i>	<i>\$ 22,350.3</i>	<i>\$ 197.2</i>	<i>0.9 %</i>
Capital Improvements	1,956.9	2,531.4	574.5	29.4	1,776.7	(754.7)	(29.8)
TOTAL	\$ 22,528.5	\$ 24,684.5	\$ 2,156.0	9.6 %	\$ 24,127.0	\$ (557.5)	(2.3) %

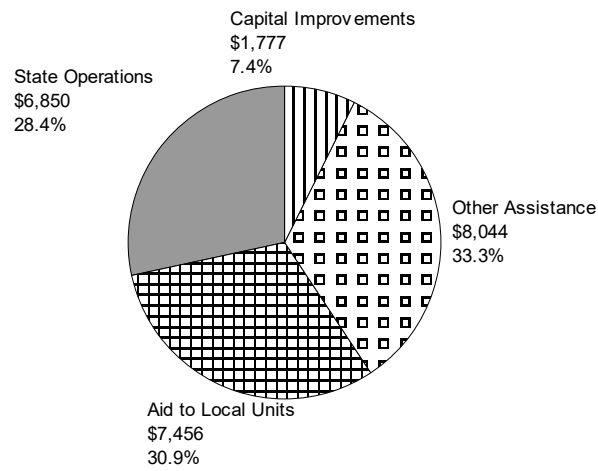
Note: Totals may not add due to rounding.

Of the total budget recommendation in FY 2023, 27.9 percent is for state operations; 30.8 percent is for state aid to local units of government; 31.0 percent is for other assistance, grants, and benefits; and 10.3 percent is for capital improvements.

For FY 2024, 28.4 percent is for state operations; 30.9 percent is for state aid to local units of government; 33.3 percent is for other assistance, grants, and benefits; and 7.4 percent is for capital improvements. The following pie chart displays the major categories of all funds expenditures for FY 2024.

**FY 2024 EXPENDITURES FROM ALL FUNDS
BY MAJOR PURPOSE
Governor's Recommendation
(Dollars in Millions)**

Total: \$24,127.0



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 41.8 percent of the total expenditures in FY 2023 and 43.4 percent of the total expenditures for FY 2024. The two largest functions of government—Education and Human Services—comprise 74.9 percent of the recommended expenditures in FY 2022 and 78.6 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.

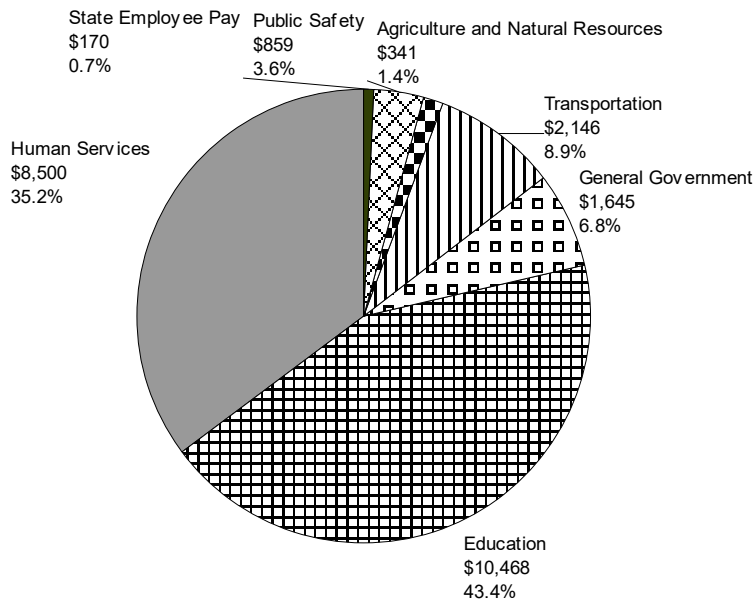
EXPENDITURES FROM ALL FUNDS BY FUNCTION OF GOVERNMENT (Dollars in Millions)

Purpose	Actual	Gov. Rec.	Change		Gov. Rec.	Change	
	FY 2022	FY 2023	\$	%	FY 2024	\$	%
Education	\$ 9,593.6	\$ 10,323.6	\$ 730.0	7.6 %	\$ 10,468.0	\$ 144.4	1.4 %
Human Services	7,594.5	8,170.3	575.8	7.6	8,499.9	329.6	4.0
Transportation	2,044.2	2,825.1	780.9	38.2	2,145.8	(679.3)	(24.0)
General Government	1,996.9	2,049.4	52.5	2.6	1,644.5	(404.9)	(19.8)
Public Safety	815.6	905.4	89.8	11.0	858.7	(46.7)	(5.2)
Agriculture	483.7	410.6	(73.1)	(15.1)	340.5	(70.1)	(17.1)
State Employee Pay	0.0	0.0	-	-	169.5	169.5	100.0
TOTAL	\$ 22,528.5	\$ 24,684.4	\$ 2,155.9	9.6 %	\$ 24,126.9	\$ (557.5)	(2.3) %

Note: Totals may not add due to rounding.

**FY 2024 EXPENDITURES FROM ALL FUNDS
BY FUNCTION OF GOVERNMENT
Governor's Recommendation
(Dollars in Millions)**

Total: \$24,127.0



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 2023 is based on current resources of the fund. The net increase in SGF operating expenditures from FY 2022 to FY 2023 is \$1.6 billion, or 7.7 percent, and from FY 2023 to FY 2024, the change is a increase of \$197.3 million, or 0.9 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 2022	Gov. Rec. FY 2023	Change \$	%	Gov. Rec. FY 2024	Change \$	%
Operating Expenditures:							
State General Fund	\$ 7,776.0	\$ 9,029.9	\$ 1,253.9	16.1 %	\$ 9,407.8	\$ 377.9	4.2 %
All Other Funds	12,794.7	13,123.1	328.4	2.6	12,942.5	(180.6)	(1.4)
Subtotal	\$ 20,570.7	\$ 22,153.0	\$ 1,582.3	7.7 %	\$ 22,350.3	\$ 197.3	0.9 %
Capital Improvements:							
State General Fund	\$ 419.9	\$ 210.2	\$ (209.7)	(49.9) %	\$ 83.5	\$ (126.7)	(60.3) %
All Other Funds	1,537.9	2,321.2	783.3	50.9	1,693.2	(628.0)	(27.1)
Subtotal	\$ 1,957.8	\$ 2,531.5	\$ 573.7	29.3 %	\$ 1,776.7	\$ (754.8)	(29.8) %
TOTAL	\$ 22,528.5	\$ 24,684.5	\$ 2,156.0	9.6 %	\$ 24,127.0	\$ (557.5)	(2.3) %

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 37.4 percent of estimated FY 2023 expenditures. For FY 2024, 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 2023 receipts are \$6.5 billion, which is a decrease of \$187.0 million, or 2.8 percent, below FY 2022 actual receipts. The FY 2024 estimate of \$6.0 billion is \$423.0 million, or 6.5 percent, below FY 2023 estimated receipts. The decrease in FY 2023 is primarily attributable to human services caseloads in KDHE-Health. The decrease in federal receipts for FY 2023 is attributable to unemployment benefits in the Kansas Department of Labor and COVID-19 relief funding in the Office of the Governor.

Federal receipts for FY 2023 and FY 2024 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 2023 Legislature.

Expenditures for State Operations

Expenditures for state operations (*i.e.*, for purposes other than local aid, other assistance, and capital improvements) comprise 27.9 percent of total recommended expenditures in FY 2023 and 28.4 percent for FY 2024. 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 2022	FY 2023	\$	%	FY 2024	\$	%
Salaries and Wages	\$ 3,140.4	\$ 3,538.5	\$ 398.1	12.7 %	\$ 3,776.0	\$ 237.5	6.7 %
Contractual Services	2,857.4	2,585.4	(272.0)	(9.5)	2,445.4	(140.0)	(5.4)
Commodities	256.3	240.2	(16.1)	(6.3)	243.5	3.3	1.4
Capital Outlay	226.0	257.1	31.1	13.8	181.6	(75.5)	(29.4)
Debt Service Interest	323.4	273.1	(50.3)	(15.6)	203.2	(69.9)	(25.6)
TOTAL	\$ 6,803.5	\$ 6,894.2	\$ 90.7	1.3 %	\$ 6,849.7	\$ (44.5)	(0.6) %

Note: Totals may not add due to rounding.

Salaries and wages expenditures, including fringe benefits, comprise 51.3 percent of the recommended state operations budget in FY 2023, and salaries and wages expenditures comprise 55.1 percent of the state operations budget for FY 2024.

The Governor's budget includes additional resources for a general, broad-based salary increase for FY 2023. The Governor recommends \$169.5 million, including \$65.5 million SGF, for a 5.0 percent state employee base pay increase. The plan would increase salaries for classified and unclassified employees in the Executive Branch and Legislative Branch. Legislative and elected officials, teachers at the Schools for the Blind and Deaf, Kansas Bureau of Investigation forensic scientists, and any other employee on a formal career progression plan are not included in the plan. The funds would be appropriated to and certified for distribution by the State Finance Council if approved.

The Governor also recommends the Director of Personnel Services review state employee salaries after the salary adjustments and compare them to the annual Department of Administration Market Survey. Where classifications are less than or equal to 5.0 percent below the average market rate, the Governor recommends the State Finance Council further adjust salaries.

In FY 2023 and for FY 2024, 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 \$3.3 million, including \$1.3 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 2024 STATE EMPLOYEE SALARY INCREASES

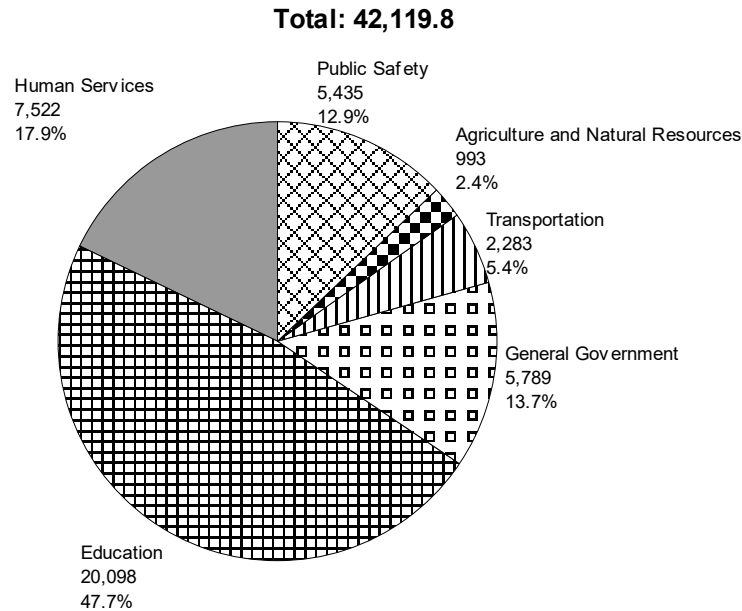
	Dollars in Millions	
	State General Fund	All Funds
FY 2024 Pay Plan – 5.0 Percent Base Pay Increase	\$ 65.5	\$ 169.5
Judicial Branch –Judge and Non-Judge Employees	20.8	20.8
Larned Correctional Facility and Winfield Correctional Facility Shift Differentials	1.2	1.2
KBI Career Progression Plans	0.3	0.3
Agriculture – Engineers and Specialists	0.9	0.9
TOTAL	\$ 88.7	\$ 192.7

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 2023 Governor's budget recommendation includes 42,077.6 full-time equivalent (FTE) positions, which is an increase of 866.1 FTE positions above the FY 2022 actual FTE position number. For FY 2023, the Governor recommends 42,119.8 FTE positions, which is an increase of 42.2 FTE positions above the FY 2022 recommendation.

The FY 2024 increase above the FY 2023 revised estimate is primarily attributable the addition of 21.0 FTE positions at the Department of Corrections and Facilities, 12.0 FTE positions in the Department of Administration, and 10.0 FTE positions in the Office of the Governor.

**FY 2024 FULL-TIME EQUIVALENT (FTE) POSITIONS
by Function of Government
Governor's Recommendations**



Program or Agency Components of FY 2024 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 2024 only and measure major program or agency expenditures in dollar terms and as a percent of the total budget. The budgets of the Kansas State 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 83.0 percent of total spending for FY 2024.

**GOVERNOR'S RECOMMENDED
EXPENDITURES FROM ALL FUNDS, FY 2024
By Agency or Program**

	Amount (Thousands)	Percent of Total	Cumulative Percent	Percent Change from FY 2023
Department of Education	\$ 6,805,809.5	28.2 %	28.2 %	1.4 %
Department of Health and Environment – Health	4,398,492.3	18.2	46.4	13.0
Board of Regents and Institutions	3,621,430.8	15.0	61.4	1.2
Department for Aging and Disability Services and State Hospitals	3,023,092.2	12.5	74.0	0.4
Department of Transportation	2,145,795.8	8.9	82.9	(24.0)
Department for Children and Families	817,133.2	3.4	86.3	(16.2)
Department of Corrections and Facilities	568,705.9	2.4	88.6	4.3
Kansas Lottery	438,977.9	1.8	90.4	10.0
Department of Administration	218,890.7	0.9	91.3	(9.8)
Judicial Branch	206,848.3	0.9	92.2	11.9
Department of Labor	180,164.4	0.7	92.9	(21.1)
Department of Commerce	178,332.7	0.7	93.7	(23.5)
Highway Patrol and KBI	155,941.6	0.6	94.3	(8.8)
KDHE - Environment	147,419.5	0.6	94.9	(3.9)
Department of Revenue	126,255.4	0.5	95.5	10.7
Department of Wildlife and Parks	112,158.2	0.5	95.9	11.6
Adjutant General	112,139.7	0.5	96.4	(31.7)
Kansas Public Employees Retirement System (KPERs)	65,920.7	0.3	96.7	3.2
Department of Agriculture	57,353.9	0.2	96.9	(7.4)
Board of Indigents' Defense Services	50,284.1	0.2	97.1	(3.2)
Commission on Veteran's Affairs	50,222.3	0.2	97.3	55.8
Corporation Commission	46,312.3	0.2	97.5	32.0
State Treasurer	44,294.0	0.2	97.7	53.8
Office of the Governor	44,026.9	0.2	97.9	(90.2)
Health Care Stabilization Fund	40,088.9	0.2	98.0	4.8
State Employee Pay	169,500.0	0.7	98.8	-
All Other	301,412.7	1.2	100.0	(24.3)
TOTAL	\$ 24,127,003.8	100.0 %		(2.3) %

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

CHANGE IN EXPENDITURES FROM ALL FUNDS
FY 2023 to FY 2024
Governor's Recommendation

	Amount (Thousands)	Comments
Total Increase		
KDHE-Health	\$ 506,352.3	
State Employee Pay	169,500.0	
Department of Education	96,222.2	
Regents and Institutions	43,927.6	
Kansas Lottery	39,952.7	
Corrections and Facilities	23,343.2	Agency Enhancements
Judicial Branch	22,075.6	Agency Enhancements
Commission on Veteran's Affairs	17,994.2	
Attorney General	(26,008.1)	
Department of Labor	(48,071.7)	
Adjutant General	(52,031.2)	
Department of Commerce	(54,927.5)	
Kansas Water Office	(56,822.6)	Water Supply Debt
Dept. for Children and Families	(157,391.1)	Exhaustion of Pandemic Funding
Office of the Governor	(404,179.6)	Reduced COVID-19 Funding
Department of Transportation	(679,352.3)	
<i>All Other</i>	1,935.1	
TOTAL	\$ (557,481.1)	

Note: Totals may not add due to rounding.

EXPENDITURES AND STATUS OF THE STATE GENERAL FUND

Program and Agency Components of the FY 2024 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.

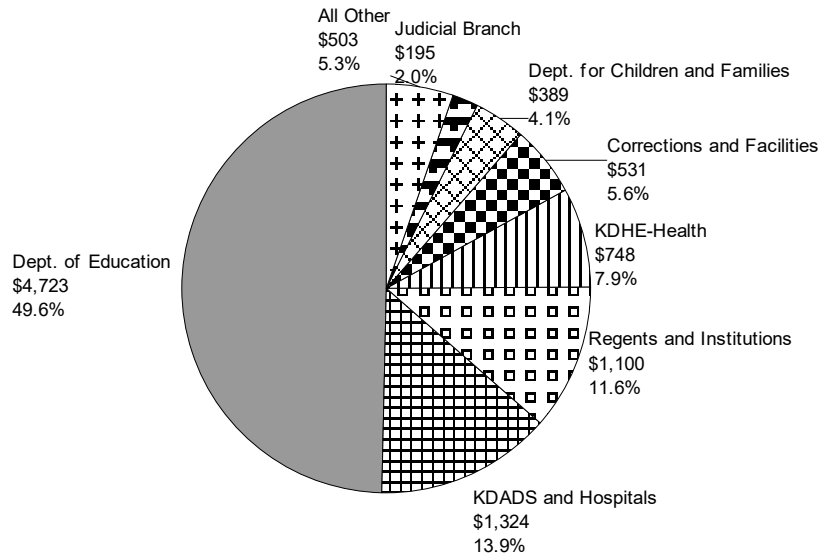
STATE GENERAL FUND EXPENDITURES BY PROGRAM OR AGENCY Governor's Recommendations for FY 2024

	Amount (Thousands)	Percent of Total	Cumulative Percent	Change from FY 2023	
				Amount (Thousands)	Percent
Education					
Department of Education	\$ 4,722,602	49.6 %	49.6 %	\$ 304,437	6.9 %
Bd. of Regents/Institutions	1,099,682	11.6	61.2	41,593	3.9
Other Education*	26,654	0.3	61.5	1,750	7.0
<i>Subtotal - Education</i>	<i>\$ 5,848,938</i>	<i>61.5 %</i>	<i>61.5 %</i>	<i>\$ 347,780</i>	<i>%</i>
KDADS and Hospitals	\$ 1,323,753	13.9 %	75.4 %	\$ 12,812	1.0 %
KDHE - Health	748,134	7.9	83.3	(16,889)	(2.2)
Dept. of Corrections/Facilities	531,211	5.6	88.8	39,529	8.0
Dept. for Children and Families	389,321	4.1	92.9	(4,941)	(1.3)
Judicial Branch	194,815	2.0	95.0	22,279	12.9
Department of Administration	137,211	1.4	96.4	(54,458)	(28.4)
Board of Indigents' Defense Services	49,678	0.5	97.0	(1,676)	(3.3)
Legislative Agencies	39,426	0.4	97.4	(4,860)	(11.0)
Highway Patrol and KBI	29,295	0.3	97.7	980	3.5
Department of Revenue	28,643	0.3	98.0	13,230	85.8
Department of Commerce	26,377	0.3	98.3	1,475	5.9
Office of the Governor	17,844	0.2	98.4	(11,534)	(5.9)
Commission on Veterans Affairs	13,363	0.1	98.6	1,671	14.3
Adjutant General	12,978	0.1	98.7	(23,416)	(64.3)
Department of Agriculture	12,195	0.1	98.8	1,028	9.2
Sentencing Commission	10,184	0.1	99.0	(2,403)	(19.1)
Office of Information and Technology Services	10,000	0.1	99.1	5,750	135.3
Attorney General	6,570	0.1	99.1	(249)	(3.6)
State Employee Pay	65,500	0.7	99.8	(65,500)	(81.1)
All Other	17,466	--	99.8	(120,809)	-
TOTAL	\$ 9,512,903	100.0 %		\$ 270,799	2.9 %

Note: Totals may not add due to rounding.

**FY 2024 State General Fund Expenditures
by Major Program or Agency
Governor's Recommendation
(Dollars in Millions)**

Total: \$9,512.9



State General Fund Expenditures by Function of Government

The following table summarizes SGF expenditures by function of government. The Education function accounts for the largest portion of the SGF budget (59.5 percent in FY 2023 and 61.5 percent for FY 2024). Two functions—Education and Human Services—account for 87.6 percent of total expenditures in FY 2024.

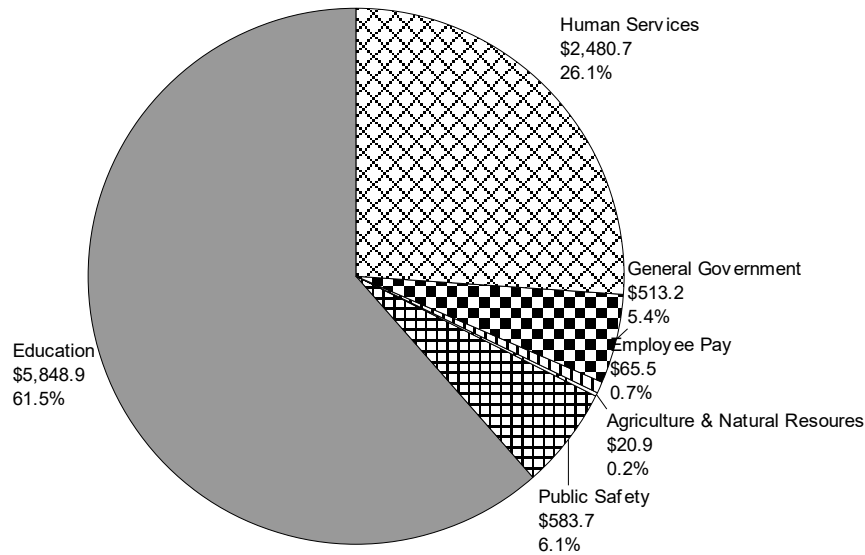
**STATE GENERAL FUND EXPENDITURES
BY FUNCTION OF GOVERNMENT
Governor's Recommendation
(Dollars in Millions)**

Function	Actual FY 2022	Gov. Rec. FY 2023	Change		Gov. Rec. FY 2024	Change	
			\$	%		\$	%
General Government	\$ 722.8	\$ 543.8	\$ (179.0)	(24.8) %	\$ 513.2	\$ (30.6)	(5.6) %
Human Services	1,845.7	2,508.6	662.9	35.9	2,480.7	(27.9)	(1.1)
Education	5,036.2	5,500.2	464.0	9.2	5,848.9	348.7	6.3
Public Safety	498.3	569.0	70.7	14.2	583.7	14.7	2.6
Agriculture/Natural Resources	92.9	119.6	26.7	28.7	20.9	(98.7)	(82.5)
Transportation	0.0	0.0	-	-	0.0	-	-
State Employee Pay	0.0	0.0	-	-	65.5	65.5	100.0
TOTAL	\$ 8,195.9	\$ 9,241.2	\$ 1,045.3	12.8 %	\$ 9,512.9	\$ 271.7	2.9 %

Note: Totals may not add due to rounding.

**FY 2024 STATE GENERAL FUND EXPENDITURES
BY FUNCTION OF GOVERNMENT
Governor's Recommendation
(Dollars in Millions)**

Total: \$9,512.9



Expenditures by Major Purpose

Approximately \$4.8 billion (52.0 percent) of recommended FY 2022 expenditures from the SGF is paid to local units of government; 21.9 percent is for other assistance, grants, and benefits expenditures; 23.8 percent represents the costs of state operations; and 2.3 percent is for capital improvements.

Approximately \$5.1 billion (53.7 percent) of recommended FY 2023 expenditures from the SGF is paid to local units of government; 22.4 percent is for other assistance, grants, and benefits expenditures; 22.9 percent represents the costs of state operations; and 0.9 percent is for capital improvements.

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

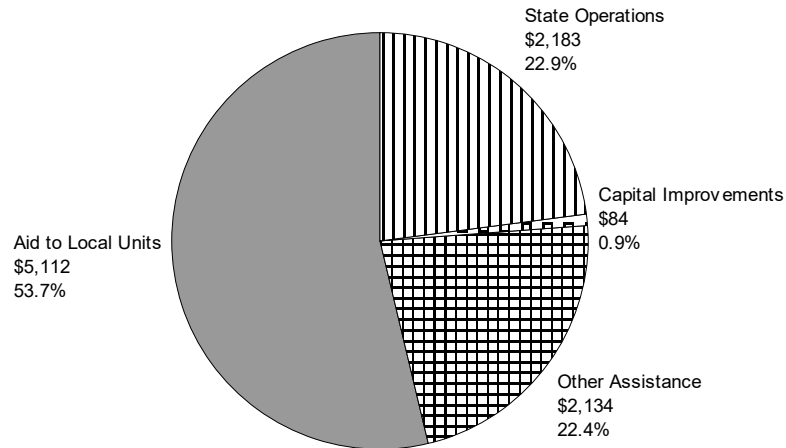
**STATE GENERAL FUND EXPENDITURES
BY MAJOR PURPOSE
(Dollars in Millions)**

	Actual FY 2022	Gov. Rec. FY 2023	Change		Gov. Rec. FY 2024	Change	
			\$	%		\$	%
State Operations	\$ 1,882.3	\$ 2,197.1	\$ 314.8	16.7 %	\$ 2,182.7	\$ (14.4)	(0.7) %
Aid to Local Units	4,411.7	4,805.5	393.8	8.9	5,112.3	306.8	6.4
Other Assistance	1,482.0	2,028.3	546.3	36.9	2,134.4	106.1	5.2
<i>Subtotal - Operations</i>	<i>\$ 7,776.0</i>	<i>\$ 9,030.9</i>	<i>\$ 1,254.9</i>	<i>16.1 %</i>	<i>\$ 9,429.4</i>	<i>\$ 398.5</i>	<i>4.4 %</i>
Capital Improvements	419.9	210.2	(209.7)	(49.9)	83.5	(126.7)	(60.3)
TOTAL	\$ 8,195.9	\$ 9,241.1	\$ 1,045.2	12.8 %	\$ 9,512.9	\$ 271.8	2.9 %

Note: Totals may not add due to rounding.

**FY 2024 STATE GENERAL FUND EXPENDITURES
BY MAJOR PURPOSE
Governor's Recommendation
(Dollars in Millions)**

Total: \$9,512.9



State Aid to Local Units of Government

	Actual FY 2022	Gov. Rec. FY 2023	Gov. Rec. FY 2024	Change FY 2023 - 2024	
				Amount	Percent
State Foundation Aid	\$ 2,382,479	\$ 2,605,294	\$ 2,642,782	\$ 37,488	1.4 %
Supplemental State Aid	534,000	588,229	568,150	(20,079)	(3.4)
Special Education State Aid	512,892	520,519	592,740	72,221	13.9
Capital Outlay State Aid	78,008	88,000	89,500	1,500	1.7
Capital Improvement State Aid	-	-	205,000	205,000	100.0
KPERS–USDs	519,653	532,149	537,373	5,224	1.0 %
<i>Subtotal–Major Categories</i>	<i>\$ 4,027,032</i>	<i>\$ 4,334,192</i>	<i>\$ 4,635,544</i>	<i>\$ 301,353</i>	<i>7.0 %</i>
KPERS–Non-USDs	32,870	34,402	32,018	(2,384)	(6.9) %
KPERS Layering Payment (FY 2017)	6,400	-	-	-	-
KPERS Layering Payment (FY 2019)	19,400	-	-	-	-
Mental Health Pilot Program	7,483	10,586	13,535	2,948	27.8
Juvenile Detention Grants	3,895	7,549	5,061	(2,489)	(33.0)
School Safety & Security Grants	-	4,000	5,000	1,000	25.0
School Food Assistance	2,381	2,391	2,391	-	-
Professional Development	-	1,770	3,670	1,900	107.3
Mentor Teacher Program	1,300	1,300	2,300	1,000	76.9
Technical Ed. Transportation	-	1,482	1,482	-	-
Computer Science Advancement Grants	-	1,000	1,000	-	-
Teacher Excellence Grant/Scholarships	-	306	306	-	-
Education SuperHighway	179	-	-	-	-
Juvenile Transitional Crisis Center	-	300	300	-	-
Deaf-Blind Program Aid	110	110	110	-	-
Career Technical Education	-	40	40	-	100.0
<i>Subtotal–State Aid to USDs</i>	<i>\$ 74,017</i>	<i>\$ 65,237</i>	<i>\$ 67,212</i>	<i>\$ 1,976</i>	<i>3.0 %</i>
Adult Basic Education	\$ 1,415	\$ 1,420	\$ 1,420	\$ -	- %
Community College MOE	5,000	-	-	-	-
Washburn University	13,111	14,000	14,000	-	-
Need Based Aid - Scholarship	943	-	-	-	-
Non-Tiered Course Credit	79,995	95,408	95,408	-	-
Nursing Facility and Supplies	702	1,848	1,787	-	-
Post Secondary Tiered	60,967	66,064	66,064	-	-
Post Secondary Operating	-	-	7,929	7,929	-
Teachers Scholarships	37	-	-	-	-
Technical Education Tuition	38,487	39,850	39,850	-	-
Technical Equipment Washburn	398	398	398	-	-
Technical Colleges Capital Outlay	4,335	-	-	-	-
Vocational Ed. Capital Outlay	72	4,872	1,072	(3,800)	(78.0)
<i>Subtotal–Other Education</i>	<i>\$ 205,462</i>	<i>\$ 223,860</i>	<i>\$ 227,928</i>	<i>\$ 4,068</i>	<i>1.8 %</i>
Community Corrections	\$ 36,075	\$ 59,650	\$ 75,866	\$ 16,216	- %
KDHE Aid Programs	8,251	9,039	13,038	3,998	-
KDADS Aid Programs	3,166	4,080	3,438	(642)	(15.7)
State Library	1,324	1,308	1,308	-	-
Governor - Housing	-	20,000	-	(20,000)	(100.0)
Adjutant General Disaster Aid	2,057	4,600	3,400	(1,200)	(26.1)
SGF TOTAL	\$ 4,357,385	\$ 4,721,965	\$ 5,027,734	\$ 305,768	6.5 %

Note: Totals may not add due to rounding.

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

	Actual FY 2022	Gov. Est. FY 2023	Gov. Rec. FY 2024	Change	
				\$	%
20 Mill Local Property Tax	\$ 761,510	\$ 799,100	\$ 811,500	\$ 12,400	1.6 %
School District Finance Fund	58,227	48,200	50,000	1,800	3.7
KPERS-ELARF	41,144	41,390	43,789	2,399	5.8
Capital Improvement State Aid	200,684	200,000	-	(200,000)	(100.0)
Mineral Production Fund	4,557	8,908	13,956	5,048	56.7
Communities in Schools	50	50	50	-	-
Driver Education Aid	1,478	1,614	1,615	1	0.1
USD Checkoff Fund	50	50	50	-	-
Children's Cabinet-Family & Children Investment Fund	0	-	-	-	-
TOTAL	\$ 1,067,699	\$ 1,099,311	\$ 920,960	\$ (178,352)	(16.2) %

Note: Totals may not add due to rounding.

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

	Actual FY 2022	Gov. Est. FY 2023	Gov. Rec. FY 2024	Change	
				\$	%
KDOT-CCHF and County	\$ 154,339	\$ 152,234	\$ 152,187	\$ (47)	-- %
Equalization					
KDOT-Aviation	5,546	7,114	10,000	2,886	40.6
Insurance Department-	16,558	17,000	17,000	-	--
Firefighters Relief					
Lottery-Expanded Lottery	12,067	12,243	12,327	84	0.7
Aid to Local Units					
Dept. of Corrections	46,776	64,345	80,061	15,716	24.4
KDOR-Oil and Gas	3,863	4,383	3,884	(499)	(11.4)
Mineral Production					
Dept. of Ag.-SWPF Aid to	2,223	2,473	2,503	29	1.2
Local Districts					
TOTAL	\$ 241,372	\$ 259,793	\$ 277,962	\$ 18,169	7.0 %

Note: Totals may not add due to rounding.

INCREASE IN STATE GENERAL FUND EXPENDITURES
Governor's Recommendation
FY 2023 - FY 2024

	Amount (Thousands)	Percent of Total Increase
Department of Education	\$ 305,436.9	112.4 %
State Employee Pay	65,500.0	24.1
Regents and Institutions	41,592.7	15.3
Corrections and Facilities	39,528.6	14.5
Judiciary	22,279.1	8.2
Department of Revenue	13,230.4	4.9
KDADS and Hospitals	12,812.1	4.7
KDHE-Health	(16,889.1)	(6.2)
Department of Labor	(20,467.7)	(7.5)
Adjutant General	(23,415.7)	(8.6)
KDHE-Environment	(32,430.8)	(11.9)
Department of Administration	(54,458.1)	(20.0)
Kansas Water Office	(55,981.6)	(20.6)
All Other	(24,937.7)	(9.2)
	<u>\$ 271,799.1</u>	

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. For FY 2024, the Governor recommends restoring the School District Capital Improvement Fund transfer to a demand transfer.

**FY 2024 DEMAND/REVENUE TRANSFERS FROM STATE GENERAL FUND
TO OTHER STATE FUNDS**
(Dollars in Thousands)

	FY 2024		
	No Law Change	Governor's Proposed	Difference
School District Capital Improvement Fund	\$ -	\$ 205,000	\$ 205,000
School District Capital Outlay	(89,500)	(89,500)	0
Regents Faculty of Distinction	(3,000)	(3,000)	0
Local <i>Ad Valorem</i> Tax	-	-	0
TOTAL	<u>\$ (92,500)</u>	<u>\$ 112,500</u>	<u>\$ 205,000</u>

Status of the State General Fund

The Governor's recommendations for FY 2023 and FY 2024 would result in ending balances of \$1.5 billion at the end of FY 2023 and \$2.0 billion at the end of FY 2024. Recommended receipts for FY 2023 are \$353.2 million below recommended expenditures. Recommended receipts for FY 2024 are \$503.1 million above recommended expenditures.

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

FY 2023:

- Accelerating the food sales tax elimination reduces SGF receipts by \$43.6 million;
- Sales tax exemption for diapers and feminine hygiene products reduces SGF receipts by \$700,000;
- Budget Stabilization fund transfer reduces SGF receipts by \$500.0 million; and
- Transfers for federal Bipartisan Infrastructure Law and State Match for Federal Funds reduces SGF receipts by \$270.0 million.

FY 2024:

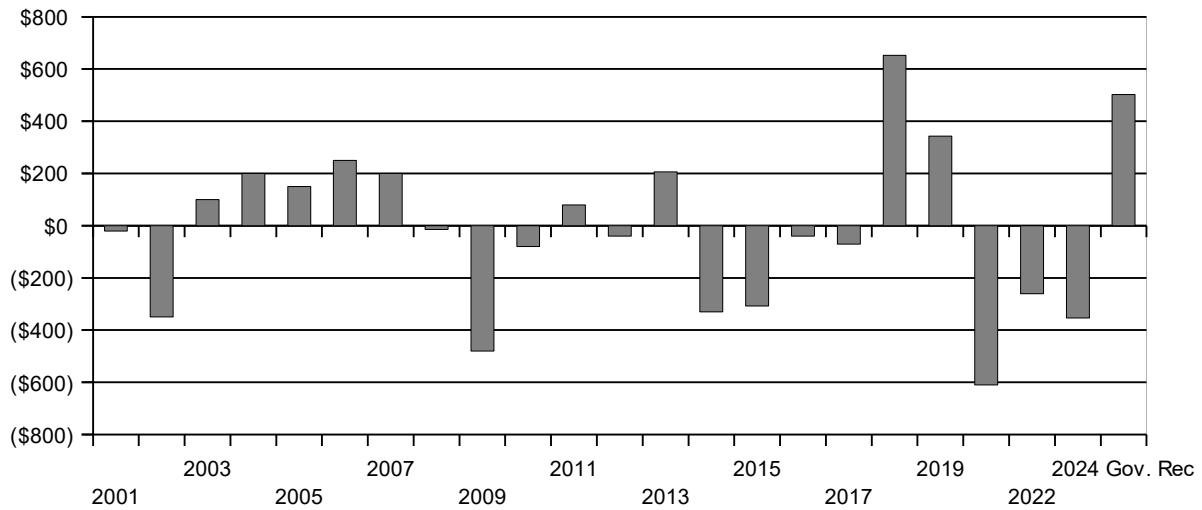
- School District Capital Improvement Fund conversion to a demand transfer increases SGF receipts by \$205.0 million, but offsets expenditures by an equivalent amount;
- Sales tax reductions (food sales, diapers, feminine hygiene products, back to school) reduce SGF receipts by \$298.5 million;
- Social Security Cliff modifications reduce SGF receipts by \$20.5 million;
- PEAK expansion reduces SGF receipts by \$3.0 million; and
- Creative Industries Tax Exemption reduces receipts by \$10.0 million.

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

	Actual FY 2022	Gov. Rec. FY 2023	Change	Gov. Rec. FY 2024	Change
Beginning Unencumbered Cash	\$ 2,094.8	\$ 1,834.6	\$ (260.2)	\$ 1,481.4	\$ (353.2)
Consensus Revenue Est.	7,935.8	9,701.2	1,765.4	10,124.4	423.2
Gov. Rec. Adjustments	-	(814.3)	(814.3)	(130.2)	684.1
Adjusted Receipts	7,935.8	8,886.9	951.1	9,994.2	1,107.3
Total Resources	\$ 17,966.4	\$ 10,721.5	\$ (7,244.9)	\$ 11,475.6	\$ 754.1
Less: Expenditures	8,195.9	9,240.1	1,044.2	9,491.3	251.2
Ending Unencumbered Cash Balance	\$ 9,770.5	\$ 1,481.4	\$ (8,289.1)	\$ 1,984.4	\$ 503.0
Ending Balance as a Percentage of Expenditures	1.2 %	0.2 %	(7.9) %	0.2 %	
Adj. Receipts in Excess of Expenditures	\$ (260.1)	\$ (353.2)		\$ 502.9	

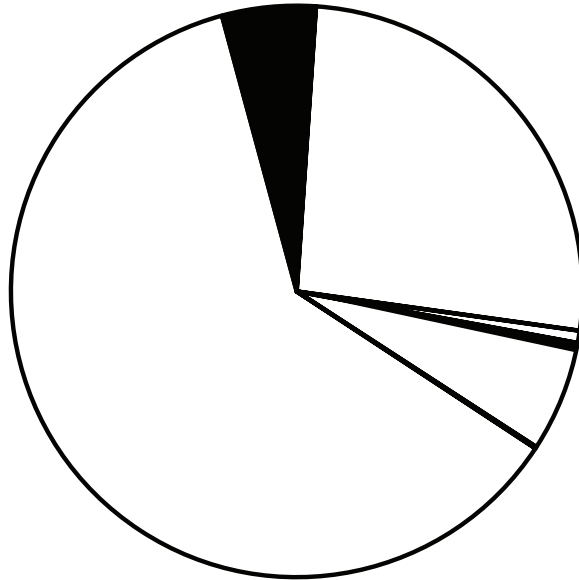
Note: Totals may not add due to rounding.

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

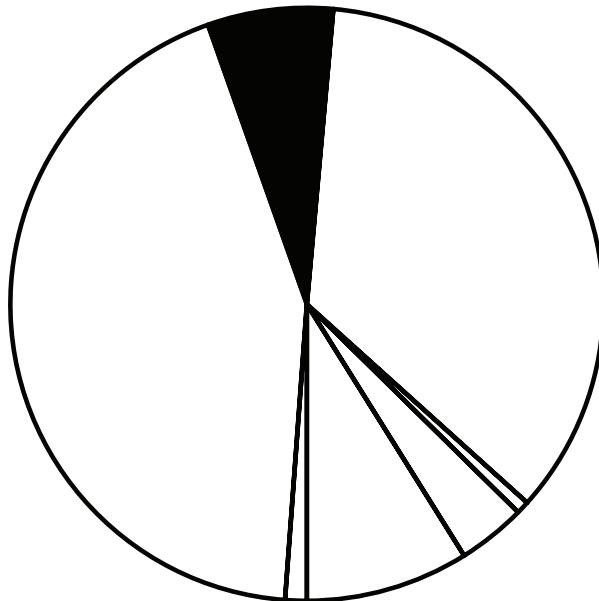


GENERAL GOVERNMENT

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 2024 recommendation for the General Government function totals \$1.6 billion from all funding sources, including \$500.6 million from the State General Fund.

The FY 2024 recommendation represents a State General Fund decrease of \$43.2 million, or 8.0 percent, below the FY 2023 amount. Expenditures from all funds decrease by \$404.9 million, or 19.8 percent, below the FY 2023 amount.

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Real Estate Commission.....	777
Board of Technical Professions.....	789
Board of Veterinary Examiners.....	803

A total of 5,764.8 FTE positions are recommended by the Governor for the General Government function for FY 2024, which is an increase of 43.0 FTE positions above the FY 2023 number. Of all state FTE positions, 13.7 percent are in this function.

Agencies in this function comprise 5.3 percent of the total State General Fund budget for FY 2024, which is a decrease of 0.6 percent below the FY 2023 percentage. The agencies comprise 6.8 percent of expenditures from all funding sources for FY 2024, which is a decrease of 1.6 percent below the FY 2023 percentage.

LEGISLATIVE COORDINATING COUNCIL

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 711,544	\$ 783,653	\$ 783,653	\$ 758,613	\$ 758,613
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 711,544</i>	<i>\$ 783,653</i>	<i>\$ 783,653</i>	<i>\$ 758,613</i>	<i>\$ 758,613</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	\$ 711,544	\$ 783,653	\$ 783,653	\$ 758,613	\$ 758,613
Percentage Change:					
State General Fund	6.8 %	10.1 %	10.1 %	(3.2) %	(3.2) %
All Funds	6.8 %	10.1 %	10.1 %	(3.2) %	(3.2) %
FTE Positions	8.0	8.0	8.0	8.0	8.0

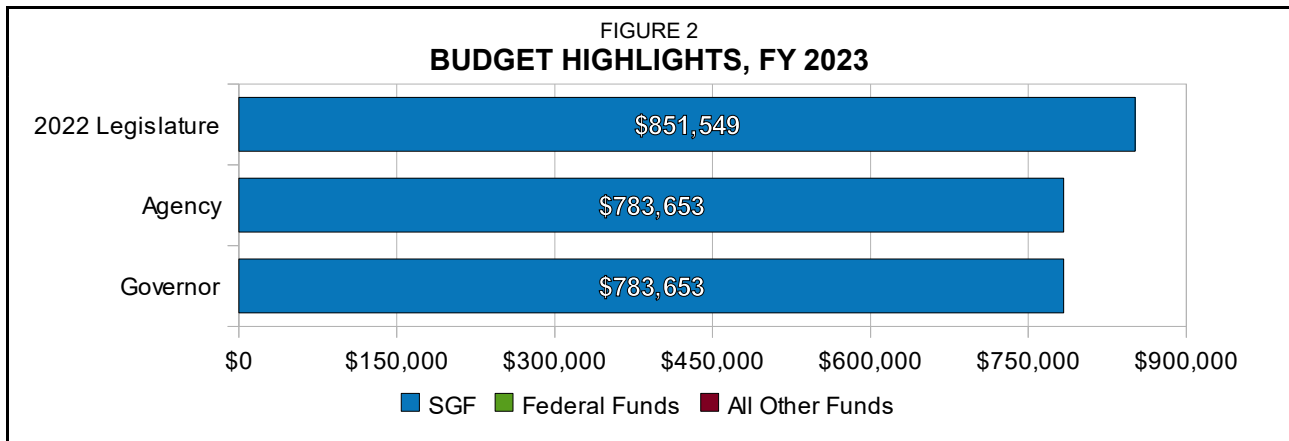
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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

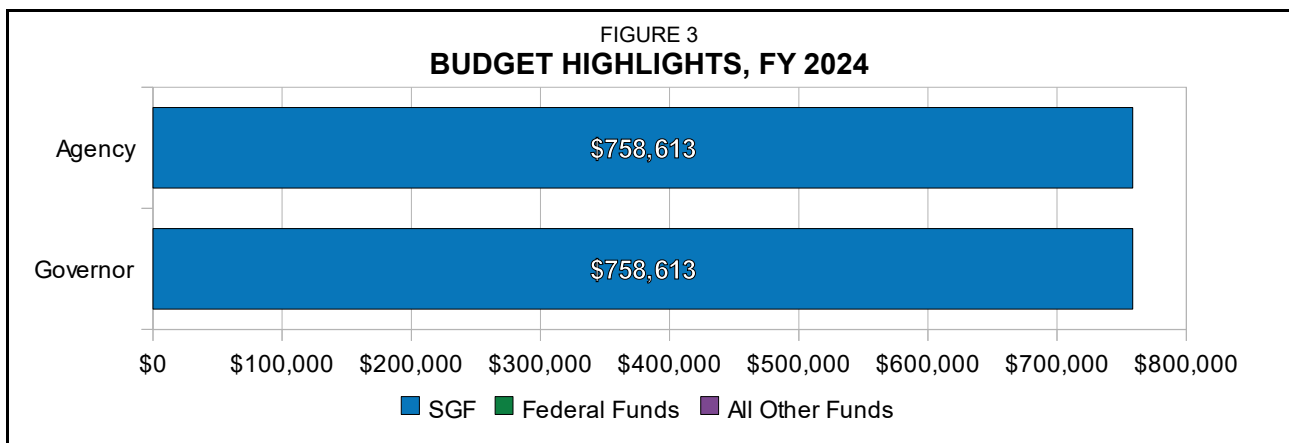
The 2022 Legislature approved a budget of \$752,441, all from the State General Fund (SGF), for the Legislative Coordinating Council for FY 2023. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The adjustment for this agency includes the following:

- **SGF REAPPROPRIATION.** An increase of \$67,896 SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.



The **agency** submits a revised estimate of \$783,653, all SGF, and 8.0 FTE positions in FY 2023. The revised estimate is a decrease of \$67,896, or 8.0 percent, below the approved amount. The decrease is all attributable to lapsing all of the SGF reappropriations from FY 2022. 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 2023 revised estimate.



The **agency** requests \$758,613, all SGF, for FY 2024. The request is a decrease of \$25,040, or 3.2 percent, below the FY 2023 revised estimate. The majority of the decrease is due to reductions in contractual services, partially offset by increases in salaries and wages fringe benefit expenditures, particularly employer contributions for group health insurance. The agency request also includes funding for 8.0 FTE positions, the same number as the FY 2023 revised estimate.

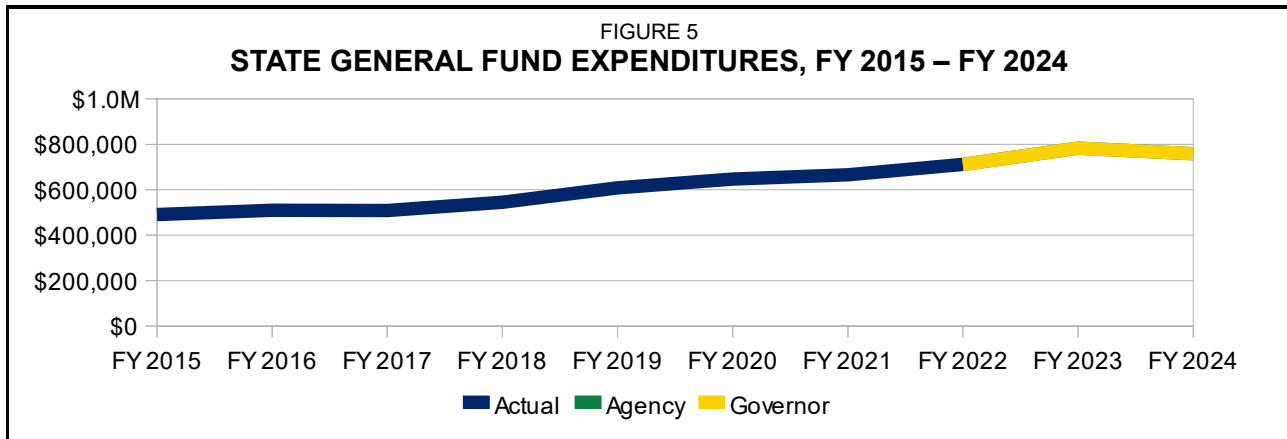
The **Governor** concurs with the agency's FY 2024 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 711,013	\$ 747,717	\$ 747,717	\$ 754,415	\$ 754,415
Contractual Services	531	35,936	35,936	4,198	4,198
Commodities	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 711,544</i>	<i>\$ 783,653</i>	<i>\$ 783,653</i>	<i>\$ 758,613</i>	<i>\$ 758,613</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 711,544</i>	<i>\$ 783,653</i>	<i>\$ 783,653</i>	<i>\$ 758,613</i>	<i>\$ 758,613</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 711,544	\$ 783,653	\$ 783,653	\$ 758,613	\$ 758,613
Financing:					
State General Fund	\$ 711,544	\$ 783,653	\$ 783,653	\$ 758,613	\$ 758,613
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 711,544	\$ 783,653	\$ 783,653	\$ 758,613	\$ 758,613
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.

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 783,653	\$ -	\$ 783,653	8.0
1. SGF Reappropriations	67,896	-	67,896	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 851,549</i>	<i>\$ -</i>	<i>\$ 851,549</i>	<i>8.0</i>
Agency Revised Estimate:				
2. SGF Lapse	\$ (67,896)	\$ -	\$ (67,896)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 783,653</i>	<i>\$ -</i>	<i>\$ 783,653</i>	<i>8.0</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 783,653	\$ -	\$ 783,653	8.0

LEGISLATIVE APPROVED

The 2022 Legislature approved a budget of \$752,441, all from the State General Fund (SGF), for the Legislative Coordinating Council for FY 2023. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. This adjustment includes the following:

1. **SGF REAPPROPRIATION.** An increase of \$67,896 SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$783,653, all SGF, and 8.0 FTE positions in FY 2023. The revised estimate is a decrease of \$67,896, or 8.0 percent, below the approved amount. The decrease is solely attributable to lapsing all of the SGF reappropriations from FY 2022. 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 adjustment:

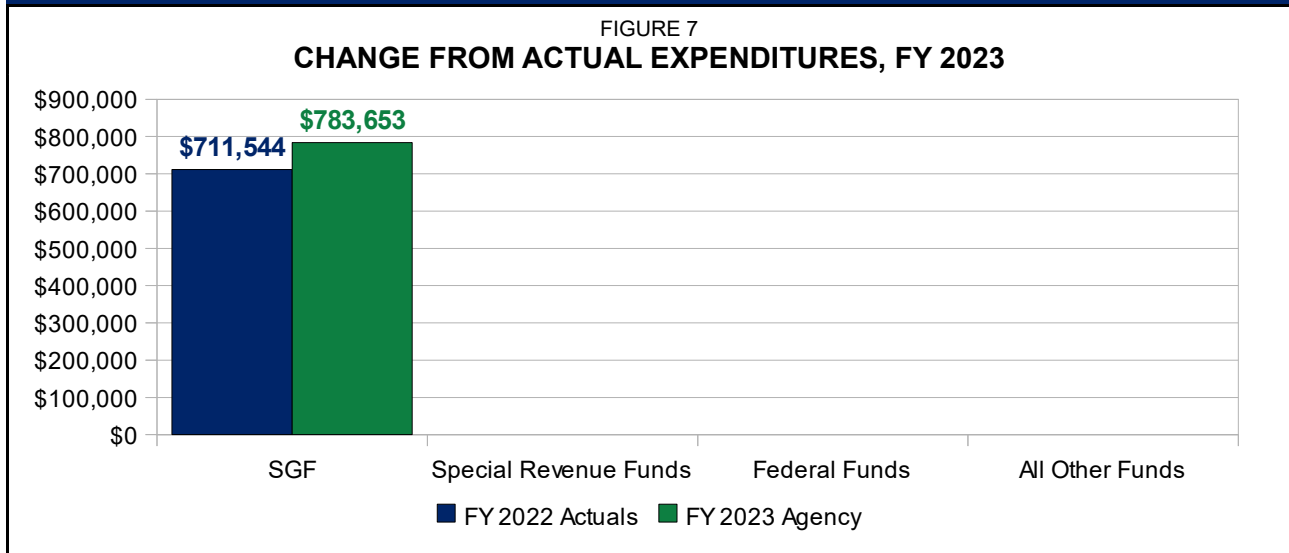
2. **SGF LAPSE.** A decrease of \$67,896 to lapse the entirety of the SGF reappropriation from FY 2022.

GOVERNOR'S RECOMMENDATION

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

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

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** submits an FY 2023 revised estimate totaling \$783,653, all SGF. The revised estimate is an increase of \$72,109, or 10.1 percent, above the FY 2022 actual expenditures. Of this increase, \$36,704 is in salaries and wages and \$35,405 is in contractual services. The salaries and wages increase includes amounts for salary increases authorized by the 2022 Legislature 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 2024 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 783,653	\$ -	\$ 783,653	8.0
Agency Request:				
1. All Other Adjustments	\$ (25,040)	\$ -	\$ (25,040)	--
<i>Subtotal—Agency Estimate</i>	\$ 758,613	\$ -	\$ 758,613	8.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 758,613	\$ -	\$ 758,613	8.0

AGENCY REQUEST

The **agency** requests \$758,613, all SGF, for FY 2024. The request is a decrease of \$25,040, or 3.2 percent, below the FY 2023 revised estimate. The majority of the decrease is due to reductions in contractual services, partially offset by increases in salaries and wages fringe benefit expenditures, particularly employer contributions for group health insurance. The agency request also includes funding for 8.0 FTE positions, the same number as the FY 2023 revised estimate.

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

1. **ALL OTHER ADJUSTMENTS.** Reductions in contractual services totaling \$31,738, to reflect one-time consulting services in FY 2023, partially offset by increases in salaries and wages totaling \$6,698, mainly attributable to fringe benefit expenditures increases, particularly employer contributions for group health insurance.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

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

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

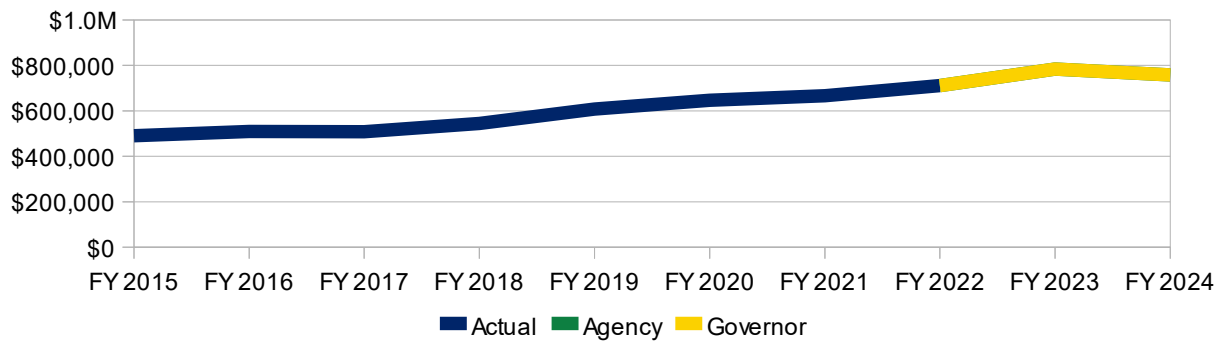
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 711,544	\$ 783,653	\$ 783,653	\$ 758,613	\$ 758,613
FTE Positions:					
Administration	8.0	8.0	8.0	8.0	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 2015 – FY 2024



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 of mechanics and procedure of all legislative committee work and activities continues throughout the calendar year.

FIGURE 11
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Interim Meeting Days Authorized	73	109	91	74	100
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*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
5. Accounts Payables Processed Within Statutory Kansas Prompt Payment Act*	99.0 %	98.0 %	98.0 %	100.0 %	100.0 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 666,006	\$ 711,013		\$ 747,717	\$ 754,415
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 666,006	\$ 711,013		\$ 747,717	\$ 754,415
Percentage Change:					
SGF	2.9 %	6.8 %		5.2 %	0.9 %
All Funds	2.9 %	6.8 %		5.2 %	0.9 %
FTE Positions	8.0	8.0		8.0	8.0

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

LEGISLATURE

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 19,150,296	\$ 30,362,237	\$ 30,362,237	\$ 25,644,124	\$ 25,644,124
Federal Funds	-	-	-	-	-
All Other Funds	1,080	-	-	-	-
<i>Subtotal</i>	<u>\$ 19,151,376</u>	<u>\$ 30,362,237</u>	<u>\$ 30,362,237</u>	<u>\$ 25,644,124</u>	<u>\$ 25,644,124</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>\$ 19,151,376</u>	<u>\$ 30,362,237</u>	<u>\$ 30,362,237</u>	<u>\$ 25,644,124</u>	<u>\$ 25,644,124</u>
Percentage Change:					
State General Fund	3.1 %	58.5 %	58.5 %	(15.5) %	(15.5) %
All Funds	(17.5) %	58.5 %	58.5 %	(15.5) %	(15.5) %
FTE Positions	50.0	56.0	56.0	56.0	56.0

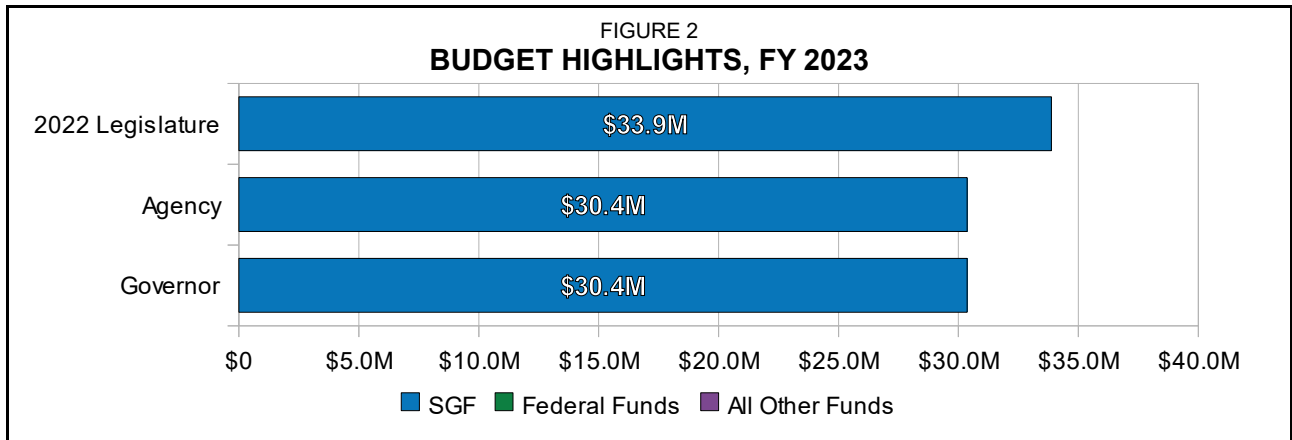
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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 expenditures, legislative claims, special maintenance and repair expenditures, special expenditures, Legislative Branch information systems authorized by the Legislative Coordinating Council, and the retirement program for session-only employees of the Legislature.

EXECUTIVE SUMMARY

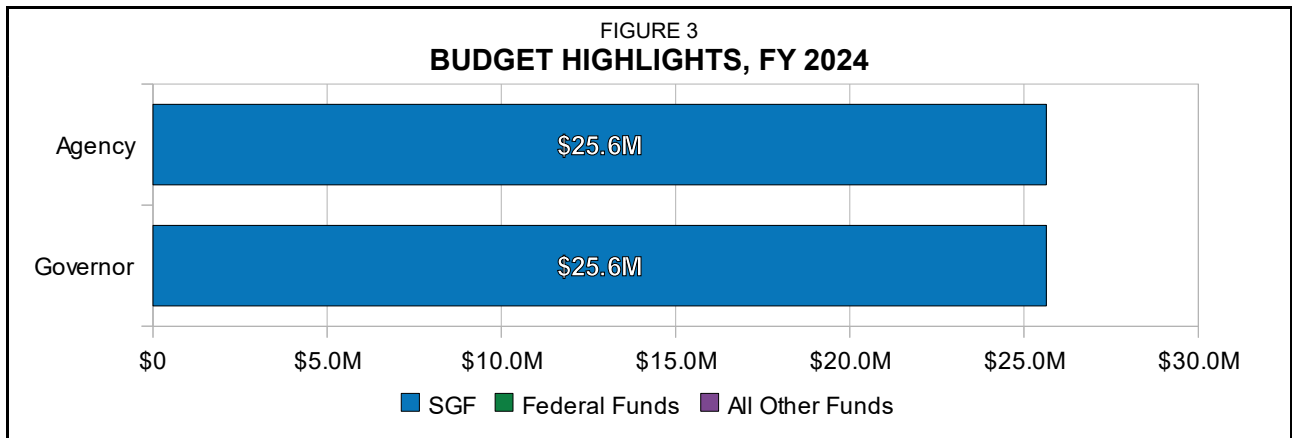
The 2022 Legislature approved a budget of \$28,687,494, all from the State General Fund (SGF), for the Legislature for FY 2023. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required.

- **SGF REAPPROPRIATION.** An increase of \$5,187,404 SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.



The **agency** submits a revised estimate of \$30.4 million, all SGF, and 56.0 FTE positions in FY 2023. The revised estimate is a decrease of \$3.5 million, or 10.4 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2022 into FY 2023.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$25.6 million, all SGF, and 56.0 FTE positions for FY 2024. The request is a decrease of \$4.7 million, or 15.5 percent, below the FY 2023 revised estimate. The majority of the decrease is due to the lack of reappropriated funds as well as a reduction in the amount required for the Kansas Legislative Information System and Services (KLISS) Modernization project.

The agency request also includes 56.0 FTE positions, which is the same number as the FY 2023 revised estimate.

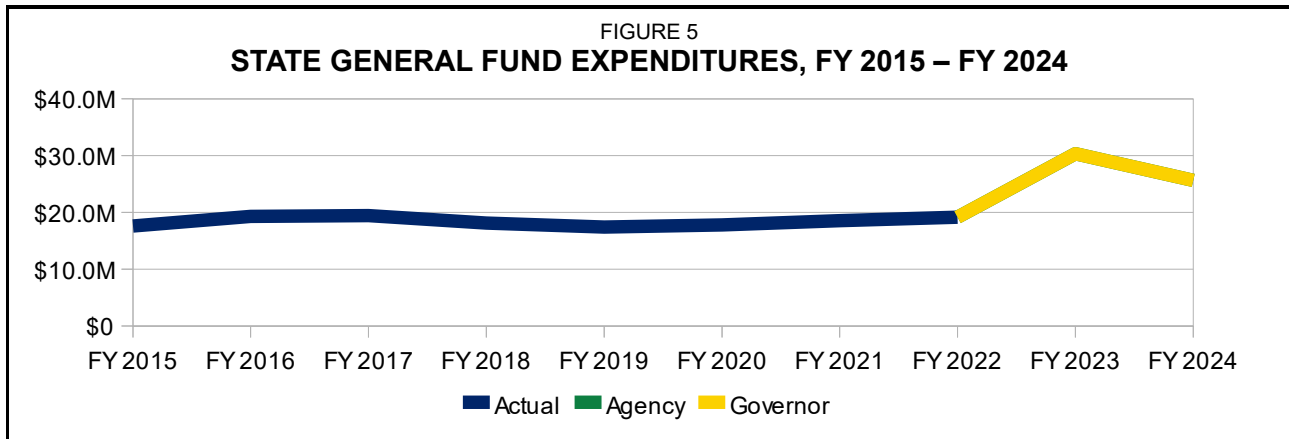
The **Governor** concurs with the agency's request for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 10,877,435	\$ 13,966,002	\$ 13,966,002	\$ 13,983,101	\$ 13,983,101
Contractual Services	7,984,675	16,028,448	16,028,448	11,261,324	11,261,324
Commodities	83,477	90,273	90,273	90,185	90,185
Capital Outlay	176,941	277,514	277,514	309,514	309,514
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 19,122,528</i>	<i>\$ 30,362,237</i>	<i>\$ 30,362,237</i>	<i>\$ 25,644,124</i>	<i>\$ 25,644,124</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	28,848	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 19,151,376</i>	<i>\$ 30,362,237</i>	<i>\$ 30,362,237</i>	<i>\$ 25,644,124</i>	<i>\$ 25,644,124</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 19,151,376	\$ 30,362,237	\$ 30,362,237	\$ 25,644,124	\$ 25,644,124
Financing:					
State General Fund	\$ 19,150,296	\$ 30,362,237	\$ 30,362,237	\$ 25,644,124	\$ 25,644,124
Federal Funds	-	-	-	-	-
All Other Funds	1,080	-	-	-	-
TOTAL	\$ 19,151,376	\$ 30,362,237	\$ 30,362,237	\$ 25,644,124	\$ 25,644,124
FTE Positions	50.0	56.0	56.0	56.0	56.0

STATE GENERAL FUND



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

FY 2023 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 28,687,494	\$ -	\$ 28,687,494	56.0
1. SGF Reappropriations	5,187,404	-	5,187,404	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 33,874,898</i>	<i>\$ -</i>	<i>\$ 33,874,898</i>	<i>56.0</i>
Agency Revised Estimate:				
2. SGF Reappropriations Lapse	\$ (3,512,661)	\$ -	\$ (3,512,661)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 30,362,237</i>	<i>\$ -</i>	<i>\$ 30,362,237</i>	<i>56.0</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 30,362,237	\$ -	\$ 30,362,237	56.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, one adjustment was made to the \$28,687,494 appropriated to the Legislature for FY 2023. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATIONS.** An increase of \$5.2 million SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$30.4 million, all SGF, and 56.0 FTE positions in FY 2023. The revised estimate is a decrease of \$3.5 million, or 10.4 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2022 into FY 2023.

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

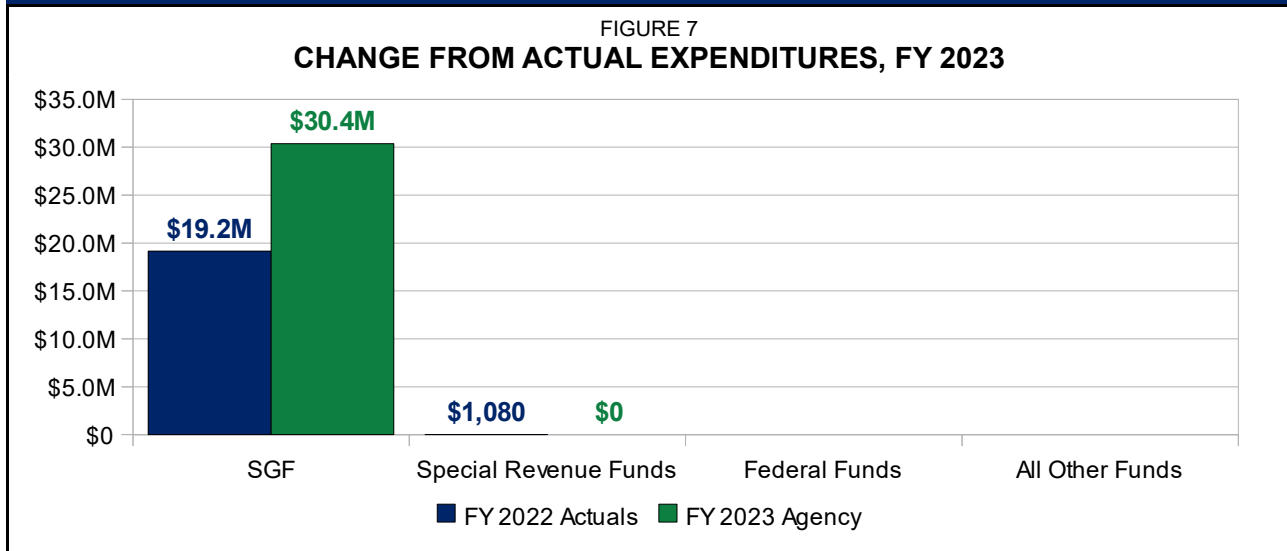
2. **SGF REAPPROPRIATIONS LAPSE.** A decrease totaling \$3.5 million due to lapsing a portion of SGF reappropriations.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2023.

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

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** submits an FY 2023 revised estimate totaling \$30.4 million, all SGF. The revised estimate is an increase of \$11.2 million, or 58.5 percent, above the FY 2022 actual expenditures. Of this increase, \$3.1 million is in salaries and wages and \$8.0 million is in contractual services, with other categories having minimal adjustments.

The increases in salaries and wages were impacted by salary increases approved by the 2022 Legislature, specifically the 5.0 percent increase approved for most state employees (excluding statewide elected officials) and the 15.0 percent pay increase authorized for office assistants and committee assistants for FY 2023. In addition, the FY 2023 budget includes funding for an addition 6.0 FTE positions associated with the KLISS Modernization project. The increase in contractual services is also associated with funding for the KLISS Modernization project. In addition to these items, the 2022 Session was completed in 78 days, which is less than the number budgeted for.

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 30,362,237	\$ -	\$ 30,362,237	56.0
Agency Request:				
1. All Other Adjustments	\$ (4,718,113)	\$ -	\$ (4,718,113)	--
<i>Subtotal—Agency Estimate</i>	\$ 25,644,124	\$ -	\$ 25,644,124	56.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 25,644,124	\$ -	\$ 25,644,124	56.0

AGENCY REQUEST

The **agency** requests \$25.6 million, all SGF, and 56.0 FTE positions for FY 2024. The request is a decrease of \$4.7 million, or 15.5 percent, below the FY 2023 revised estimate. The majority of the decrease is due to the lack of reappropriated funds as well as a reduction in the amount required for the KLISS Modernization project.

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

1. **ALL OTHER ADJUSTMENTS.** The reduction is attributable to the lack of SGF reappropriations and a reduction in expenditures for the KLISS Modernization project.

The **agency** request also includes 56.0 FTE positions, which is the same number as the FY 2023 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2024.

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

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

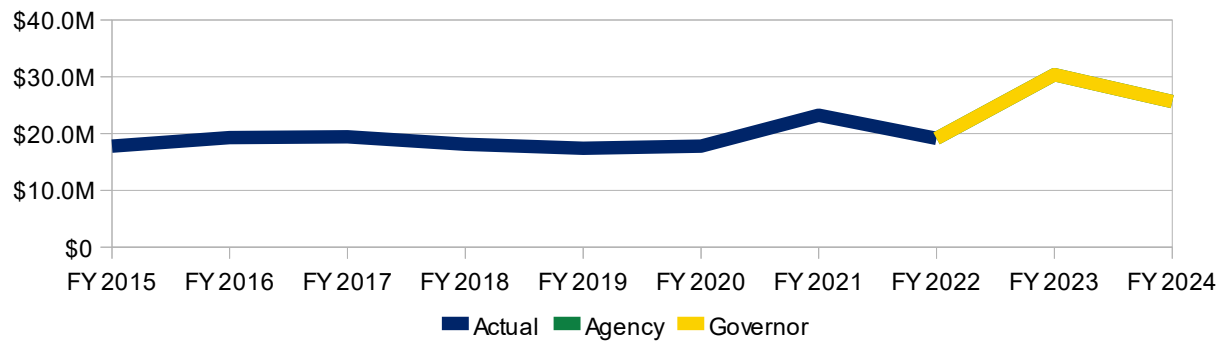
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 19,151,376	\$ 30,362,237	\$ 30,362,237	\$ 25,644,124	\$ 25,644,124
FTE Positions:					
Administration	50.0	56.0	56.0	56.0	56.0

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 2015 – FY 2024



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 the information technology system operates in a secure and efficient manner.

FIGURE 11
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Number of bills introduced	769	560	639	770	560
2.Number of bills submitted to the Governor*	122	107	82	125	115
3.Number of bills signed into law	115	100	120	100	76
4.Legislative Session Days Halted Due to IS** Issues*	-	-	-	-	-
5.Legislative Committee Meetings Canceled due to IS Issues*	-	1	-	-	-
Output Measure:					
6.Website page cache ratio*	66.0 %	80.0 %	-- %	75.0 %	73.0 %
7.Number of Virtual Meetings Conducted	2,274	2,923	--	3,000	3,000
8.Number of email viruses and malware detected and blocked*	13,899,590	8,847,512	--	14,000,000	14,000,000
9.Technical Services Tickets Resolution Time*	5,431 tickets opened, 3,338 tickets closed, avg time to close 86.8 hours	935 tickets opened, 914 tickets closed, avg time to close 6.5 hours, 80% of tickets closed within 30 minutes	--	Close 85% in 15 minutes	Close 85% in 15 minutes
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 18,566,385	\$ 19,150,296		\$ 30,362,237	\$ 25,644,124
Federal Funds	4,654,653	-		-	-
All Other Funds	-	1,080		-	-
TOTAL	\$ 23,221,038	\$ 19,151,376		\$ 30,362,237	\$ 25,644,124
Percentage Change:					
SGF	4.3 %	3.1 %		58.5 %	(15.5) %
All Funds	30.4 %	(17.5) %		58.5 %	(15.5) %
FTE Positions	48.0	50.0		56.0	56.0

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

** Information Systems

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LEGISLATIVE RESEARCH DEPARTMENT

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 4,385,430	\$ 5,126,879	\$ 5,126,879	\$ 5,037,884	\$ 5,037,884
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 4,385,430</i>	<i>\$ 5,126,879</i>	<i>\$ 5,126,879</i>	<i>\$ 5,037,884</i>	<i>\$ 5,037,884</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	\$ 4,385,430	\$ 5,126,879	\$ 5,126,879	\$ 5,037,884	\$ 5,037,884
Percentage Change:					
State General Fund	7.8 %	16.9 %	16.9 %	(1.7) %	(1.7) %
All Funds	7.8 %	16.9 %	16.9 %	(1.7) %	(1.7) %
FTE Positions	40.0	41.0	41.0	41.0	41.0

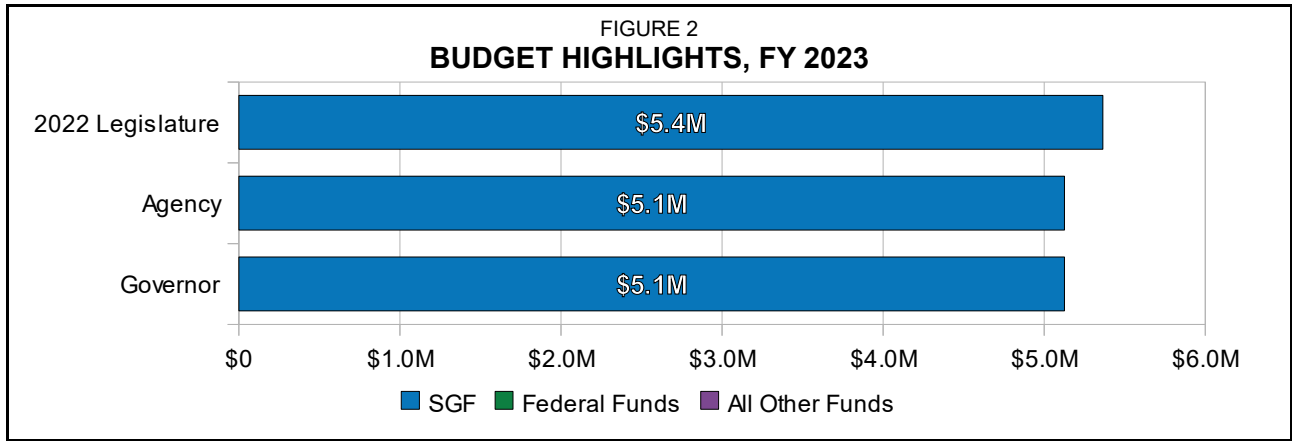
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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

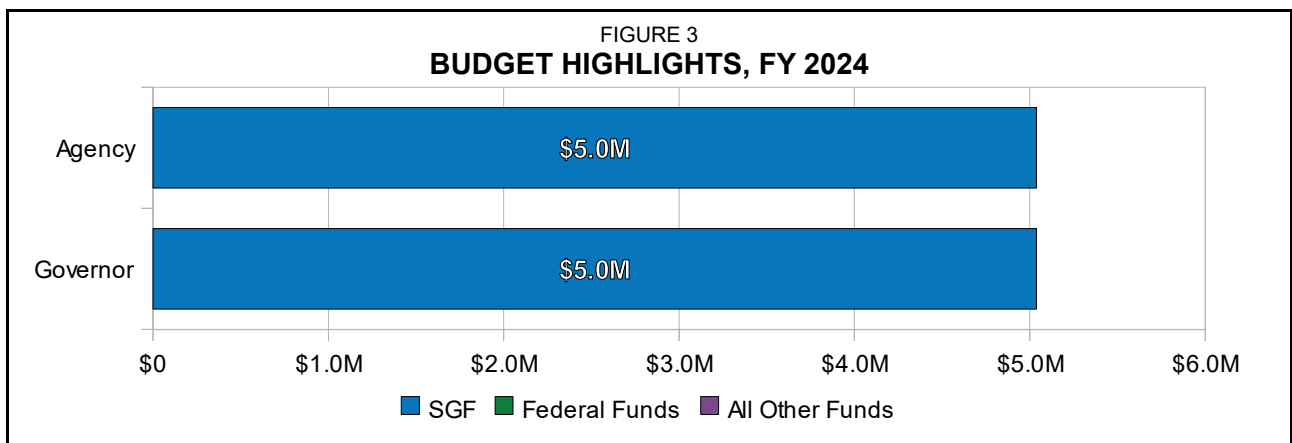
The 2022 Legislature approved a budget of \$4,924,204, all from the State General Fund (SGF), for the Legislative Research Department for FY 2023. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The adjustment for this agency includes the following:

- **SGF REAPPROPRIATION.** An increase of \$439,973 SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.



The **agency** submits an FY 2023 revised estimate totaling \$5.1 million, all SGF. The revised estimate is a decrease of \$237,298, or 4.4 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2022. The majority of FY 2023 expenditures for this agency are in salaries and wages for the 41.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$5.0 million, all SGF, for FY 2024. The request is a decrease of \$88,995, or 1.7 percent, below the FY 2023 revised estimate. The decrease is attributable to the lack of reappropriated funds and the completion of the current redistricting cycle. The agency request also includes funding for 41.0 FTE positions, which is the same number as the FY 2023 revised estimate.

The **Governor** concurs with the agency's request for FY 2024.

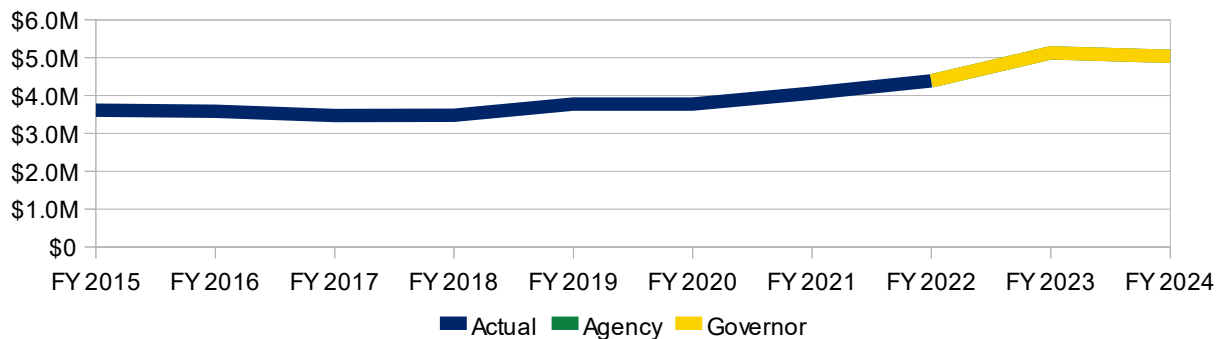
EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 4,213,753	\$ 4,740,492	\$ 4,740,492	\$ 4,701,386	\$ 4,701,386
Contractual Services	159,280	299,625	299,625	269,736	269,736
Commodities	10,294	26,884	26,884	16,884	16,884
Capital Outlay	2,103	59,878	59,878	49,878	49,878
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 4,385,430</i>	<i>\$ 5,126,879</i>	<i>\$ 5,126,879</i>	<i>\$ 5,037,884</i>	<i>\$ 5,037,884</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 4,385,430</i>	<i>\$ 5,126,879</i>	<i>\$ 5,126,879</i>	<i>\$ 5,037,884</i>	<i>\$ 5,037,884</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 4,385,430	\$ 5,126,879	\$ 5,126,879	\$ 5,037,884	\$ 5,037,884
Financing:					
State General Fund	\$ 4,385,430	\$ 5,126,879	\$ 5,126,879	\$ 5,037,884	\$ 5,037,884
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 4,385,430	\$ 5,126,879	\$ 5,126,879	\$ 5,037,884	\$ 5,037,884
FTE Positions	40.0	41.0	41.0	41.0	41.0

STATE GENERAL FUND

FIGURE 5
STATE GENERAL FUND EXPENDITURES, FY 2015 – FY 2024



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

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 4,924,204	\$ -	\$ 4,924,204	41.0
1. SGF Reappropriation	439,973	-	439,973	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 5,364,177</i>	<i>\$ -</i>	<i>\$ 5,364,177</i>	<i>41.0</i>
Agency Revised Estimate:				
2. SGF Reappropriation Lapse	\$ (237,298)	\$ -	\$ (237,298)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 5,126,879</i>	<i>\$ -</i>	<i>\$ 5,126,879</i>	<i>41.0</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 5,126,879	\$ -	\$ 5,126,879	41.0

LEGISLATIVE APPROVED

The 2022 Legislature approved a budget of \$4,924,204, all SGF, for the Legislative Research Department for FY 2023. 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:

1. **SGF REAPPROPRIATION.** An increase of \$439,973 SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.

AGENCY ESTIMATE

The **agency** submits an FY 2023 revised estimate totaling \$5.1 million, all SGF. The revised estimate is a decrease of \$237,298, or 4.4 percent, below the approved amount. The decrease is all attributable to lapsing a portion of the SGF reappropriations from FY 2022. The majority of FY 2023 expenditures for this agency are in salaries and wages for the 41.0 FTE positions, which is the same as the approved number.

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

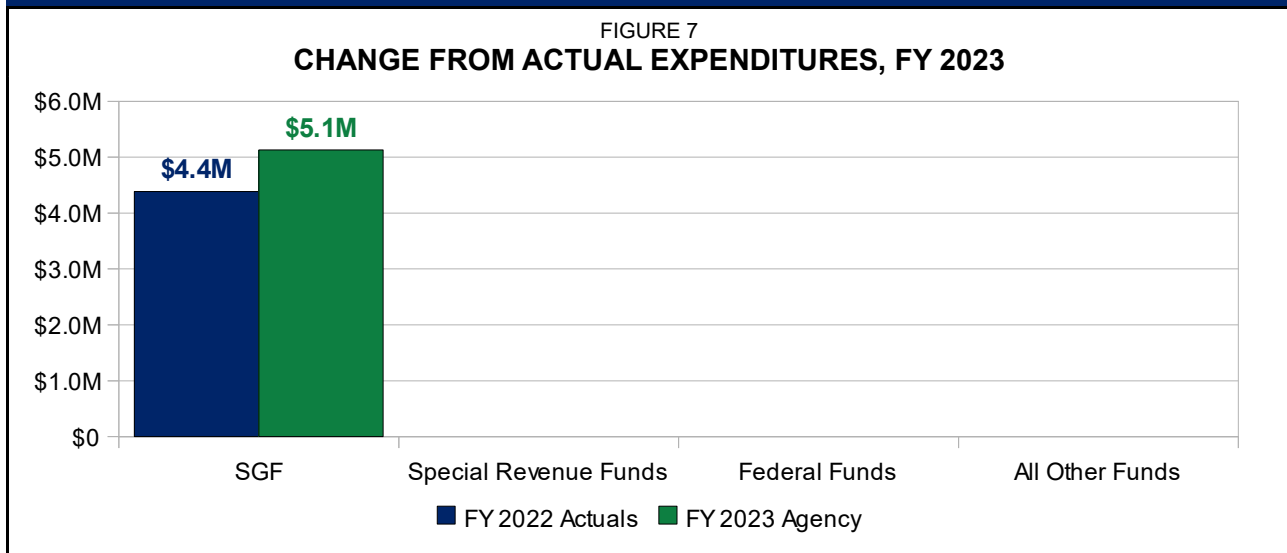
2. **SGF REAPPROPRIATION LAPSE.** A decrease totaling \$237,298 due to lapsing a portion of the SGF reappropriations.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2023.

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

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** submits an FY 2023 revised estimate totaling \$5.1 million, all SGF. The revised estimate is an increase of \$741,449, or 16.9 percent, above the FY 2022 actual expenditures. Of this increase, \$526,739 is in salaries and wages. The increase above FY 2022 also includes increased expenditures of \$140,345 in contractual services, \$57,775 in capital outlay, and other minor adjustments. The FY 2023 revised estimate includes funding 1.0 additional FTE position authorized by the 2022 Legislature for the Kansas Legislative Information System and Services (KLISS) modernization project. In addition, there were staff vacancies in FY 2022 that resulted in unspent appropriations. These increases are partially offset by reductions in funding for temporary positions associated with concluding the redistricting process in FY 2023 for this cycle.

FY 2024 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 5,126,879	\$ -	\$ 5,126,879	41.0
Agency Request:				
1. All Other Adjustments	\$ (88,995)	\$ -	\$ (88,995)	--
<i>Subtotal—Agency Estimate</i>	\$ 5,037,884	\$ -	\$ 5,037,884	41.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 5,037,884	\$ -	\$ 5,037,884	41.0

AGENCY REQUEST

The **agency** requests \$5.0 million, all SGF, for FY 2024. The request is a decrease of \$88,995, or 1.7 percent, below the FY 2023 revised estimate. The decrease is attributable to the lack of reappropriated funds and the completion of the current redistricting cycle.

The agency request also includes funding for 41.0 FTE positions, which is the same number as the FY 2023 revised estimate.

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

1. **ALL OTHER ADJUSTMENTS.** The absence of reappropriated SGF moneys from FY 2023 accounts for the decrease. In addition, the redistricting efforts will be completed during FY 2023.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2024.

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

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

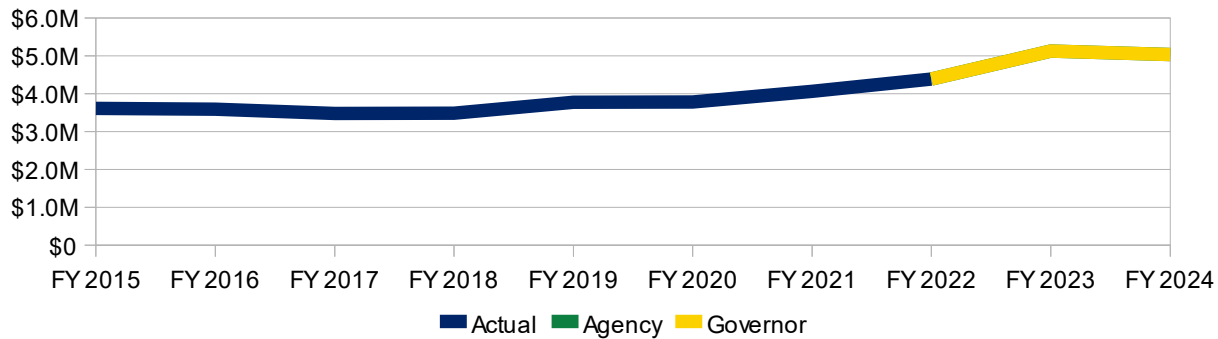
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 4,385,430	\$ 5,126,879	\$ 5,126,879	\$ 5,037,884	\$ 5,037,884
FTE Positions:					
Administration	40.0	41.0	41.0	41.0	41.0

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 2015 – FY 2024



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

- PROGRAM GOALS:**
- Perform legislative research functions and other such duties as 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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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. *,**	4.9	4.9	4.9	4.9	4.9
3.Legislator satisfaction regarding timely, accurate, and complete responses to questions. *,**	4.7	4.7	4.7	4.9	4.9
4.Legislator satisfaction regarding whether agency Supp Notes and CCRBs are timely, accurate, and easy to understand. *,**	4.6	4.7	4.7	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.	9.5 %	5.4 %	5.3 %	5.0 %	5.0 %
Financing					
SGF	\$ 4,067,073	\$ 4,385,430		\$ 5,126,879	\$ 5,037,884
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 4,067,073	\$ 4,385,430		\$ 5,126,879	\$ 5,037,884

FIGURE 11
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Percentage Change:					
SGF	7.6 %	7.8 %		16.9 %	(1.7) %
All Funds	7.6 %	7.8 %		16.9 %	(1.7) %
FTE Positions	40.0	40.0		41.0	41.0

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

** *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.

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OFFICE OF THE REVISOR OF STATUTES

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2024					
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 3,809,592	\$ 4,427,360	\$ 4,427,360	\$ 4,451,103	\$ 4,451,103
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 3,809,592</i>	<i>\$ 4,427,360</i>	<i>\$ 4,427,360</i>	<i>\$ 4,451,103</i>	<i>\$ 4,451,103</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	\$ 3,809,592	\$ 4,427,360	\$ 4,427,360	\$ 4,451,103	\$ 4,451,103
Percentage Change:					
State General Fund	2.2 %	16.2 %	16.2 %	0.5 %	0.5 %
All Funds	2.2 %	16.2 %	16.2 %	0.5 %	0.5 %
FTE Positions	31.5	33.5	33.5	33.5	33.5

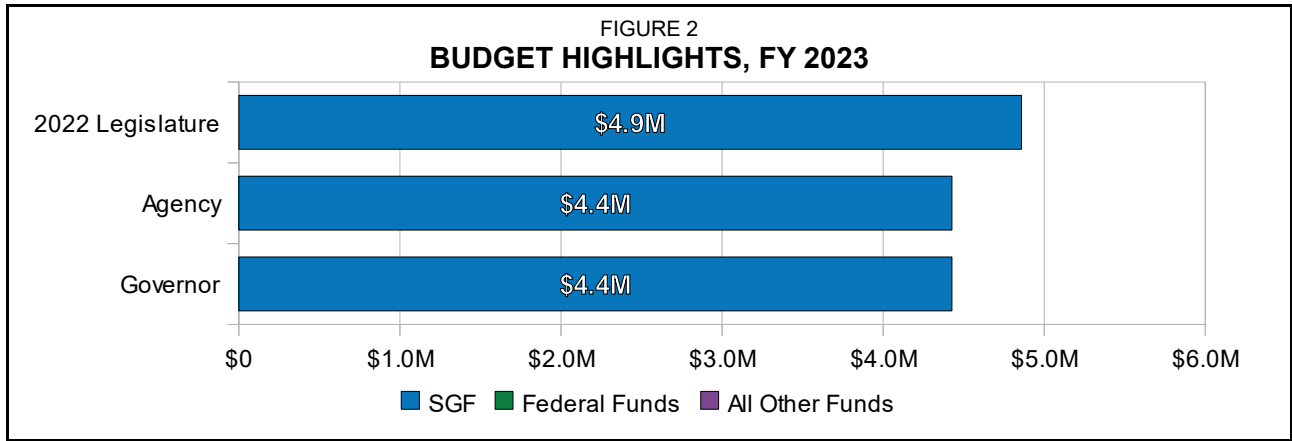
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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, which 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

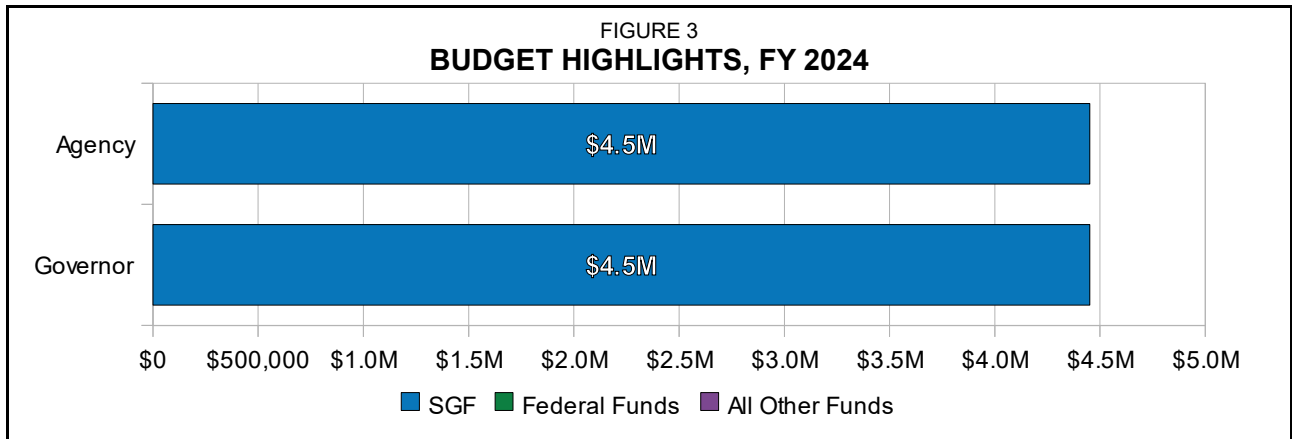
The 2022 Legislature approved a budget of \$4,427,360, all from the State General Fund (SGF), for the Office of the Revisor of Statutes for FY 2023. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required.

- **SGF REAPPROPRIATION.** An increase of \$431,521 SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.



The **agency** submits an FY 2023 revised estimate totaling \$4.4 million, all SGF. The revised estimate is a decrease of \$431,521, or 8.9 percent, below the approved amount. The decrease is attributable to lapsing all of the SGF reappropriations from FY 2022. The agency's FY 2023 revised estimate includes 33.5 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$4.5 million, all SGF, for FY 2024. The request is an increase of \$23,743, or 0.5 percent, above the FY 2023 revised estimate. The majority of the increase is attributable to changes in employer contributions for group health insurance, partially offset by a reduction in employer contributions for public employees retirement. The agency request also includes funding for 33.5 FTE positions, the same number as the FY 2023 revised estimate.

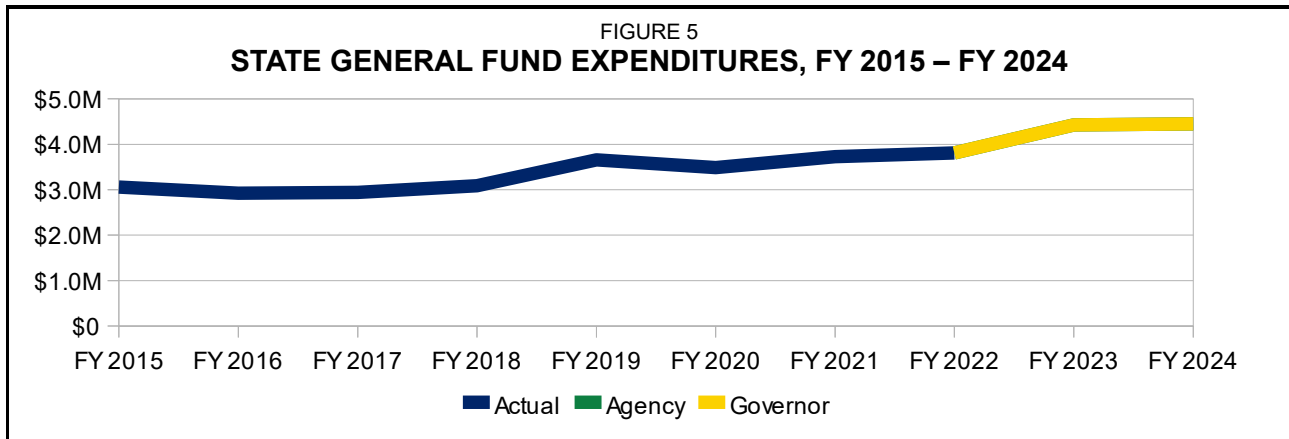
The **Governor** concurs with the agency's request for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 3,066,581	\$ 3,871,016	\$ 3,871,016	\$ 3,894,759	\$ 3,894,759
Contractual Services	738,499	526,114	526,114	546,014	546,014
Commodities	2,993	24,230	24,230	4,330	4,330
Capital Outlay	1,519	6,000	6,000	6,000	6,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 3,809,592</i>	<i>\$ 4,427,360</i>	<i>\$ 4,427,360</i>	<i>\$ 4,451,103</i>	<i>\$ 4,451,103</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 3,809,592</i>	<i>\$ 4,427,360</i>	<i>\$ 4,427,360</i>	<i>\$ 4,451,103</i>	<i>\$ 4,451,103</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 3,809,592	\$ 4,427,360	\$ 4,427,360	\$ 4,451,103	\$ 4,451,103
Financing:					
State General Fund	\$ 3,809,592	\$ 4,427,360	\$ 4,427,360	\$ 4,451,103	\$ 4,451,103
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 3,809,592	\$ 4,427,360	\$ 4,427,360	\$ 4,451,103	\$ 4,451,103
FTE Positions	31.5	33.5	33.5	33.5	33.5

STATE GENERAL FUND



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

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 4,427,360	\$ -	\$ 4,427,360	33.5
1. SGF Reappropriations	431,521	-	431,521	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 4,858,881</i>	<i>\$ -</i>	<i>\$ 4,858,881</i>	<i>33.5</i>
Agency Revised Estimate:				
2. SGF Lapse	\$ (431,521)	\$ -	\$ (431,521)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 4,427,360</i>	<i>\$ -</i>	<i>\$ 4,427,360</i>	<i>33.5</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 4,427,360	\$ -	\$ 4,427,360	33.5

LEGISLATIVE APPROVED

The 2022 Legislature approved a budget of \$4,427,360, all from the State General Fund (SGF), for the Office of the Revisor of Statutes for FY 2023. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** An increase of \$431,521 SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.

AGENCY ESTIMATE

The **agency** submits an FY 2023 revised estimate totaling \$4.4 million, all SGF. The revised estimate is a decrease of \$431,521, or 8.9 percent, below the approved amount. The decrease is attributable to lapsing all of the SGF reappropriations from FY 2022. The agency's FY 2023 revised estimate includes 33.5 FTE positions, which is the same as the approved number.

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

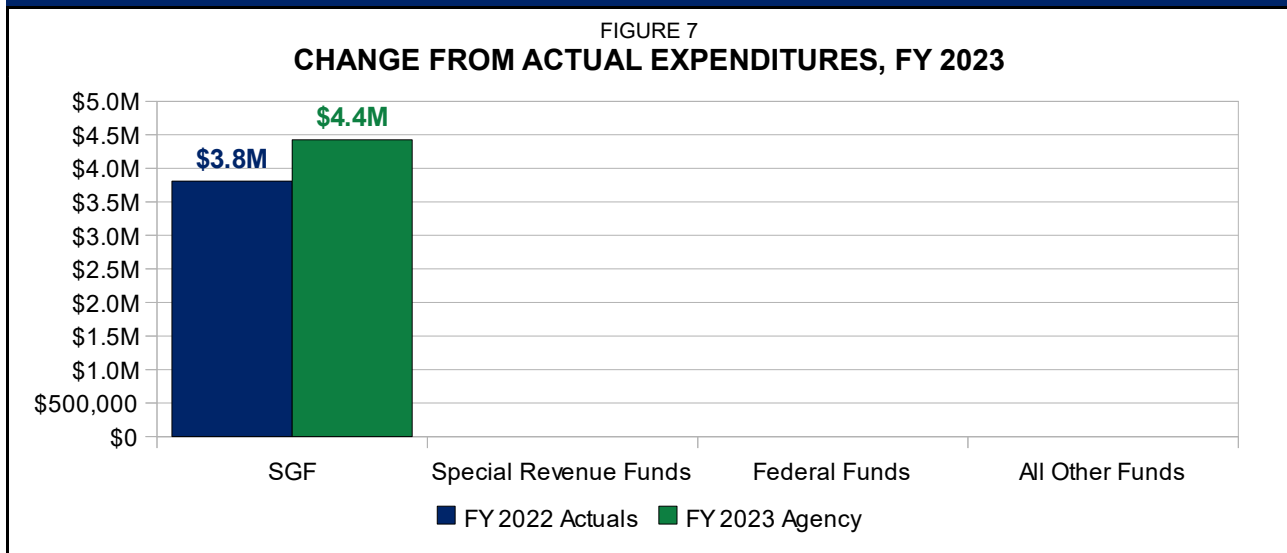
2. **SGF LAPSE.** The agency requests the lapse of \$431,521 of the unspent FY 2022 SGF moneys that reappropriated into FY 2023.

GOVERNOR'S RECOMMENDATION

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

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

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** submits an FY 2023 revised estimate totaling \$4.4 million, all SGF. The revised estimate is an increase of \$617,768, or 16.2 percent, above the FY 2022 actual expenditures. Of this increase, \$804,435 is in salaries and wages, with minor adjustments in other categories, partially offset by a decrease of \$212,385 in contractual services.

A major contributing factor in the salaries and wages is the increase of 2.0 FTE positions in FY 2023 associated with the Kansas Legislative Systems and Services (KLSS) modernization project. The increase is also attributable to the planned filling of certain positions during FY 2023 that were vacant in FY 2022 and increased salary and wage expenditures for planned promotions. The largest decreased expenditure in contractual services is publication and printing costs for the *Kansas Statutes Annotated* supplements and bound volumes, which are estimated to decrease due to the publication of fewer volumes.

FY 2024 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 4,427,360	\$ -	\$ 4,427,360	33.5
Agency Request:				
1. All Other Adjustments	\$ 23,743	\$ -	\$ 23,743	--
<i>Subtotal—Agency Estimate</i>	\$ 4,451,103	\$ -	\$ 4,451,103	33.5
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 4,451,103	\$ -	\$ 4,451,103	33.5

AGENCY REQUEST

The **agency** requests \$4.5 million, all SGF, for FY 2024. The request is an increase of \$23,743, or 0.5 percent, above the FY 2023 revised estimate. The majority of the increase is attributable to changes in employer contributions for group health insurance, partially offset by a reduction in employer contributions for public employees retirement. The agency request also includes funding for 33.5 FTE positions, which is the same number as the FY 2023 revised estimate.

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

1. **ALL OTHER ADJUSTMENTS.** The request includes increases in salaries and wages attributable to employer contributions for fringe benefits. In addition, there are increases in contractual services, offset by decreases in commodities of the same amount.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2024.

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

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

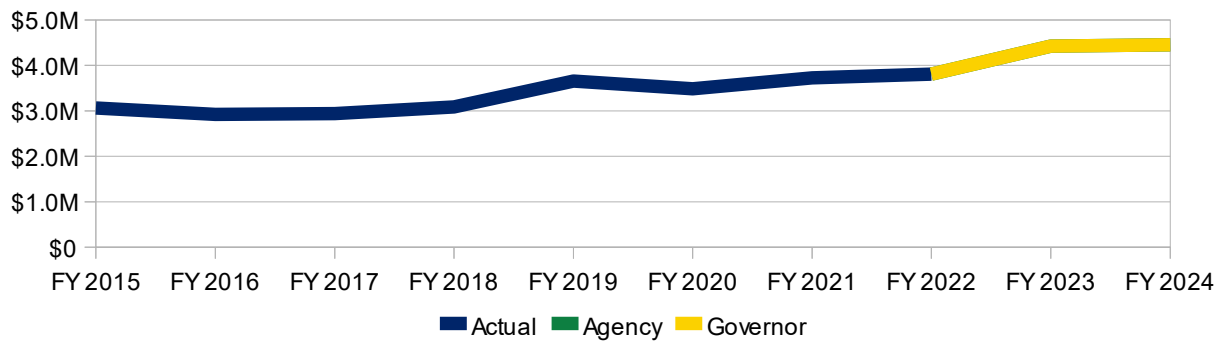
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 3,809,592	\$ 4,427,360	\$ 4,427,360	\$ 4,451,103	\$ 4,451,103
FTE Positions:					
Administration	31.5	33.5	33.5	33.5	33.5

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 2015 – FY 2024



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 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Meeting legislative deadline for introduction of bills*	100%	100%	100%	100%	100%
2.Meeting legislator deadline for committee reports*	100%	100%	100%	100%	100%
3.Meeting legislator deadline for floor amendments*	99%	98%	99%	98%	99%
4.Meeting legislative expectation regarding conference committee reports*	100%	100%	100%	100%	100%
5.Timely publication of statute books and supplements*	100%	100%	100%	100%	100%
6.Number of bills and resolutions drafted	1,184	928	1,040	1,050	1,000
7.Number of floor amendments, committee reports and conference committee reports drafted	997	777	778	800	778
8.Number of statute books and supplements published	10	11	11	10	10
Financing					
SGF	\$ 3,726,613	\$ 3,809,592		\$ 4,427,360	\$ 4,451,103
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 3,726,613	\$ 3,809,592		\$ 4,427,360	\$ 4,451,103

FIGURE 11
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Percentage Change:					
SGF	6.8 %	2.2 %		16.2 %	0.5 %
All Funds	6.8 %	2.2 %		16.2 %	0.5 %
FTE Positions	31.5	31.5		33.5	33.5

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

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LEGISLATIVE DIVISION OF POST AUDIT

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 3,105,177	\$ 3,586,053	\$ 3,586,053	\$ 3,534,391	\$ 3,534,391
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 3,105,177</i>	<i>\$ 3,586,053</i>	<i>\$ 3,586,053</i>	<i>\$ 3,534,391</i>	<i>\$ 3,534,391</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	\$ 3,105,177	\$ 3,586,053	\$ 3,586,053	\$ 3,534,391	\$ 3,534,391
Percentage Change:					
State General Fund	3.3 %	15.5 %	15.5 %	(1.4) %	(1.4) %
All Funds	3.3 %	15.5 %	15.5 %	(1.4) %	(1.4) %
FTE Positions	26.0	26.0	26.0	26.0	26.0

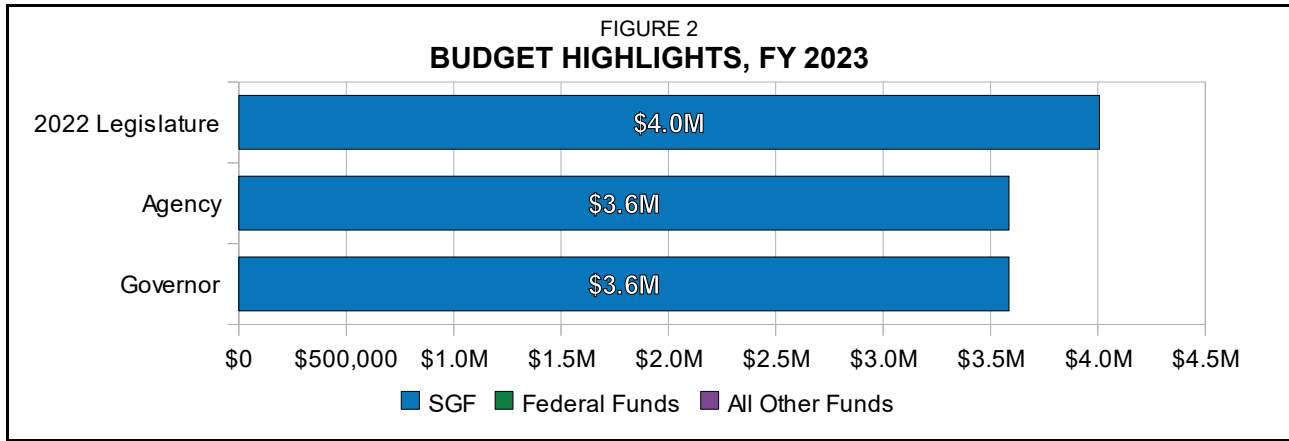
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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 2022 Legislature approved a budget of \$3,598,165, all from the State General Fund (SGF), for the Legislative Division of Post Audit for FY 2023. 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:

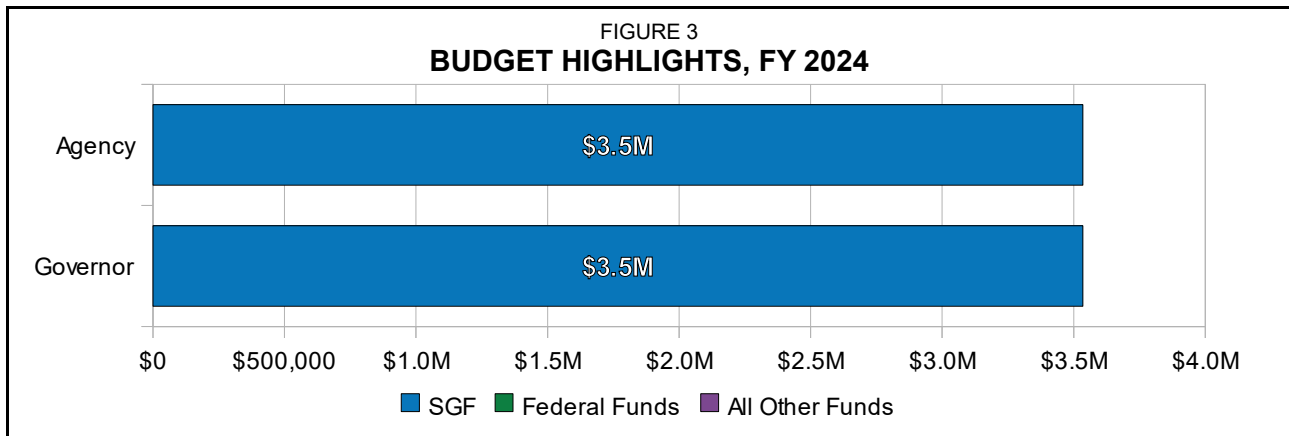
- **SGF REAPPROPRIATION.** An increase of \$408,525 SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.



The **agency** submits an FY 2023 revised estimate totaling \$3.6 million, all SGF. The revised estimate is a decrease of \$420,637, or 10.5 percent, below the approved amount. The decrease is attributable to lapsing all of the SGF reappropriations from FY 2022 as well as an additional \$12,112 SGF. The majority of FY 2023 expenditures for this agency are in salaries and wages for the 26.0 FTE positions, which is 1.0 FTE position below the approved number. The decrease is due to the correction of a technical error.

Contractual services expenditures in FY 2023 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 2023.



The **agency** requests \$3.5 million, all SGF, for FY 2024. The request is a decrease of \$51,662, or 1.4 percent, below the FY 2023 revised estimate. The majority of the decrease is due to a reduction in the contingency for hiring outside contractors for both economic development tax incentives evaluation and contracted performance audits, partially offset by increases in salaries and wages fringe benefit expenditures. The agency request also includes 26.0 FTE positions, which is the same as the FY 2023 revised estimate number. One of the major contractual services expenditures is contracts for assistance with selected performance audits and evaluations of economic development tax incentives.

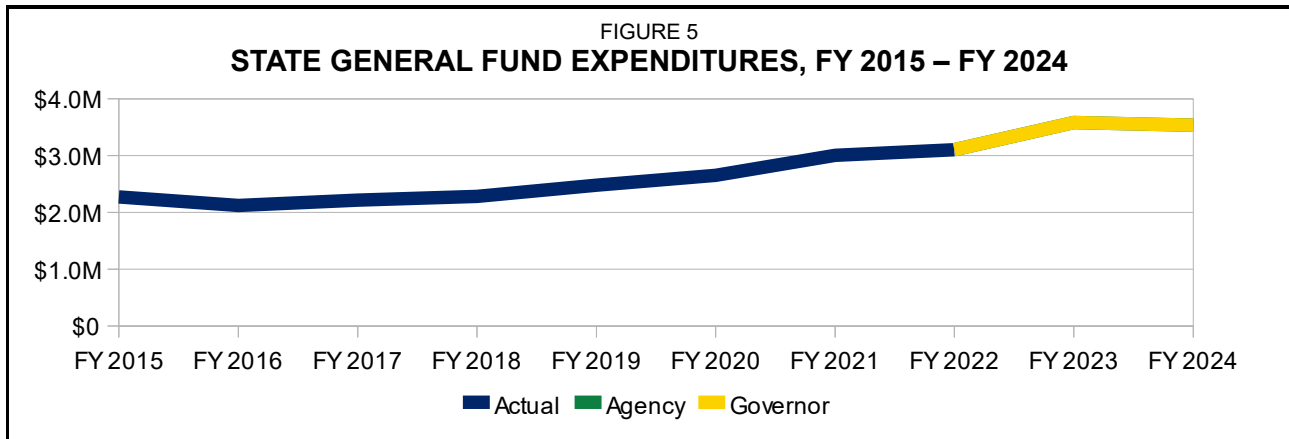
The **Governor** concurs with the agency's request for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 2,870,383	\$ 3,151,103	\$ 3,151,103	\$ 3,163,991	\$ 3,163,991
Contractual Services	219,784	414,950	414,950	350,400	350,400
Commodities	4,496	10,000	10,000	10,000	10,000
Capital Outlay	10,514	10,000	10,000	10,000	10,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 3,105,177</i>	<i>\$ 3,586,053</i>	<i>\$ 3,586,053</i>	<i>\$ 3,534,391</i>	<i>\$ 3,534,391</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 3,105,177</i>	<i>\$ 3,586,053</i>	<i>\$ 3,586,053</i>	<i>\$ 3,534,391</i>	<i>\$ 3,534,391</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 3,105,177	\$ 3,586,053	\$ 3,586,053	\$ 3,534,391	\$ 3,534,391
Financing:					
State General Fund	\$ 3,105,177	\$ 3,586,053	\$ 3,586,053	\$ 3,534,391	\$ 3,534,391
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 3,105,177	\$ 3,586,053	\$ 3,586,053	\$ 3,534,391	\$ 3,534,391
FTE Positions	26.0	26.0	26.0	26.0	26.0

STATE GENERAL FUND



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

FY 2023 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 3,598,165	\$ -	\$ 3,598,165	27.0
1. SGF Reappropriations	408,525	-	408,525	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 4,006,690</i>	<i>\$ -</i>	<i>\$ 4,006,690</i>	<i>27.0</i>
Agency Revised Estimate:				
2. SGF Reappropriations Lapse	\$ (408,525)	\$ -	\$ (408,525)	--
3. All Other Adjustments	(12,112)	-	(12,112)	(1.0)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 3,586,053</i>	<i>\$ -</i>	<i>\$ 3,586,053</i>	<i>26.0</i>
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 3,586,053	\$ -	\$ 3,586,053	26.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, one adjustment was made to the \$3,598,165 appropriated to the Legislative Division of Post Audit for FY 2023. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATIONS.** An increase of \$408,525 SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.

AGENCY ESTIMATE

The **agency** submits an FY 2023 revised estimate totaling \$3.6 million, all SGF. The revised estimate is a decrease of \$420,637, or 10.5 percent, below the approved amount. The decrease is attributable to lapsing all of the SGF reappropriations from FY 2022 as well as an additional \$12,112 SGF. The majority of FY 2023 expenditures for this agency are in salaries and wages for the 26.0 FTE positions, which is 1.0 FTE position below the approved number. The decrease is due to the correction of a technical error.

Contractual services expenditures in FY 2023 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:

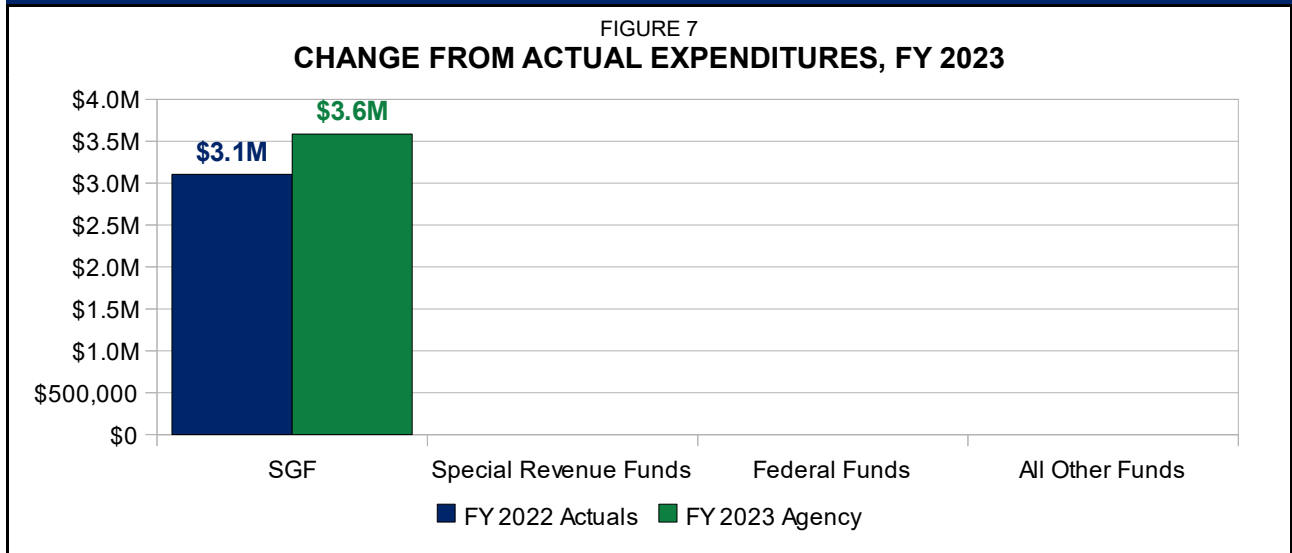
2. **SGF REAPPROPRIATIONS LAPSE.** The agency requests the lapse of \$408,525 in unspent FY 2022 SGF moneys that reappropriated into FY 2023.
3. **ALL OTHER ADJUSTMENTS.** The agency also requests the lapse of an additional \$12,112 SGF due to staff vacancies and 1.0 FTE position to resolve a technical issue with the prior year budget submission.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2023.

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

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$3.6 million SGF in FY 2023. This is an increase of \$480,876, or 15.5 percent, above the FY 2022 actual expenditures. The increase includes a salaries and wages expenditures increase of \$280,720, mainly attributable to vacancies during FY 2022. Additional changes include an increase in contractual services expenditures of \$195,166, mainly attributable to the anticipated utilization of contract audits during FY 2023.

FY 2024 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 3,586,053	\$ -	\$ 3,586,053	26.0
Agency Request:				
1. All Other Adjustments	(51,662)	-	(51,662)	--
<i>Subtotal—Agency Estimate</i>	\$ 3,534,391	\$ -	\$ 3,534,391	26.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 3,534,391	\$ -	\$ 3,534,391	26.0

AGENCY REQUEST

The **agency** requests \$3.5 million, all SGF, for FY 2024. The request is a decrease of \$51,662, or 1.4 percent, below the FY 2023 revised estimate. The majority of the decrease is due to a reduction in the contingency for hiring outside contractors for economic development tax incentives evaluation and contracted performance audits, partially offset by increases in salaries and wages fringe benefit expenditures.

The agency request also includes 26.0 FTE positions, which is the same as the FY 2023 revised estimate number. 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 decrease is attributable to a reduction in the amount of the contingency for hiring outside contractors for economic development tax incentive evaluations and contracted performance audits, resulting in a decrease of \$51,662.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2024.

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

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

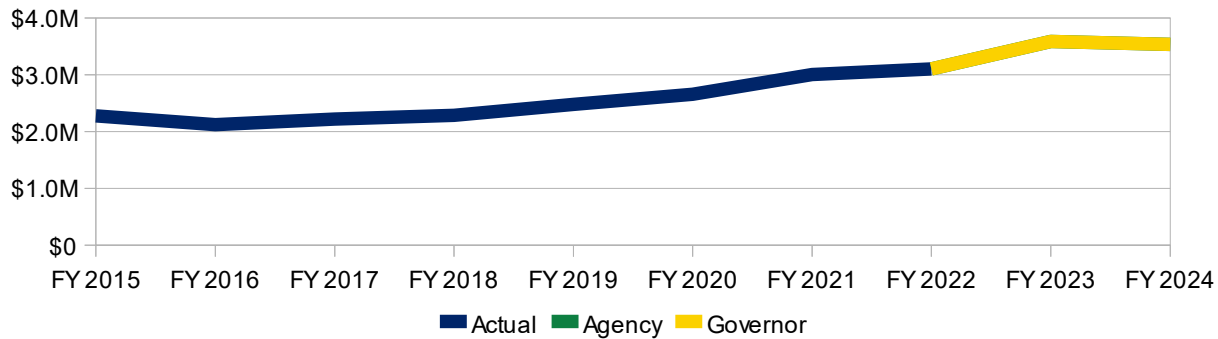
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 3,105,177	\$ 3,586,053	\$ 3,586,053	\$ 3,534,391	\$ 3,534,391
FTE Positions:					
Administration	26.0	26.0	26.0	26.0	26.0

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 2015 – FY 2024



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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of recommendations implemented by auditees (standard audits)	100.0 %	75.0 %	88.6 %	80.0 %	80.0 %
2. Percent of unique state agencies audited annually (standard, limited-scope, and IT security audits and IT monitoring)	20.4 %	30.0 %	27.0 %	25.0 %	25.0 %
3. Average cost per audit (standard and IT security audits)	\$ 143,190	\$ 207,012	\$ 165,911	\$ 200,000	\$ 200,000
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 3,007,164	\$ 3,105,177		\$ 3,586,053	\$ 3,534,391
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 3,007,164	\$ 3,105,177		\$ 3,586,053	\$ 3,534,391
Percentage Change:					
SGF	13.3 %	3.3 %		15.5 %	(1.4) %
All Funds	13.3 %	3.3 %		15.5 %	(1.4) %
FTE Positions	26.0	26.0		26.0	26.0

OFFICE OF THE GOVERNOR

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

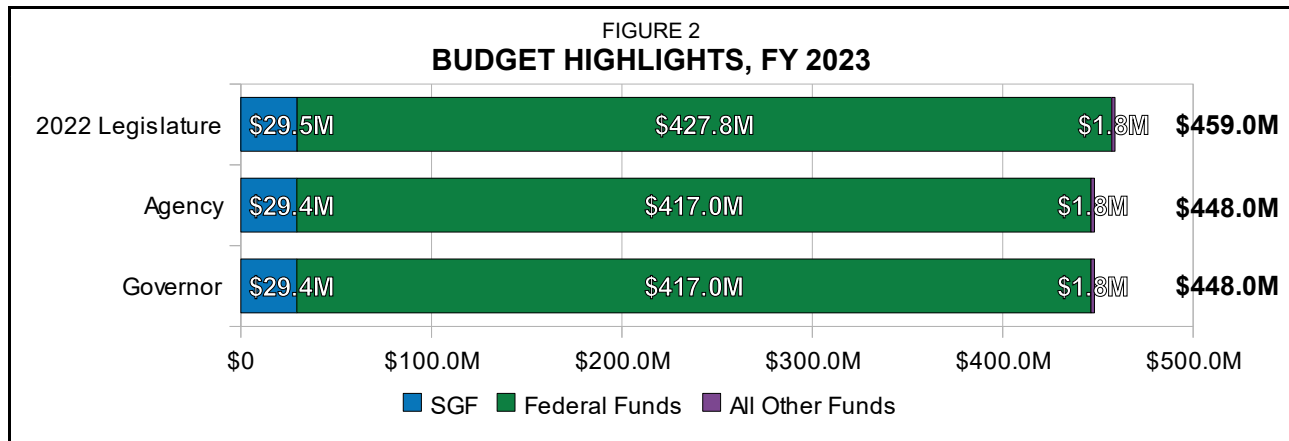
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 7,614,699	\$ 29,377,989	\$ 29,377,989	\$ 16,488,528	\$ 17,843,488
Federal Funds	323,704,808	416,982,673	416,982,673	26,046,320	26,046,320
All Other Funds	1,075,521	1,845,845	1,845,845	837,105	137,105
<i>Subtotal</i>	<u>\$ 332,395,028</u>	<u>\$ 448,206,507</u>	<u>\$ 448,206,507</u>	<u>\$ 43,371,953</u>	<u>\$ 44,026,913</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>\$ 332,395,028</u>	<u>\$ 448,206,507</u>	<u>\$ 448,206,507</u>	<u>\$ 43,371,953</u>	<u>\$ 44,026,913</u>
Percentage Change:					
State General Fund	(4.8) %	285.8 %	285.8 %	(43.9) %	(39.3) %
All Funds	(25.5) %	34.8 %	34.8 %	(90.3) %	(90.2) %
FTE Positions	53.8	54.8	54.8	58.8	64.8

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 Legislature approved a budget of \$458.1 million, including \$28.5 million from the State General Fund (SGF), for the Office of the Governor for FY 2023. 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 \$917,314 SGF due to unspent funds in FY 2022 that reappropriated into FY 2023.



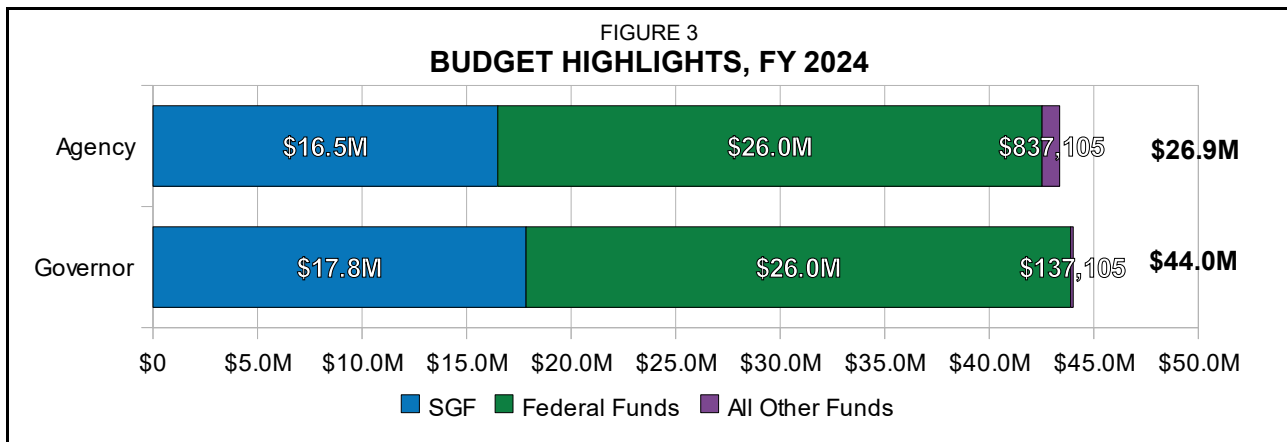
The **agency** submits a revised estimate of \$448.2 million, including \$29.4 million SGF, and 54.8 FTE positions in FY 2023. This is a decrease of \$10.8 million from all funding sources, or 2.4 percent, including \$86,446 SGF, or 0.3 percent, below the FY 2023 approved amount. The all funds decrease is largely due to decreased expenditures for contractual services in the Office of Recovery as the work of the advisory panel concludes and the office narrows its focus to federal reporting and compliance for the federal State Fiscal Recovery Fund moneys. This decrease is partially offset by increased federal funds for several of the Governor's Grant Programs, including the Crime Victim Assistance Grant and the Family Violence Prevention and Services Act.

The agency's FY 2023 revised estimate includes expenditures of \$385.3 million in federal American Rescue Plan Act (ARPA) moneys. ARPA, which was enacted on March 11, 2021, provided the State a total of \$1.6 billion in discretionary moneys, which must be used for expenditures related to the COVID-19 public health emergency. The 2022 Legislature appropriated the following expenditures in FY 2023 using ARPA funds to be utilized as follows:

- \$233.4 million for higher education, including \$175.0 million for Regents and Universities, and \$58.4 million for private universities and community and technical colleges;
- \$73.1 million in economic development projects, including \$35.0 million for an agricultural production facility;
- \$20.0 million for the Moderate Income Housing Program;
- \$50.0 million for business closure rebates, pursuant to 2022 HB 2136; and
- \$20.0 million for the Rural Housing Revolving Loan Program.

The agency's revised estimate includes 54.8 FTE positions for FY 2023. This is a decrease of 14.0 FTE positions below the FY 2023 approved number of 68.8 due to decreased staffing needs in the Office of Recovery.

The **Governor** concurs with the agency's revised estimate in FY 2023. The Governor recommends transferring \$220.0 million SGF to the Office of the Governor's new Infrastructure Leveraging Fund (ILF) to finance matching funds for communities for competitive grants through FY 2027. No expenditures from the ILF are reflected in the FY 2023 budget. In addition, the Governor recommends transferring \$50.0 million SGF to the Office of the Governor in FY 2023 to be used as state match for federal funds. These funds will allow state agencies to apply for future grant programs that require state matching funds.



The **agency** requests \$43.4 million from all funds, including \$16.5 million SGF, and 58.8 FTE positions for FY 2024. This is a decrease of \$404.8 million from all funds, or 90.3 percent, including \$12.9 million SGF, or 43.9 percent, below the FY 2023 revised estimate. The all funds decrease is due to a \$380.5 million decrease in federal ARPA funds expenditures. While the FY 2023 budget included \$385.3 million in ARPA expenditures, the FY 2024 request includes only \$4.8 million, which will be used to support operations for the Office of Recovery. In October 2022, the Office of Recovery estimated that there is approximately \$374.0 million in unallocated ARPA Funds. As of the time of this budget submission, the SPARK Executive Committee has made high-level recommendations for these remaining funds, but the recommendations must be approved by the State Finance Council or via legislation before the funds can be allocated. The all funds decrease was also due to a \$9.2 million decrease below the FY 2023 amount in federal funds for the Federal Victims of Crime Act Victim Assistance (VOCA) Grant Program.

The SGF decrease is primarily due to \$20.0 million SGF included in the FY 2023 budget for the Rural Housing Revolving Loan Program being transferred to the budget of the Kansas Housing Resources Corporation for FY 2024. This decrease was partially offset by the agency's enhancement request for the addition of \$7.5 million to provide grant funds through the Kansas Governor's Grants Program to Domestic Violence and Sexual Assault Programs (\$5.4 million), Child Advocacy Centers (\$1.8 million), and Court-Appointed Special Advocate (CASA) organizations (\$250,000). This enhancement request will partially offset a decrease in federal funding through the federal Victims of Crime Act Victim Assistance (VOCA) Grant Program, a program that provides direct services to victims of crime, responding to their immediate emotional and physical needs as well as supporting them in navigating the criminal justice system.

The **Governor** recommends expenditures of \$44.0 million from all funding sources, including \$17.8 million SGF, for FY 2024. This is an all funds increase of \$654,960, including \$1.4 million SGF, above the agency request. The SGF increase is due to increased salaries and wages expenditures in the Office of the Governor to fund an additional 6.0 FTE positions and increased SGF expenditures in the Governor's Grants Program to replace the annual transfer from the Problem Gambling and Addictions Grant Fund with SGF moneys.

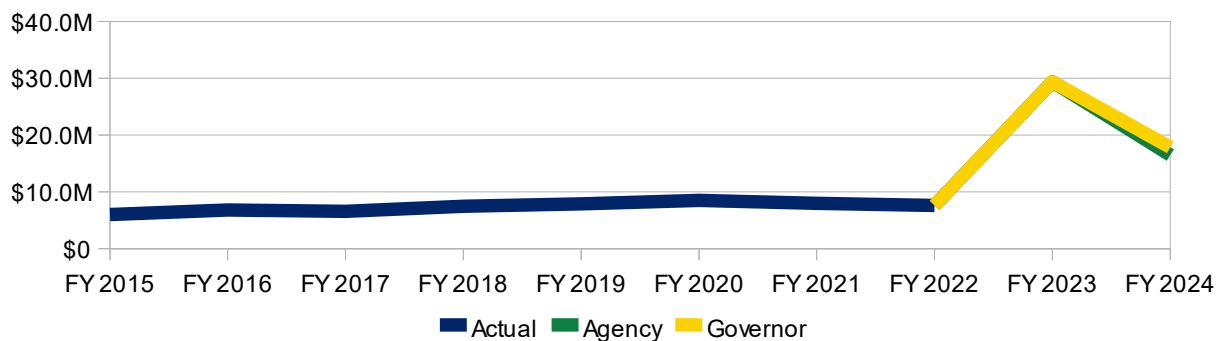
EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 4,801,658	\$ 4,999,068	\$ 4,999,068	\$ 5,265,046	\$ 5,920,006
Contractual Services	33,345,290	4,290,207	4,290,207	4,149,632	4,149,632
Commodities	22,594	106,015	106,015	106,665	106,665
Capital Outlay	22,108	161,280	161,280	160,545	160,545
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 38,191,650</i>	<i>\$ 9,556,570</i>	<i>\$ 9,556,570</i>	<i>\$ 9,681,888</i>	<i>\$ 10,336,848</i>
Aid to Local Units	265,704,286	243,746,836	243,746,836	2,947,355	2,947,355
Other Assistance	28,499,092	194,903,101	194,903,101	30,742,710	30,742,710
<i>Subtotal—Operating</i>	<i>\$ 332,395,028</i>	<i>\$ 448,206,507</i>	<i>\$ 448,206,507</i>	<i>\$ 43,371,953</i>	<i>\$ 44,026,913</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 332,395,028	\$ 448,206,507	\$ 448,206,507	\$ 43,371,953	\$ 44,026,913
Financing:					
State General Fund	\$ 7,614,699	\$ 29,377,989	\$ 29,377,989	\$ 16,488,528	\$ 17,843,488
Economic Development Initiatives Fund	-	1,010,000	1,010,000	-	-
Domestic Violence Grant Fund	550,000	550,000	550,000	550,000	-
Child Advocacy Centers Grant Fund	150,000	150,000	150,000	150,000	-
Federal Funds	323,704,808	416,982,673	416,982,673	26,046,320	26,046,320
All Other Funds	375,521	135,845	135,845	137,105	137,105
TOTAL	\$ 332,395,028	\$ 448,206,507	\$ 448,206,507	\$ 43,371,953	\$ 44,026,913
FTE Positions	53.8	54.8	54.8	58.8	64.8

STATE GENERAL FUND

FIGURE 5
STATE GENERAL FUND EXPENDITURES, FY 2015 – FY 2024



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, Cedar Crest, in Topeka.

FY 2023 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 28,547,121	\$ 429,567,649	\$ 458,114,770	68.8
1. SGF Reappropriation	917,314	-	917,314	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 29,464,435</i>	<i>\$ 429,567,649</i>	<i>\$ 459,032,084</i>	<i>68.8</i>
Agency Revised Estimate:				
2. Office of Recovery Operations Adjustments	\$ -	\$ (14,824,620)	\$ (14,824,620)	(14.0)
3. Grant Program Adjustments	-	4,085,489	4,085,489	--
4. All Other Adjustments	(86,446)	-	(86,446)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 29,377,989</i>	<i>\$ 418,828,518</i>	<i>\$ 448,206,507</i>	<i>54.8</i>
Governor's Recommendation:				
5. Infrastructure Leveraging Fund Transfer	-	-	-	--
6. State Match For Federal Funds Transfer	-	-	-	--
TOTAL	\$ 29,377,989	\$ 418,828,518	\$ 448,206,507	54.8

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, one adjustment was made to the \$458.1 million appropriated to the Office of the Governor for FY 2023. This adjustments changes the current year approved amount without any legislative action required:

1. **SGF REAPPROPRIATION.** A total of \$917,314 SGF was unspent in FY 2022 and reappropriated into FY 2023. Reappropriated funds include \$49,477 for Child Advocacy Centers and \$532,505 for Domestic Violence Prevention Grants that had not yet been reported or went unused by programs. The Governor's administration program also reappropriated \$335,333 due to lower than anticipated expenditures for travel and other professional services, as well as increased expenditures from special revenue funds that offset SGF expenditures.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$448.2 million, including \$29.4 million SGF, and 54.8 FTE positions in FY 2023. This is a decrease of \$10.8 million from all funds, or 2.4 percent, including a decrease of \$86,446 SGF, or 0.3 percent, below the FY 2023 approved amount. The agency's revised estimate includes expenditures of \$385.3 million in federal American Rescue Plan Act (ARPA) moneys.

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

2. **OFFICE OF RECOVERY OPERATIONS ADJUSTMENTS.** The FY 2023 revised estimate includes a decrease of \$14.8 million, all federal funds, for contractual services in the Office of Recovery. This decrease is due to the agency no longer requiring outside consultants to manage the advisory panel process as the office turns its focus to federal reporting and compliance for the federal State Fiscal Recovery funds. In addition, the Office of Recovery decreased staff by 14.0 FTE positions.

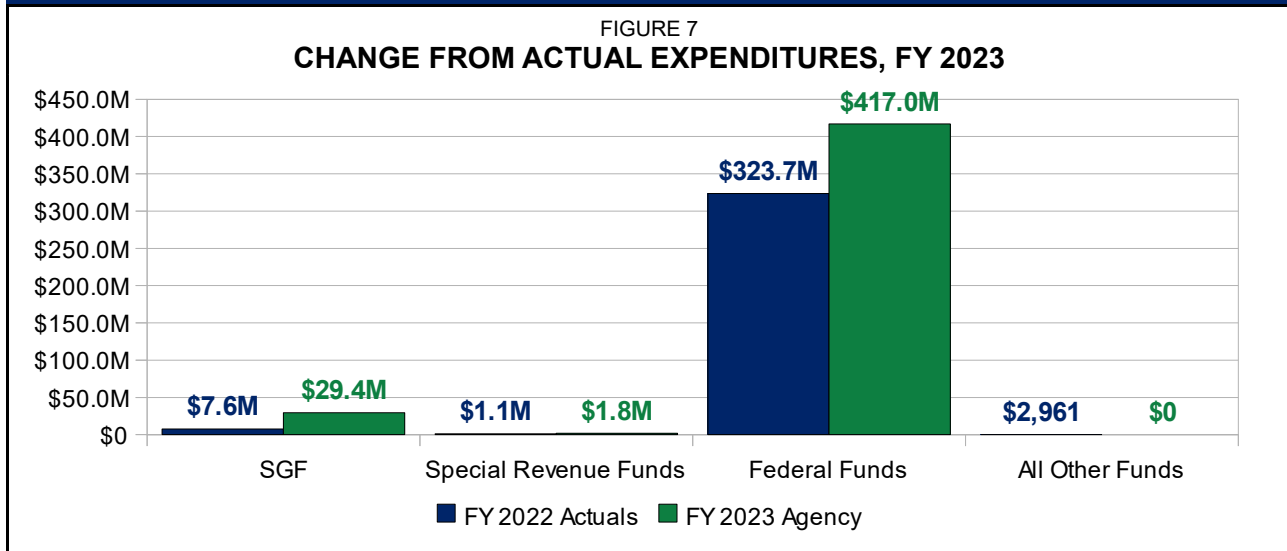
3. **GRANT PROGRAM ADJUSTMENTS.** The agency is anticipating an increase of \$4.1 million in federal funds for a variety of grant programs, including the Crime Victim Assistance Grant and the Family Violence Prevention and Services Act.
4. **ALL OTHER ADJUSTMENTS.** The decrease of \$86,446 SGF is largely due to reappropriations in the Administration program from FY 2022 that were not anticipated in FY 2023 and a decrease to salary and wages expenditures in the Minority Affairs program in FY 2023.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's budget request in FY 2023, however, the recommendation includes the following two transfers:

5. **INFRASTRUCTURE LEVERAGING FUND TRANSFER.** The Governor recommends transferring \$220.0 million SGF to the Office of the Governor's new Infrastructure Leveraging Fund (ILF) to finance matching funds for communities for the federal Bipartisan Infrastructure Law (BIL) formula or for competitive grant programs through FY 2027. Potential projects for BIL include water systems, cybersecurity, and broadband initiatives. \$20.0 million of the funds are proposed to fund operating costs for BIL Hub staff and consultants in FY 2024, FY 2025, FY 2026, and FY 2027 (\$5.0 million each fiscal year) with the remaining \$200.0 million used to meet state and local matching requirements to access federal BIL funding. The transfer of \$220.0 million is recognized in the SGF profile in FY 2023, however, no expenditures for the ILF are reflected in the Office of the Governor's FY 2023 budget. The program and administrative costs are being developed and are anticipated to be presented at a later time.
6. **STATE MATCH FOR FEDERAL FUNDS TRANSFER.** The Governor recommends transferring \$50.0 million SGF to the Office of the Governor in FY 2023 to be used as state match for federal funds. These funds will allow state agencies to apply for future grant programs that require state matching funds. The transfer of \$50.0 million is recognized in the SGF profile in FY 2023, however, no expenditures for the state matching funds are reflected in the Office of the Governor's FY 2023 budget.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$448.2 million, including \$29.4 million SGF, in FY 2023. This is an increase of \$115.8 million from all funds, including an increase of \$21.8 million SGF, above the FY 2022 actual amount. The SGF increase is largely due to \$20.0 million added by the 2022 Legislature for the Rural Housing Revolving Loan program. The all funds increase is attributable to federal ARPA funding. The FY 2023 budget includes \$233.4 million for higher education from the ARPA funds, including \$175.0 million for Regents and Universities, and \$58.4 million for private universities and community and technical colleges. Also included in the FY 2023 budget is \$73.1 million, all federal ARPA funds, for economic development projects, including \$35.0 million for an agricultural production facility and \$25.0 million for housing projects.

FY 2024 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 29,377,989	\$ 418,828,518	\$ 448,206,507	54.8
Agency Request:				
1. Domestic Violence and Sexual Assault Programs	\$ 5,425,000	\$ -	\$ 5,425,000	--
2. Child Advocacy Centers	1,790,000	-	1,790,000	--
3. CASA Grant	250,000	-	250,000	--
4. FTE Positions in Commissions on Disability and Minority Affairs	226,310	-	226,310	4.0
5. Victims of Crime Act (VOCA) Victim Assistance Grant	-	(9,166,718)	(9,166,718)	--
6. Rural Housing Revolving Loan Program	(20,000,000)	-	(20,000,000)	--
7. ARPA State Relief Funding	-	(380,463,983)	(380,463,983)	--
8. Affordable Housing Redevelopment	-	(1,000,000)	(1,000,000)	--
9. Family Violence Prevention and Services Act	-	(464,581)	(464,581)	--
10. All Other Adjustments	(580,771)	(849,811)	(1,430,582)	--
Subtotal—Agency Estimate	\$ 16,488,528	\$ 26,883,425	\$ 43,371,953	58.8
Governor's Recommendation:				
11. FTE positions in the Office of the Governor	\$ 654,960	\$ -	\$ 654,960	6.0
12. Problem Gambling and Addictions Grant Fund	700,000	(700,000)	-	--
TOTAL	\$ 17,843,488	\$ 26,883,425	\$ 44,026,913	64.8

AGENCY REQUEST

The **agency** requests \$43.4 million from all funds, including \$16.5 million SGF, and 58.8 FTE positions for FY 2024. This is a decrease of \$404.8 million from all funds, or 90.3 percent, including a decrease of \$12.9 million SGF, or 43.9 percent, below the FY 2023 revised estimate. The FY 2024 budget also includes an increase of 4.0 FTE positions above the FY 2023 revised estimate.

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

- 1. ENHANCEMENT – DOMESTIC VIOLENCE AND SEXUAL ASSAULT PROGRAMS.** The agency is requesting \$5.4 million SGF to offset decreases in federal funding for the Federal VOCA Grant Program. This SGF funding will be allocated to the 24 domestic violence and sexual assault programs that currently receive VOCA funds, allowing them to maintain current funding levels.
- 2. ENHANCEMENT – CHILD ADVOCACY CENTERS.** The agency is requesting \$1.8 million SGF to offset decreases in federal funding. This SGF funding will be allocated to the 17 Child Advocacy Centers that currently receive VOCA funds, allowing them to maintain current funding levels.
- 3. ENHANCEMENT – CASA GRANT.** The agency is requesting \$250,000 SGF to offset decreases in federal funding. This SGF funding will be allocated to the 13 CASA Organizations that currently receive VOCA funds, allowing them to maintain current funding levels.

4. **FTE POSITIONS IN COMMISSIONS ON DISABILITY AND MINORITY AFFAIRS.** The agency is requesting an increase of \$226,310 SGF to support 4.0 new FTE positions. The new FTE positions consist of one full-time administrative assistant for each of the commissions and the liaison program.
5. **VOCA VICTIM ASSISTANCE GRANT.** The agency estimates a decrease of \$9.2 million in federal funds for VOCA grant expenditures for FY 2024. The Governor's Grant Program currently has 67 VOCA sub-grantee agencies, including local domestic violence and sexual assault centers, child advocacy centers, CASA organizations, human trafficking services, law enforcement, and county and district attorney offices. The federal Crime Victims Fund, which is financed by fines and penalties paid by convicted federal offenders, has decreased over the past several years. At the current predictions, funds will be around 40 percent short of allowing current VOCA-funded services to operate at their current levels beyond September 2023.
6. **RURAL HOUSING REVOLVING LOAN PROGRAM.** The agency estimates a decrease of \$20.0 million SGF for the Rural Housing Revolving Loan Program. This decrease is due to funds included in the FY 2023 budget that will be transferred to the Kansas Housing Resources Corporation for FY 2024.
7. **ARPA STATE RELIEF FUNDING.** The federal American Rescue Plan Act (ARPA), which was enacted on March 11, 2021, provided the agency a total of \$1.6 billion in discretionary moneys, which must be used for expenditures related to the COVID-19 public health emergency. The agency estimates \$4.8 million in ARPA expenditures for FY 2024 to support the Office of Recovery. This is a decrease of \$380.5 million below the FY 2023 revised estimate.
8. **AFFORDABLE HOUSING REDEVELOPMENT.** The Legislature added \$1.0 million in FY 2023, all from the Economic Development Initiatives Fund, for a grant for economic development to support the redevelopment of a hotel into affordable apartments for moderate-income individuals. This was a one-time expenditure in FY 2023 and is not included in the FY 2024 budget, resulting in a decrease of \$1.0 million in the agency request.
9. **FAMILY VIOLENCE PREVENTION AND SERVICES ACT (FVPSA).** The agency anticipates a decrease of \$464,581 in FVPSA expenditures for FY 2024. 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.
10. **ALL OTHER ADJUSTMENTS.** The agency request includes additional decreases totaling \$1.2 million from all funds, including a decrease of \$580,771 SGF. The SGF decrease is largely due to reappropriations in the Governor's Grant Program in FY 2023 that are not anticipated to reoccur in FY 2024. Other reductions include reduced federal funding for Paul Coverdell Forensic Science Improvement Grants, Project Safe Neighborhood Grants, and the Violence Against Women Act Grants.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$44.0 million from all funding sources, including \$17.8 million SGF. This is an all funds increase of \$654,960, including \$1.4 million SGF, above the agency's request for FY 2024. The SGF increase is due to increased salaries and wages expenditures in the Administration Program to fund an additional 6.0 FTE positions and increased SGF expenditures in the Governor's Grants Program to replace the annual transfer from the Problem Gambling and Addictions Grant Fund with SGF moneys.

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

11. **FTE POSITIONS IN THE OFFICE OF THE GOVERNOR.** The Governor recommends the addition of \$654,960 SGF for 6.0 new FTE positions in the Office of the Governor to enhance staffing for communications, legal counsel, governmental affairs, and administrative support staff.
12. **PROBLEM GAMBLING AND ADDICTIONS GRANT FUND.** The Governor recommends replacing the annual transfer of \$700,000 from the Problem Gambling and Addictions Grant Fund (PGAGF) with SGF, beginning in FY 2024. The annual transfers from PGAGF have been used to fund Domestic Violence Prevention grants (\$550,000) and Child Advocacy Centers grants (\$150,000). The Governor recommends that the funding for these grants continue but be replaced with SGF moneys beginning in FY 2024.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

GRANT PROGRAM ENHANCEMENTS

The Governor's office requests \$7.5 million in enhancements for the Governor's Grants Program. These enhancements will offset a decrease in available federal funds from the Federal VOCA Grant Program. The federal VOCA program provides direct services to crime victims to respond to their emotional and physical needs and assist them in understanding and participating in the criminal justice system. The federal Crime Victims Fund, which is financed by fines and penalties paid by convicted federal offenders, has decreased over the past several years and, at current predictions, will be approximately 40 percent short of allowing VOCA-funded services in the Governor's Grant Program to operate at their current levels beyond September 2023.

The Governor's Grant Program currently has 67 VOCA subgrantee agencies, including local domestic violence and sexual assault centers, child advocacy centers, CASA organizations, human trafficking services, law enforcement, and county and district attorney offices. This enhancement will be allocated to the 24 domestic violence and sexual assault programs (\$5.4 million), 17 Child Advocacy Centers (\$1.8 million), and 13 CASA Organizations (\$250,000) that currently receive VOCA funds, allowing them to maintain current funding levels in FY 2024.

Enhancement Requests				
Item	SGF	Federal Funds	All Other Funds	Total
Domestic Violence Prevention Grants	\$ 5,425,000	\$ -	\$ -	\$ 5,425,000
Child Advocacy Centers	1,790,000	-	-	1,790,000
Court Appointed Special Advocate (CASA) Grant	250,000	-	-	250,000
TOTAL	\$ 7,465,000	\$ -	\$ -	\$ 7,465,000

The Governor recommends adoption of these requests.

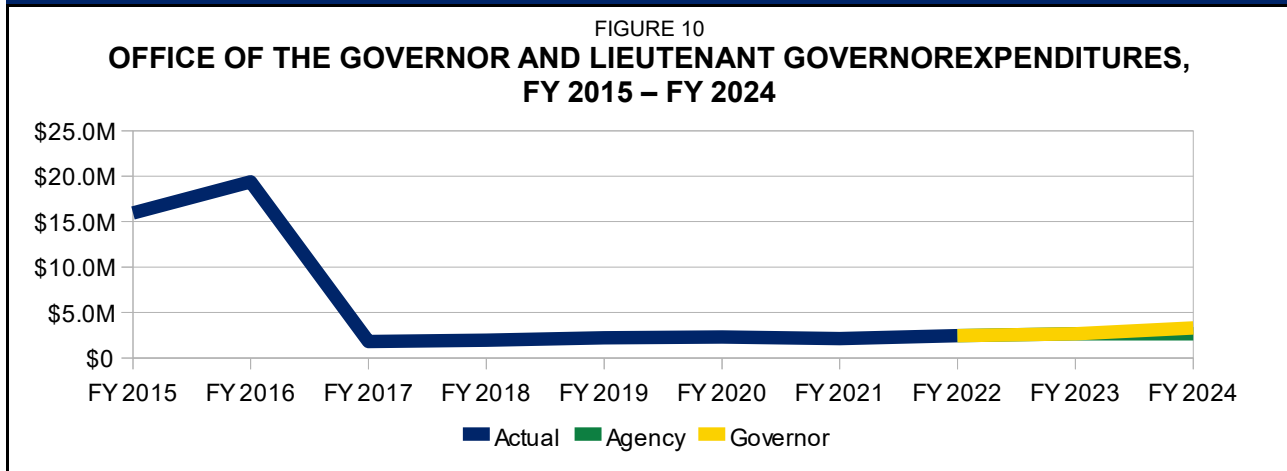
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Office of the Governor and Lieutenant Governor	\$ 2,445,530	\$ 2,641,804	\$ 2,641,804	\$ 2,641,260	\$ 3,296,220
Office of Recovery	298,637,648	406,288,795	406,288,795	4,814,812	4,814,812
Governor's Grants Program	30,853,155	38,799,852	38,799,852	35,213,515	35,213,515
Commissions on Disability and Minority Affairs	458,695	476,056	476,056	702,366	702,366
TOTAL	\$ 332,395,028	\$ 448,206,507	\$ 448,206,507	\$ 43,371,953	\$ 44,026,913
FTE Positions:					
Office of the Governor and Lieutenant Governor	24.8	25.5	25.5	25.5	31.5
Office of Recovery	12.0	12.0	12.0	12.0	12.0
Governor's Grants Program	13.0	13.3	13.3	13.3	13.3
Commissions on Disability and Minority Affairs	4.0	4.0	4.0	8.0	8.0
TOTAL	53.8	54.8	54.8	58.8	64.8

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



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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
No Performance Measures were submitted for this Program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 2,102,205	\$ 2,197,056		\$ 2,641,804	\$ 3,296,220
Federal Funds	-	-		-	-
All Other Funds	22,192	248,474		-	-
TOTAL	\$ 2,124,397	\$ 2,445,530		\$ 2,641,804	\$ 3,296,220
Percentage Change:					
SGF	(1.5) %	4.5 %		20.2 %	24.8 %
All Funds	(15.3) %	15.1 %		8.0 %	24.8 %
FTE Positions	26.6	24.8		25.5	31.5

PERFORMANCE AND BUDGET ANALYSIS

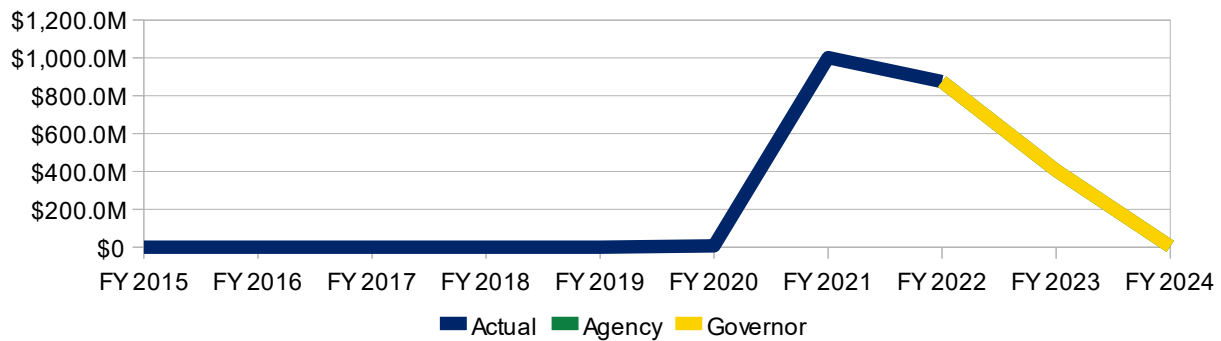
The **agency** requests \$2.6 million SGF for the Office of the Governor and Lieutenant Governor for FY 2024. This is a decrease of \$544 below the FY 2023 revised estimate. This decrease is attributable to a decrease in salaries and wages.

increase of \$654,960 SGF above the agency's request, which will be used to fund 6.0 new FTE positions in the Office of the Governor. The stated purpose of these positions is to enhance staffing for communications, legal counsel, governmental affairs, and administrative support staff.

The **Governor** recommends expenditures of \$3.3 million SGF for FY 2024. This is an

OFFICE OF RECOVERY

FIGURE 12
OFFICE OF RECOVERY EXPENDITURES, FY 2015 – FY 2024



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

PROGRAM GOALS:

- Provide transparency through timely and accurate communication.
- Utilize key controls to ensure compliance with federal requirements, compliance and reporting.
- Provide appropriate guidance and support for minimized findings on external audits while ensuring compliance with statutory deadlines.

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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Public Inquiry Forms Received*	-	1,000	-	1,000	1,000
2. Percentage of Federal Reporting Submitted On Time (CRF)*	--	100 %	--	100 %	100 %
3. Percentage of Federal Reporting Submitted On Time (ARPA-SFRF)*	--	100 %	--	100 %	100 %
4. Single Audit-Discretionary Relief Funds - Number of Material Weaknesses*	-	2	-	4	-
5. Single Audit-Discretionary Relief Funds - Number of Repeat Audit Findings*	-	-	-	1	-
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 6	\$ 706		\$ 20,000,000	\$ -
Federal Funds	412,502,356	298,636,942		385,278,795	4,814,812
All Other Funds	(935)	-		1,010,000	-
TOTAL	\$ 412,501,427	\$ 298,637,648		\$ 406,288,795	\$ 4,814,812
Percentage Change:					
SGF	(100.0) %	11,666.7 %		2,832,761.2 %	(100.0) %
All Funds	212,610.7 %	(27.6) %		36.0 %	(98.8) %
FTE Positions	16.1	12.0		12.0	12.0

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

PERFORMANCE AND BUDGET ANALYSIS

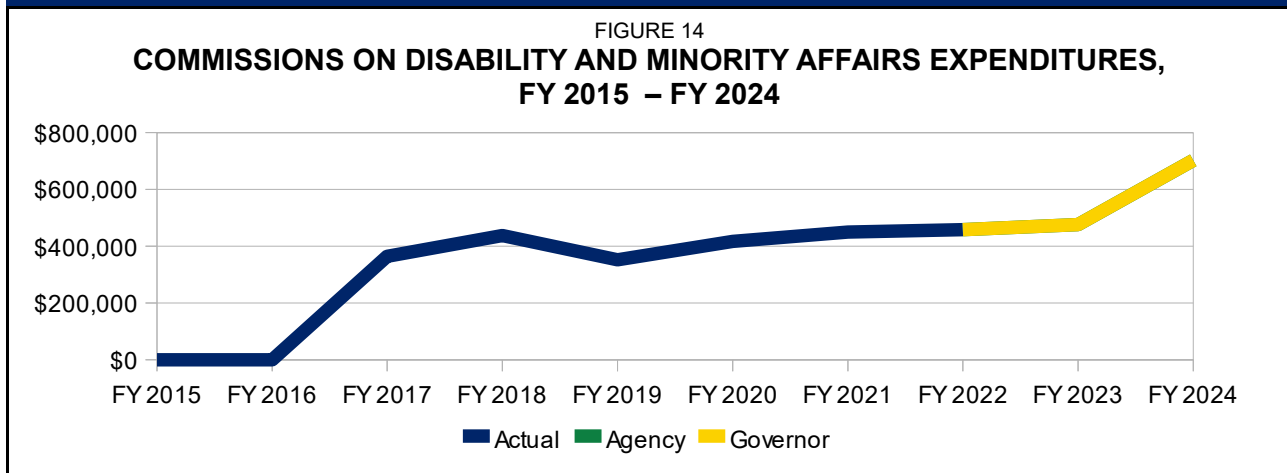
The **agency** requests Office of Recovery expenditures of \$4.8 million, all from federal funds, for FY 2024. This is an decrease of \$401.5 million from all funds, including a decrease of \$20.0 million SGF, below the FY 2023 revised estimate. The SGF decrease is due to \$20.0 million SGF added for the Rural Housing Revolving Loan Program in FY 2023 that will be transferred to the budget of the Kansas Housing Resources Corporation for FY 2024.

The agency estimate includes \$4.8 million in federal ARPA expenditures for FY 2024 to support the Office of Recovery. This is a decrease of \$380.5 million below the FY 2023

revised estimate for ARPA expenditures because the agency has not budgeted any further expenditures from the ARPA discretionary fund. In October of 2022, the Office of Recovery estimated that there is approximately \$374.0 million in unallocated ARPA Funds. The SPARK Executive Committee has made recommendations for these remaining funds that were approved by the State Finance Council during the 2022 Interim.

The **Governor** concurs with the agency request for the Office of Recovery Program for FY 2024.

COMMISSIONS ON DISABILITY AND MINORITY AFFAIRS



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

PROGRAM GOALS: • No program goals 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 must 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 with disabilities on employment, 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 15

COMMISSIONS ON DISABILITY AND MINORITY AFFAIRS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
No Performance Measures were submitted for this Program					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 441,818	\$ 419,918		\$ 476,056	\$ 702,366
Federal Funds	-	-		-	-
All Other Funds	5,089	38,777		-	-
TOTAL	\$ 446,907	\$ 458,695		\$ 476,056	\$ 702,366
Percentage Change:					
SGF	7.3 %	(5.0) %		13.4 %	47.5 %
All Funds	7.9 %	2.6 %		3.8 %	47.5 %
FTE Positions	5.0	4.0		4.0	8.0

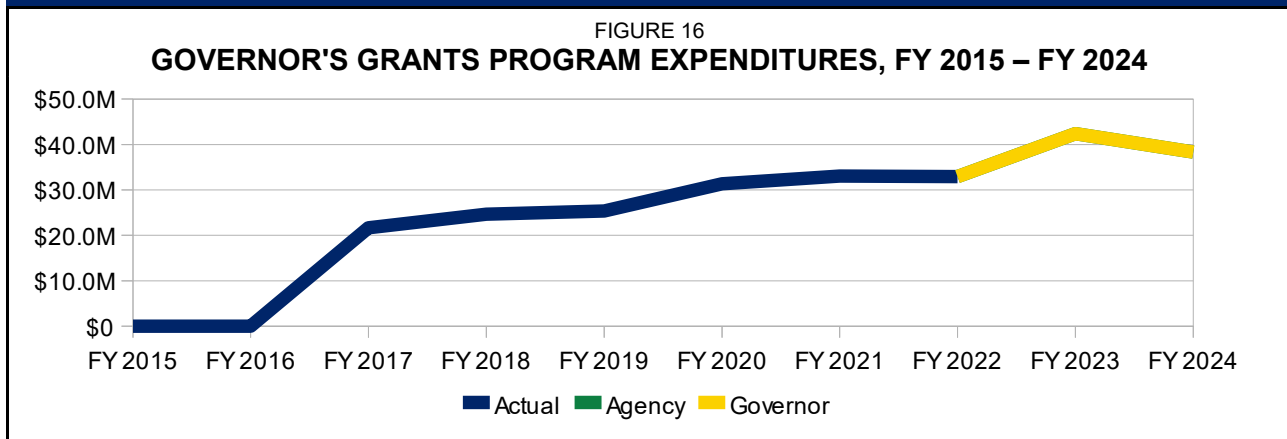
PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests \$702,366 SGF for the Commissions on Disability and Minority Affairs program for FY 2024. This is an increase of \$226,310 above the FY 2023 revised estimate. This increase is due to an increase in salaries and wages to support 4.0 new FTE positions. The new FTE positions consist of one full-time administrative assistant for each of the

commissions and the Native American Affairs Liaison.

The **Governor** concurs with the agency request for the Commission on Disability and Minority Affairs for FY 2024.

GOVERNOR'S GRANTS PROGRAM



STATUTORY BASIS: • KSA 75-107

PROGRAM GOALS: • 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.

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.

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 each 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 administered 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 17
GOVERNOR'S GRANTS PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Subgrant Awards Issued*	237	310	258	250	225
2. Number of Subgrant Reports Reviewed*	5,241	4,842	4,354	5,060	4,600
3. Dollar Amount of Subgrant Awards Issued*	\$ 35,077,203	\$ 42,607,921	\$ 37,238,139	\$ 37,328,000	\$ 28,000,000
Output Measure:					
4. Number of Monitoring Reviews*	322	245	280	162	160
5. Number of Grant Trainings Provided*	14	20	14	20	20
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 5,451,448	\$ 4,997,019		\$ 6,260,129	\$ 13,144,902
Federal Funds	24,886,382	25,067,866		835,845	837,105
All Other Funds	749,350	788,270		31,703,878	21,231,508
TOTAL	\$ 31,087,180	\$ 30,853,155		\$ 38,799,852	\$ 35,213,515
Percentage Change:					
SGF	(8.7) %	(8.3) %		25.3 %	110.0 %
All Funds	5.0 %	(0.8) %		25.8 %	(9.2) %
FTE Positions	13.0	13.0		13.3	13.3

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests \$35.2 million, including \$13.1 million SGF, for the Governor's Grant Program for FY 2024. This is a decrease of \$3.6 million from all funds, including an increase of \$6.9 million SGF, from the FY 2023 revised estimate.

The all funds decrease is due to decreased federal funds available for several grants, including the VOCA Grant (\$9.2 million), Violence Against Women Act Grant (\$472,704), and the Family Violence Prevention Grant (\$464,581).

The SGF increase is due to the agency's enhancement request for \$7.5 million SGF to supplement the decrease in available federal funds from the VOCA Grant Program.

The **Governor** recommends expenditures of \$35.2 million from all funding sources for the Governor's Grant Program for FY 2024. This is the same total amount requested by the agency for FY 2024; however, it includes an increase of \$700,000 SGF to replace an annual transfer from the Problem Gambling and Addictions Grant Fund with SGF.

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OFFICE OF THE SECRETARY OF STATE

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 1,900,000	\$ 200,000	\$ -	\$ -	\$ -
Federal Funds	661,690	1,147,164	1,147,164	1,093,830	1,093,830
All Other Funds	3,889,339	4,345,598	4,345,598	4,123,739	4,123,739
<i>Subtotal</i>	<i>\$ 6,451,029</i>	<i>\$ 5,692,762</i>	<i>\$ 5,492,762</i>	<i>\$ 5,217,569</i>	<i>\$ 5,217,569</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	\$ 6,451,029	\$ 5,692,762	\$ 5,492,762	\$ 5,217,569	\$ 5,217,569
Percentage Change:					
State General Fund	-- %	(89.5) %	(100.0) %	(100.0) %	-- %
All Funds	(45.3) %	(11.8) %	(14.9) %	(8.3) %	(5.0) %
FTE Positions	41.5	41.0	41.0	41.0	41.0

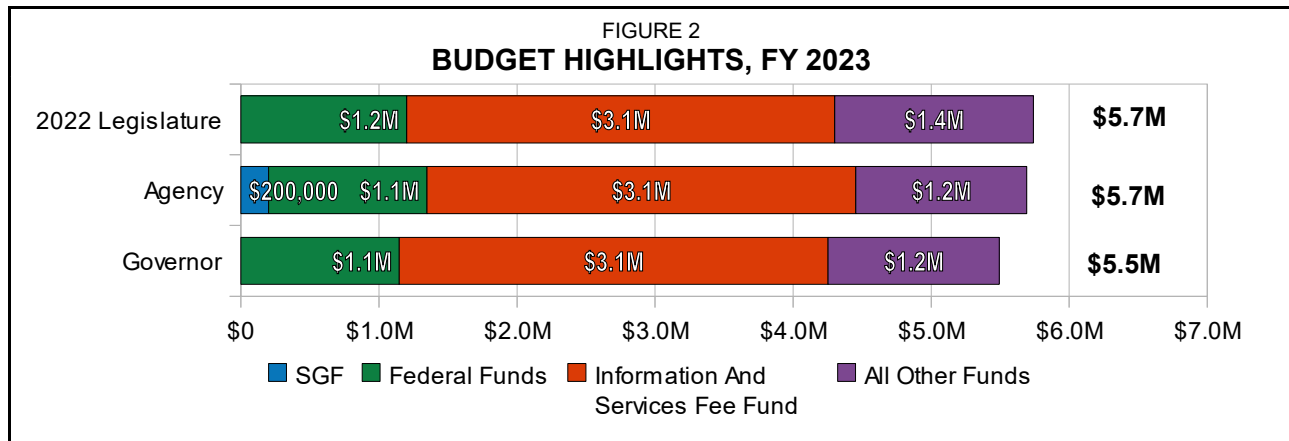
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The 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

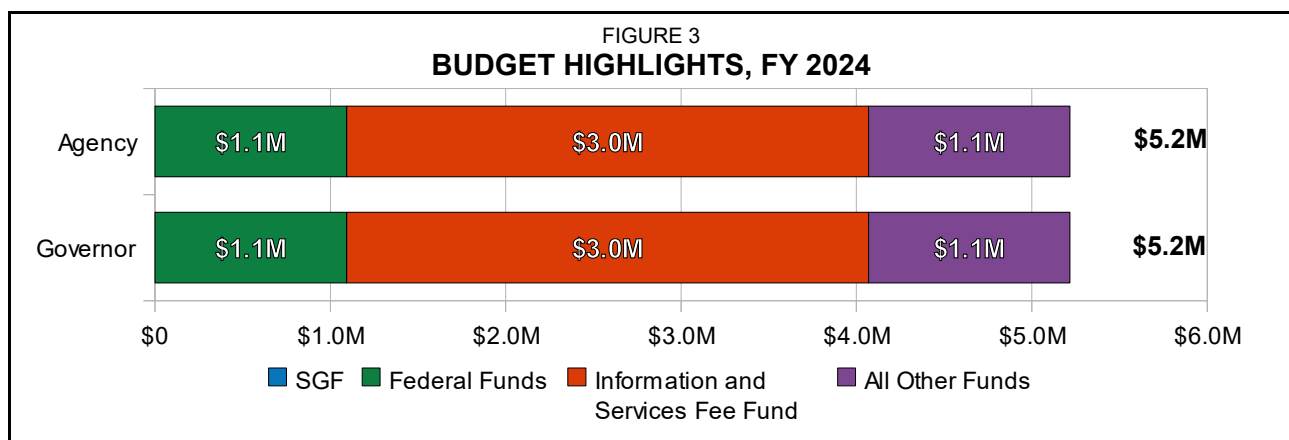
The 2022 Legislature approved a budget of \$5.7 million, all from special revenue funds, for the Office of the Secretary of State for FY 2023. No adjustments have been made subsequently to that amount.



The **agency** submits a revised estimate of \$5.7 million, including \$200,000 from the State General Fund (SGF), in FY 2023. This is an overall decrease of \$47,008, or 0.8 percent, below the approved amount for FY 2023. The decrease is mainly in salaries and wages and contractual services. The decrease in salaries and wages (\$172,677) is split between the Administration and Elections and Legislative Matters programs and is due to having fewer employees during an off-election year. The decrease in contractual services (\$309,563) is mainly within the Help America Vote Act (HAVA) program. Per the agency, this decrease is mainly attributable to a decrease in federal HAVA Title I grant expenditures. The revised estimate includes an increase of \$200,000 SGF, which is a supplemental request for a state match for federal HAVA funds.

The **agency** submits a revised estimate of 41.0 FTE positions in FY 2023, which is 0.5 FTE position less than FY 2022.

The **Governor** recommends \$5.5 million, all in special revenue funds, in FY 2023. The Governor's recommendation does not include the \$200,000 SGF supplemental request for HAVA matching funds.



The **agency** requests \$5.2 million, all from special revenue funds, for FY 2024. This is an all funds decrease of \$475,193, or 8.3 percent, including \$200,000 from the SGF, below the revised estimate for FY 2023. The decreases mainly occur for contractual services and capital outlay. The overall decrease in contractual services (\$117,697) is mainly for decreases in printing and advertising. The decrease in capital outlay (\$404,070) is mainly for non-capital information processing equipment and the lack of a HAVA federal funds state match request.

The **agency** requests 41.0 FTE positions for FY 2024. This is the same as the revised FY 2023 revised estimate number.

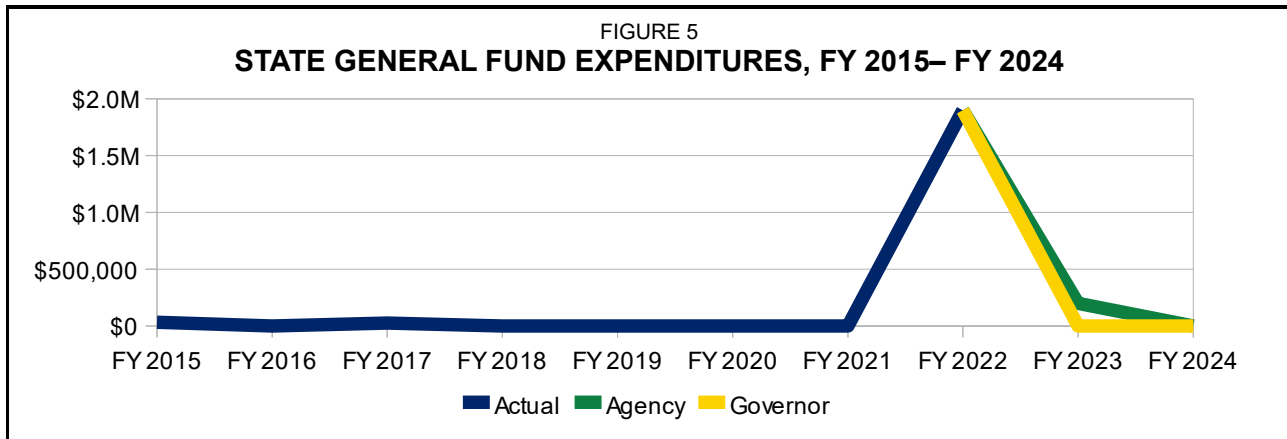
The **Governor** concurs with the agency's request for FY 2024. The Governor also recommends a \$200,000 transfer from the SGF to the Democracy Fund for the agency to use for HAVA matching funds.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

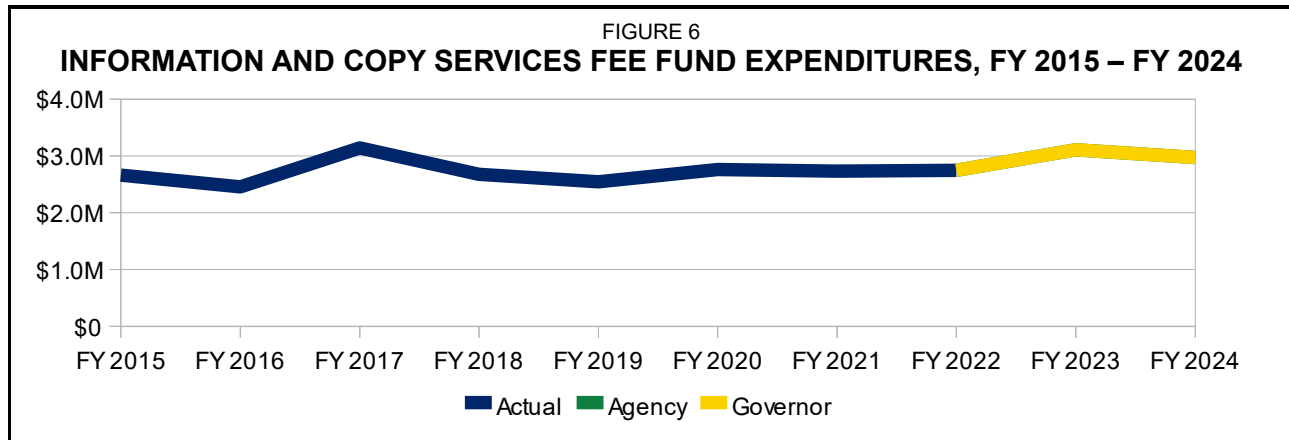
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 2,586,208	\$ 2,857,601	\$ 2,857,601	\$ 2,898,675	\$ 2,898,675
Contractual Services	1,844,100	2,335,661	2,335,661	2,217,964	2,217,964
Commodities	40,578	47,650	47,650	53,150	53,150
Capital Outlay	80,143	451,850	251,850	47,780	47,780
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 4,551,029</i>	<i>\$ 5,692,762</i>	<i>\$ 5,492,762</i>	<i>\$ 5,217,569</i>	<i>\$ 5,217,569</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	1,900,000	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 6,451,029</i>	<i>\$ 5,692,762</i>	<i>\$ 5,492,762</i>	<i>\$ 5,217,569</i>	<i>\$ 5,217,569</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 6,451,029	\$ 5,692,762	\$ 5,492,762	\$ 5,217,569	\$ 5,217,569
Financing:					
State General Fund	\$ 1,900,000	\$ 200,000	\$ -	\$ -	\$ -
Federal Funds	661,690	1,147,164	1,147,164	1,093,830	1,093,830
All Other Funds	3,889,339	4,345,598	4,345,598	4,123,739	4,123,739
TOTAL	\$ 6,451,029	\$ 5,692,762	\$ 5,492,762	\$ 5,217,569	\$ 5,217,569
FTE Positions	41.5	41.0	41.0	41.0	41.0

STATE GENERAL FUND



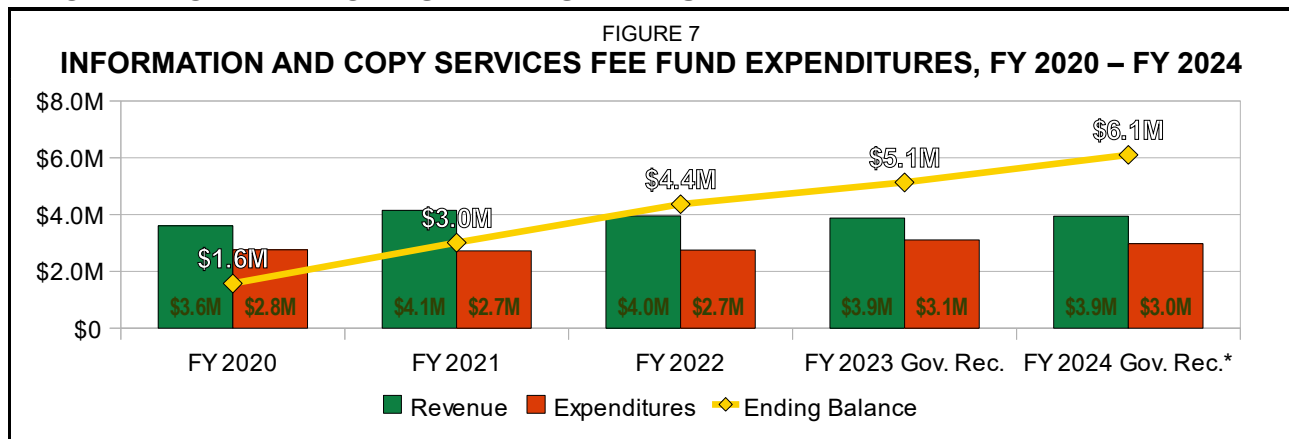
For the Office of the Secretary of State, SGF actual expenditures averaged \$245,062 per year from FY 2015 to FY 2022. The agency's FY 2023 revised estimate SGF expenditures is \$200,000, and the request for FY 2024 includes no SGF expenditures. The \$1.9 million SGF in FY 2022 was for a claim payment recommended by the Joint Committee for Special Claims Against the State related to voter fraud litigation. The Governor's recommendation does not include any SGF expenditures for FY 2023 or FY 2024. For FY 2024, the Governor's recommendation does include a transfer of \$200,000 from the SGF to the Democracy Fund for the HAVA state match.

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. The actual expenditures averaged \$2.7 million per year from FY 2015 to FY 2022. The agency's revised expenditures estimate in FY 2023 is \$3.1 million and the request for FY 2024 expenditures is \$3.0 million.

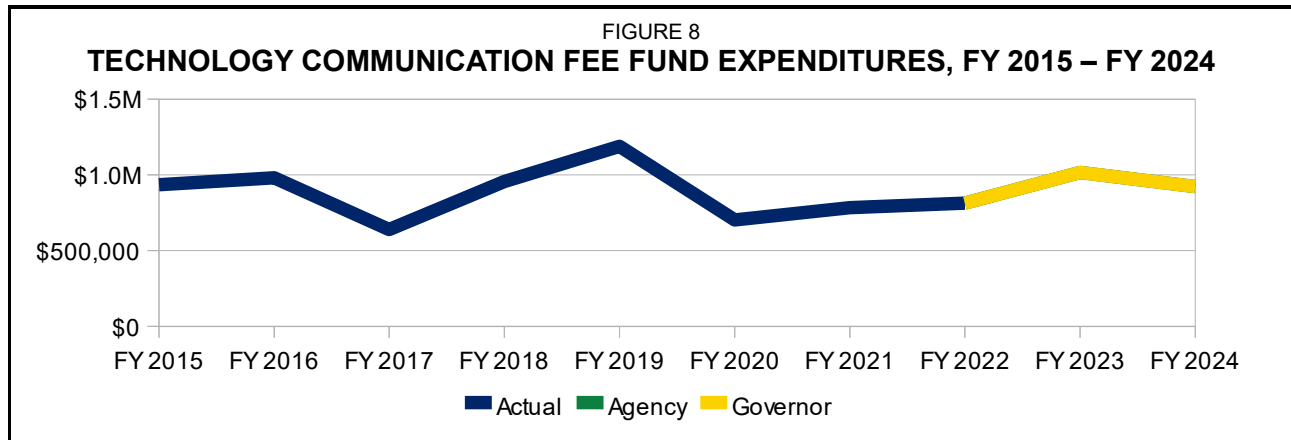
INFORMATION AND COPY SERVICES FEE FUND



* For FY 2024, the lowest month ending balance for the Information and Copy Services Fee Fund will occur in November with a balance of \$4.8 million.

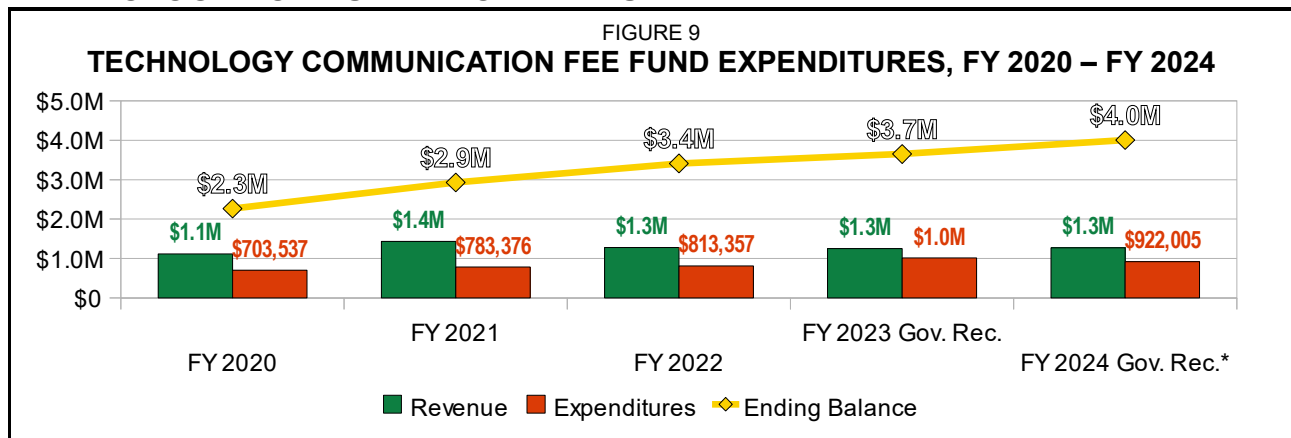
The Information and Copy Services Fee Fund ending balance has increased from \$1.6 million to \$4.4 million over the past three fiscal years. Expenditures have remained roughly the same, while revenue per year has increased. Revenues to the fund include fees charged for computer access, diskettes, tapes, 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



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. The actual expenditures averaged \$875,062 per year from FY 2015 to FY 2022. The agency's revised expenditures estimate in FY 2023 is \$1.0 million and the request for FY 2024 expenditures is \$922,055.

TECHNOLOGY COMMUNICATION FEE FUND



* For FY 2024, the lowest month ending balance for the Technology Communication Fee Fund will occur in December, with a balance of \$3.6 million.

The Technology Communication Fee Fund has maintained an ending balance of over \$2.0 million for the last three fiscal years. Expenditures have increased by 15.6 percent, while revenue per year has increased by 12.3 percent. As specified in KSA 75-444, the Secretary of State shall charge a technology communication fee, not exceeding \$5 per filing, to cover the cost of technology systems.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 5,739,770	\$ 5,739,770	41.5
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 5,739,770</i>	<i>\$ 5,739,770</i>	<i>41.5</i>
Agency Revised Estimate:				
2. Supplemental - HAVA Match for Federal Funds	\$ 200,000	\$ -	\$ 200,000	--
3. All Other Adjustments	-	(247,008)	(247,008)	(0.5)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 200,000</i>	<i>\$ 5,492,762</i>	<i>\$ 5,692,762</i>	<i>41.0</i>
Governor's Recommendation:				
4. Supplemental—HAVA Match for Federal Funds	\$ (200,000)	\$ -	\$ (200,000)	--
TOTAL	\$ -	\$ 5,492,762	\$ 5,492,762	41.0

LEGISLATIVE APPROVED

The 2022 Legislature approved \$5.7 million, all from special revenue funds, for the Office of the Secretary of State for FY 2023.

1. **NO CHANGES.** No changes or adjustments were made subsequent to the 2022 Session.

AGENCY ESTIMATE

The **agency** submits a revised estimate for \$5.7 million, including \$200,000 SGF, in FY 2023. This is an overall decrease of \$47,008, or 0.8 percent, below the FY 2023 approved amount. The revised estimate includes a \$200,000 increase in SGF, all for the supplemental request for state match funds for federal HAVA moneys.

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

2. **SUPPLEMENTAL - HAVA STATE MATCH.** In April 2022, the agency received notification from the federal Election Assistance Commission that Kansas had been awarded an additional \$1.0 million in federal HAVA Act funds, as authorized by the 2022 Consolidated Appropriations Act (P.L. 117-103). According to the agency, this funding will be used to prepare for and help implement a statewide voter registration and election management system contract when the existing contract expires in calendar year 2026. Federal law requires a 20.0 percent state match for the State to receive the additional federal HAVA funds. The agency requests \$200,000 SGF for this purpose.
3. **ALL OTHER ADJUSTMENTS.** The revised estimate includes a decrease of \$247,008, all from special revenue funds. The decrease is mainly in salaries and wages (\$172,677) and contractual services (\$309,563). The decrease in salaries and wages is split between the Administration and Elections and Legislative Matters programs and is mainly due to having fewer employees during an off-election year. The decrease in contractual services is mainly within the Help America Vote Act (HAVA) Program. Per the agency, this decrease is mainly attributable to a decrease in federal HAVA Title I grant expenditures.

The **agency's** revised estimate includes 41.0 FTE positions in FY 2023, which is 0.5 position less than the number in FY 2022.

GOVERNOR'S RECOMMENDATION

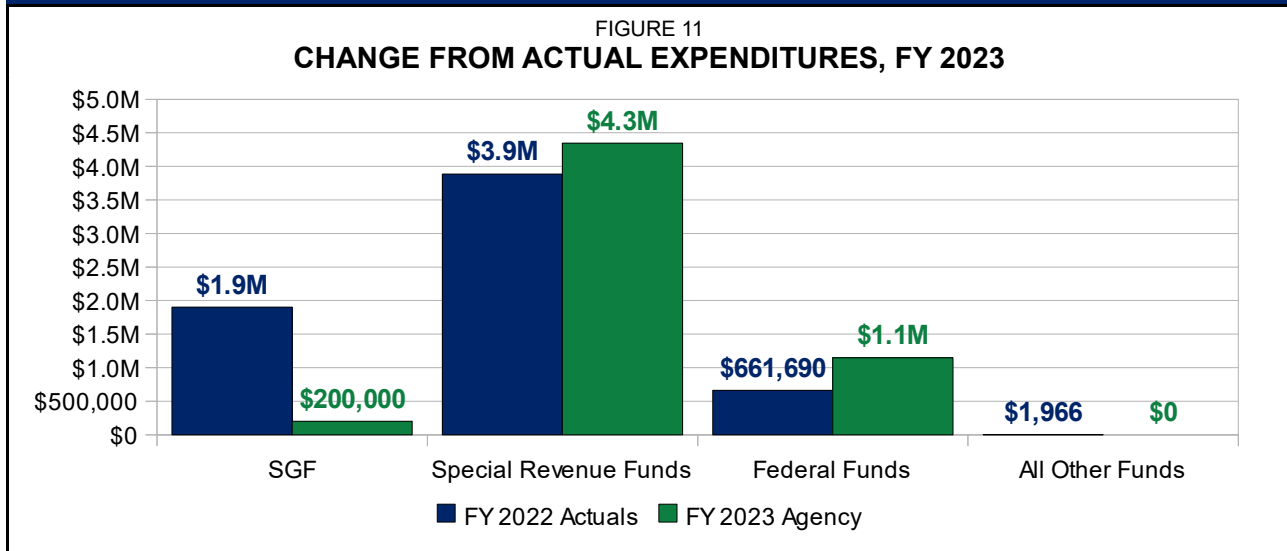
The **Governor** recommends a revised estimate of \$5.5 million, all from special revenue funds, in FY 2023. This is a decrease of \$200,000, or 3.5 percent, below the agency's revised estimate for FY 2023.

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

4. **SUPPLEMENTAL - HAVA STATE MATCH.** The Governor's recommendation does not include the supplemental appropriation request of \$200,000 SGF for the HAVA state match in FY 2023 (Item 2).

The **Governor's** recommendation also includes 41.0 FTE positions, which is the same as the agency's request.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$5.7 million, including \$200,000 SGF, in FY 2023. This is a decrease of \$758,267, or 11.8 percent, below the FY 2022 actual amount. It is also a decrease in SGF expenditures of \$1.7 million, or 89.5 percent, below the FY 2022 actual amount. Per the agency, this decrease is mainly attributable to a decrease in federal HAVA Title I grant expenditures. The \$1.9 million SGF in FY 2022 was for a claim payment recommended by the Joint Committee for Special Claims Against the State related to voter fraud litigation.

FY 2024 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 200,000	\$ 5,492,762	\$ 5,692,762	41.0
Agency Request:				
1. All Other Adjustments	(200,000)	(275,193)	(475,193)	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 5,217,569	\$ 5,217,569	41.0
Governor's Recommendation:				
2. Enhancement Transfer – HAVA match for federal funds	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ -</u>	<u>\$ 5,217,569</u>	<u>\$ 5,217,569</u>	<u>41.0</u>

AGENCY REQUEST

The **agency** requests \$5.2 million, all from special revenue funds, for FY 2024. The request is a decrease of \$475,198, or 8.3 percent, below the revised estimate for FY 2023. The request includes an SGF decrease of \$200,000, or 100.0 percent, below the FY 2023 revised estimate. The all funds decrease mainly occurs for contractual services (\$117,697) and capital outlay (\$404,070).

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

1. **ALL OTHER ADJUSTMENTS.** The agency request includes a decrease of \$475,193, including \$200,000 SGF. The overall decrease in contractual services is mainly for decreases in printing and advertising (\$129,655). The decrease in capital outlay is mainly for non-capital information processing equipment (\$200,000) and the lack of a HAVA federal funds match request (\$200,000 in SGF).

The **agency** request also includes 41.0 FTE positions for FY 2024. This is the same number as the revised FY 2023 estimate number.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request, with one adjustment:

2. **ENHANCEMENT TRANSFER – HAVA STATE MATCH.** The Governor's recommendation includes a transfer request of \$200,000 from the SGF to the agency's Democracy Fund in FY 2024. This is to provide the 20.0 percent state match for a new HAVA election security grant for \$1.0 million. The grant will be used to enhance election technology and make election security improvements to the systems, equipment, and processes used in federal elections. The Democracy Fund in the agency is used for all state match requirements for HAVA grant awards and receives interest on the balance.

The **Governor's** recommendation also includes 41.0 FTE positions for FY 2024, which is the same as the agency's request.

SUPPLEMENTAL REQUEST

HAVA MATCH FOR FEDERAL FUNDS

FY 2023 SUPPLEMENTAL REQUESTS					
Item	Agency		Gov. Rec.		
	SGF	All Funds	SGF	All Funds	
1. HAVA Match for Federal Funds	\$ 200,000	\$ 200,000	\$ -	\$ -	-

1. **HAVA MATCH FOR FEDERAL FUNDS.** In April 2022, the agency received notification from the federal Election Assistance Commission that Kansas had been awarded an additional \$1.0 million in federal HAVA Act funds, as authorized by the 2022 Consolidated Appropriations Act (P.L. 117-103). According to the agency, this is a HAVA Election Security Grant, which is provided to "improve the administration of elections for Federal office, including to enhance election technology and make election security improvements" to the systems, equipment, and processes used in federal elections. The agency anticipates using this funding to prepare for and help implement a statewide voter registration and election management system contract when the existing contract expires in calendar year 2026. Federal law requires a 20.0 percent state match for the State to receive the additional federal HAVA grant funds. The agency requests \$200,000, all SGF, for this purpose.

The Governor does not recommend adoption of this request.
The Governor's recommendation for FY 2024 transfers \$200,000 SGF to the Democracy Fund for this purpose.

ENHANCEMENT REQUEST

HAVA MATCH FOR FEDERAL FUNDS

FY 2024 ENHANCMENT REQUESTS							
Item	Agency				Gov. Rec.		
	SGF	All Funds			SGF	All Funds	
1. HAVA Match for Federal Funds - Transfer	\$ -	\$ -	\$ -		\$ -	\$ -	

1. **HAVA MATCH FOR FEDERAL FUNDS.** For FY 2024, the **Governor's** recommendation transfers \$200,000 SGF to the Democracy Fund.

In April 2022, the agency received notification from the federal Election Assistance Commission that Kansas had been awarded an additional \$1.0 million in federal HAVA Act funds, as authorized by the 2022 Consolidated Appropriations Act (P.L. 117-103). According to the agency, this is a HAVA Election Security Grant, which is provided to "improve the administration of elections for Federal office, including to enhance election technology and make election security improvements" to the systems, equipment, and processes used in federal elections. The agency anticipates using this funding to prepare for and help implement a statewide voter registration and election management system contract when the existing contract expires in calendar year 2026. Federal law requires a 20.0 percent state match for the State to receive the additional federal HAVA grant funds.

The expenditures are not reflected in FY 2024, as the money is being reserved for a new contract for statewide voter registration and election management system which will occur in FY 2026.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

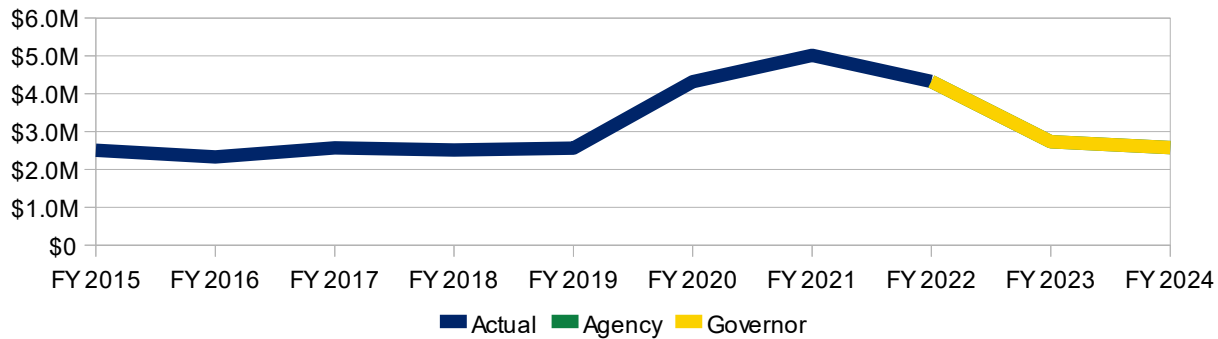
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 4,328,066	\$ 2,733,310	\$ 2,733,310	\$ 2,577,166	\$ 2,577,166
Business Services	801,340	1,037,712	1,037,712	1,087,608	1,087,608
Elections and Legislative Matters	523,041	573,176	573,176	457,465	457,465
Help America Vote Act	798,582	1,348,564	1,148,564	1,095,330	1,095,330
TOTAL	\$ 6,451,029	\$ 5,692,762	\$ 5,492,762	\$ 5,217,569	\$ 5,217,569
FTE Positions:					
Administration	23.7	23.2	23.2	23.2	23.2
Business Services	12.8	12.8	12.8	12.8	12.8
Elections Legislative Matters	5.0	5.0	5.0	5.0	5.0
Help America Vote Act	-	-	-	-	-
TOTAL	41.5	41.0	41.0	41.0	41.0

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

FIGURE 14
ADMINISTRATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 45-106-107; 77-430; 77-415-436; 75-430; 45-401-414; 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 (record filing modernization).
 - Migrate off the AS400 operating system by FY 2024.
 - Establish an online store on the agency website for constituents to order publications, Kansas flags, and obtain other services from the agency.
 - Establish an electronic regulations process to improve speed and transparency of the regulatory process.
 - Produce a full set of Kansas Administrative Rules and Regulations in FY 2022.

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 15
ADMINISTRATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Document Retention Update (record modernization)*	90 %	100 %	95 %	0 %	0 %
2.Agency system upgrade*	20 %	65 %	43 %	90 %	100 %
3.Online Store*	20 %	30 %	25 %	65 %	90 %
4.Electronic Regulations*	20 %	0 %	10 %	5 %	25 %
5.Kansas Administrative Rules and Regulations (Full-Set Publication)*	80 %	100 %	90 %	0 %	0 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ 1,900,000		\$ -	\$ -
Federal Funds	2,614,584	-		-	-
All Other Funds	2,400,808	2,428,066		2,733,310	2,577,166
TOTAL	\$ 5,015,392	\$ 4,328,066		\$ 2,733,310	\$ 2,577,166

FIGURE 15

ADMINISTRATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Percentage Change:					
SGF	-- %	-- %		(100.0) %	-- %
All Funds	16.0 %	(13.7) %		(36.8) %	(5.7) %
FTE Positions	20.3	23.7		23.2	23.2

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

PERFORMANCE AND BUDGET ANALYSIS

The agency requests \$2.7 million, all from special revenue funds, for the Administration Program in FY 2023. This is an increase of \$4,618, or 0.1 percent, above the approved amount for FY 2023, and a decrease of \$1.6 million below the FY 2022 actual expenditures amount. The decrease below FY 2022 is primarily attributable to the \$1.9 million claim payment being paid in FY 2022. According to the agency, the increase above the approved amount is due to increased salary and wages as approved by the 2022 Legislature for state employees.

The agency requests expenditures of \$2.6 million, all from special revenue funds, for FY 2024. This is a decrease of \$156,144, or 5.7 percent, below the FY 2023 revised estimate.

The **Governor** concurs with the amount requested for the Administration program for both FY 2023 and FY 2024.

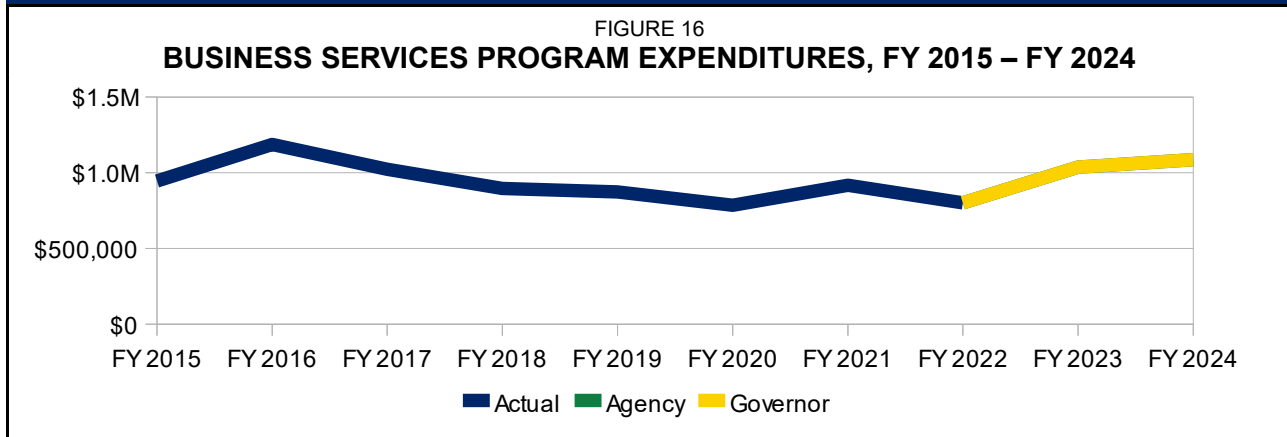
AGENCY SYSTEM UPGRADE

The agency system upgrade off the AS400 operating system was 20 percent complete in FY 2021 and 65 percent complete in FY 2022. The agency expects the upgrade to be 90 percent complete by the end of FY 2023, and completed by FY 2024.

ONLINE STORE

The agency is working on an online store for constituents to order Kansas flags, publications, and obtain other services from the agency. The agency was at 30 percent complete for this project in FY 2022. The agency believes that it will be at 65 percent complete in FY 2023 and 90 percent complete in FY 2024.

BUSINESS SERVICES PROGRAM



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

PROGRAM GOALS:

- Develop and implement a new business entity filing system that will enable additional filings to be submitted online.
- Increase customer use of the online business services filing system, specifically with business formation documents.
- Increase customer use of the online business services filing system, specifically with annual reports.

The Business Services Program administers the Kansas General Corporations Code, the Kansas Limited Liability Company Act, the Kansas Uniform Limited Partnership Act, the 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. In FY 2022, the

number of annual reports processed by the agency exceeded 208,000.

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 94.0 percent of its nearly 91,500 annual UCC transactions electronically.

FIGURE 17

BUSINESS SERVICES PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Online filing availability*	32 %	40 %	32 %	50 %	80 %
2. Percentage of annual online filings: Annual Reports	81 %	81 %	79 %	85 %	86 %
3. Percentage of annual online filings: Business Formation*	79 %	79 %	78 %	83 %	84 %
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	110,385	801,340		-	-
All Other Funds	806,423	-		1,037,712	1,087,608
TOTAL	\$ 916,808	\$ 801,340		\$ 1,037,712	\$ 1,087,608
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	16.8 %	(12.6) %		29.5 %	4.8 %
FTE Positions	11.8	12.8		12.8	12.8

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

PERFORMANCE AND BUDGET ANALYSIS

The agency requests \$1.0 million, all from special revenue funds, for the Business Services Program in FY 2023. This is an increase of \$172,874, or 21.6 percent, above the approved amount for FY 2023. The increase is primarily attributable to an increase in salaries and wages and contractual services and a decrease in capital outlay.

The agency requests expenditures of \$1.1 million, all from special revenue funds, for FY 2024. This is an increase of \$49,896, or 4.8 percent, above the FY 2023 revised estimate.

The **Governor** concurs with the amount requested for the Business Services program for both FY 2023 and FY 2024.

ONLINE FILING AVAILABILITY

In FY 2022, the online filing availability was 40 percent. The agency indicated a goal to double that percentage to 80 percent by the end of FY 2024, with a target of 50 percent by the end of FY 2023.

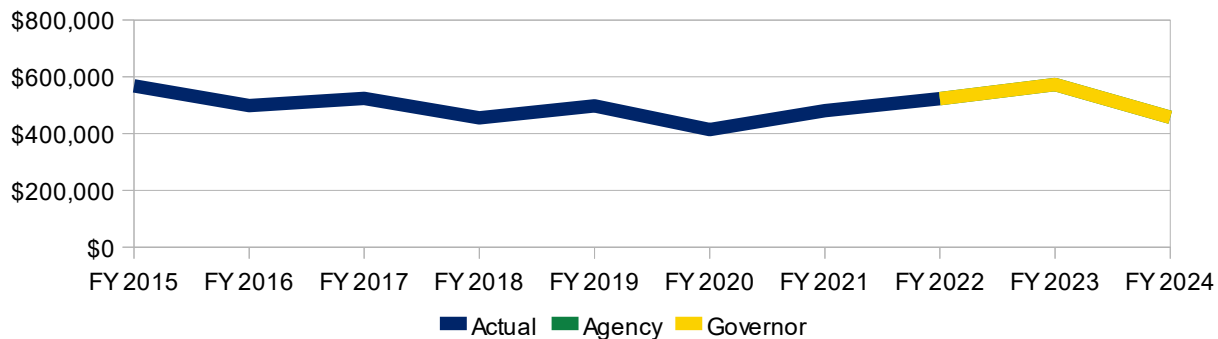
PERCENTAGE OF ANNUAL ONLINE FILINGS

In FY 2022, the agency received 81 percent of the annual reports and 79 percent of the business formation reports electronically. This is the same as the percentages in FY 2021. The agency has a target for FY 2023 of 85 percent of the annual reports and 83 percent of the business formation reports filed electronically, and a one percent increase in both reports for FY 2024.

ELECTIONS AND LEGISLATIVE MATTERS PROGRAM

FIGURE 18

ELECTIONS AND LEGISLATIVE MATTERS PROGRAM EXPENDITURES, FY 2015 – FY 2024



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 Program performs statutory functions related to elections and the Legislature and provides the public with information on these issues. This program 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 program registers lobbyists, issues lobbyist badges, and files lobbyist expenditure reports.

FIGURE 19

ELECTIONS AND LEGISLATIVE MATTERS PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.SSI Electronic Filings	90 %	97 %	94 %	100 %	100 %
2.Electronic filing of campaign finance reports	40 %	55 %	48 %	75 %	90 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 0-	\$ -		\$ -	\$ -
Federal Funds	-	5,915		-	-
All Other Funds	480,838	517,126		573,176	457,465
TOTAL	\$ 480,838	\$ 523,041		\$ 573,176	\$ 457,465
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	16.0 %	8.8 %		9.6 %	(20.2) %
FTE Positions	5.0	5.0		5.0	5.0

PERFORMANCE AND BUDGET ANALYSIS

The agency requests \$573,176, all from special revenue funds, for the Elections and Legislative Matters Program in FY 2023. This is an increase of \$37,564, or 7.2 percent, above the approved amount for FY 2023. The increase is primarily attributable to an increase in

contractual services, partially offset by a decrease in salaries and wages.

The agency requests expenditures of \$457,465, all from special revenue funds, for FY 2024. This is a decrease of \$115,771, or 20.2 percent, below the FY 2023 revised estimate.

The **Governor** concurs with the amount requested for the Elections and Legislative Matters program for both FY 2023 and FY 2024.

SSI ELECTRONIC FILINGS

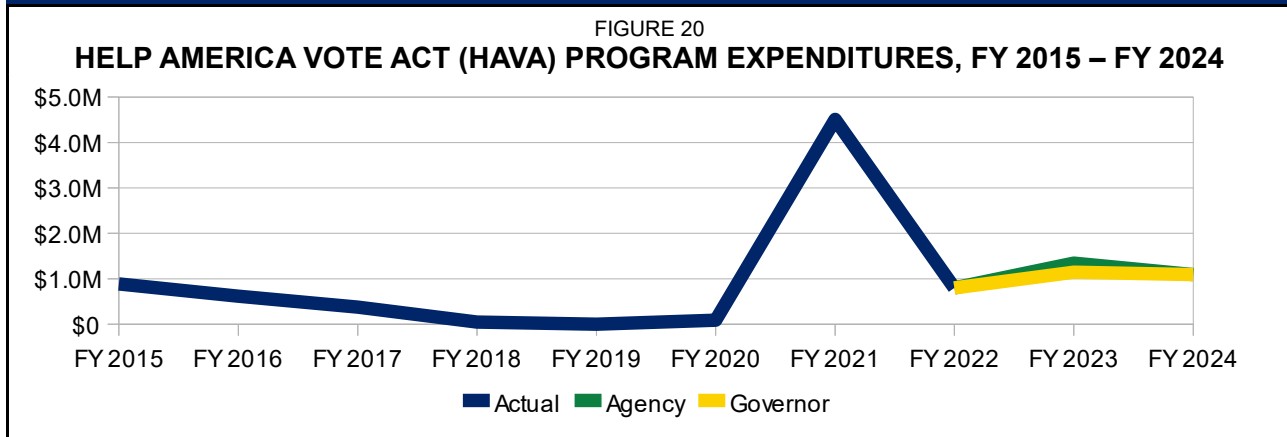
Statements of substantial interest (SSI) forms filed online increased from 90 percent in FY

2021 to 97 percent in FY 2022. The agency is targeting having 100 percent of the SSI forms filed online in both FY 2023 and FY 2024.

ELECTRONIC FILING OF CAMPAIGN FINANCE REPORTS

In FY 2022, 55 percent of campaign finance reports were filed electronically. This is an increase of 15 percent above FY 2021. The agency is targeting 75 percent of the reports to be filed electronically in FY 2023, or an increase of 20 percent. It then expects to increase by an additional 15 percent in FY 2024, for a total target percentage of 90 percent.

HELP AMERICA VOTE ACT (HAVA) PROGRAM



STATUTORY BASIS: • P.L. 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.
 - Prepare for the expiration and replacement of the current statewide voter registration and election management system contract.

The Help America Vote Act (HAVA) Program is administered by the Elections Program. It 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 program is also responsible for coordinating the state plan provided to the Federal Election Commission. The Kansas plan was developed by an advisory council. In addition, the program is to apply for federal grants and oversee the distribution of any grants that are obtained.

FIGURE 21
HELP AMERICA VOTE ACT (HAVA) PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Cybersecurity for counties	50 %	100 %	75 %	100 %	100 %
2. Voting equipment updates*	99 %	100 %	100 %	N/A	N/A
3. Virtual security training*	98 %	100 %	99 %	0 %	100 %
4. Local election official certification*	0 %	25 %	13 %	50 %	100 %
5. Statewide registration system*	0 %	0 %	0 %	5 %	15 %
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	368,387	655,775		1,147,164	1,093,830
All Other Funds	4,142,166	142,807		1,400	1,500
TOTAL	\$ 4,510,553	\$ 798,582		\$ 1,148,564	\$ 1,095,330

FIGURE 21 HELP AMERICA VOTE ACT (HAVA) PROGRAM, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Percentage Change:					
SGF	-- %	-- %		-- %	--
All Funds	5,024 %	(82.3) %		43.8 %	(4.6) %
FTE Positions	--	--		--	--

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

PERFORMANCE AND BUDGET ANALYSIS

The agency requests \$1.3 million, including \$200,000 SGF, for the Help America Vote Act (HAVA) Program in FY 2023. This is a decrease of \$262,064, or 32.8 percent, below the approved amount for FY 2023. This decrease is primarily attributable to a decrease in contractual services, partially offset by an increase in capital outlay.

The agency requests expenditures of \$1.1 million, all from special revenue funds, for FY 2024. This is a decrease of \$53,234, or 4.6 percent, below the FY 2023 revised estimate.

The **Governor's** recommendation includes \$1.1 million, all from special revenue funds, for FY 2023 for the HAVA program. The Governor's recommendation does not include the \$200,000 SGF request for HAVA federal grant matching funds.

The **Governor** concurs with the amount requested for the program for FY 2024, and further recommends a transfer of \$200,000 from the SGF to the Democracy Fund in FY 2024 for the HAVA federal grant matching funds.

TRAINING AND UPDATES

According to the agency, three of the goals reached 100 percent completion in FY 2022: cybersecurity for counties, voting equipment updates, and virtual security training. The State,

in coordination with a private vendor, worked with counties to enhance existing security profiles and network security. The agency also worked 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. Finally, the agency coordinated with the National Guard and Department of Homeland Security to provide virtual statewide security training to all county election officials.

LOCAL ELECTION OFFICE CERTIFICATION

The agency's goal is to have one certified election official in every county prior to the 2024 federal general election. This program started in FY 2022. The agency was able to certify at least one election official in 25 percent of counties in FY 2022. The agency has a completion goal of 50 percent by the end of FY 2023 and 100 percent by the end of FY 2024.

STATEWIDE REGISTRATION SYSTEM

The agency is including a new goal in FY 2023. According to the agency, in FY 2023, the agency will begin preparation for the expiration and replacement of the current statewide voter registration and election management system contract. The agency has a completion goal of 5 percent by the end of FY 2023 and 15 percent by the end of FY 2024.

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OFFICE OF THE STATE TREASURER

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

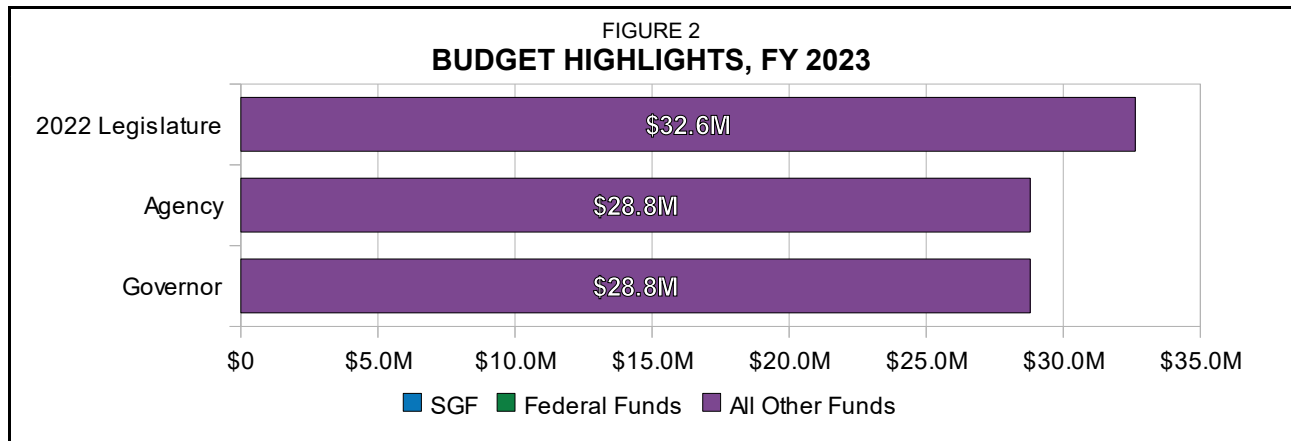
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	29,775,907	28,797,538	28,797,538	35,893,988	44,293,988
<i>Subtotal</i>	<i>\$ 29,775,907</i>	<i>\$ 28,797,538</i>	<i>\$ 28,797,538</i>	<i>\$ 35,893,988</i>	<i>\$ 44,293,988</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	\$ 29,775,907	\$ 28,797,538	\$ 28,797,538	\$ 35,893,988	\$ 44,293,988
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	36.5 %	(3.3) %	(3.3) %	24.6 %	53.8 %
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 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

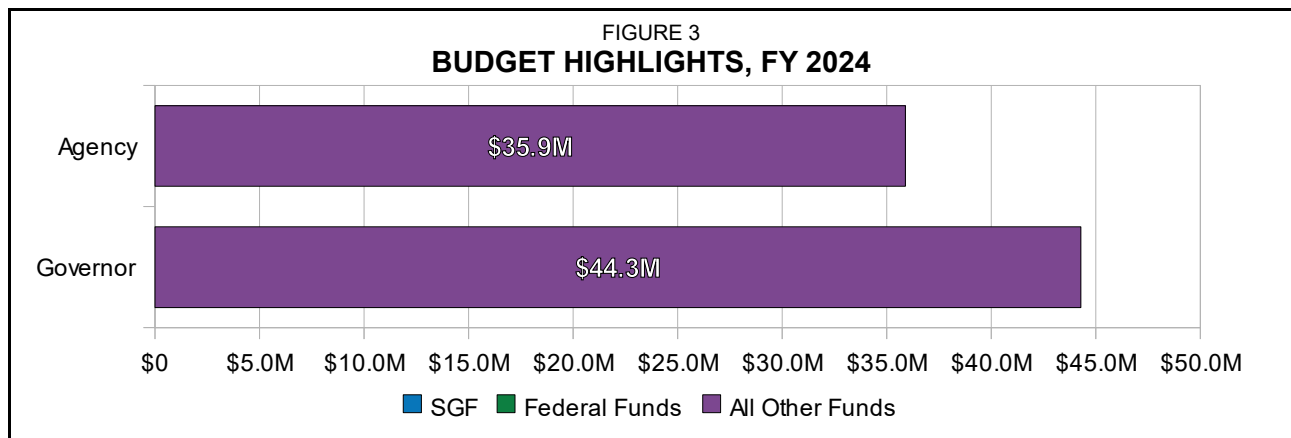
The 2022 Legislature approved a budget of \$32.6 million, all from special revenue funds, for the Office of the State Treasurer for FY 2023. No adjustments have been made subsequently to that amount.



The **agency** submits a revised estimate of \$28.8 million, all from special revenue funds, in FY 2023. This is a decrease of \$3.8 million, or 11.7 percent, below the FY 2023 approved amount. The decrease is mainly due to a \$3.8 million decrease in unclaimed property claim payments.

The **agency** requests 40.0 FTE positions in FY 2023, which is the same as the approved number.

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



The **agency** requests \$35.9 million, all from special revenue funds, for FY 2024. This is an increase of \$7.1 million, or 24.6 percent, above the revised estimate for FY 2023. The increase is mainly due to the STAR Bonds Food Sales Tax Revenue Replacement Fund starting in FY 2024. The agency requests \$7.0 million, all from special revenue funds, for the STAR Bonds Food Sales Tax Revenue Replacement Fund.

The **agency** requests 40.0 FTE positions for FY 2024, which is the same number as the revised estimate for FY 2023.

The **Governor** recommends \$44.3 million, all from special revenue funds, for FY 2024. This is an increase of \$8.4 million, or 23.4 percent, above the agency's FY 2024 request. This increase is all for the STAR Bond Food Sales Tax Revenue Replacement Fund. The Governor recommends expediting the elimination of the state sales tax rate on food and food ingredients to April 1, 2023. Therefore, the Governor's recommendation for FY 2024 increases the total amount for the STAR Bond Food Sales Tax Revenue Replacement Fund from \$7.0 million to \$15.4 million for FY 2024.

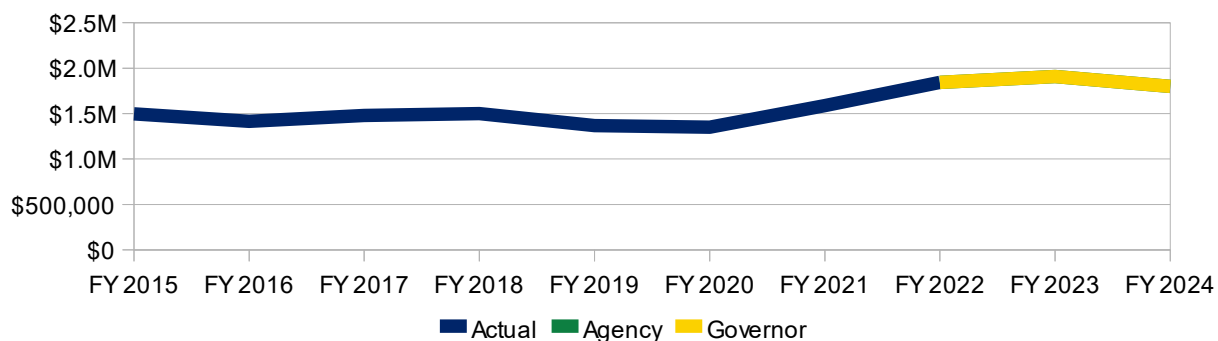
EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 2,324,296	\$ 2,823,672	\$ 2,823,672	\$ 2,851,970	\$ 2,851,970
Contractual Services	1,224,191	1,870,606	1,870,606	1,909,696	1,909,696
Commodities	20,143	19,260	19,260	20,367	20,367
Capital Outlay	52,122	59,000	59,000	61,955	61,955
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 3,620,752</i>	<i>\$ 4,772,538</i>	<i>\$ 4,772,538</i>	<i>\$ 4,843,988</i>	<i>\$ 4,843,988</i>
Aid to Local Units	-	-	-	7,000,000	15,400,000
Other Assistance	26,155,155	24,025,000	24,025,000	24,050,000	24,050,000
<i>Subtotal—Operating</i>	<i>\$ 29,775,907</i>	<i>\$ 28,797,538</i>	<i>\$ 28,797,538</i>	<i>\$ 35,893,988</i>	<i>\$ 44,293,988</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 29,775,907	\$ 28,797,538	\$ 28,797,538	\$ 35,893,988	\$ 44,293,988
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
State Treasurer	1,579,341	1,908,835	1,908,835	1,799,326	1,799,326
Operating Fund					
Unclaimed Property	25,783,866	23,600,000	23,600,000	23,600,000	23,600,000
Claims Fund					
Unclaimed Property	1,141,811	1,691,292	1,691,292	1,839,912	1,839,912
Expense Fund					
Federal Funds	-	-	-	-	-
All Other Funds	1,270,889	1,597,411	1,597,411	8,654,750	17,054,750
TOTAL	\$ 29,775,907	\$ 28,797,538	\$ 28,797,538	\$ 35,893,988	\$ 44,293,988
FTE Positions	40.0	40.0	40.0	40.0	40.0

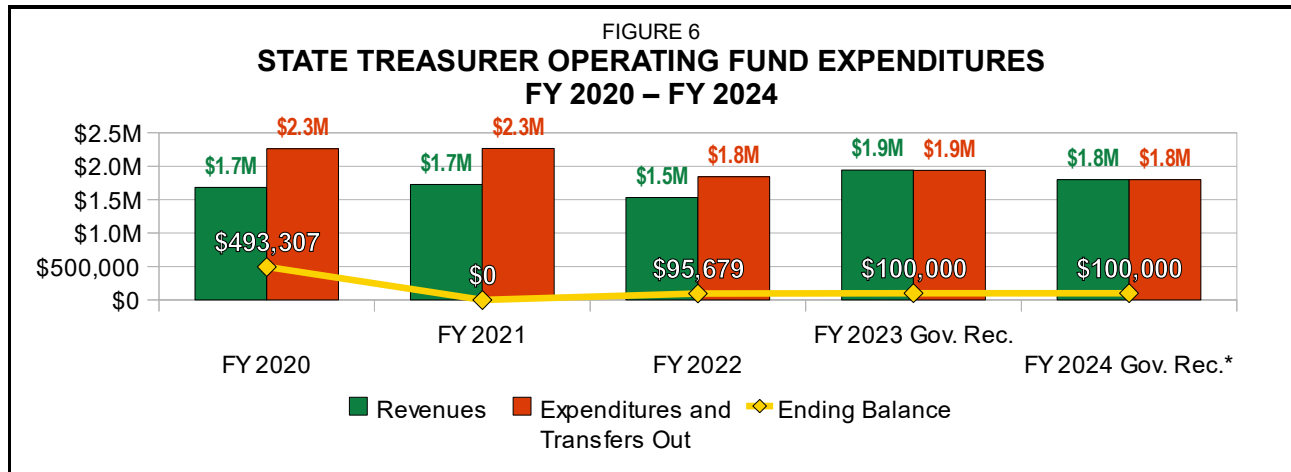
STATE TREASURER OPERATING FUND

FIGURE 5
STATE TREASURER OPERATING FUND EXPENDITURES
FY 2015 – FY 2024



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 fund has averaged expenditures of \$1.5 million per year from FY 2015 to FY 2022. The State Treasurer also pays operating expenses from the Bonds Services Fee Fund, Postsecondary Education Savings Trust Fund, and the Unclaimed Property Expense Fund.

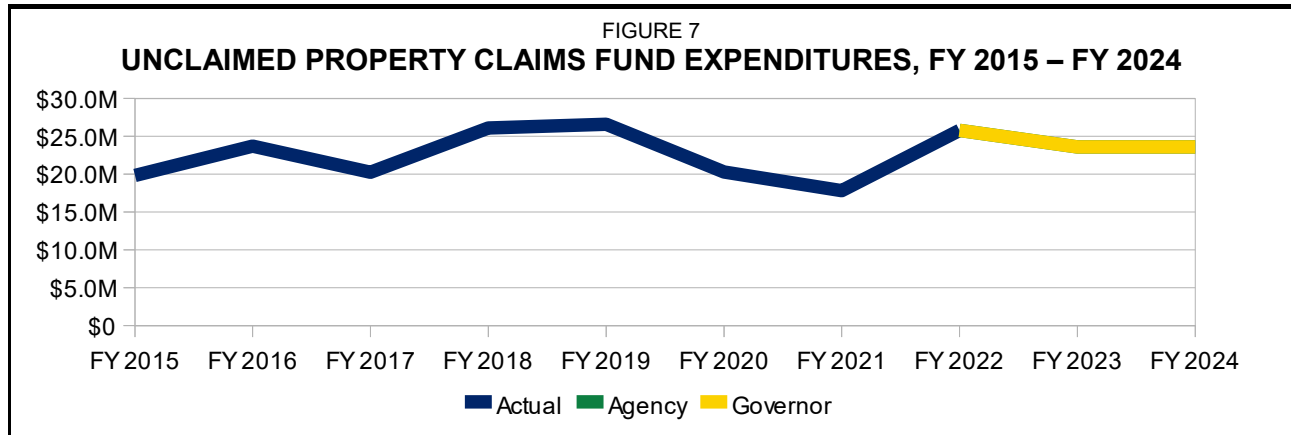
STATE TREASURER OPERATING FUND



* For FY 2024, the lowest month ending balance for the State Treasurer Operating Fund will occur in June, with a balance of \$67,093.

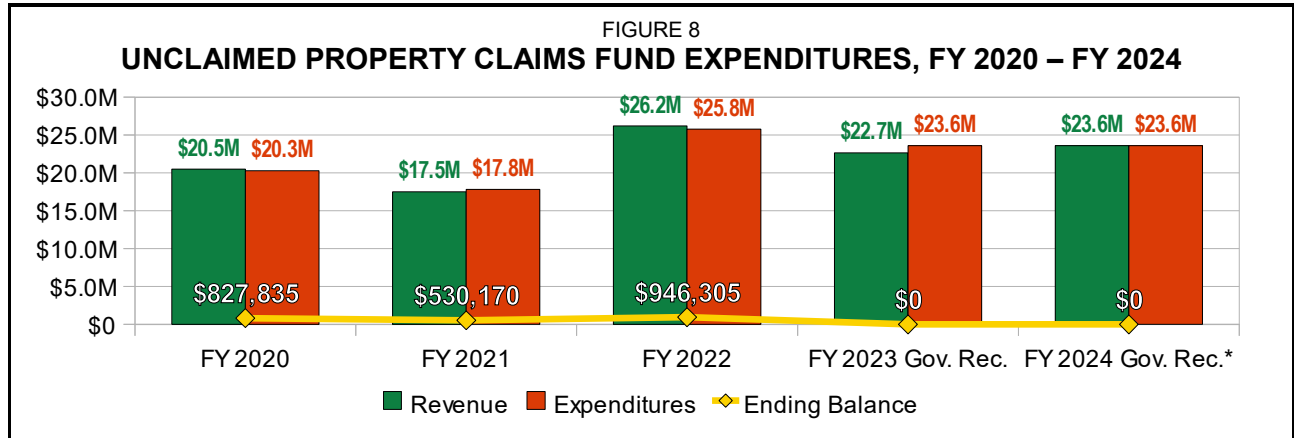
The State Treasurer Operating Fund revenues totaled \$1.7 million in FY 2020 and FY 2021 and \$1.8 million in FY 2022. The expenditures totaled \$2.3 million in FY 2020 and FY 2021 and \$1.8 million in FY 2022. The fund has a carry-forward balance of \$95,679 in unspent funds from FY 2022 into FY 2023. The agency estimates expenditures of \$1.9 million in FY 2023 and \$1.8 million for FY 2024. The Governor concurs with these estimates.

UNCLAIMED PROPERTY CLAIMS FUND



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. The fund has averaged expenditures of \$22.5 million per year from FY 2015 to FY 2022.

UNCLAIMED PROPERTY CLAIMS FUND



* For FY 2024, the lowest month ending balance for the Unclaimed Property Claims Fund will occur in August, with a balance of \$0.

The Unclaimed Property Claims Fund expenditures increased by \$8.0 million, or 44.8 percent, from FY 2021 to FY 2022. The fund has a carry-forward balance of \$946,308 in unspent funds from FY 2022 into FY 2023. The agency estimates unclaimed property claim payments of \$23.6 million in FY 2023 and \$23.6 million for FY 2024. The Governor concurs with these estimates.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 32,626,874	\$ 32,626,874	40.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 32,626,874	\$ 32,626,874	40.0
Agency Revised Estimate:				
2. All Other Adjustments	-	(3,829,336)	(3,829,336)	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 28,797,538	\$ 28,797,538	40.0
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 28,797,538	\$ 28,797,538	40.0

LEGISLATIVE APPROVED

The 2022 Legislature approved a budget of \$32.6 million, all from special revenue funds, for the Office of the State Treasurer for FY 2023.

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$32.6 million appropriated to the Office of the State Treasurer for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$28.8 million, all from special revenue funds, in FY 2023. This is a decrease of \$3.8 million, or 11.7 percent, below the FY 2023 approved amount.

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

2. **ALL OTHER ADJUSTMENTS.** There is a decrease of \$3.8 million, all in special revenue funds, in anticipated unclaimed property claims. This decrease of \$3.8 million is the majority of the adjustment below the FY 2023 approved amount.

The **agency** estimate also includes 40.0 FTE positions, which is the same as the approved number.

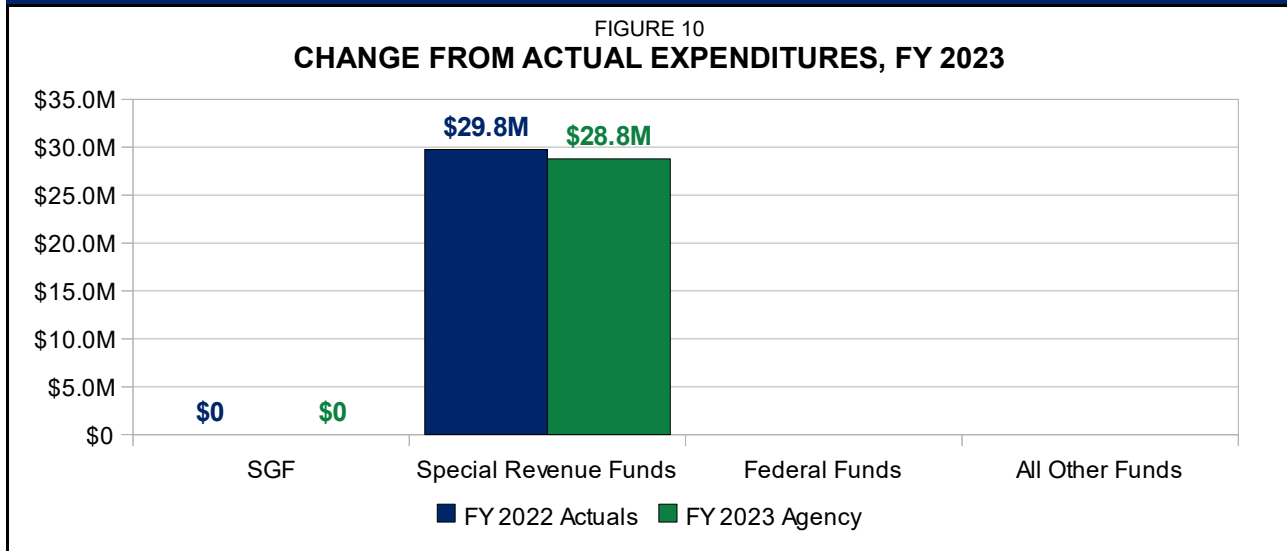
GOVERNOR'S RECOMMENDATION

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

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

The **Governor's** recommendation also includes 40.0 FTE positions, which is the same as the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$28.8 million, all from special revenue funds, in FY 2023. This is a decrease of \$978,369, or 3.3 percent, below the FY 2022 actual amount. The decrease is mainly attributable to an anticipated decrease in unclaimed property claims of \$2.1 million, partially offset by increases in contractual services (\$646,415, mainly for increased costs in computer software maintenance and service, advertising, and bank fees) and salaries and wages (\$499,376, mainly for increases in pay for regular classified employees and employer contributions for group health insurance).

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 28,797,538	\$ 28,797,538	40.0
Agency Request:				
1. STAR Bonds Food Sales Tax Replacement Fund	-	7,000,000	7,000,000	--
2. All Other Adjustments	-	96,450	96,450	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 35,893,988	\$ 35,893,988	40.0
Governor's Recommendation:				
3. STAR Bonds Food Sales Tax Replacement Fund	\$ -	\$ 8,400,000	\$ 8,400,000	--
TOTAL	<u>\$ -</u>	<u>\$ 44,293,988</u>	<u>\$ 44,293,988</u>	<u>40.0</u>

AGENCY REQUEST

The **agency** requests requests \$35.9 million, all from special revenue funds, for FY 2024. This is an increase of \$7.1 million, or 24.6 percent, above the revised estimate for FY 2023.

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

1. **STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND.** The agency requests an increase of \$7.0 million, all from special revenue funds, for the STAR Bonds Food Sales Tax Revenue Replacement Fund. See the special topic section for more details about this fund.
2. **ALL OTHER ADJUSTMENTS.** The request includes other adjustments totaling \$96,450, all from special revenue funds. The request includes an overall increase of \$39,090 in contractual services, mainly due to an increase in computer software maintenance and services (\$133,809) partially offset by a decrease in bank fees (\$106,230) and intergovernmental operating changes (\$28,389). The request also includes an increase in salaries and wages of \$28,298, mainly due to an increase employer contributions for group health insurance (\$37,939) partially offset by a reduction in employer contributions for KPERS (\$10,293).

The **agency** request also includes 40.0 FTE positions for FY 2024. This is the same number as the revised FY 2023 estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$44.3 million, all from special revenue funds, for FY 2024. This is an increase of \$8.4 million, or 23.4 percent, above the agency's request for FY 2024.

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

3. **STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND.** The Governor recommends an additional \$8.4 million, all from special revenue funds, for a total of \$15.4 million. See the Special Topic section for more detail about this fund.

The **Governor's** recommendation also includes 40.0 FTE positions for FY 2024. This is the same as the agency request number for FY 2024.

SPECIAL TOPICS

STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND

In 2022, the Legislature passed HB 2106, which amended the law relating to sales tax on food. Beginning on January 1, 2023, the state sales and compensating use tax rate on food and food ingredients will be reduced from 6.5 percent to 4.0 percent. The tax rate will be further reduced to 2.0 percent on January 1, 2024, and reduced to 0.0 percent on January 1, 2025. This does not affect local sales tax.

STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND

The STAR Bonds Food Sales Tax Revenue Replacement Fund was created by the 2022 Legislature. The funds will be provided to cities and counties to hold STAR bond holders harmless from the elimination of the food sales tax. According to the agency, on July 1, 2023, and every six months after, the city or county will certify to the Director of Accounts and Reports the amount of the reduction in sales tax in the districts due to HB 2106. For FY 2024, this amount will be transferred from the SGF to the STAR Bonds Food Sales Tax Revenue Replacement Fund, and the fund will credit the City Bond Finance Fund for each district.

AMOUNT APPROPRIATED FOR THE FUND

The 2022 Legislature approved the transfer process for FY 2024 for this fund, but did not include any transfer amount in the final appropriations bill. The agency has estimated the transfer will be \$7.0 million for FY 2024.

The Governor has recommended \$15.4 million for FY 2024, which is an addition of \$8.4 million.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 12 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 665,634	\$ 892,692	\$ 892,692	\$ 880,239	\$ 880,239
Bond Services	493,290	671,196	671,196	691,163	691,163
Education Assistance	736,803	827,708	827,708	870,552	870,552
ABLE Savings	40,780	98,507	98,507	93,035	93,035
Unclaimed Property	26,925,641	25,291,292	25,291,292	25,439,912	25,439,912
Cash Management	913,759	1,016,143	1,016,143	919,087	919,087
STAR Bond Districts	-	-	-	7,000,000	15,400,000
Food Sales Tax*					
TOTAL	\$ 29,775,907	\$ 28,797,538	\$ 28,797,538	\$ 35,893,988	\$ 44,293,988
FTE Positions:					
Administration	10.4	6.2	6.2	6.2	6.2
Bond Services	7.1	10.2	10.2	10.2	10.2
Education Assistance	2.4	2.7	2.7	2.7	2.7
ABLE Savings	0.4	0.3	0.3	0.3	0.3
Unclaimed Property	13.1	14.3	14.3	14.3	14.3
Cash Management	6.6	6.3	6.3	6.3	6.3
STO Aid to Locals	-	-	-	-	-
TOTAL	40.0	40.0	40.0	40.0	40.0

* This is part of the Cash Management Program.

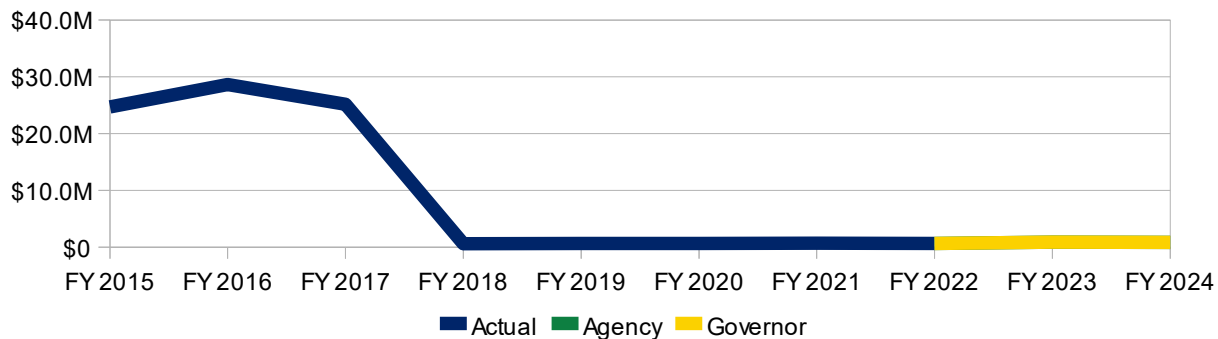
PERFORMANCE MEASURES

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

FIGURE 13

ADMINISTRATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • The Office of State Treasurer was created in Article I of the *Kansas Constitution*. In 1972, Article I was amended to eliminate the position of State Treasurer as a constitutional office. It continues as an elected position. KSA 25-101b; 75-601, *et seq.*

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

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 14

ADMINISTRATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. State Treasurer attended KPERS Board, PMIB Board, and Learning Quest 529 Treasurer Advisory Committee Meetings*	Yes	Yes	Yes	Yes	Yes
2. Total number of public appearances (virtual or in person) by the State Treasurer or designee*	50 *	83	--	85	90
3. Total number of followers on social media channel at year end*	26,506	26,647	--	27,000	27,500
4. Total impressions for digital and print advertisement placements	5,316,015	5,986,247	--	6,000,000	7,000,000
5. Average new visitors to the website*	37,075	37,075	--	37,250	37,500
6. Total number of emails sent*	24	37	--	40	45
Output Measure:					
7. Number of help desk requests*	164	229	271	500	500
8. Average help desk response times*	34	41	30	13	13
9. Lines of system code: State Treasurer's Office*	756,634	769,813	788,744	362,000	362,000
10. Size of systems by number of records: State Treasurer's Office*	65,401,001	70,237,312	66,958,470	7,000,000	7,000,000
11. Size of systems by number tables: State Treasurer's Office*	409	435	418	260	260
12. Major modifications requested: State Treasurer's Office*	5	7	5	4	4
13. Lines of system code: Other Agencies*	404,372	405,686	404,300	420,000	420,000
14. Size of systems by number of records: Other Agencies*	69,998,321	72,623,064	65,960,094	57,000,000	57,000,000
15. Size of systems by number tables: Other Agencies*	272	277	272	270	270
16. Major modifications requested: Other Agencies*	1	1	1	2	2
17. Number of unclaimed property inquiries*	875,325	794,426	915,003	1,300,000	1,300,000
18. Number of online claims submitted*	26,411	28,834	27,737	30,000	30,000
19. Number of ACH claims via the website*	4,402	N/A	N/A	N/A	N/A
20. Number of check status searches*	45,673	43,916	37,298	25,000	25,000
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	702,959	665,634		892,692	880,239
TOTAL	\$ 702,959	\$ 665,634		\$ 892,692	\$ 880,239
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	2.2 %	(5.3) %		34.1 %	(1.4) %
FTE Positions	7.0	10.4		6.2	6.2

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** submits a revised estimate of \$892,692, all from special revenue funds, for the Administration Program in FY 2023. This is an increase of \$227,058 above the FY 2022 actual expenditures. The increase is mainly attributable to an increase in salaries and wages expenditures (\$189,268), specifically for salaries for unclassified employees and for employer contributions for group health insurance and KPERS.

The **agency** requests \$880,239, all from special revenue funds, for the Administration Program for FY 2024. This is a decrease of \$12,453, or 1.4 percent, below the FY 2023 revised estimate.

The **Governor** concurs with the agency's estimate in FY 2023 and request for FY 2024.

DIGITAL AND PRINT ADVERTISING PLACEMENTS

The agency had an increase of 670,232 impressions, or 12.6 percent, for digital and

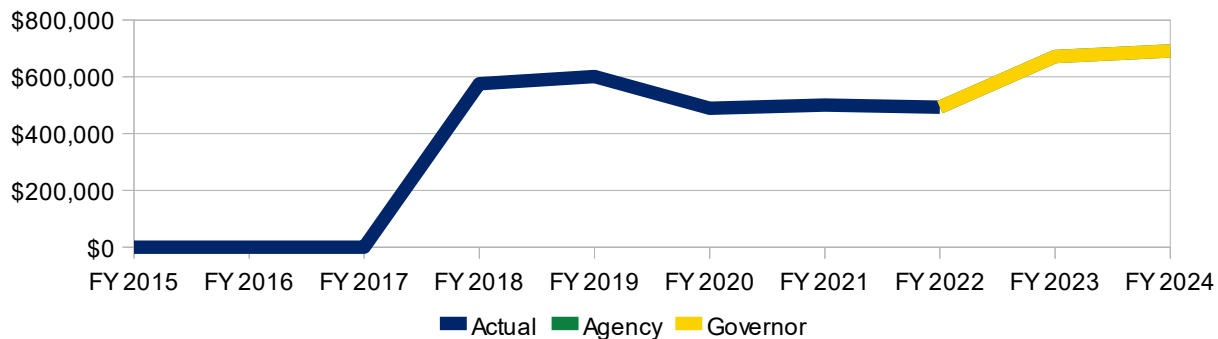
print advertising placements from FY 2021 to FY 2022. The agency anticipates increased requests for both FY 2023 and FY 2024. The agency expects an increase of 13,753, or 0.2 percent, from FY 2022 to FY 2023, and an increase of 1.0 million, or 16.7 percent, from FY 2023 to FY 2024

UNCLAIMED PROPERTY INQUIRIES

The agency had a decrease of 80,899 inquiries, or 9.2 percent, regarding unclaimed property from FY 2021 to FY 2022. The agency anticipates increased requests in FY 2023 and FY 2024 of 505,574, or 63.6 percent. The agency saw increases in claims submitted online from FY 2021 to FY 2022 of 2,423, or 9.2 percent. It anticipates that number will increase in FY 2023 to 30,000, or an increase above FY 2022 of 4.0 percent.

BOND SERVICES PROGRAM

FIGURE 15
BOND SERVICES PROGRAM EXPENDITURES, FY 2015 – FY 2024



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

STATUTORY BASIS: • P.L. 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 2022 were \$726,032.

FIGURE 16
BOND SERVICES PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Number of registration numbers issued	348	240	298	275	225
2.Annual indebtedness report published by Sept 30th*	Met	Met	Met	Met	Met
3.Percent of new Municipal bonds with the State as Paying Agent	90 %	86 %	89 %	90 %	90 %
4.Percent of new Municipal temporary notes with State as Paying Agent*	80 %	88 %	82 %	73 %	73 %
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	500,751	493,290		671,196	691,163
TOTAL	\$ 500,751	\$ 493,290		\$ 671,196	\$ 691,163
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	2.4 %	(1.5) %		36.1 %	3.0 %
FTE Positions	8.0	7.1		10.2	10.2

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** submits a revised estimate of \$671,196, all from special revenue funds, for the Bond Services Program in FY 2023. This is an increase of \$177,906, or 36.1 percent, above the FY 2022 actual expenditures. The increase is mainly attributable to an increase in salaries and wages expenditures (\$145,795), specifically for salaries for unclassified employees and for employer contributions for group health insurance and KPERS.

The **agency** requests \$691,163, all from special revenue funds, for the Bond Services Program for FY 2024. This is an increase of \$19,967, or 3.0 percent, above the FY 2023 revised estimate.

The **Governor** concurs with the agency's estimate in FY 2023 and request for FY 2024.

REGISTRATION NUMBERS ISSUED

The agency issued 348 registration numbers in FY 2021 and 240 in FY 2022. This is a

decrease of 108, or 31.0 percent, below FY 2021 registration numbers issued. The agency anticipates an increase in FY 2023 to 275, or a 14.6 percent increase, above FY 2022 registration numbers issued.

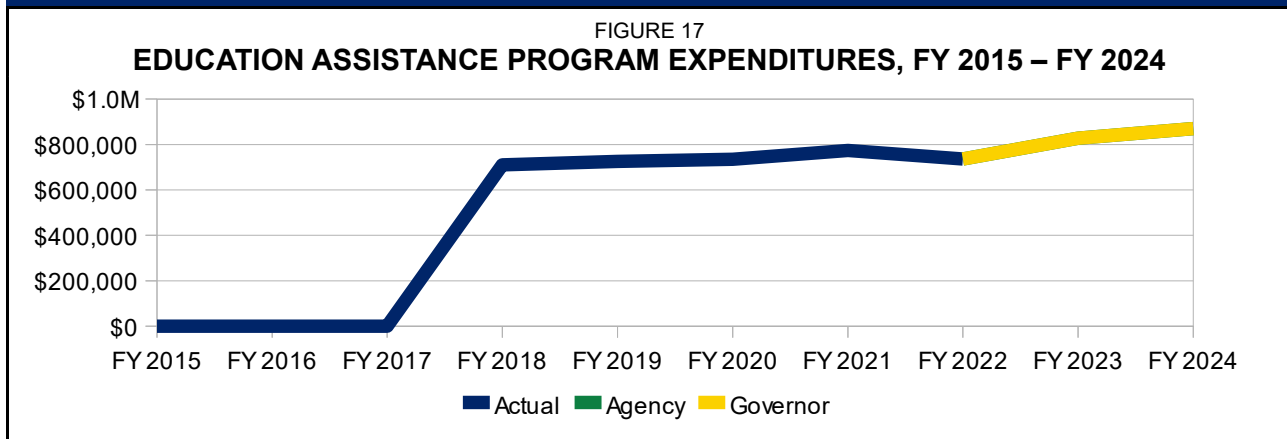
PERCENT OF MUNICIPAL BONDS

There was a decrease from 90 percent of new municipal bonds with the State as the paying agent in FY 2021 to 86 percent in FY 2022. The agency expects the percentage to return to 90 percent in FY 2023 and FY 2024.

PERCENT OF MUNICIPAL TEMPORARY NOTES

There was an increase from 80 percent to 88 percent for percentage of municipal temporary notes which have the State as the paying agent from FY 2021 to FY 2022. The agency has a target of 73 percent for FY 2023 and FY 2024. This is lower than the 3-year average, which is 82 percent.

EDUCATION ASSISTANCE PROGRAM



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 postsecondary 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:

state matches (up to \$600 per participant) for contributions to such accounts.

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 a way for individuals and organizations to save for postsecondary education expenses under a qualified tuition savings plan (529 plan). The agency contracted with American Century Investments as the program manager in December 1999 and renewed the contract in December 2006. The program became operational in 2000. Effective FY 2002, the program is financed entirely by service fees. Kansas residents own 350,299 of these accounts as of FY 2022.

The KIDS program is authorized for \$720,000 SGF for 1,200 matching grants. 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 2022, there were 675 participants in the KIDS matching grant program. Participants deposited \$385,194 in match eligible contributions for FY 2022. The agency estimates an increase to \$425,000 in FY 2023 and \$450,000 for FY 2024.

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

FINANCIAL LITERACY

In February of 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 18
EDUCATION ASSISTANCE PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of KS counties reached through marketing**	105/105	105/105	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) * /**	282,147	350,299	296,995	325,258	346,522
4. Total number of active accounts (Kansas only) *	73,490	75,452	73,370	77,315	79,223
5. Total plan assets (in billions)**	\$ 9.6	\$ 8.8	\$ 9.0	\$ 9.6	\$ 10.5
6. Total Kansas assets (in billions)**	\$ 1.5	\$ 1.7	\$ 1.0	\$ 1.4	\$ 1.5
7. Total purchases (total program) (in billions)**	\$ 1.1	\$ 1.2	\$ 0.6	\$ 1.3	\$ 1.4
8. Total purchases (Kansas only) (in millions)	\$ 129.9	\$ 122.1	\$ 132.0	\$ 151.7	\$ 159.6
9. Accounts opened per year**	36,429	36,504	29,237	40,110	44,073
10. Rollovers in (Kansas residents) (in millions)**	8.6	9.9	8.0	12.2	15.0
11. Rollovers out (Kansas residents) (in millions)**	5.8	6.5	7.0	7.3	8.2
12. Difference (in millions)**	2.7	3.4	2.0	4.9	6.8
13. Rollovers in (plan total) (in millions)**	272.0	235.8	231.0	276.1	323.1
14. Rollovers out (plan total) (in millions)**	60.8	64.2	65.0	65.0	75.8
15. Difference (in millions)**	211.2	171.7	166.0	211.1	257.4
16. Number of presentations by State Treasurer's staff and ACI**	21	35	29	35	39
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 407,641	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	365,609	736,803		827,708	870,552
TOTAL	\$ 773,250	\$ 736,803		\$ 827,708	\$ 870,552
Percentage Change:					
SGF	9.9 %	-- %		-- %	-- %
All Funds	5.3 %	(4.7) %		12.3 %	5.2 %
FTE Positions	2.7	2.4		2.7	2.7

*Cumulative over time.

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** submits a revised estimate of \$827,708, all from special revenue funds, for the Education Assistance Program in FY 2023. The request is an increase of \$90,905 above the FY 2022 actual expenditures. The increase is mainly attributable to an increase in contractual services (\$39,977) and other assistance (\$53,711). Contractual services

includes an increase in advertising in FY 2023 of \$21,884, or 65.2 percent, above FY 2022 actuals.

The **agency** requests \$870,552, all from special revenue funds, for the Education Assistance Program for FY 2024. This is an

increase of \$42,844, or 5.2 percent, above the FY 2023 revised estimate.

The **Governor** concurs with the agency's estimate in FY 2023 and request for FY 2024.

ACCOUNTS OPENED PER YEAR

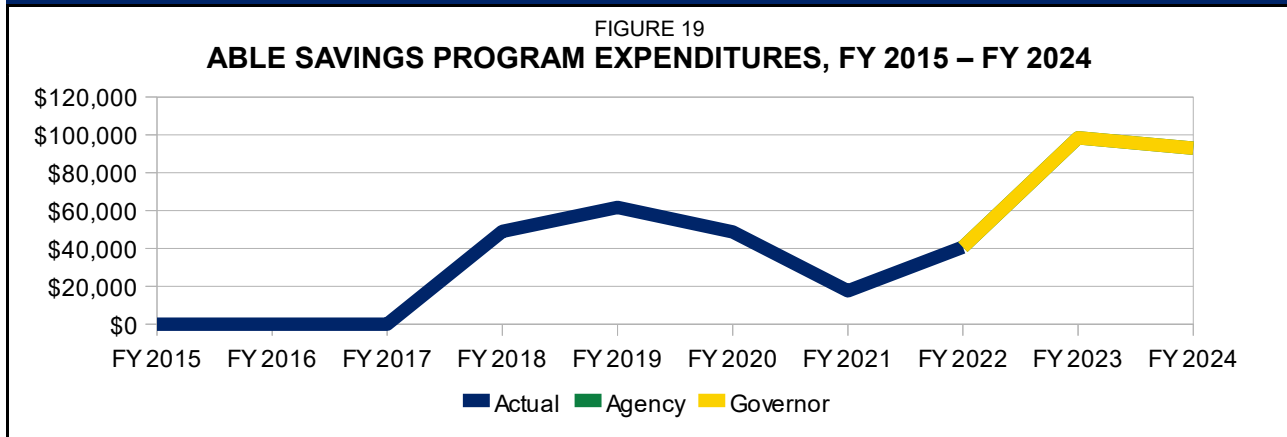
In FY 2021, 36,429 new accounts were opened. In FY 2022, 36,504 new accounts were opened. This is an additional 75 accounts, or 0.2 percent, from FY 2021 to FY 2022. Both years are higher than the three-year average of 29,237 per year. The agency anticipates 40,110 new accounts opening in FY 2023, for an

increase of 3,606 or 9.9 percent, above FY 2022 number.

TOTAL NUMBER OF ACTIVE ACCOUNTS

The total number of active accounts in Kansas for FY 2022 was 75,452. This was an increase of 1,962, or 2.7 percent, above the FY 2021 number. The agency anticipates an additional 1,863 accounts, or 2.5 percent, above the FY 2022 number, to be added in FY 2023. The total program's number of active accounts rose by 24.2 percent from FY 2021 to FY 2022. The agency anticipates a decrease in total program active accounts of 25,041, or 7.1 percent, above the FY 2022 number in FY 2023.

ABLE SAVINGS PROGRAM



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

STATUTORY BASIS: • KSA 75-651 *et. seq.*

PROGRAM GOALS:

- Continue partnership with the multi-state 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 multi-state consortium, provides investment options, and maintains account records for each account owner.

FIGURE 20
ABLE SAVINGS PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of educational programs presented or ABLE meetings attended*	24	31	27	30	36
2. Number of new Kansas ABLE accounts*	489	266	347	366	296
3. Number of Kansas ABLE accounts (total)	1,041	1,313	1,004	1,679	1,975
4. Number of Kansas ABLE accounts (funded)*	988	1,262	959	1,612	1,896
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	17,633	40,780		98,507	93,035
TOTAL	\$ 17,633	\$ 40,780		\$ 98,507	\$ 93,035
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(63.8) %	131.3 %		141.6 %	(5.6) %
FTE Positions	0.3	0.4		0.3	0.3

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests \$98,507, all from special revenue funds, for the ABLE Savings Program in FY 2023. This is an increase of \$57,727 above the FY 2022 actual expenditures. This increase is mainly attributable to an increase in contractual services of \$55,276, mostly for advertising (\$51,849).

The **agency** requests \$93,035, all from special revenue funds, for the ABLE Savings Program for FY 2024. This is a decrease of \$5,472, or 5.6 percent, below the FY 2023 revised estimate.

The **Governor** concurs with the agency's estimate in FY 2023 and request for FY 2024.

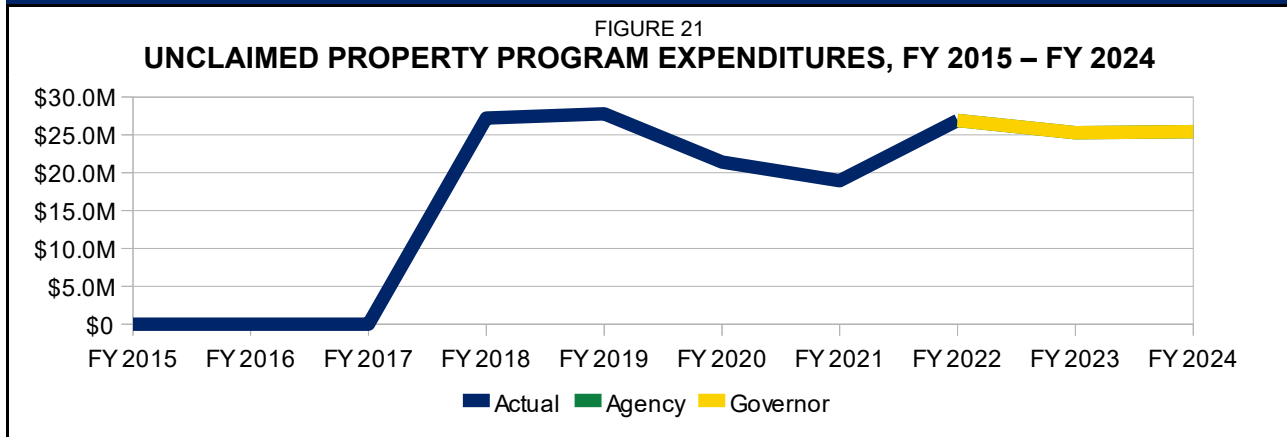
NEW KANSAS ABLE ACCOUNTS

There was a decrease in new Kansas ABLE accounts from FY 2021 to FY 2022 of 223, or 45.6 percent, below the FY 2021 number. The agency anticipates 366 more people opening accounts in FY 2023 and FY 2024, for an increase of 37.6 percent.

NUMBER OF TOTAL KANSAS ABLE ACCOUNTS

There was an increase in total number of Kansas ABLE accounts from FY 2021 to FY 2022. The increase was 272 accounts, or 26.1 percent, above the FY 2021 number. The agency anticipates this upward movement to continue in FY 2023 and FY 2024. FY 2023 has an anticipated increase of 27.9 percent, and FY 2024 has an increase of 17.6 percent.

UNCLAIMED PROPERTY PROGRAM



Staff Note: 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 are used for the payment of claims, and balances in the Unclaimed Property Expense Fund, which are 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 PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Value of unclaimed property receipts to SGF (in millions)	\$ 57.5	\$ 56.2	\$ --	\$ 57.6	\$ 57.6
2. Number of active holders (businesses)*	41,157	40,790	--	41,809	41,809
3. Amount returned to rightful owners (in millions)	\$ 18.0	\$ 26.0	\$ --	\$ 23.6	\$ 23.6
4. Number of claims paid	112,769	86,115	--	90,076	90,076
5. Inquiries (name searches) (thousands)*	800	800	--	900	900
6. Number of outreach actions recorded*	33,295	12,031	--	13,100	13,100
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	18,933,957	26,925,641		25,291,292	25,439,912
TOTAL	<u>\$ 18,933,957</u>	<u>\$ 26,925,641</u>		<u>\$ 25,291,292</u>	<u>\$ 25,439,912</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(11.7) %	42.2 %		(6.1) %	0.6 %
FTE Positions	14.8	13.1		14.3	14.3

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** submits a revised estimate of \$25.3 million, all from special revenue funds, for the Unclaimed Property Program for FY 2023. This is a decrease of \$1.6 million, or 6.1 percent, below the FY 2022 actual expenditures. The decrease is mainly attributable to a decrease in anticipated unclaimed property claims by holders (\$2.0 million), partially offset by an increase in contractual services of \$381,606, mainly for computer software maintenance and services (\$319,025).

The **agency** requests \$25.4 million, all from special revenue funds, for the Unclaimed Property Program for FY 2024. This is an increase of \$148,620, or 0.6 percent, above the FY 2023 revised estimate.

The **Governor** concurs with the agency's estimate in FY 2023 and request for FY 2024.

NUMBER OF CLAIMS PAID

The agency paid out 112,786 claims in FY 2021 and 86,115 in FY 2022. This is a decrease

of 26,671, or 23.6 percent, from FY 2021 to FY 2022. The agency anticipates The agency anticipates an increase of 3,961 claims paid in FY 2023, or a 4.6 percent increase, above the FY 2022 claims paid. The agency also anticipates an increase in FY 2024.

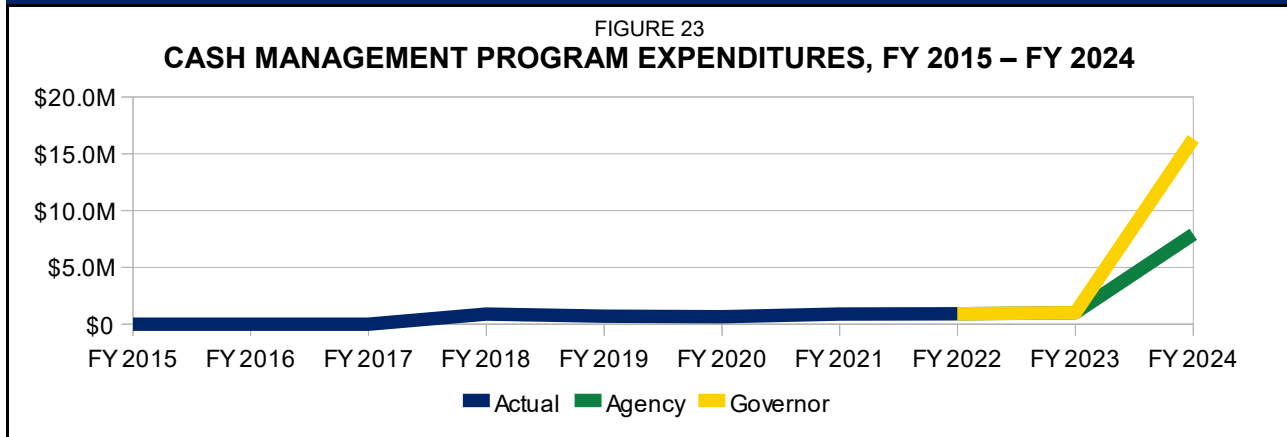
AMOUNT RETURNED TO RIGHTFUL OWNERS

The agency returned \$18.0 million to its rightful owners in FY 2021, and increased that by \$8.0 million, or 44.4 percent, in FY 2022. The agency anticipates there will be a decrease in FY 2023 of 9.2 percent, for a total of \$23.6 million returned to its rightful owners, which is still above the average for FY 2020-FY 2022.

NAME SEARCH INQUIRIES

Name search inquiries remained the same at 800 between FY 2021 and FY 2022. The agency anticipates an increase of 12.5 percent for name search inquiries in FY 2023 and FY 2024.

CASH MANAGEMENT PROGRAM



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

STATUTORY BASIS: • KSA 75-603; 75-604; 75-640-646; 75-4201; 75-7246; 75-4215; 75-4268-4275; 79-2959; 19-2694; 79-2964; 12-1775a

PROGRAM GOALS:

- Record in an accurate and timely manner all receipts and disbursements for the State of Kansas.
- Ensure the safety of deposits held in the name of the State.
- Accurately determine the amounts due to local governments under the provisions of the various statutes which regulate each program, and to distribute these amounts to the local governmental units at the statutorily mandated times.
- Provide funding for low-interest loans for qualified linked deposit program borrowers.

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.

STAR BONDS FOOD SALES TAX REVENUE REPLACEMENT FUND

The STAR Bonds Food Sales Tax Revenue Fund was created by the 2022 Legislature. The funds will be provided to cities and counties to hold STAR bond holders harmless from the elimination of the food sales tax. According to the agency, on July 1, 2023, and every six months after, the city or county will certify to the Director of Accounts and Reports the amount of the reduction sales tax in the districts due to the bill. This amount will be transferred from the SGF to the STAR Bonds Food Sales Tax Revenue Replacement Fund, and the fund will credit the City Bond Finance Fund for each district.

FIGURE 24 CASH MANAGEMENT PROGRAM, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of items received before \$ 2:30 pm deposited the same day*	N/A	100 %	--	100 %	100 %
2. Percentage of State dollars received by electronic methods	N/A	71 %	--	80 %	85 %
3. Percentage of dollars disbursed electronically	N/A	98 %	--	98 %	98 %
4. Number of checks issued by the State*	N/A	434,270	--	450,000	430,000
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	886,212	913,759		1,016,143	16,319,087
TOTAL	<u>\$ 886,212</u>	<u>\$ 913,759</u>		<u>\$ 1,016,143</u>	<u>\$ 16,319,087</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	35.5 %	3.1 %		11.2 %	1,506.0 %
FTE Positions	6.5	6.6		6.3	6.3

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** submits a revised estimate of \$1.0 million, all from special revenue funds, for the Cash Management Program in FY 2023. The request is an increase of \$102,384 above the FY 2022 actual expenditures. The increase is mainly attributable to an increase in

contractual services of \$95,403, the majority due to bank fees (\$85,034).

The **agency** requests \$7.9 million, all from special revenue funds, for the Cash Management Program for FY 2024. This is an increase of \$6.9 million, or 679.3 percent,

above FY 2023 revised estimates. This is to cover the STAR Bond Food Sales Tax Revenue Replacement for the STAR bond districts in FY 2024.

The **Governor** concurs with the agency's estimate in FY 2023. For FY 2024, the **Governor** recommends \$16.3 million, all from special revenue funds. This includes a total of \$15.4 million for the STAR Bond Food Sales Tax Revenue Replacement Fund, which is an

increase of \$8.4 million, or 106.1 percent, above the agency's request for FY 2024.

CHECKS ISSUED

The agency issued 434,270 checks in FY 2022. The agency anticipates issuing an additional 15,730 checks in FY 2023, for a total of 450,000 checks. This is an increase of 3.6 percent, above FY 2022. The agency anticipates a decrease between FY 2023 and FY 2024 of 20,000, or 4.4 percent.

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KANSAS INSURANCE DEPARTMENT

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	300,000	337,793	337,793	-	-
All Other Funds	35,360,156	38,786,887	38,786,887	38,915,385	38,915,385
<i>Subtotal</i>	<u>\$ 35,660,156</u>	<u>\$ 39,124,680</u>	<u>\$ 39,124,680</u>	<u>\$ 38,915,385</u>	<u>\$ 38,915,385</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>\$ 35,660,156</u>	<u>\$ 39,124,680</u>	<u>\$ 39,124,680</u>	<u>\$ 38,915,385</u>	<u>\$ 38,915,385</u>
Percentage Change:					
State General Fund	(100.0) %	--	--	--	--
All Funds	6.4 %	9.7 %	9.7 %	(0.5) %	(0.5) %
FTE Positions	135.5	135.0	135.0	135.0	135.0

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.

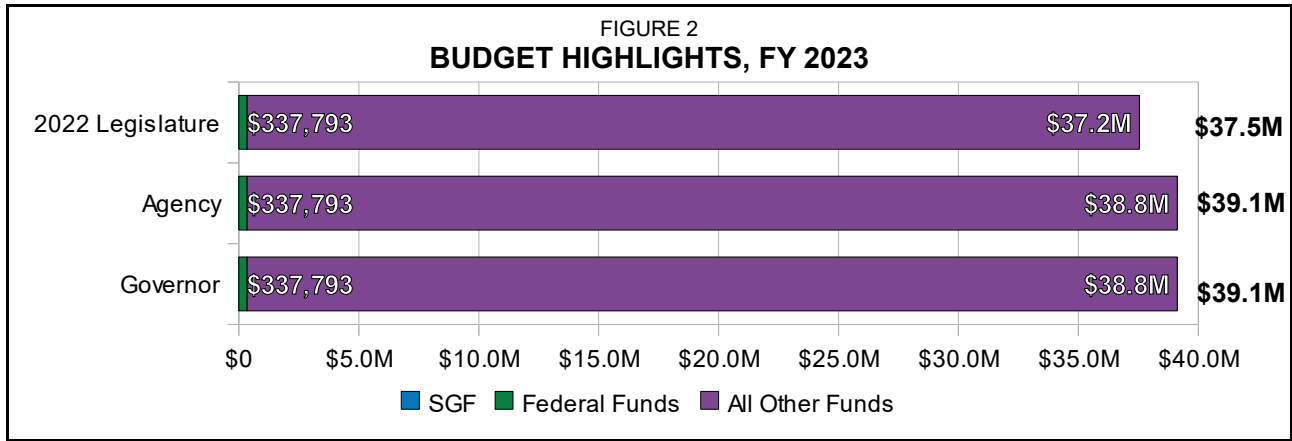
The mission of the Kansas Insurance Department is to protect the insurance consumers of Kansas and serve the public interest through the supervision, control, and regulation of persons and organizations transacting the business of insurance within the state. This mission is accomplished by working to obtain an affordable, accessible, and competitive insurance market.

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 mission of the Office of the Securities Commissioner is to protect and inform Kansas investors; promote integrity, fairness, and full disclosure in financial services; and foster capital information. 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. As defined by statute, a "security" includes virtually any type of passive investment, not just stocks and bonds. The Office of the Kansas Securities Commissioner is entirely financed by industry fees, which fund the Securities Act Fee Fund, and fines and settlements, which fund the Investor Education Fund.

EXECUTIVE SUMMARY

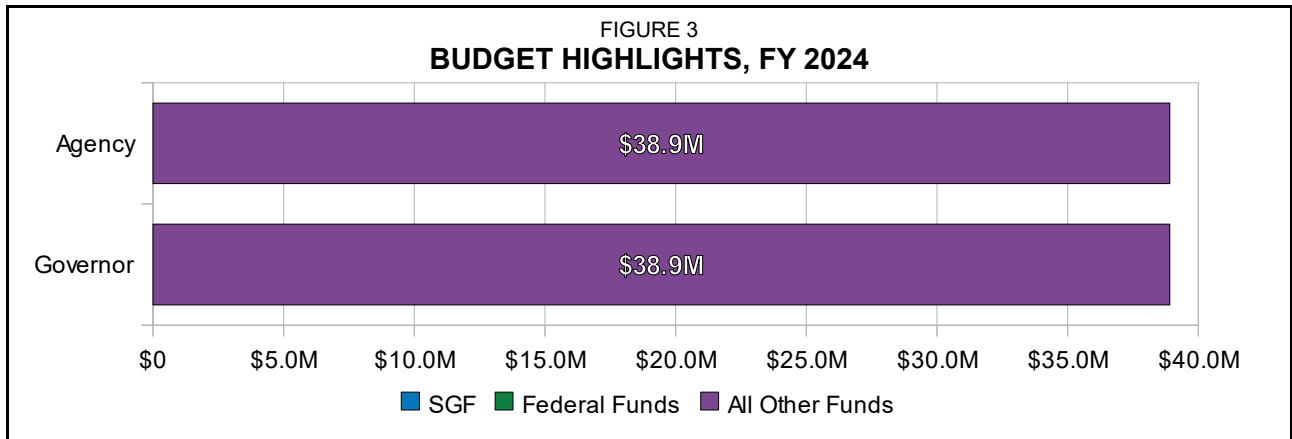
The 2022 Legislature approved a budget of \$37.5 million, all from special revenue funds, for the Kansas Insurance Department for FY 2023. No adjustments have been made since the Legislature approved the budget.



The **agency** submits a revised estimate of \$39.1 million, all from special revenue funds, in FY 2023. This is an increase of \$1.6 million, or 4.2 percent, above the FY 2023 approved amount. The revised estimate includes increases in capital outlay (\$450,000), commodities (\$6,000), and aid to local units (\$2.5 million), with partially offsetting decreases in salaries and wages (\$134,301), contractual services (\$264,360), and other assistance (\$981,000). The \$2.5 million increase in local aid is for local Firefighters Relief Associations.

The **agency** estimate also includes 135.0 FTE positions in FY 2023, which is a decrease of 0.5 FTE below the FY 2023 approved number.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$38.9 million, all from special revenue funds, for FY 2024. This is a decrease of \$209,295, or 0.5 percent, below the FY 2023 revised estimate. The decrease is primarily due to decreases in contractual services (\$243,706) and capital outlay (\$437,500), partially offset by increases in salaries and wages (\$421,911) and other assistance for scholarships, fellowships, and grants to students (\$50,000). The salaries and wages increase is primarily attributable to a 5.5 percent salary increase (\$385,649).

The agency request also includes 135.0 FTE positions, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency's request for FY 2024.

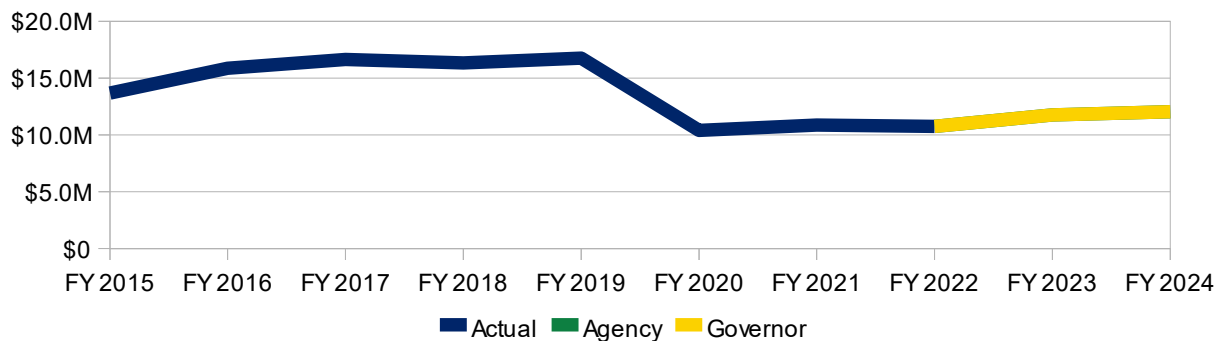
EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 10,069,630	\$ 11,976,237	\$ 11,976,237	\$ 12,398,148	\$ 12,398,148
Contractual Services	6,580,158	6,084,393	6,084,393	5,840,687	5,840,687
Commodities	214,399	203,050	203,050	203,050	203,050
Capital Outlay	111,206	661,000	661,000	223,500	223,500
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 16,975,393</i>	<i>\$ 18,924,680</i>	<i>\$ 18,924,680</i>	<i>\$ 18,665,385</i>	<i>\$ 18,665,385</i>
Aid to Local Units	16,558,243	17,000,000	17,000,000	17,000,000	17,000,000
Other Assistance	2,126,520	3,200,000	3,200,000	3,250,000	3,250,000
<i>Subtotal—Operating</i>	<i>\$ 35,660,156</i>	<i>\$ 39,124,680</i>	<i>\$ 39,124,680</i>	<i>\$ 38,915,385</i>	<i>\$ 38,915,385</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 35,660,156	\$ 39,124,680	\$ 39,124,680	\$ 38,915,385	\$ 38,915,385
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Securities Act Fee	3,404,964	4,046,250	4,046,250	3,795,195	3,795,195
Fund					
Insurance Department	10,763,060	11,765,307	11,765,307	12,046,937	12,046,937
Service Regulation					
Fund					
State Firefighters	16,633,270	17,080,917	17,080,917	17,084,178	17,084,178
Relief Fund					
Federal Funds	300,000	337,793	337,793	-	-
All Other Funds	4,558,862	5,894,413	5,894,413	5,989,075	5,989,075
TOTAL	\$ 35,660,156	\$ 39,124,680	\$ 39,124,680	\$ 38,915,385	\$ 38,915,385
FTE Positions	135.5	135.0	135.0	135.0	135.0

INSURANCE DEPARTMENT SERVICE REGULATION FUND

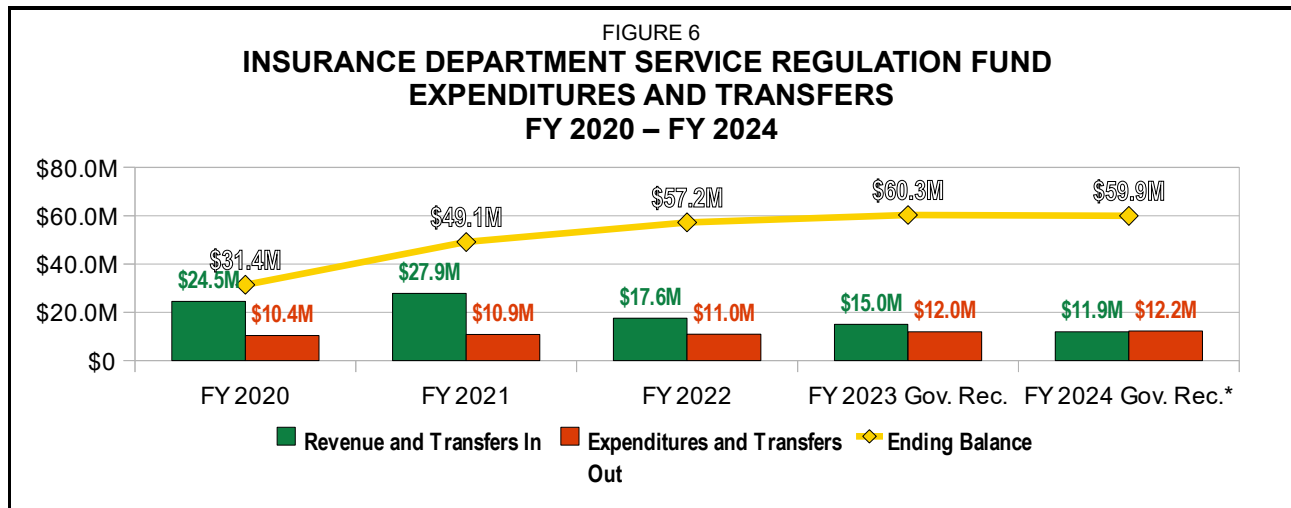
FIGURE 5
INSURANCE DEPARTMENT SERVICE REGULATION FUND EXPENDITURES
FY 2015 – FY 2024



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.

There is an annual transfer of \$200,000 to the Fraud and Abuse Criminal Prosecution Fund from the Insurance Department Service Regulation Fund for services provided by the Kansas Office of the Attorney General.

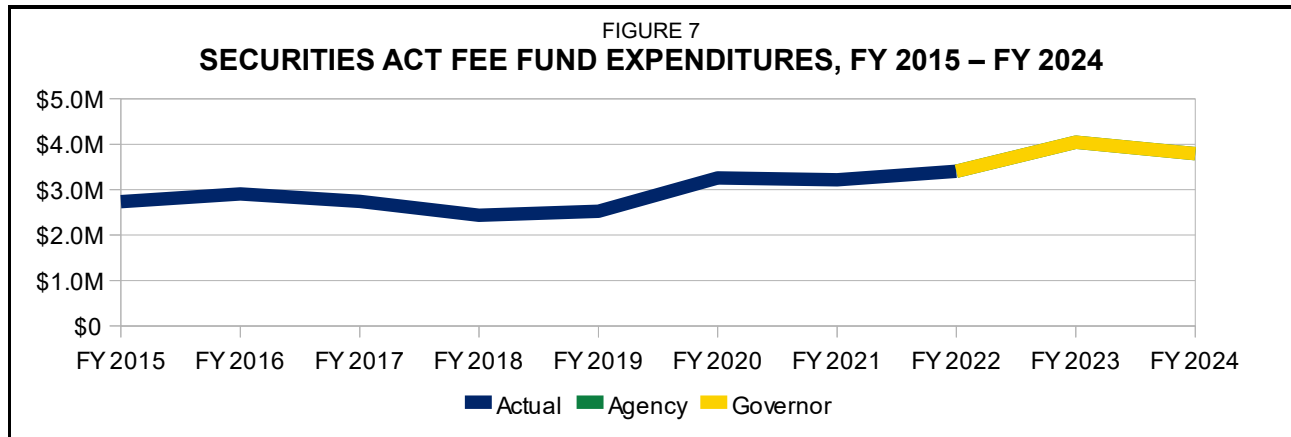
INSURANCE DEPARTMENT SERVICE REGULATION FUND



* For FY 2024, the lowest month ending balance for the Insurance Department Service Regulation Fund will occur in July, with a balance of \$58.6 million.

The agency requests expenditures of \$11.8 million in FY 2023 and \$12.0 million for FY 2024 from the Insurance Department Service Regulation Fund. This is an increase of \$1.0 million in FY 2023 above the FY 2022 actual expenditures. The Governor concurs with this request.

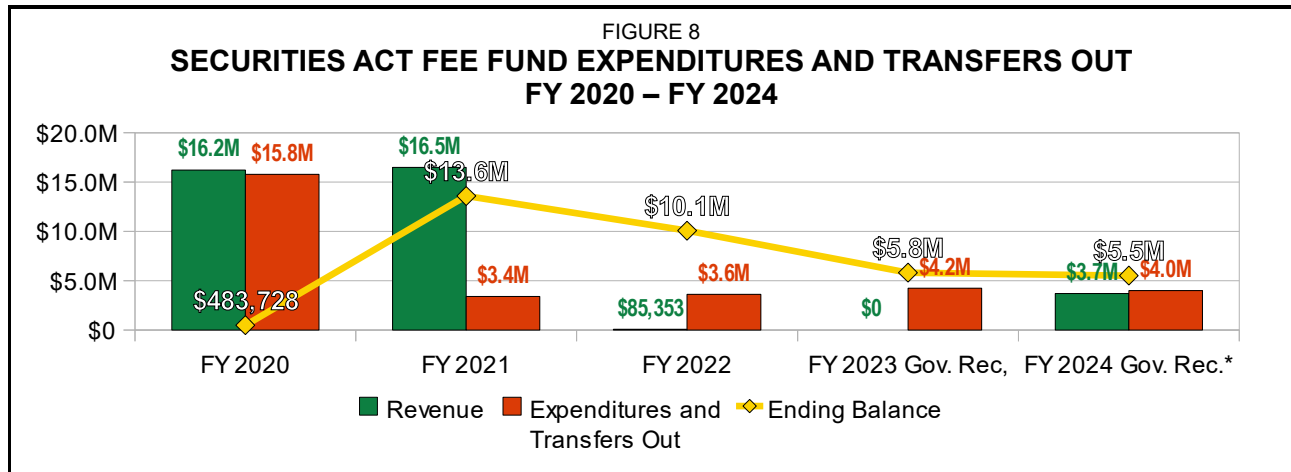
SECURITIES ACT FEE FUND



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 from the Securities Act Fee Fund for services provided by the Kansas Office of the Attorney General.

SECURITIES ACT FEE FUND



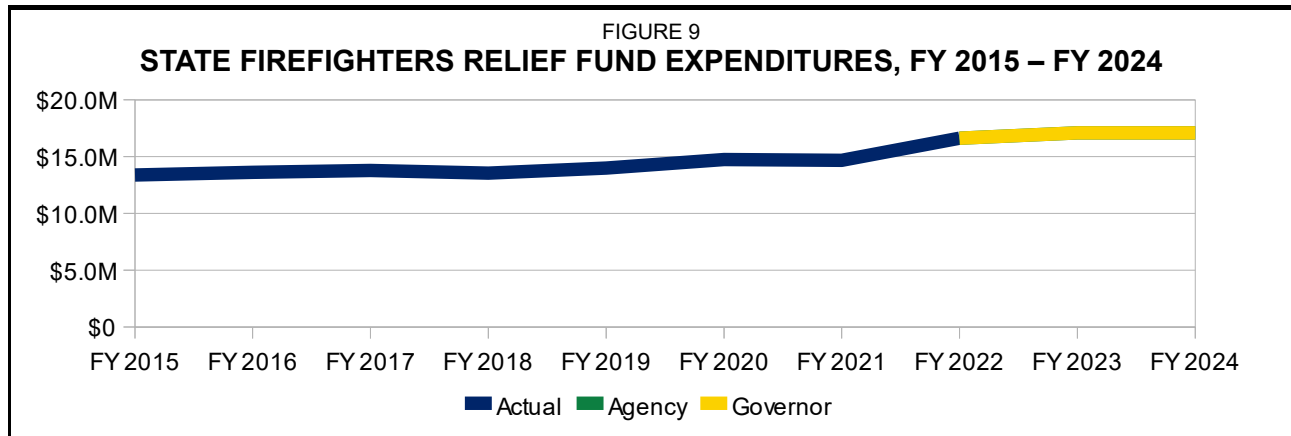
* For FY 2024, the lowest month ending balance for the Securities Act Fee Fund will occur in June, with a balance of \$4.4 million.

KSA 17-12a601 created the Securities Act Fee Fund, composed of money paid to the Securities Commissioner for securities licenses each year.

A lawsuit was filed against the State of Kansas regarding securities fee fund transfers to the SGF. The 2022 Legislature passed SB 392, which terminated the transfer of any fee funds in excess of \$50,000 to the SGF at the end of each fiscal year.

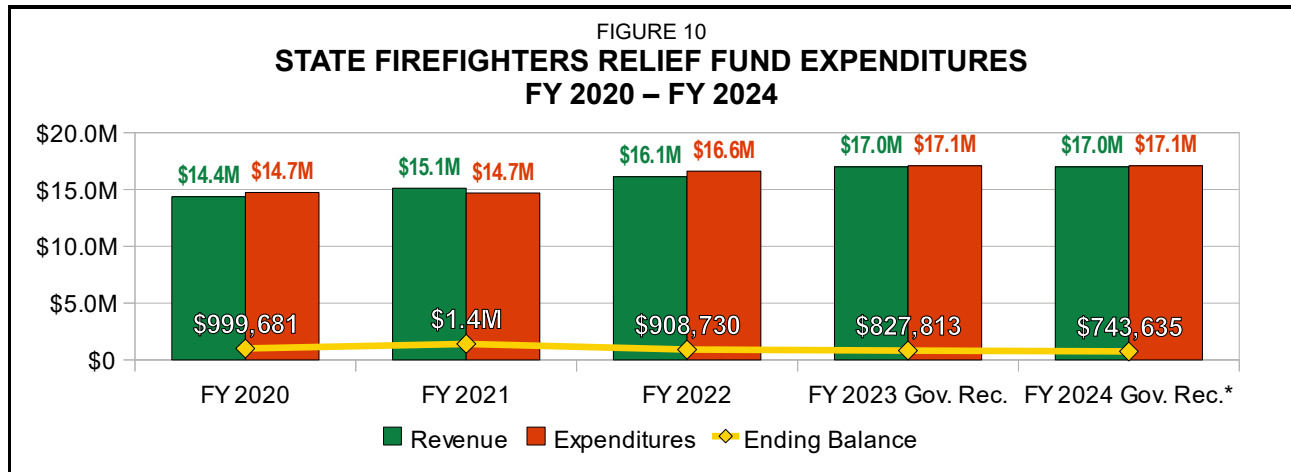
The agency requests expenditures of \$4.0 million from the Securities Act Fee Fund in FY 2023, which is an increase of \$641,286, or 16.2 percent, above FY 2022 actual expenditures. The Governor concurs with this request.

STATE FIREFIGHTERS RELIEF FUND



KSA 40-1703 requires every insurance company that writes fire and lightning insurance to pay 2.0 percent of the total amount of annual premiums written in Kansas to the agency. This money is credited to the State Firefighters Relief Fund. The money is distributed to cities, townships, fire districts, and county firefighter relief associations, per KSA 40-1706. The State Firefighters Relief Fund has averaged yearly expenditures of \$14.3 million from FY 2015 - FY 2022.

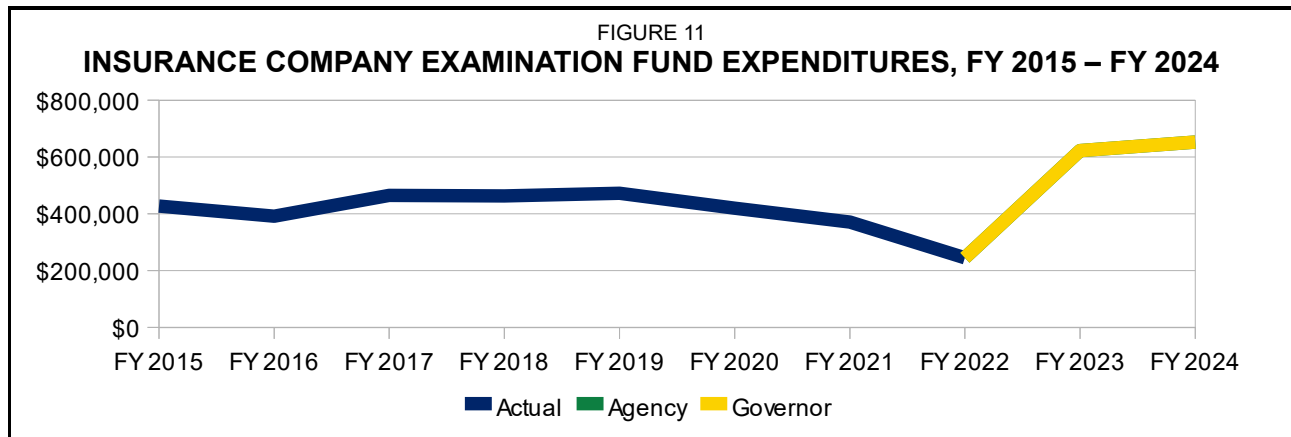
STATE FIREFIGHTERS RELIEF FUND



* For FY 2024, the lowest month ending balance for the State Firefighters Relief Fund will occur in May, with a balance of \$67,355.

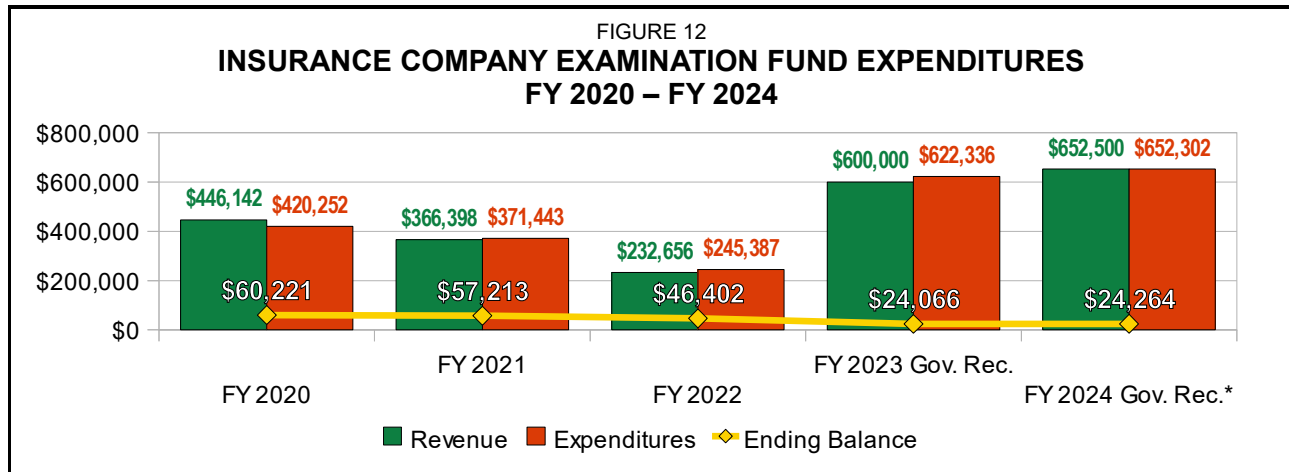
The agency requests expenditures of \$17.1 million in both FY 2023 and for FY 2024. This is an increase of \$447,647, or 3.1 percent, above FY 2022 actual expenditures. The Governor concurs with this request.

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 2024, the lowest month ending balance for the Insurance Company Examination Fund will occur in January, with a balance of \$16,360.

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.

The agency requests expenditures of \$622,336 in FY 2023 from the Insurance Company Examination Fund. This is an increase of \$376,949, or 50.9 percent, above the actual expenditures in FY 2022. The Governor concurs with this request.

FY 2023 ANALYSIS

FIGURE 13

SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 37,548,341	\$ 37,548,341	135.5
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 37,548,341	\$ 37,548,341	135.5
Agency Revised Estimate:				
2. Aid to Local Units		2,500,637	2,500,637	--
3. All Other Adjustments	-	(924,298)	(924,298)	(0.60)
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 39,124,680	\$ 39,124,680	135.0
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 39,124,680	\$ 39,124,680	135.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$37.5 million appropriated to the Kansas Insurance Department for FY 2023.

1. **NO CHANGES.** There were no adjustments made to the \$37.5 million appropriated in FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$39.1 million, all from special revenue funds, in FY 2023. This is an increase of \$1.6 million, or 4.2 percent, above the FY 2023 approved amount.

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

2. **AID TO LOCAL UNITS.** The \$2.5 million increase, or 17.2 percent, above the approved amount is all from the State Firefighters Relief Fund. It is mainly for distribution to local firefighters relief associations, the Kansas State Firefighters Association, and the Firefighters Relief Association.
3. **ALL OTHER ADJUSTMENTS.** There is an overall decrease of \$924,298 in other adjustments, although the agency does estimate increases in several areas. The revised estimate includes decreases in salaries and wages and contractual services. The decreases are partially offset by increases in capital outlay and commodities.
 - **SALARIES AND WAGES.** There is a decrease in salaries and wages of \$132,301, or 1.1 percent, below the approved amount mainly due to decreases in regular classified employees wages (\$41,871) and temporary unclassified employees wages (\$43,820) and a reduction in employer contributions for group health insurance (\$22,464) and KPERS (\$13,161).
 - **CONTRACTUAL SERVICES.** There is also a decrease in contractual services of \$264,360, or 4.2 percent, below the approved amount. This decrease is mainly attributable to a decrease in lawyers fees and payments to attorneys (\$349,500); hospitals and nursing homes (\$350,000); other professional fees (\$190,000); and physicians and medical associations (\$100,000). This is partially offset by an increase in payments to accountants and auditors (\$575,000).

- **CAPITAL OUTLAY.** The increase in capital outlay is \$450,000, or 213.3 percent, above the approved amount and is mainly due to office equipment and technology upgrades (\$358,000) and for the purchase of two passenger cars (\$85,000).
- **COMMODITIES.** The increase in commodities is \$6,000, or 3.0 percent, above the approved amount and is mainly due to an increase in other supplies, materials, and parts (\$18,000) and an increase in gasoline costs (\$5,750), offset by a decrease in other professional, scientific supplies, and materials (\$20,000).

The **agency** estimate also includes 135.0 FTE positions in FY 2023, which is a decrease of 0.5 FTE position below the FY 2023 approved number.

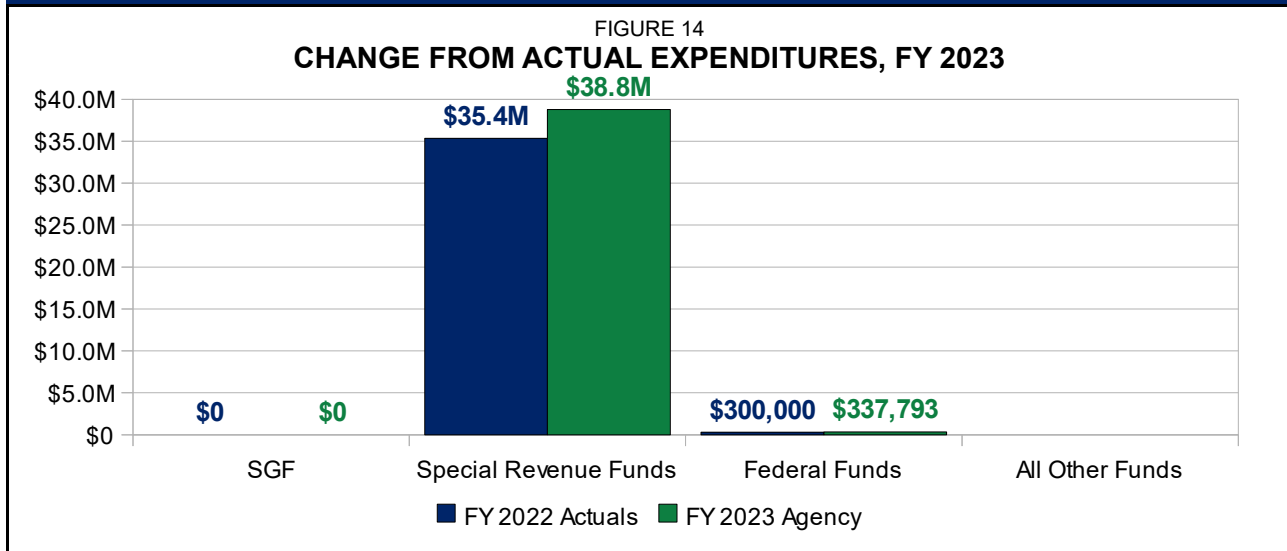
GOVERNOR'S RECOMMENDATION

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

4. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2023 revised estimate.

The **Governor's** recommendation also includes 135.0 FTE positions, which is the same number as the agency's FY 2023's revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$39.1 million, all from special revenue funds, in FY 2023. This is an increase of \$3.5 million, or 9.7 percent, above FY 2022 actual expenditures.

The agency requests increases in salaries and wages (\$1.9 million, or 18.9 percent), capital outlay (\$549,794, or 494.4 percent), and other assistance (\$1.1 million, or 50.5 percent). The increase in salaries and wages is mainly attributable to an increase of \$1.7 million in pay for regular unclassified employees; \$75,321 in pay for temporary unclassified employees; and \$479,713 in employer contributions for group health insurance and KPERs. The increase in capital outlay is mainly attributable to an increase of \$350,836 for office furniture; \$159,385 for computer hardware and support equipment; and \$85,000 for passenger cars. The increase in other assistance is mainly attributable to an increase of \$665,030 in workers' compensation claims; \$311,450 in other claims; and \$103,000 in other grants, claims, and shared revenue.

The agency was 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) in FY 2022. These funds were 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.

FY 2024 ANALYSIS

FIGURE 15
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 39,124,680	\$ 39,124,680	135.0
Agency Request:				
1. All Other Adjustments	-	(209,295)	(209,295)	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 38,915,385	\$ 38,915,385	135.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ -</u>	<u>\$ 38,915,385</u>	<u>\$ 38,915,385</u>	<u>135.0</u>

AGENCY REQUEST

The **agency** requests \$38.9 million, all from special revenue funds, for FY 2024. This is a decrease of \$209,295, or 0.5 percent, below the FY 2023 revised estimate.

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

- ALL OTHER ADJUSTMENTS.** The overall decrease is primarily due to decreases in contractual services and capital outlay, partially offset by an increase in salaries and wages and other assistance for scholarships, fellowships, and grants to students.
 - **CONTRACTUAL SERVICES.** The overall decrease in contractual services is \$243,706, or 4.0 percent, below the FY 2023 revised estimate. This decrease is mainly attributable to a decrease in other professional fees (\$268,706); software rentals (\$10,000); and computer programming services and data processing services (\$5,000). This is partially offset by an increase in computer equipment repair and service (\$40,000).
 - **CAPITAL OUTLAY.** The decrease in capital outlay is \$437,500, or 66.2 percent, below the FY 2023 revised estimate. This is mainly due to a decrease in office equipment (\$341,000) and a decrease in the purchase of passenger cars (\$85,000).
 - **SALARIES AND WAGES.** There is an increase in salaries and wages of \$421,911, or 3.5 percent, above the FY 2023 revised estimate. The increase is attributable to a 5.5 percent budgeted salary increase (\$385,649) and increases for employer contributions for group health insurance. This increase is partially offset by a decrease in employer contributions to KPERS (\$14,282).
 - **OTHER ASSISTANCE.** There is also an increase in other assistance for scholarships, fellowships, and grants to students of \$50,000, or 1.6 percent, above the FY 2023 revised estimate.

The **agency** request also includes 135.0 FTE positions, which is the same as the FY 2023 revised estimate number.

GOVERNOR'S RECOMMENDATION

- NO CHANGES.** The **Governor** concurs with the agency's request for FY 2024.

The **Governor's** recommendation also includes 135.0 FTE positions, which is the same number as the agency's FY 2023 request.

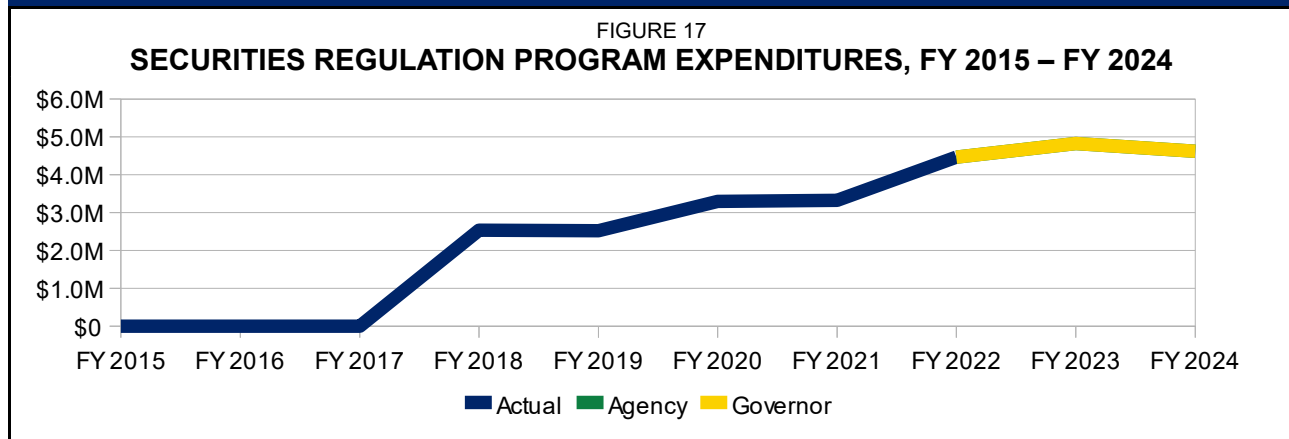
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 16 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Securities Regulation	\$ 4,463,787	\$ 4,826,450	\$ 4,826,450	\$ 4,620,395	\$ 4,620,395
Insurance Regulation	10,924,870	12,277,145	12,277,145	12,230,417	12,230,417
Examination	487,652	634,236	634,236	664,202	664,202
Firefighters Relief	16,633,270	17,080,917	17,080,917	17,084,178	17,084,178
Workers Comp.	3,150,577	4,305,932	4,305,932	4,316,193	4,316,193
TOTAL	\$ 35,660,156	\$ 39,124,680	\$ 39,124,680	\$ 38,915,385	\$ 38,915,385
FTE Positions:					
Securities Regulation	29.6	30.6	30.6	30.6	30.6
Examination	6.0	6.0	6.0	6.0	6.0
Insurance Regulation	95.2	93.7	93.7	93.7	93.7
Firefighters Relief	2.0	2.0	2.0	2.0	2.0
Workers Comp.	2.7	2.7	2.7	2.7	2.7
TOTAL	135.5	135.0	135.0	135.0	135.0

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.

SECURITIES REGULATION PROGRAM



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 18

SECURITIES REGULATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Court ordered restitution	\$ 751,296	\$ 1,301,400	\$ 761,170	\$ 870,000	\$ 400,000
2. Number of individual suspects referred to criminal prosecution each year*	-	1	3	2	2
3. Cost of advertising per hit on the website each year*	8k hits/ \$200k/ \$25.00/hit	13,166 \$ hits/\$430k/ \$32.66/hit	19.22	25k hits/ \$471k/ \$18.84/hit	22k hits/ \$471k/ \$21.41/hit
Output Measure (each year):					
4. BD registrations & renewal filings	1,452	1,457	1,457	1,436	1,450
5. IA registrations/IA notice filings & renewals*	1,517	1,552	1,520	1,573	1,575
6. BD Agent/IA Rep/Agent of issuer registrations & renewals*	161,517	163,153	160,371	164,875	164,875
7. Issuer registrations and renewals*	71	77	72	75	75
8. Number of compliance examinations performed*	50	27	45	32	50
9. Number of complaints investigated*	33	58	34	50	50
10. Number of enforcement investigations initiated	21	20	19	20	20
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	3,327,317	4,463,787		4,826,450	4,620,395
TOTAL	\$3,327,317	\$ 4,463,787		\$ 4,826,450	\$ 4,620,395
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	0.8 %	34.2 %		8.1 %	(4.3) %
FTE Positions	29.8	29.6		30.6	30.6

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** submits a revised estimate of \$4.8 million, all from special revenue funds for the Securities Regulation Program in FY 2023. This is an increase of \$151,496, or 3.4 percent, above the approved amount in FY 2023. This increase is mainly attributable to an increase in capital outlay (\$110,000), contractual services (\$89,575), and other assistance (\$19,000), and is partially offset by a decrease in salaries and wages (\$79,829).

The agency requests \$4.6 million, all from special revenue funds, for FY 2024. This is a decrease of \$206,055, or 4.3 percent, below the revised estimate for FY 2023. The decrease is mainly attributable to capital outlay (\$109,000) and contractual services (\$255,000), which is

partially offset by increases in other assistance (\$50,000) and salaries and wages (\$107,945).

The **Governor** concurs with the agency's revised estimate in FY 2023 and request for FY 2024.

COURT-ORDERED RESTITUTION

The agency paid out \$1.3 million in court-ordered restitution in FY 2022. The agency estimates that there will be a decrease of \$431,400, or 33.1 percent, in FY 2023, and an additional decrease of \$470,000, or 54.0 percent, for FY 2024.

INVESTIGATIONS

The agency investigated 58 complaints in FY 2022, which is an increase of 25 complaint

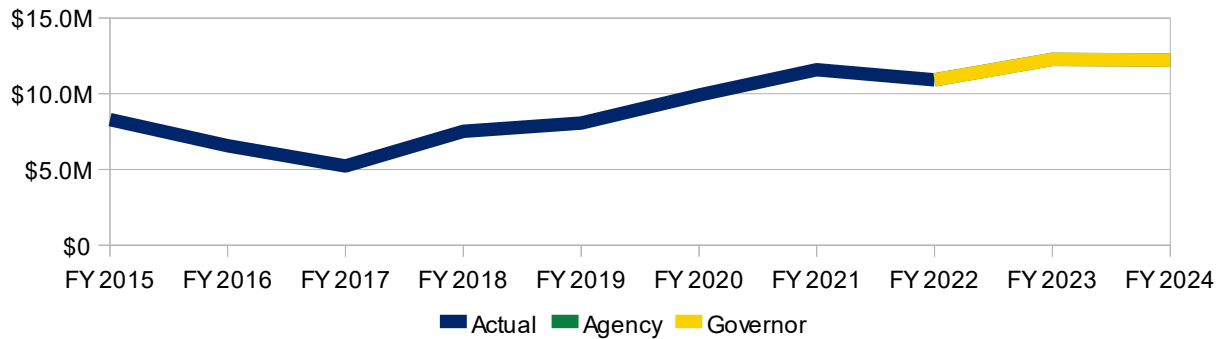
investigations, or 75.8 percent, above the FY 2021 level. The agency estimates 50 complaint investigations in FY 2023, for a decrease of 13.8 percent. In FY 2022, the agency also initiated 20 enforcement investigations. This is one less than in FY 2021.

The agency anticipates 20 enforcement investigations to be initiated for FY 2023 and FY 2024 each.

INSURANCE COMPANY REGULATION PROGRAM

FIGURE 19

INSURANCE COMPANY REGULATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



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

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 that 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 PROGRAM, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Amount of money recovered for Kansas consumers	\$ 2,657,248	\$ 7,181,996	\$ 3,907,654	\$ 3,800,000	\$ 3,500,000
2. Number of insurance fraud investigations submitted to Attorney General for criminal disposition	9	21	15	20	20
3. Average cost per company examination*	\$ 117,829	\$ 130,403	\$ --	\$ 132,000	\$ 134,000
Output Measure (each year):					
4. Number of financial examinations performed	11	18	12	14	13
5. Number of company license applications approved*	23	17	17	25	25
6. Number of active licensed producers, adjusters, and agencies	186,998	197,578	184,290	207,500	220,000
7. Number of consumer complaint and inquiry files closed*	2,938	3,157	3,228	3,000	3,000
8. Number of FRAs** receiving a distribution	555	556	557	556	556
9. Number of open work comp cases	1,638	1,660	1,712	1,675	1,700
10. Number of FRAs** requesting a redetermination hearing	12	15	--	10	10
11. Number of FRA** presentations given	2	4	--	7	7
Financing***					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 976,666	\$ -		\$ -	\$ -
Federal Funds	96,424	300,000		337,793	-
All Other Funds	10,520,605	10,624,870		11,939,352	12,230,417
TOTAL	\$ 11,593,695	\$ 10,924,870		\$ 12,277,145	\$ 12,230,417
Percentage Change:					
SGF	100.0 %	(100.0) %		-- %	-- %
All Funds	16.8 %	(5.8) %		12.4 %	(0.4) %
FTE Positions	95.0	95.2		93.8	93.8

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

**Firefighter Relief Act

***Financing is for the Insurance Regulation Program only. It does not include subprograms.

PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests \$12.3 million, all from special revenue funds, for the Insurance Company Regulation Program in FY 2023. This is an increase of \$971,690, or 8.9 percent, above the approved amount for FY 2023. This increase is mainly attributable to increases in capital outlay (\$339,500), contractual services (\$545,715), and salaries and wages (\$72,472).

The agency requests \$12.2 million, all from special revenue funds, for FY 2024. This is a decrease of \$46,728, or 0.4 percent, below the revised estimate for FY 2023.

The **Governor** concurs with the agency's revised estimate in FY 2023 and request for FY 2024.

INSURANCE FRAUD INVESTIGATIONS

The agency submitted 21 insurance fraud investigations to the Office of the Attorney General for criminal disposition in FY 2022. This is an increase of 133.3 percent above the FY 2021 amount. The agency anticipates about the same number of insurance fraud investigations to be submitted to the Office of the Attorney General in FY 2023 and FY 2024 each.

MONEY RECOVERED FOR CONSUMERS

The agency recovered \$7.2 million for consumers in FY 2022. This was an increase of \$4.5 million, or 170.3 percent, above the FY 2021 amount. The agency anticipates this amount reducing in FY 2023 and FY 2024 by \$3.4 million, or 47.1 percent. The agency

anticipates numbers similar to FY 2021 for FY 2023 and FY 2024.

CONSUMER COMPLAINT INQUIRIES

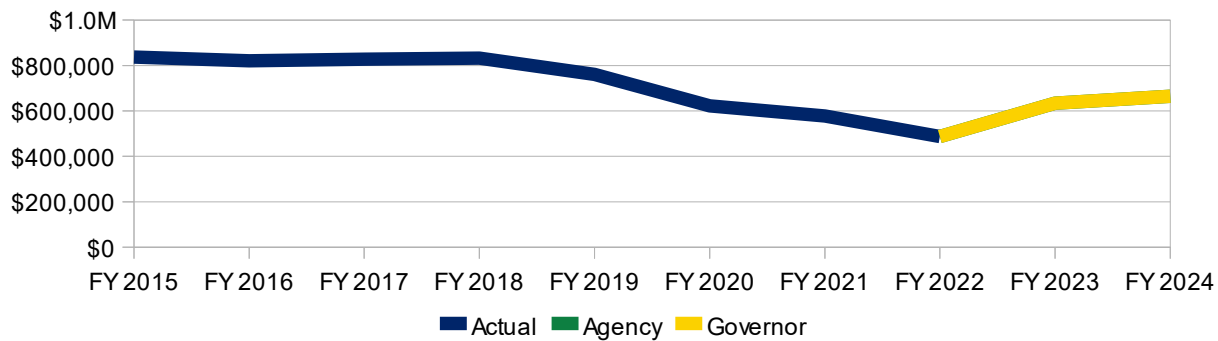
The agency increased the number of consumer complaint inquiries that were closed from FY 2021 to FY 2022 by 7.5 percent. The agency anticipates this number to decrease by 5.0 percent for FY 2023 and FY 2024.

WORKERS' COMPENSATION CASES

The number of open workers' compensation cases increased by 1.3 percent from FY 2021 to FY 2022. The agency anticipates that the number of open workers' compensation cases will continue to increase slightly in FY 2023 (by 0.9 percent) and FY 2024 (by 1.5 percent).

INSURANCE COMPANY EXAMINATION PROGRAM

FIGURE 21
INSURANCE COMPANY EXAMINATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



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 22
INSURANCE COMPANY EXAMINATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
No Performance Measures were submitted for this program.*					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	577,435	487,652		634,236	664,202
TOTAL	\$ 577,435	\$ 487,652		\$ 634,236	\$ 664,202
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(7.3) %	(15.5) %		30.1 %	4.7 %
FTE Positions	6.0	6.0		6.0	6.0

*Performance measures are included in the Insurance Company Regulation Program.

BUDGET ANALYSIS

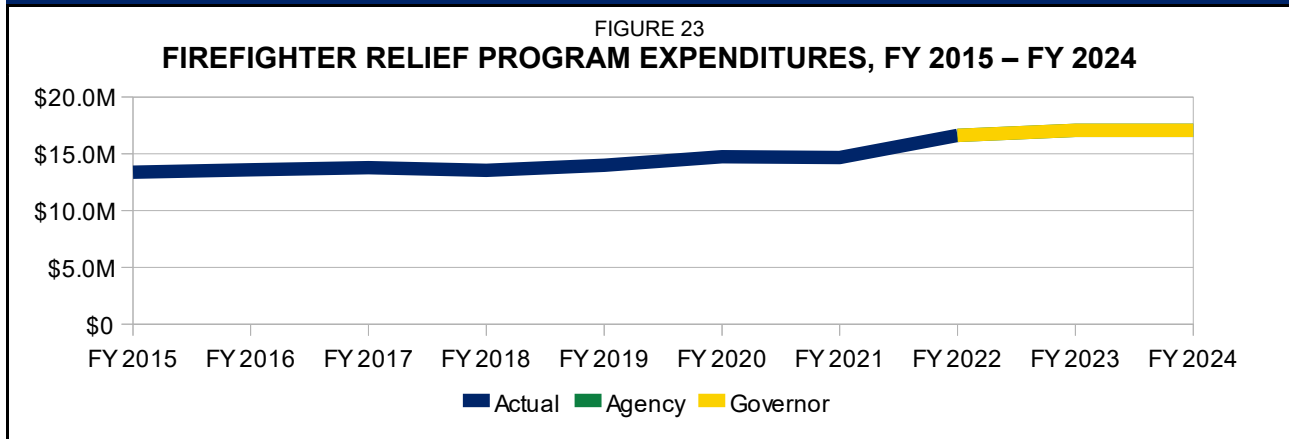
The agency requests \$634,236, all from Company Examination Program in FY 2023. This is a decrease of \$117,519, or 24.1 percent, special revenue funds, for the Insurance

below the approved amount for FY 2023. This decrease is attributable to a decrease in salaries and wages of \$117,519. This includes a decrease in both pay of regular unclassified employees and employer contributions for group health insurance and KPERS contributions.

The agency request \$664,202, all from special revenue sources, for FY 2024. This is an increase of \$29,966, or 4.7 percent, above the FY 2023 revised estimate. This is due to an increase in salaries and wages (\$29,966).

The Governor concurs with the agency's revised estimate in FY 2023 and request for FY 2024.

FIREFIGHTER RELIEF PROGRAM



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 24

FIREFIGHTER RELIEF PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:	No Performance Measures were submitted for this program.*				
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	14,687,343	16,633,270		17,080,917	17,084,178
TOTAL	<u>\$ 14,687,343</u>	<u>\$ 16,633,270</u>		<u>\$ 17,080,917</u>	<u>\$ 17,084,178</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(0.4) %	13.2 %		2.7 %	0.0 %
FTE Positions	2.0	2.0		2.0	2.0

*Performance measures are included in the Insurance Company Regulation Program.

BUDGET ANALYSIS

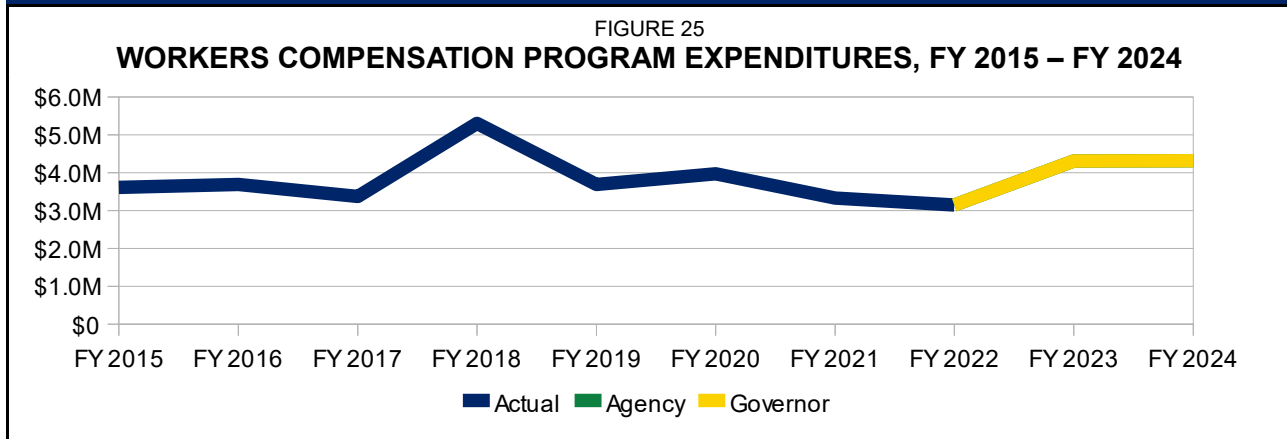
The **agency** requests \$17.1 million, all from special revenue funds, for the Firefighter Relief Program in FY 2023. This is an increase of \$2.5 million, or 15.0 percent, above the approved amount for FY 2023. This increase is mainly attributable to an increase in aid to local units of \$2.5 million for payment to local Firefighter Relief Associations.

increase of \$3,261, or less than 0.1 percent, above the revised estimate for FY 2023. This increase is due to an increase in salaries and wages (\$3,261).

The **Governor** concurs with the agency's revised estimate in FY 2023 and request for FY 2024.

The agency requests \$17.1 million, all from special revenue funds, for FY 2024. This is an

WORKERS COMPENSATION PROGRAM



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 26

WORKERS COMPENSATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
No Performance Measures were submitted for this program.*					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	3,334,447	3,150,577		4,305,932	4,316,193
TOTAL	\$ 3,334,447	\$ 3,150,577		\$ 4,305,932	\$ 4,316,193
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(16.0) %	(5.5) %		36.7 %	0.2 %
FTE Positions	2.7	2.7		2.7	2.7

*Performance measures are included in the Insurance Company Regulation Program.

BUDGET ANALYSIS

The **agency** requests \$4.3 million, all from special revenue funds, for the Workers Compensation Program in FY 2023. This is a decrease of \$1.9 million, or 613.3 percent, below the approved amount for FY 2023. This decrease is attributable to a decrease in contractual services (\$900,000) and other assistance (\$1.0 million). The decrease in contractual services is mainly due to decreases in payments to attorneys and lawyers; hospitals and nursing homes; other professional fees; and private vehicle mileage. The decrease in other assistance is due to a decrease in other claims.

The agency requests \$4.3 million, all from special revenue funds, for FY 2024. This is an increase of \$10,261, or 0.2 percent, above the revised estimate for FY 2023. This is attributable to an increase in salaries and wages (\$10,261).

The **Governor** concurs with the agency's revised estimate in FY 2023 and request for FY 2024.

OFFICE OF THE ATTORNEY GENERAL

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 6,421,288	\$ 6,819,117	\$ 6,819,117	\$ 7,220,516	\$ 6,570,220
Federal Funds	2,638	-	-	-	-
All Other Funds	23,436,638	55,684,773	55,684,773	29,650,299	29,925,595
<i>Subtotal</i>	<u>\$ 29,860,564</u>	<u>\$ 62,503,890</u>	<u>\$ 62,503,890</u>	<u>\$ 36,870,815</u>	<u>\$ 36,495,815</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>\$ 29,860,564</u>	<u>\$ 62,503,890</u>	<u>\$ 62,503,890</u>	<u>\$ 36,870,815</u>	<u>\$ 36,495,815</u>
Percentage Change:					
State General Fund	5.2 %	6.2 %	6.2 %	5.9 %	(3.6) %
All Funds	15.7 %	109.3 %	109.3 %	(41.0) %	(41.6) %
FTE Positions*	178.5	178.6	178.6	182.6	178.6

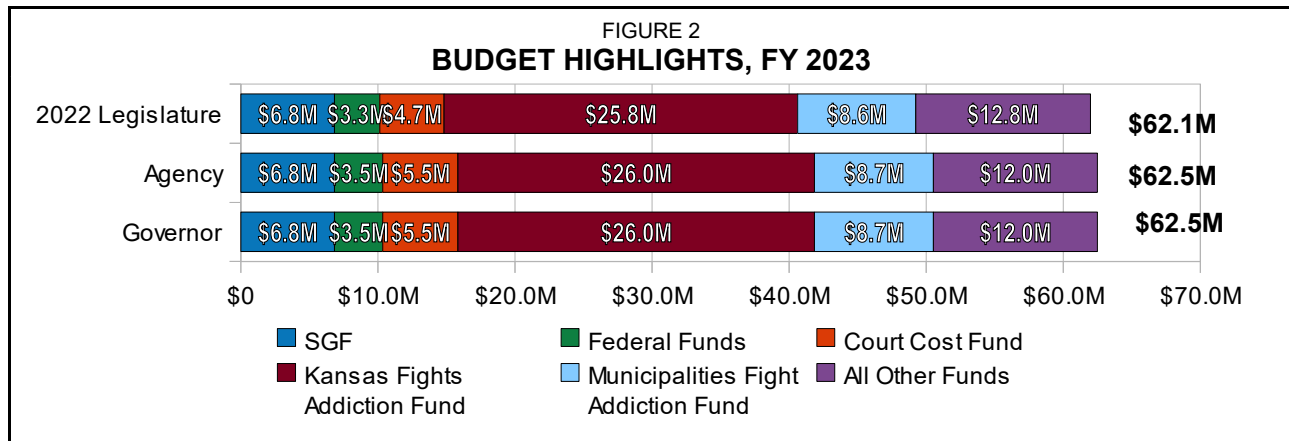
* *Staff Note:* This number represents both on- and off-budget FTE positions.

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.

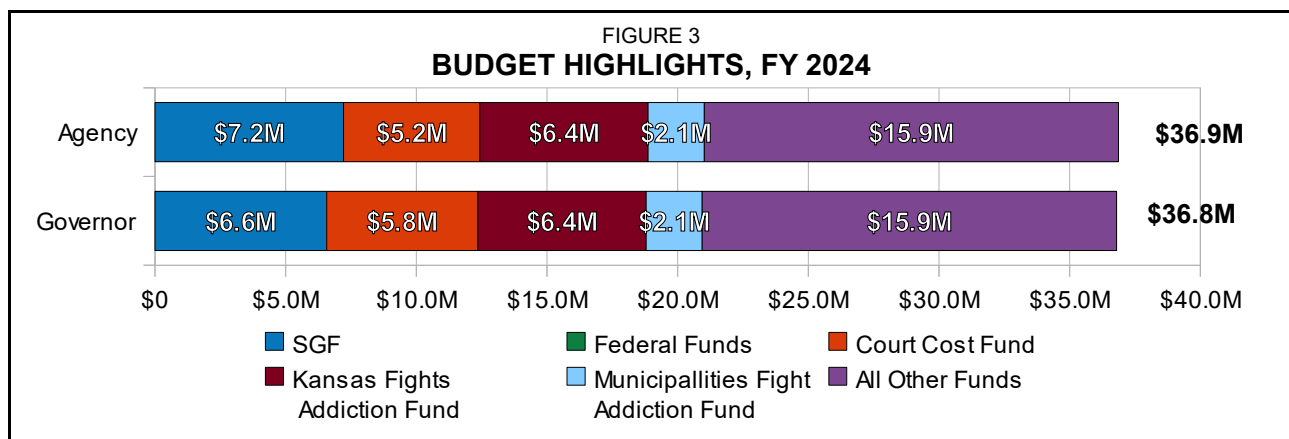
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$61.8 million, including \$6.5 million from the State General Fund (SGF), for the Office of the Attorney General for FY 2023. 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 \$291,296 SGF based on the reappropriation of FY 2022 funding that was not spent in FY 2022 and has shifted to FY 2023. This results in an approved budget of \$62.1 million, including \$6.8 million SGF, in FY 2023.



The **agency** submits a revised estimate of \$62.5 million, including \$6.8 million SGF, in expenditures and 178.6 FTE positions in FY 2023. This is an all funds increase of \$445,695, or 0.7 percent, above the FY 2023 approved amount. The increase is primarily due to increased expenditures from special revenue and federal funds to fill vacant positions and salary adjustments.

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



The **agency** requests \$36.9 million, including \$7.2 million SGF, in expenditures and 182.6 FTE positions for FY 2024. This is an all funds decrease of \$25.6 million, including an SGF increase of \$401,399, from the FY 2023 revised estimate. The agency request includes \$375,000 from the Fraud and Abuse Criminal Prosecution Fund, and 4.0 FTE positions, to increase staffing in the Fraud and Abuse Litigation Division. Of this amount, \$366,259 would be for salaries and wages and \$8,741 would be for capital outlay to purchase computer equipment and software. The division would add two Assistant Attorneys General, one fiscal analyst, and one support staff position. Furthermore, the agency requests to reinstate the reduced resource budget from FY 2022 that resulted in a 10.0 reduction to SGF funding and the reduction of the SGF portion of certain grant awards in the Victim Services Division. The increase in SGF would be entirely offset by the decrease in the special revenue funds currently being used for expenditures.

The **Governor** recommends expenditures of \$36.5 million, including \$6.6 million SGF, for FY 2024. This is an all funds decrease of \$375,000, or 1.0 percent, below the agency's FY 2024 request. The recommendation includes 178.6 FTE positions, which is 4.0 FTE positions below the agency's FY 2024 request. The expenditure and FTE decreases are attributable to the Governor not recommending the agency's enhancement requests for the Fraud and Abuse Litigation Division staffing increase or the reinstatement of SGF moneys for FY 2024.

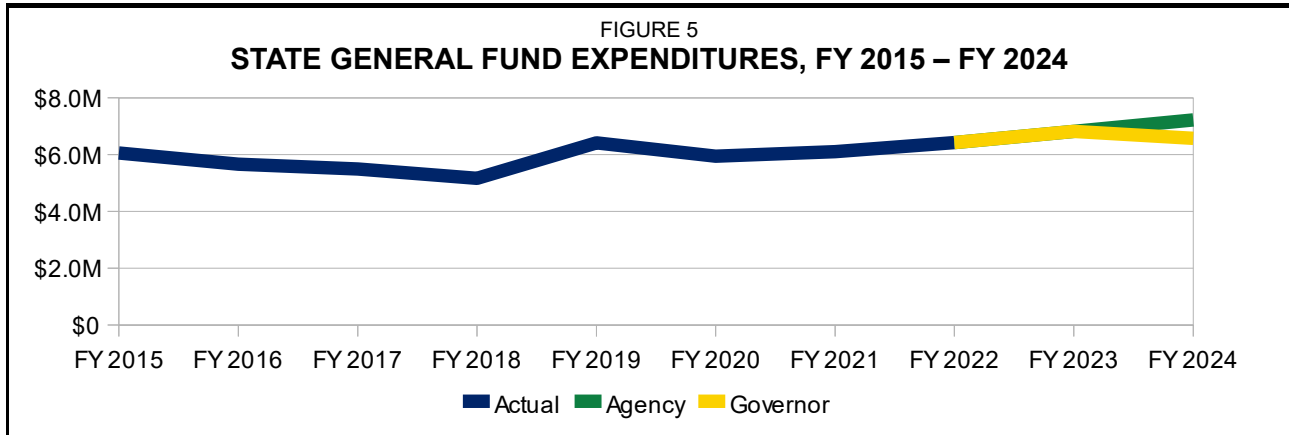
EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 13,851,882	\$ 15,904,229	\$ 15,904,229	\$ 16,417,020	\$ 16,050,761
Contractual Services	6,643,491	4,823,828	4,823,828	4,786,858	4,786,858
Commodities	160,608	154,935	154,935	155,315	155,315
Capital Outlay	881,876	607,643	607,643	608,385	599,644
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 21,537,857</i>	<i>\$ 21,490,635</i>	<i>\$ 21,490,635</i>	<i>\$ 21,967,578</i>	<i>\$ 21,592,578</i>
Aid to Local Units	56,828	8,749,181	8,749,181	2,221,677	2,221,677
Other Assistance	8,265,879	32,264,074	32,264,074	12,681,560	12,681,560
<i>Subtotal—Operating</i>	<i>\$ 29,860,564</i>	<i>\$ 62,503,890</i>	<i>\$ 62,503,890</i>	<i>\$ 36,870,815</i>	<i>\$ 36,495,815</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 29,860,564	\$ 62,503,890	\$ 62,503,890	\$ 36,870,815	\$ 36,495,815
Financing:					
State General Fund	\$ 6,421,288	\$ 6,819,117	\$ 6,819,117	\$ 7,220,516	\$ 6,570,220
Court Cost Fee Fund	4,905,970	5,495,308	5,495,308	5,212,498	5,790,594
Federal Funds	2,638	-	-	-	-
All Other Funds	18,530,668	50,189,465	50,189,465	24,437,801	24,135,001
TOTAL	\$ 29,860,564	\$ 62,503,890	\$ 62,503,890	\$ 36,870,815	\$ 36,495,815
FTE Positions*	178.5	178.6	178.6	182.6	178.6

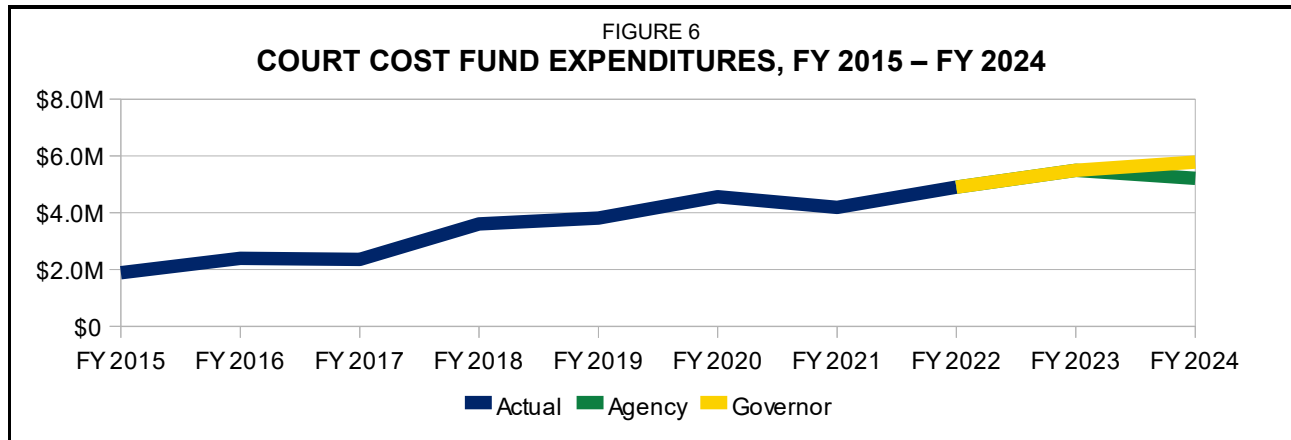
* *Staff Note:* This number represents both on- and off-budget FTE positions.

STATE GENERAL FUND



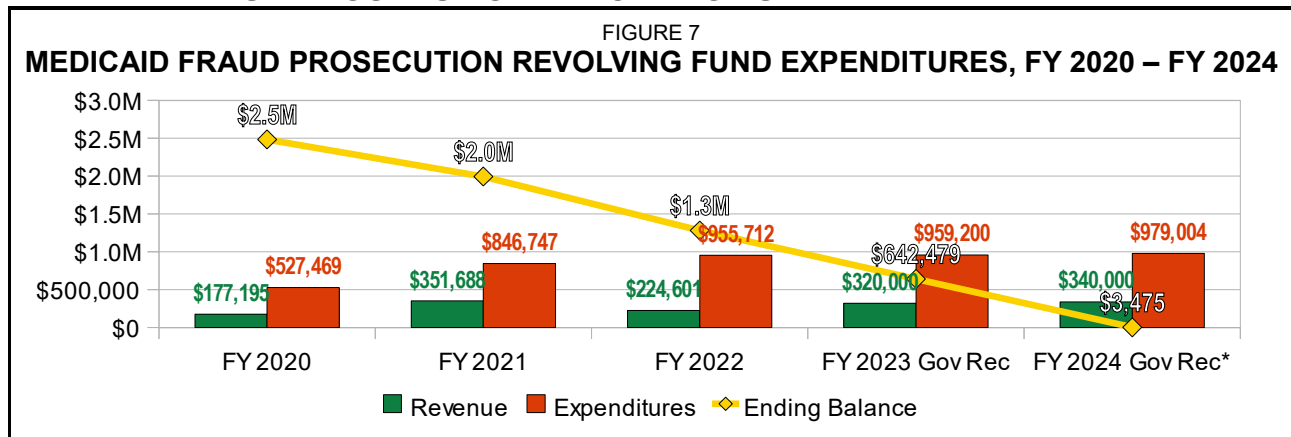
The Office of the Attorney General (OAG) requests \$7.2 million SGF for FY 2024. This is an increase of \$401,399, or 5.9 percent, above the FY 2023 revised estimate. SGF expenditures in the OAG are primarily for salaries and wages expenditures. The agency's FY 2024 request includes \$650,296 SGF for capital outlay expenditures that will be offset by corresponding decreases in special revenue funds, including the Protection From Abuse Fund (\$51,900), Crime Victims Assistance Fund (\$20,300), and Court Cost Fund (\$578,096).

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 legal 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 2024, the lowest month ending balance for the Medicaid Fraud Prosecution Revolving Fund will occur in June, with a balance of \$1,514.

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.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE*
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 6,527,821	\$ 55,239,078	\$ 61,766,899	177.4
1. SGF Reappropriation	291,296	-	291,296	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 6,819,117</i>	<i>\$ 55,239,078</i>	<i>\$ 62,058,195</i>	<i>177.4</i>
Agency Revised Estimate:				
2. Expenditure Adjustments	-	445,695	445,695	1.2
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 6,819,117</i>	<i>\$ 55,684,773</i>	<i>\$ 62,503,890</i>	<i>178.6</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ 6,819,117	\$ 55,684,773	\$ 62,503,890	178.6

* *Staff Note:* This number represents both on- and off-budget FTE positions.

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, one adjustment was made to the \$61.8 million appropriated to the Office of the Attorney General for FY 2023. 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 \$291,296 SGF based on the reappropriation of FY 2022 funding that was not spent in FY 2022 and has shifted to FY 2023. Of that amount, \$157,550 is from the Office of Inspector General, \$2,139 from operating expenditures, \$126,141 from litigation costs, and \$5,466 from Abuse, Neglect, and Exploitation expenditures. This results in a total approved budget of \$62.1 million, including \$6.8 million SGF, in FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$62.5 million, including \$6.8 million SGF, in FY 2023. This is an all funds increase of \$445,695 above the FY 2023 approved amount.

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

2. **EXPENDITURE ADJUSTMENTS.** The revised estimate includes an increase of \$445,695 for various adjustments in FY 2023.

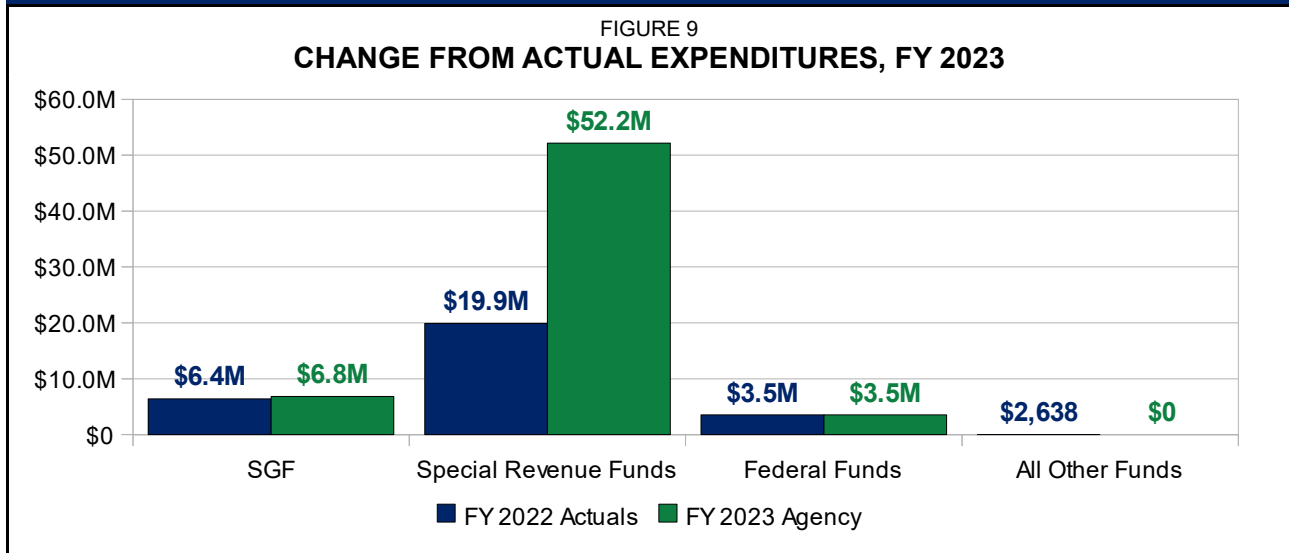
The **agency** estimate also includes 178.6 FTE positions, which is an increase of 1.2 FTE positions above the FY 2023 approved number.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$62.5 million, including \$6.8 million SGF, and 178.6 FTE positions in FY 2023.

3. **NO CHANGES.** The Governor concurs with the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$62.5 million, including \$6.8 million SGF, in FY 2023. This is an all funds increase of \$32.6 million, including \$397,829 SGF, above the FY 2022 actual expenditures. The 2022 Legislature added \$34.2 million, all from special revenue funds, to adjust receipts of opioid litigation settlement moneys based on larger than anticipated recoveries.

FY 2024 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE*
Agency Revised Estimate, FY 2023	\$ 6,819,117	\$ 55,684,773	\$ 62,503,890	178.6
Agency Request:				
1. Enhancement–Fraud and Abuse Litigation Division Staffing Increase	\$ -	\$ 375,000	\$ 375,000	4.0
2. Enhancement–Reinstatement of SGF	650,296	(650,296)	-	--
3. Opioid Settlement Distributions	-	(26,111,075)	(26,111,075)	--
4. All Other Adjustments	(248,897)	351,897	103,000	--
Subtotal–Agency Estimate	\$ 7,220,516	\$ 29,650,299	\$ 36,870,815	182.6
Governor’s Recommendation:				
5. Enhancement–Fraud and Abuse Litigation Division Staffing Increase	\$ -	\$ (375,000)	\$ (375,000)	(4.0)
6. Enhancement–Reinstatement of SGF	(650,296)	650,296	-	--
TOTAL	\$ 6,570,220	\$ 29,650,299	\$ 36,495,815	178.6

* Staff Note: This number represents both on- and off-budget FTE positions.

AGENCY REQUEST

The **agency** requests \$36.9 million, including \$7.2 million SGF, and 182.6 FTE positions for FY 2024. This is an all funds decrease of \$25.6 million, and an SGF increase of \$401,399, from the FY 2023 revised estimate. The 4.0 FTE increase is due to the agency's enhancement request for a staffing increase in the Fraud and Abuse Litigation Division.

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

- 1. ENHANCEMENT–FRAUD AND ABUSE LITIGATION DIVISION STAFFING INCREASE.** This request adds \$375,000, all from the Fraud and Abuse Criminal Prosecution Fund, and 4.0 FTE positions, to increase staffing in the Fraud and Abuse Litigation Division to support investigations and criminal prosecution of sports wagering and financial and economic crimes involving unauthorized gambling. Of this amount, \$366,259 would be for salaries and wages and \$8,741 would be for capital outlay to purchase computer equipment and software.
- 2. ENHANCEMENT–REINSTATEMENT OF SGF MONEYS.** The agency requests to reinstate the reduced resource budget from FY 2022 that resulted in a 10.0 percent reduction to SGF funding. This would increase SGF expenditures by \$650,296 and reduce expenditures from the Protection from Abuse Fund (\$51,900), Crime Victims Assistance Fund (\$20,300), and Court Cost Fund (\$578,096).
- 3. OPIOID SETTLEMENT DISTRIBUTIONS.** The agency's request includes a decrease of \$26.1 million, including \$19.6 million from the Kansas Fights Addiction Fund and \$6.5 million from the Municipalities Fight Addiction Fund, for FY 2024. This decrease is due to the receipt of federal opioid litigation settlement moneys in FY 2023, the majority of which will be awarded as grants throughout the state in FY 2023 and will not reoccur for FY 2024.
- 4. ALL OTHER ADJUSTMENTS.** The agency's request includes an increase of \$103,000, including a \$248,897 SGF decrease, for various adjustments across all programs and expenditure categories for FY 2024.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$36.5 million, including \$6.6 million SGF, and 178.6 FTE positions for FY 2024. This is a decrease of \$375,000, or 1.0 percent, and 4.0 FTE positions below the agency's FY 2024 request.

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

5. **ENHANCEMENT–FRAUD AND ABUSE LITIGATION DIVISION STAFFING INCREASE – NOT RECOMMENDED** . The recommendation deletes \$375,000, all from the Fraud and Abuse Criminal Prosecution Fund, and 4.0 FTE positions, to not recommend the Fraud and Abuse Litigation Division Staffing Increase enhancement (Item 1).
6. **ENHANCEMENT–REINSTATEMENT OF SGF – NOT RECOMMENDED**. The recommendation adds \$650,296, all from special revenue funds, and deletes \$650,296 SGF to not recommend the reinstatement of the reduced resources budget from FY 2022 (Item 2).

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 1,945,438	\$ 2,022,261	\$ 2,022,261	\$ 2,033,195	\$ 2,033,195
Civil Litigation	7,766,573	5,073,162	5,073,162	5,083,255	5,083,255
Consumer Protection	3,688,122	37,201,566	37,201,566	11,116,691	11,116,691
Crime Victims Comp.	2,795,746	3,449,047	3,449,047	3,452,400	3,452,400
Criminal Litigation	4,043,263	3,794,058	3,794,058	3,812,680	3,812,680
Fraud and Abuse Litigation	1,387,332	1,532,641	1,532,641	1,926,770	1,551,770
Legal Opinions and Gov. Counsel	725,412	981,458	981,458	985,741	985,741
Medicaid Fraud and Abuse Unit	2,435,523	2,512,357	2,512,357	2,582,646	2,582,646
Office of the Medicaid Inspector General	596,496	800,016	800,016	785,980	785,980
Solicitor Division	1,059,037	1,471,262	1,471,262	1,476,197	1,476,197
Victim Services	3,417,622	3,666,062	3,666,062	3,615,260	3,615,260
TOTAL	\$ 29,860,564	\$ 62,503,890	\$ 62,503,890	\$ 36,870,815	\$ 36,495,815
FTE Positions:					
Administration	17.4	17.4	17.4	17.4	17.4
Civil Litigation	22.5	22.5	22.5	22.5	22.5
Consumer Protection	26.1	26.1	26.1	26.1	26.1
Crime Victims Comp.	6.0	6.0	6.0	6.0	6.0
Criminal Litigation	31.1	31.2	31.2	31.2	31.2
Fraud and Abuse Litigation	14.4	14.4	14.4	18.4	14.4
Legal Opinions and Gov. Counsel	10.5	7.7	7.7	7.7	7.7
Medicaid Fraud and Abuse	24.0	24.0	24.0	24.0	24.0
Office of the Medicaid Inspector General	5.6	5.6	5.6	5.6	5.6
Solicitor Division	10.5	10.5	10.5	10.5	10.5
Victim Services	10.4	10.4	10.4	10.4	10.4
Off Budget	-	2.8	2.8	2.8	2.8
TOTAL	178.5	178.6	178.6	182.6	178.6

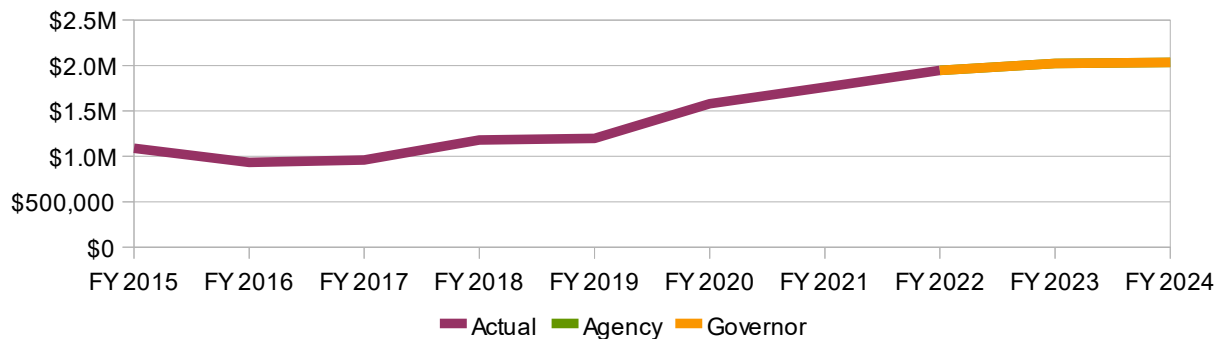
PERFORMANCE MEASURES

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 DIVISION

FIGURE 12

ADMINISTRATION DIVISION EXPENDITURES, FY 2015 – FY 2024



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 DIVISION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Output Measure:					
1. Number of Formal Releases of Opinions, News, Information, and the Attorney General's Consumer Protection Advice*	252	241	264	250	250
2. Percentage of Fiscal Note Inquiries Responded to in a Timely Manner*	99.0 %	100.0 %	99.0 %	100.0 %	100.0 %
3. Number of Fiscal Note Inquiries Responded to in a Timely Manner*	99	53	72	75	60

FIGURE 13

ADMINISTRATION DIVISION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
4. Number of Brochures, Documents, Reports, Media Releases, Videos, and Other Informational Materials Created or Made Available on Agency Website*	8,512	9,366	8,499	10,250	11,100
5. Number of Programs and Subprograms Addressed in The Strategic Plan Through Goals, Objectives, Strategies, Outcome, and Output Measures*	48	50	48	51	52
6. Number of Transactions*	10,089	10,929	10,655	11,000	11,250
7. Number of Openings for which Applications for Employment are Processed*	37	43	40	55	45
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 4,913	\$ 496		\$ -	\$ -
Federal Funds	65,686	143,397		75,000	75,000
All Other Funds	1,690,914	1,801,545		1,947,261	1,958,195
TOTAL	\$ 1,761,513	\$ 1,945,438		\$ 2,022,261	\$ 2,033,195
Percentage Change:					
SGF	(264.6) %	(89.9) %		(100.0) %	-- %
All Funds	11.6 %	10.4 %		3.9 %	0.5 %
FTE Positions	17.0	17.4		17.4	17.4

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

BUDGET ANALYSIS

The **agency** requests \$2.0 million, all from special revenue funds, for the Administration Division for FY 2024. This is an increase of \$10,934 above the FY 2023 revised estimate. This increase is attributable to an increase in

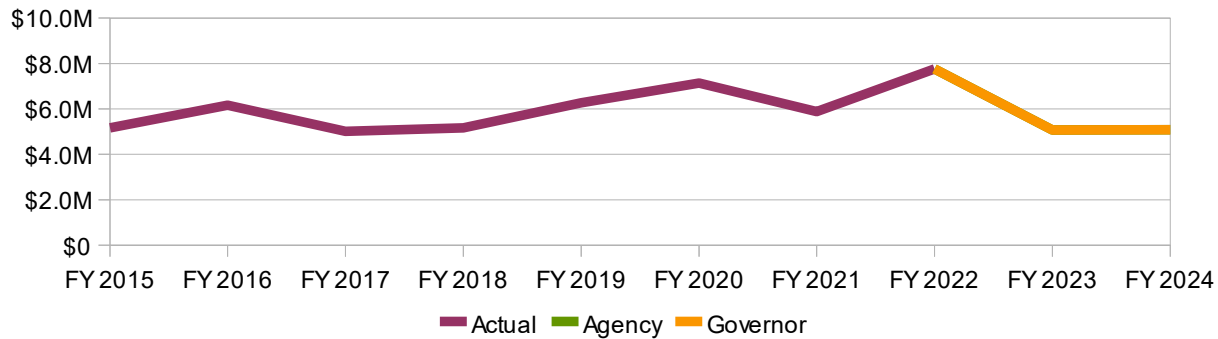
salaries and wages, including expenditures for employee fringe benefits.

The **Governor** concurs with the agency request for FY 2024.

CIVIL LITIGATION DIVISION

FIGURE 14

CIVIL LITIGATION DIVISION EXPENDITURES, FY 2015 – FY 2024



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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Civil Cases in Defense of the State	2,066	2,067	2,213	2,100	2,100
2.Cases Using Outside Contract Counsel*	21	31	23	30	25
3.New Appellate Cases Opened Involving Appeals of Civil Litigation Division Cases*	12	12	12	12	12
4.Administrative Prosecution Cases*	852	684	873	750	800

FIGURE 15
CIVIL LITIGATION DIVISION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
5. Number of new petitions for approval of Trustee motions and actions filed and reviewed*	15	15	15	15	15
6. Bankruptcy Cases Monitored to Protect the State's Interest*	70	25	47	40	40
7. Number of applications for taking land into trust received and reviewed*	-	2	1	2	2
8. Number of Requests for Involvement in Cemetery Cases received and handled*	1	2	1	1	2
Output Measure:					
6. Number of Kansas Open Meetings Act and Kansas Open Records Act Investigations Conducted by the OAG*	182	253	198	250	250
7. Number of Kansas Open Meetings Act and Kansas Open Records Act Complaints Referred to County or District Attorney*	17	18	13	20	20
8. Number of Potential Sexually Violent Predatory Cases Referred to the Prosecutor's Review Committee for Assessment*	368	427	363	375	375
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 790,086	\$ 717,353		\$ 799,116	\$ 792,198
Federal Funds	-	-		-	-
All Other Funds	5,092,291	7,049,220		4,274,046	4,291,057
TOTAL	\$ 5,882,377	\$ 7,766,573		\$ 5,073,162	\$ 5,083,255
Percentage Change:					
SGF	(45.4) %	(9.2) %		11.4 %	(0.9) %
All Funds	(17.6) %	32.0 %		(34.7) %	0.2 %
FTE Positions	22.5	22.5		22.5	22.5

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

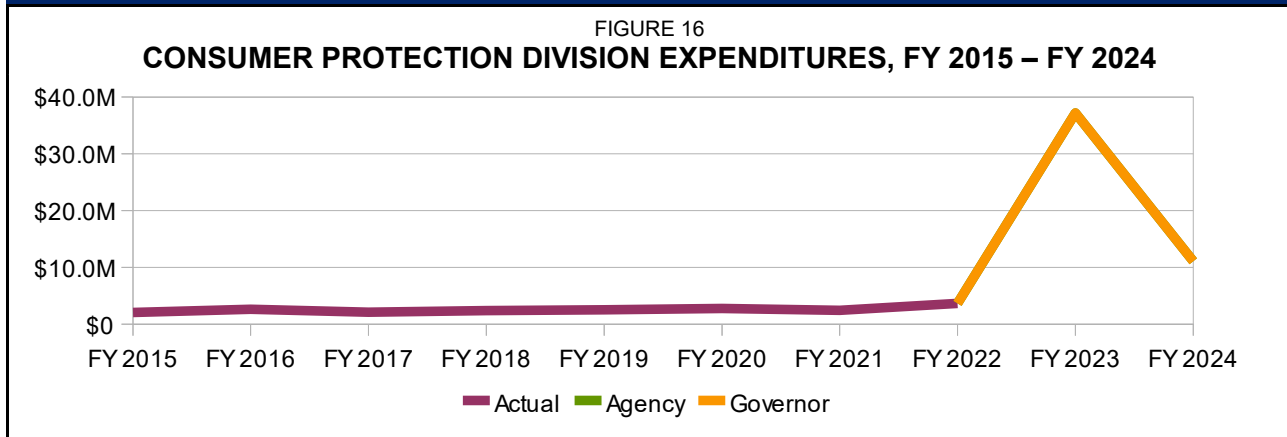
BUDGET ANALYSIS

The **agency** requests \$5.1 million, including \$845,543 SGF, for the Civil Litigation Division for FY 2024. This is an all funds increase of \$10,093, and an SGF increase of \$46,427, above the FY 2023 revised estimate. The all funds increase is attributable to an increase in salaries and wages, including expenditures for employee fringe benefits. The SGF increase is due to the agency's enhancement request to reinstate the reduced resources budget from FY 2022 that resulted in a 10.0 percent reduction to SGF funding for FY 2024. The SGF increase is

partially offset by decreased expenditures from the Court Cost Fund.

The **Governor** recommends \$5.1 million, including \$792,198 SGF, for the Civil Litigation Division for FY 2024. This an SGF decrease of \$53,345, and a special revenue fund increase of \$53,345, from the agency's FY 2024 request. This is due to the Governor not recommending the agency's enhancement to reinstate the reduced resources budget from FY 2022.

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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of Filed Kansas Consumer Protection Act Complaints Processed in a Timely Manner*	98.0 %	99.0 %	97.0 %	99.0 %	99.0 %
2. Percent of Requests for Consumer Educational Outreach Presentations Granted*	91.0 %	100.0 %	97.0 %	97.0 %	97.0 %
3. Percent of Kansas No Call Act Complaint Files in which Timely Responses are Filed, Served, or Conveyed*	93.0 %	98.0 %	95.0 %	99.0 %	99.0 %

FIGURE 17 CONSUMER PROTECTION DIVISION, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
4. Percent of Submitted Roofing Registrations which were Reviewed and Responded to within 60 days*	99.0 %	100.0 %	99.7 %	99.0 %	99.0 %
5. Percent of Submitted Scrap Metal Registrations which were Reviewed and Responded to within 30 days* (No data prior to FY 2021)	100.0 %	99.0 %	66.3 %	99.0 %	99.0 %
Output Measure:					
6. Complaint Files Opened*	3,856	3,099	3,257	3,500	3,500
7. Complaints Resolved or Closed*	4,032	3,138	3,265	3,500	3,500
8. Amount of Consumer Savings Returned Directly to Consumers, as a Result of Investigations (Dollars in Millions)*	\$ 2.1	\$ 2.4	\$ 2.3	\$ 2.0	\$ 2.0
9. Amount of Penalties and Fees Recovered in Enforcement Actions Deposited into the SGF as Consistent with Related Court Order*	\$ 77,432	\$ 674,450	\$ 254,480	\$ 50,000	\$ 50,000
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 136,645	\$ 74,384		\$ 75,572	\$ 76,017
Federal Funds	-	-		-	-
All Other Funds	2,323,658	3,613,738		37,125,994	11,040,674
TOTAL	\$ 2,460,303	\$ 3,688,122		\$37,201,566	\$11,116,691
Percentage Change:					
SGF	0.9 %	(45.6) %		1.6 %	0.6 %
All Funds	(11.7) %	49.9 %		908.7 %	(70.1) %
FTE Positions	23.8	26.1		26.1	26.1

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

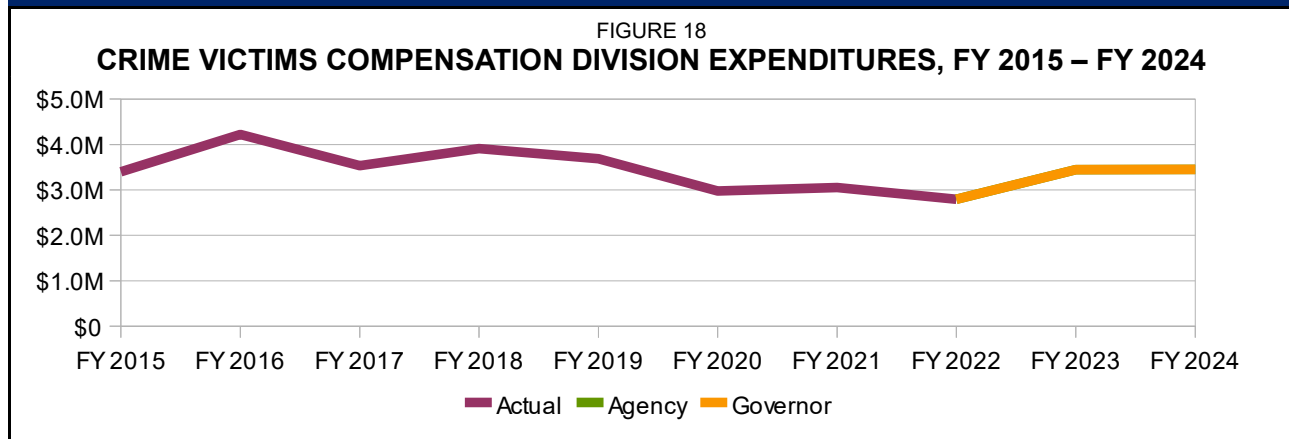
BUDGET ANALYSIS

The **agency** requests \$11.1 million, including \$224,302 SGF, for the Consumer Protection Division for FY 2024. This is an all funds decrease of \$26.1 million, including an SGF increase of \$148,730, from the FY 2023 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 2023 that do not reoccur for FY 2024. 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 SGF increase is due to the agency's enhancement request to reinstate the reduced resources budget from FY 2022 that resulted in a 10.0 reduction to SGF funding for FY 2024. The SGF increase is partially offset by decreased expenditures from the Court Cost Fund.

The **Governor** recommends \$11.1 million, including \$76,017 SGF, for the Consumer Protection Division for FY 2024. This an SGF decrease of \$148,285, and a special revenue fund increase of \$148,285, from the agency's FY 2024 request. This is due to the Governor not recommending the agency's enhancement to reinstate the reduced resources budget from FY 2022.

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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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 %	17.0 %	21.0 %	20.0 %	20.0 %
3. Percent of Referrals Made by Providers*	31.0 %	24.0 %	28.0 %	30.0 %	30.0 %
4. Percent of Referrals Made by Victim Advocates*	38.0 %	38.0 %	38.0 %	30.0 %	30.0 %
5. Percent of Referrals Made by Prosecutors*	8.0 %	21.0 %	13.0 %	20.0 %	20.0 %
Output Measure:					
6. Claims Processing Data: New Claims*	1,598	1,425	1,440	1,650	1,700
7. Claims Processing Data: Claims Approved*	813	703	740	850	900
8. Claims Processing Data: Claims Denied*	91	80	95	85	90

FIGURE 19					
CRIME VICTIMS COMPENSATION DIVISION, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
9.Amount Paid in Claims* Compensation (Dollars in Millions)*	\$ 2.6	\$ 2.6	\$ 2.6	\$ 3.5	\$ 3.8
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	1,460,859	1,243,900		2,205,147	2,208,500
All Other Funds	1,593,756	2,205,147		1,243,900	1,243,900
TOTAL	\$ 3,054,615	\$ 3,449,047		\$ 3,449,047	\$ 3,452,400
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	2.7 %	12.9 %		-- %	0.1 %
FTE Positions	6.0	6.0		6.0	6.0

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

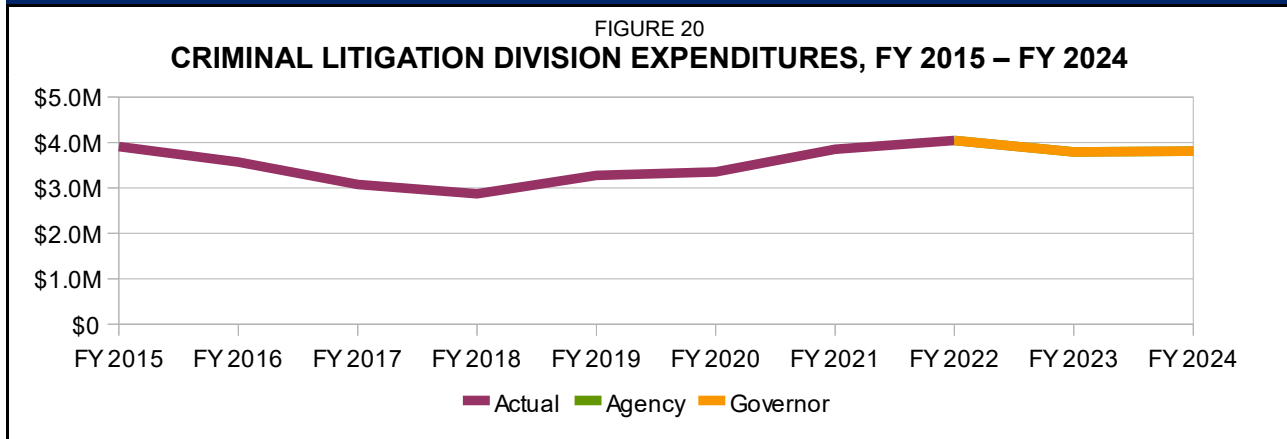
BUDGET ANALYSIS

The **agency** requests \$3.5 million, all from special revenue funds, for the Crime Victims Compensation Division for FY 2024. This is an increase of \$3,353 above the FY 2023 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 2024.

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 ethically 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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Number of New Concealed Carry Licenses Issued*	6,893	4,952	5,497	5,000	5,000
2.Number of Concealed Carry Renewals Issued*	14,532	18,361	15,174	20,000	20,000
Output Measure:					
3.Criminal Cases Accepted from County and District Attorney Offices	41	36	33	25	30
4.Jury Trials Conducted*	2	5	3	8	12
5.Training Events Provided to Outside Entities*	4	7	9	9	12
6.Criminal Cases Accepted for Prosecution*	-	2	2	2	2

FIGURE 21					
CRIMINAL LITIGATION DIVISION, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,938,352	\$ 2,126,527		\$ 2,026,356	\$ 1,941,044
Federal Funds	216,017	278,752		265,788	266,760
All Other Funds	1,696,494	1,637,984		1,501,914	1,604,876
TOTAL	\$ 3,850,863	\$ 4,043,263		\$ 3,794,058	\$ 3,812,680
Percentage Change:					
SGF	23.6 %	9.7 %		(4.7) %	(4.2) %
All Funds	14.9 %	5.0 %		(6.2) %	0.5 %
FTE Positions	32.3	31.1		31.2	31.2

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

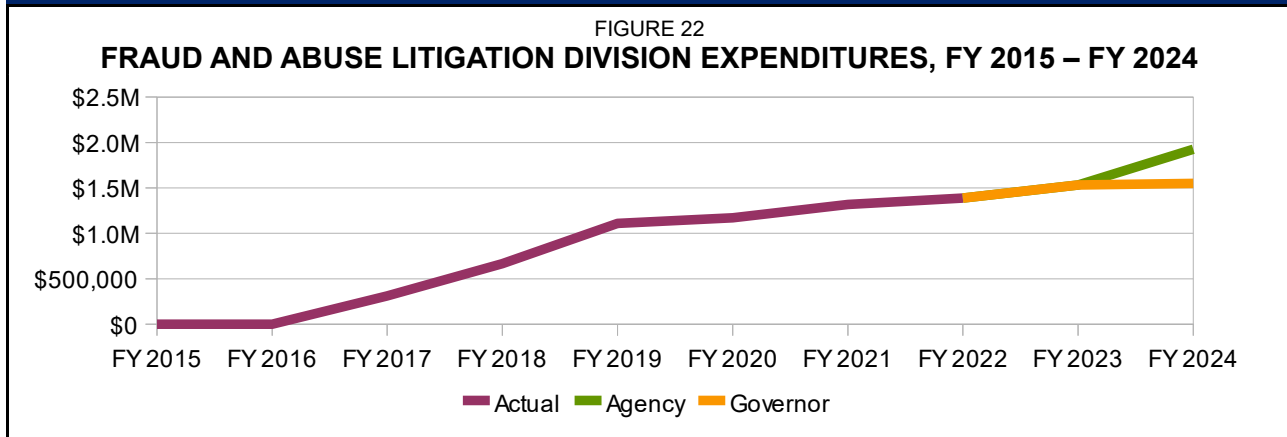
BUDGET ANALYSIS

The **agency** requests \$3.8 million, including \$2.1 million SGF, for the Criminal Litigation Division for FY 2024. This is an all funds increase of \$18,622, including an SGF increase of \$96,412, above the FY 2023 revised estimate. The all funds increase is attributable to salaries and wages expenditures for employee fringe benefits. The SGF increase is due to the agency's enhancement request to reinstate the reduced resources budget from FY 2022 that resulted in a 10.0 percent reduction to SGF funding for FY 2024. The SGF increase is

partially offset by decreased expenditures from the Court Cost Fund.

The **Governor** recommends \$3.8 million, including \$1.9 million SGF, for the Criminal Litigation Division for FY 2024. This an SGF decrease of \$181,724, and a special revenue fund increase of \$181,724, from the agency's FY 2024 request. This is due to the Governor not recommending the agency's enhancement to reinstate the reduced resources budget from FY 2022.

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.

The 2022 Legislature passed 2022 SB 84, amending the Kansas Expanded Lottery Act concerning sports wagering. The bill created the White Collar Crime Fund, to be administered by

the Governor and to be expended only for the purpose of investigating and prosecuting:

- Criminal offenses involving or facilitated by:
 - The use of funds derived from illegal activity to make wagers;
 - Placing wagers to conceal money derived from illegal activity;
 - The use of other individuals to place wagers as part of any wagering scheme to circumvent any provision of federal or state law;
 - The use of false identification to facilitate the placement of any wager or the collection of any prize in violation of federal or state law;

- Any other unlawful activity involving or facilitated by the placing of wagers; or
- Any other violation of the Kansas Expanded Lottery Act; or

- Any financial or economic crime involving any unauthorized gambling.

The Attorney General is required to submit requests to the Governor for the necessary funding to carry out these purposes.

FIGURE 23 FRAUD AND ABUSE LITIGATION DIVISION, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Output Measure:					
1. General White Collar Cases being Criminally Litigated*	75	86	80	70-93	70-93
2. Law Enforcement Referrals by State Agencies Regarding Abuse, Neglect, and Exploitation of Adults Requiring Review and Potential Follow Up*	4,694	5,815	5,237	5,500	5,500
3. Substantiated Cases of Abuse, Neglect, and Exploitation of Adults Forwarded by State Agencies Requiring Review and Potential Follow Up*	498	374	515	450	450
4. Cases Being Criminally Litigated*	15	16	17	12-18	12-18
5. Silver Alerts*	32	34	33	32-36	32-36
6. Educational Presentations Made to Law Enforcement, Prosecutors, or the General Public*	16	18	16	14-20	14-20
7. Number of Officers Trained Through the Drug Abuse Resistance Education (DARE) and School Resource Officer Training Programs*	38	89	100	90-110	90-110
8. Number of Educational Programs Participated in and Outreach Conducted*	17	8	13	15	25
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 377,741	\$ 361,690		\$ 415,876	\$ 376,410
Federal Funds	55,041	84,488		47,656	50,681
All Other Funds	884,498	941,154		1,069,109	1,124,679
TOTAL	\$ 1,317,280	\$ 1,387,332		\$ 1,532,641	\$ 1,551,770
Percentage Change:					
SGF	14.2 %	(4.2) %		15.0 %	(9.5) %
All Funds	12.5 %	5.3 %		10.5 %	1.2 %
FTE Positions	12.3	14.4		14.4	14.4

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

BUDGET ANALYSIS

The agency requests \$1.9 million, including \$376,410 SGF, for the Fraud and Abuse Litigation Division for FY 2024. This is an all funds increase of \$394,129, including an SGF decrease of \$39,466, from the FY 2023 revised

estimate. The all funds increase is attributable to the agency's enhancement request to increase staffing in the division. The SGF decrease is attributable to increased expenditures from the Court Cost Fund.

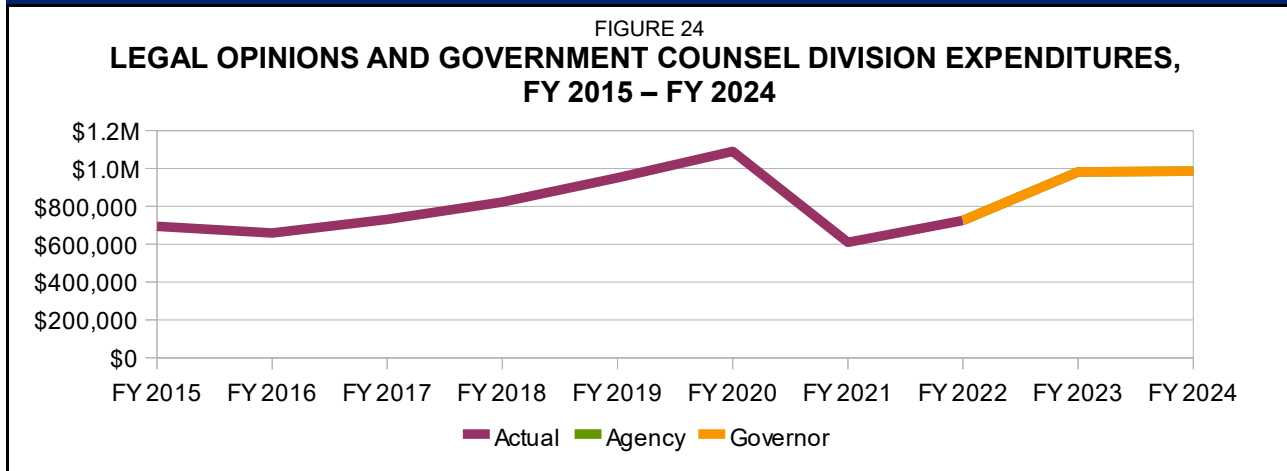
The agency request includes 18.4 FTE positions for FY 2024. This is an increase of 4.0 FTE positions above the FY 2023 revised estimate. The increase is due to the agency's enhancement request to increase staffing in the division.

The **Governor** recommends \$1.6 million, including \$376,410 SGF, for the Fraud and Abuse Litigation Division for FY 2024. This is a decrease of \$375,000, all from the Fraud and Abuse Criminal Prosecution fund, below the

agency's FY 2024 request. The decrease is attributable to the Governor not recommending the agency's enhancement request to increase staffing in the division.

The recommendation includes 14.4 FTE positions for FY 2024. This is a decrease of 4.0 FTE positions below the agency's FY 2024 request. The decrease is due to the Governor not recommending agency's enhancement request to increase staffing in the division.

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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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*	99.0 %	99.0 %	97.0 %	99.0 %	99.0 %
Output Measure:					
6. Number of Legal Opinions Issued*	6	9	9	15	15
7. Number of Bond or Temporary Note Transcripts Reviewed*	336	246	300	320	320
8. Number of Kansas Open Meetings Act and Kansas Open Records Act Presentations*	43	46	41	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*	3,254	3,571	3,333	3,600	3,600
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 340,750	\$ 277,727		\$ 351,043	\$ 395,676
Federal Funds	-	-		-	-
All Other Funds	269,813	447,685		630,415	590,065
TOTAL	\$ 610,563	\$ 725,412		\$ 981,458	\$ 985,741
Percentage Change:					
SGF	(25.2) %	(18.5) %		26.4 %	12.7 %
All Funds	(44.0) %	18.8 %		35.3 %	0.4 %
FTE Positions	6.5	10.5		7.7	7.7

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

BUDGET ANALYSIS

The **agency** requests \$985,741, including \$590,418 SGF, for the Legal Opinions and Government Counsel Division for FY 2024. This is an all funds increase of \$4,283, including an SGF increase of \$239,375, above the FY 2023 revised estimate. The all funds increase is primarily attributable to salaries and wages expenditures, including employer contributions to employee fringe benefits. The SGF increase is due to the agency's enhancement request to reinstate the reduced resources budget from FY 2022 that resulted in a 10.0 percent reduction to

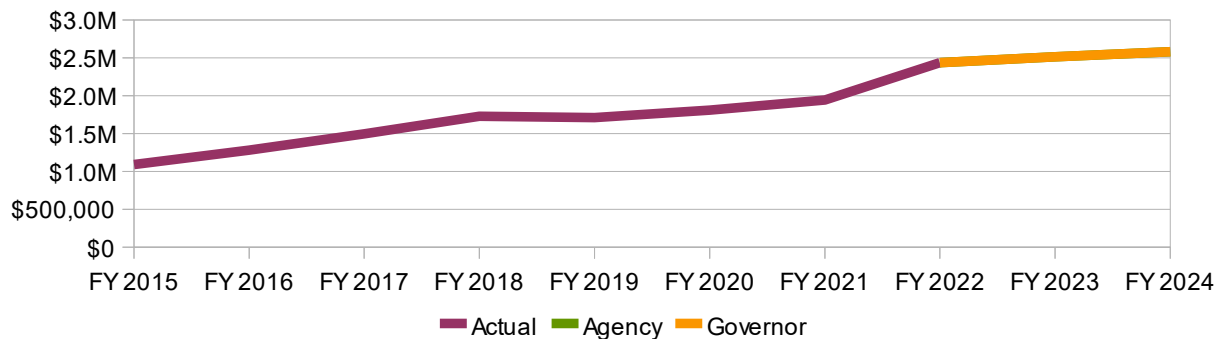
SGF funding for FY 2024. The SGF increase is partially offset by decreased expenditures from the Court Cost Fund of \$235,829.

The **Governor** recommends \$985,741, including \$395,676 SGF, for the Legal Opinions and Government Counsel Division for FY 2024. This an SGF decrease of \$194,742 and a special revenue fund increase of \$194,742, from the agency's FY 2024 request. This is due to the Governor not recommending the agency's enhancement to reinstate the reduced resources budget from FY 2022.

MEDICAID FRAUD AND ABUSE LITIGATION DIVISION

FIGURE 26

MEDICAID FRAUD AND ABUSE LITIGATION DIVISION EXPENDITURES, FY 2015 – FY 2024



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 providers.
- 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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Number of Medicaid Open Investigations being Handled by the Division*	261	297	284	310	325
2.Number of Sentences and Judgments Received*	15	13	15	35	40
3.Number of Medicaid Provider Fraud Open Criminal Investigations being handled by the Division	145	183	190	195	160

FIGURE 27					
MEDICAID FRAUD AND ABUSE LITIGATION DIVISION, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
4. Number of Medicaid Provider Fraud Cases Filed*	1	17	6	20	25
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	1,455,278	1,826,471		1,884,268	1,936,985
All Other Funds	487,960	609,052		628,089	645,661
TOTAL	\$ 1,943,238	\$ 2,435,523		\$ 2,512,357	\$ 2,582,646
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	7.4 %	25.3 %		3.2 %	2.8 %
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 \$2.6 million, all from special revenue funds, for the Medicaid Fraud and Abuse Litigation Division for FY 2024. This is an increase of \$70,289 above the FY 2023 revised estimate. This increase is primarily attributable to salaries and wages expenditures,

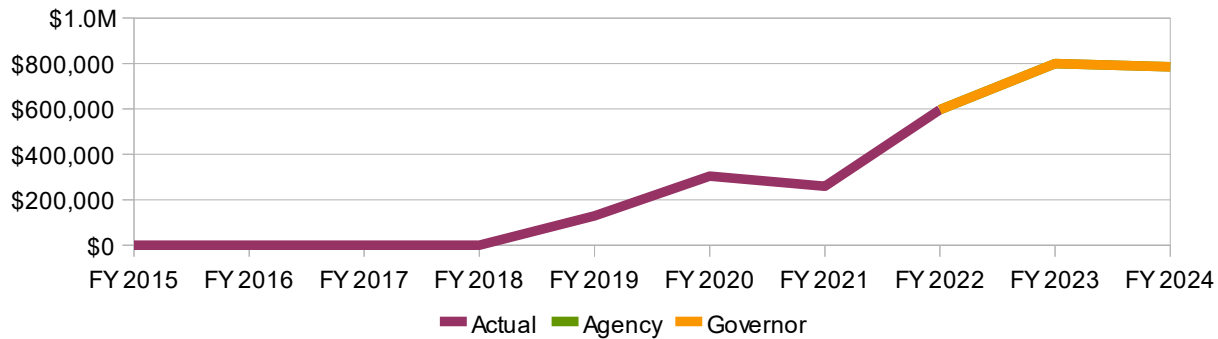
including employer contributions to employee fringe benefits for FY 2024.

The **Governor** concurs with the agency request for FY 2024.

OFFICE OF THE MEDICAID INSPECTOR GENERAL

FIGURE 28

OFFICE OF THE MEDICAID INSPECTOR GENERAL EXPENDITURES, FY 2015 – FY 2024



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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Number of Audits, Reviews, and Investigations Completed*	2	13	6.7	20	24
2.Number of Audits, Reviews, and Investigation-related trainings attended by IG Staff*	11	19	22	23	26
3.Number of Program Integrity Related Meetings and Conferences Attended by IG Staff*	22	40	30.7	45	45

FIGURE 29

OFFICE OF THE MEDICAID INSPECTOR GENERAL, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
4.Number of Recommendations for Improving Outcomes and Processes Provided to the Attorney General*	-	26	12	30	35
5.Number of Referrals Received and Evaluated by IG Staff*	1,033	1,351	911.7	1,450	1,550
6.Number of Allegations Referred for Further Civil or Criminal Investigation*	32	38	25.3	40	45
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*	\$ -	\$ 12,548,904	\$ 4,182,968	\$ 8,000,000	\$ 10,000,000
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 258,190	\$ 596,496		\$ 800,016	\$ 642,466
Federal Funds	-	-		-	-
All Other Funds	1,541	-		-	143,514
TOTAL	\$ 259,731	\$ 596,496		\$ 800,016	\$ 785,980
Percentage Change:					
SGF	(14.7) %	131.0 %		34.1 %	(19.7) %
All Funds	(14.9) %	129.7 %		34.1 %	(1.8) %
FTE Positions	4.0	5.6		5.6	5.6

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

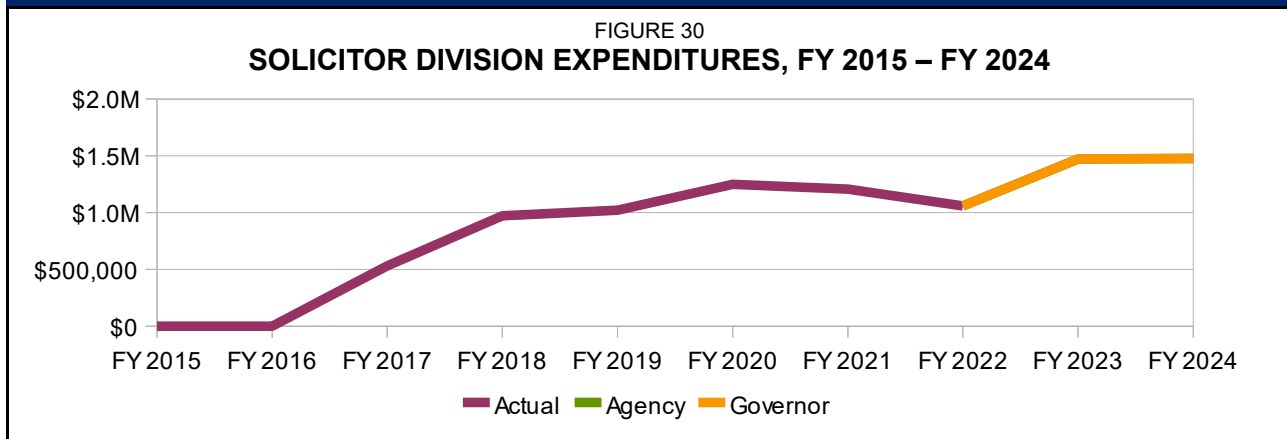
BUDGET ANALYSIS

The **agency** requests \$785,980, including \$642,466 SGF, for the Office of the Medicaid Inspector General for FY 2024. This is an all fund decrease of \$14,036, and an SGF decrease of \$157,550, below the FY 2023 revised estimate. This decrease is primarily attributable to expenditures related to computer

hardware and software. The SGF decrease is due to the increase of funding from the Court Cost Fund for expenditures.

The **Governor** concurs with the agency request for FY 2024.

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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Output Measure:					
1. Number of Civil Amicus Briefs Reviewed and Acted on by the Agency*	116	149	128	120	120
2. Number of New Appellate Cases Filed*	27	33	27	30	30
3. State Appellate Briefs Completed and Filed*	28	22	25	30	30
4. Number of Counties Under Contract for Appellate Services*	41	44	41	40	40
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 848,264	\$ 688,046		\$ 614,059	\$ 608,708
Federal Funds	2,960	3,176		3,145	3,145
All Other Funds	356,479	367,815		854,058	864,344
TOTAL	\$ 1,207,703	\$ 1,059,037		\$ 1,471,262	\$ 1,476,197
Percentage Change:					
SGF	17.5 %	(18.9) %		(10.8) %	(0.9) %
All Funds	(3.3) %	(12.3) %		38.9 %	0.3 %
FTE Positions	12.7	10.5		10.5	10.5

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

BUDGET ANALYSIS

The **agency** requests \$1.5 million, including \$608,708 SGF, for the Solicitor Division for FY 2024. This is an all funds increase of \$4,935, including an SGF decrease of \$5,351, from the FY 2023 revised estimate. The all funds increase is attributable to an increase in salaries and wages expenditures for employer contributions to employee fringe benefits

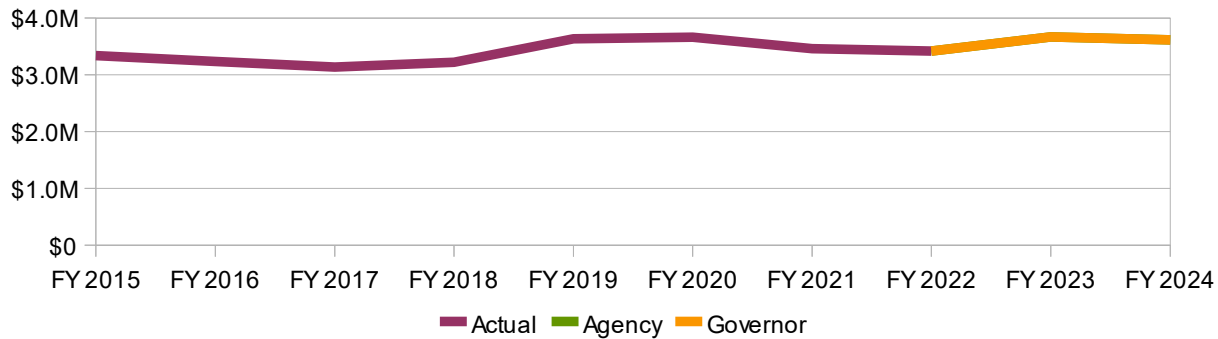
including unemployment compensation. The SGF decrease is primarily attributable to an increase in special revenue funds being utilized in place of SGF moneys for operating expenditures.

The **Governor** concurs with the agency request for FY 2024.

VICTIM SERVICES DIVISION

FIGURE 32

VICTIM SERVICES DIVISION EXPENDITURES, FY 2015 – FY 2024



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

VICTIM SERVICES DIVISION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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 VICTIM SERVICES DIVISION, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,407,340	\$ 1,578,569		\$ 1,737,079	\$ 1,737,701
Federal Funds	-	-		-	-
All Other Funds	2,054,350	1,839,053		1,928,983	1,877,559
TOTAL	\$ 3,461,690	\$ 3,417,622		\$ 3,666,062	\$ 3,615,260
Percentage Change:					
SGF	7.1 %	12.2 %		10.0 %	0.0 %
All Funds	(5.5) %	(1.3) %		7.3 %	(1.4) %
FTE Positions	10.6	10.4		10.4	10.4

* 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 \$1.8 million SGF, for the Victim Services Division for FY 2024. This is an all funds decrease of \$50,802 below the FY 2023 revised estimate, including an SGF increase of \$72,822 above the FY 2023 revised estimate. This all funds decrease is primarily attributable to a decrease in contractual services for professional service fees for FY 2024.

The **Governor** recommends \$3.6 million, including \$1.7 million SGF, for FY 2024. The recommendation is an SGF decrease of \$72,200 due to the Governor not recommending the agency enhancement request to shift the funding source from special revenue funds to the SGF.

POOLED MONEY INVESTMENT BOARD

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	730,416	812,795	812,795	805,463	805,463
<i>Subtotal</i>	<i>\$ 730,416</i>	<i>\$ 812,795</i>	<i>\$ 812,795</i>	<i>\$ 805,463</i>	<i>\$ 805,463</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	\$ 730,416	\$ 812,795	\$ 812,795	\$ 805,463	\$ 805,463
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	(0.2) %	11.3 %	11.3 %	(0.9) %	(0.9) %
FTE Positions	5.0	5.0	5.0	5.0	5.0

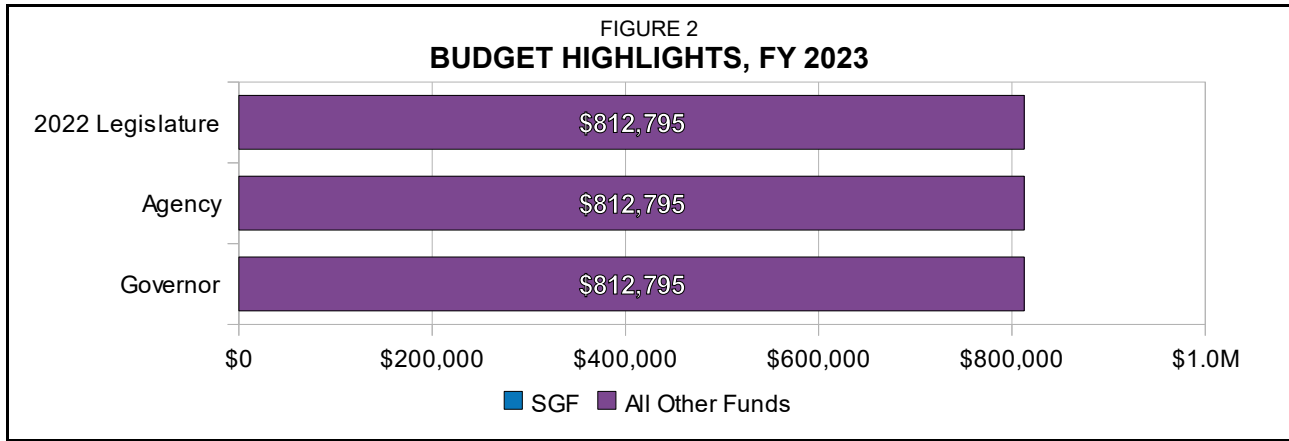
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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 (SGF) 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

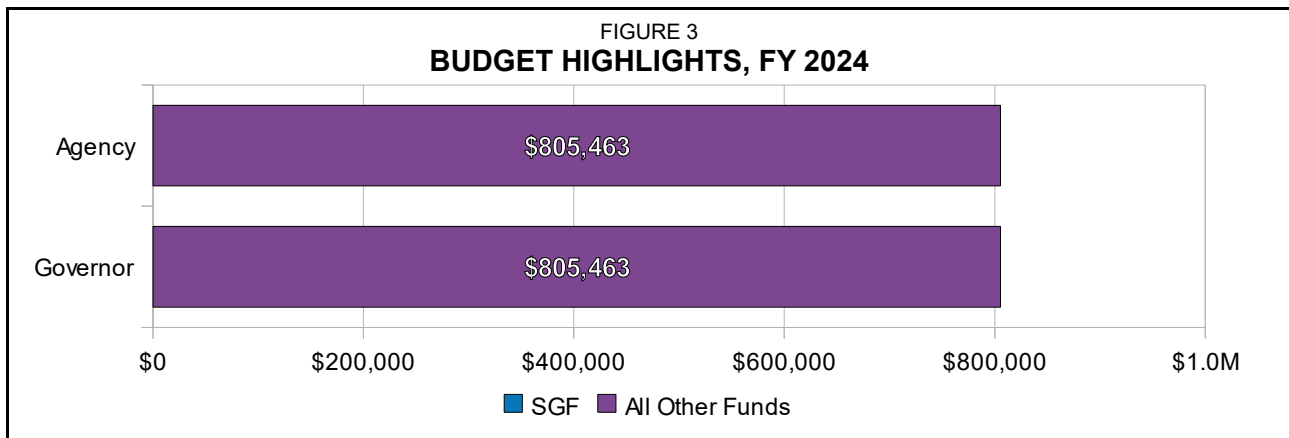
The 2022 Legislature approved a budget of \$812,795, all from the Pooled Money Investment Portfolio Fee Fund, for the Pooled Money Investment Board for FY 2023.



The **agency** requests a revised estimate of \$812,795, all from the Pooled Money Investment Portfolio Fee Fund, in FY 2023. This is unchanged from the amount approved by the 2022 Legislature.

The **agency** requests 5.0 FTE positions, which is unchanged from the approved number.

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



The **agency** requests \$805,463, all from the Pooled Money Investment Portfolio Fee Fund, for FY 2024. This is a decrease of \$7,332, or 0.9 percent, below the FY 2023 revised estimate. This is mainly due to the statutory performance audit occurring every two years, and FY 2024 is not one of the years in which the audit is scheduled.

The budget request includes an increase in salaries and wages expenditures of \$3,639, or 0.6 percent, which is due to increased employer costs for group health Insurance with an offsetting decrease in contractual services of \$11,770, or 8.1 percent, due to the biennial statutory audit not occurring in FY 2024 .

The **agency** requests 5.0 FTE positions for FY 2024, which is the same number as in FY 2023.

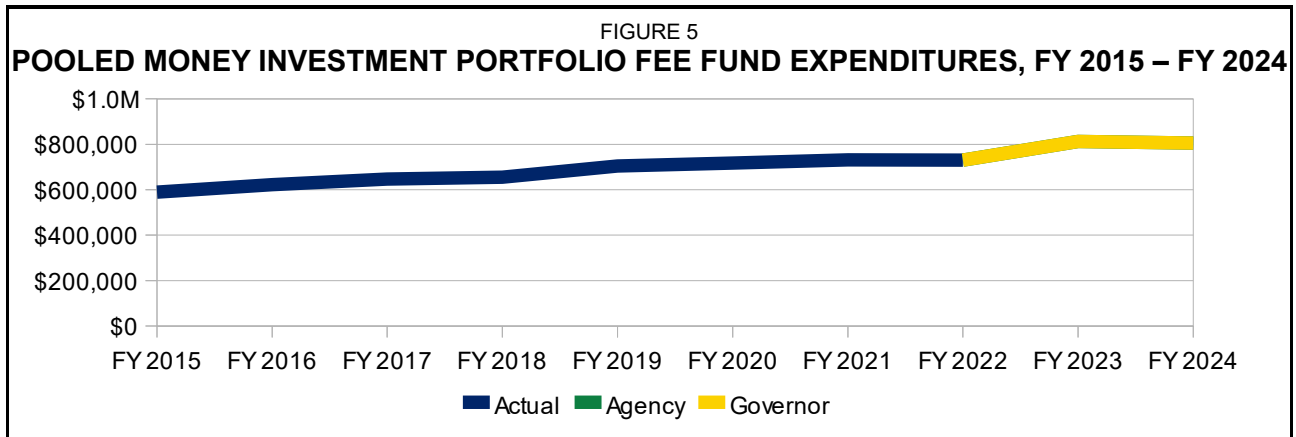
The **Governor** concurs with the agency's request for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 560,124	\$ 590,857	\$ 590,857	\$ 594,496	\$ 594,496
Contractual Services	164,158	145,142	145,142	133,372	133,372
Commodities	3,702	6,140	6,140	6,140	6,140
Capital Outlay	2,432	70,656	70,656	71,455	71,455
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 730,416</i>	<i>\$ 812,795</i>	<i>\$ 812,795</i>	<i>\$ 805,463</i>	<i>\$ 805,463</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 730,416</i>	<i>\$ 812,795</i>	<i>\$ 812,795</i>	<i>\$ 805,463</i>	<i>\$ 805,463</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 730,416	\$ 812,795	\$ 812,795	\$ 805,463	\$ 805,463
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled Money	730,416	812,795	812,795	805,463	805,463
Investment Portfolio	-	-	-	-	-
Fee Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 730,416	\$ 812,795	\$ 812,795	\$ 805,463	\$ 805,463
FTE Positions	5.0	5.0	5.0	5.0	5.0

POOLED MONEY INVESTMENT PORTFOLIO FEE FUND



The Pooled Money Investment Portfolio Fee Fund was created by the 1996 Legislature in KSA 75-4234. Administrative fees are charged for portfolio management services from the investment earnings in the PMIP 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 required interest earnings of 3.7 days in FY 2020, 22.2 days in FY 2021, 29.3 days in FY 2022, and will require interest for an estimated 3.0 days in FY 2023 and 2.0 days for FY 2024 to pay for the agency's administrative expenditures.

FY 2023 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 812,795	\$ 812,795	5.0
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 812,795	\$ 812,795	5.0
Agency Revised Estimate:				
1. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 812,795	\$ 812,795	5.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 812,795	\$ 812,795	5.0

LEGISLATIVE APPROVED

The 2022 Legislature approved a budget of \$812,795 for the Pooled Money Investment Board for FY 2023. No subsequent adjustments were made to that amount.

AGENCY ESTIMATE

The **agency** estimates revised expenditures of \$812,795, all from the Pooled Money Investment Portfolio Fee Fund, in FY 2023. This is unchanged from the FY 2022 approved amount. The agency requests 5.0 FTE positions, which is unchanged from the FY 2022 approved number.

The agency's estimate includes the following:

1. **NO CHANGES.** Shifts in expenditures include:
 - **SALARY ADJUSTMENTS.** The agency estimate includes \$590,857 in salaries and wages expenditures, which is a decrease of \$1,001, or 0.2 percent, below the FY 2022 approved amount. The decrease is due to a decrease in employer contributions to employee fringe benefits.
 - **COMPUTER SOFTWARE LEASE COSTS.** The agency estimate moves computer software lease costs within the budget from contractual services to capital outlay at the request of the House General Government Budget Committee. Therefore, contractual services expenditures decreased from \$206,342 to \$145,142, and capital outlay expenditures increased from \$8,455 to \$70,656.
 - **ALL OTHER ADJUSTMENTS.** Various other adjustments, mostly in capital outlay, include hardware replacement and software purchases.

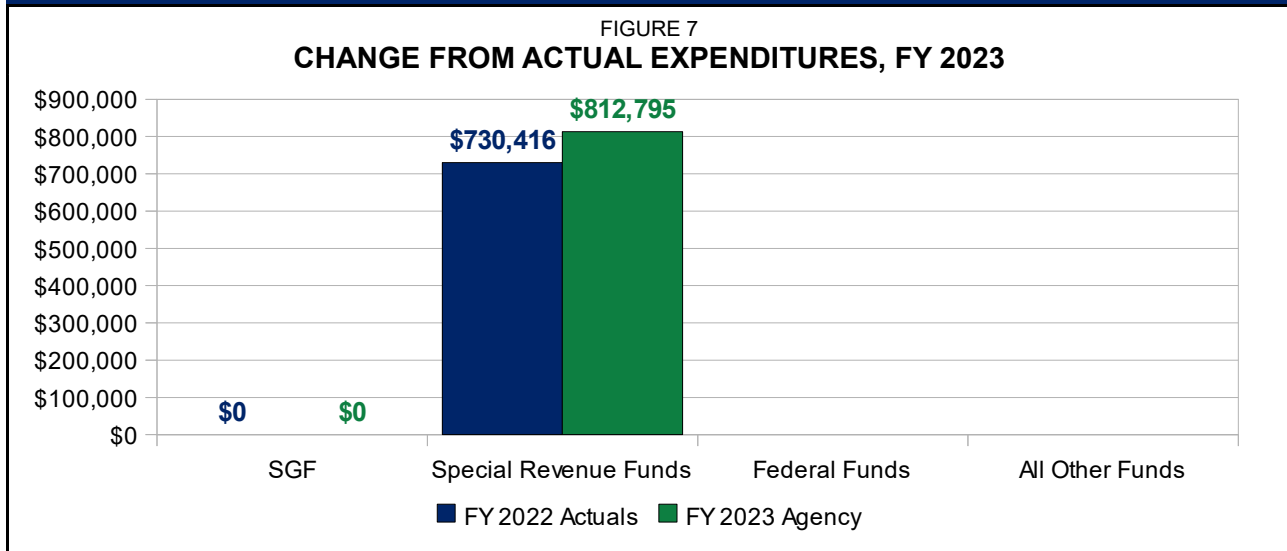
GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2023 revised estimate. The fall 2022 Consensus Revenue Estimating (CRE) Group increased the estimated Pooled Money Investment Portfolio Fee Fund transfer to the SGF to \$7.8 million in FY 2023, which is an increase of \$1.8 million above the amount approved by the 2022 Legislature. This does not effect the agency's expenditures.

2. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

The **Governor's** recommendation also includes 5.0 FTE positions, which is the same as the agency's request.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$812,795 in FY 2023, which is an increase of \$82,379 or 11.3 percent, above the FY 2022 actual amount. This increase is primarily attributable to salaries and wages expenditures (\$30,733), which reflects the 5.0 percent salary increase plus the associated benefits increases as authorized in the FY 2023 budget as well as increased employer contributions for both the Kansas Public Employees Retirement System (KPERs) and group health insurance. Other increases are partially attributable to an increase in commodities expenditures (\$2,438), which reflects both higher cost for the data processing supplies and more usage of the supplies, and within contractual services, including for professional fees for accountants and auditors (\$12,000) and bank and other fees (\$12,307). There is also a statutory performance audit (\$12,000), which occurs every two years.

The agency estimate also moves computer software lease expenditures within the budget from contractual services to capital outlay at the request of the House General Government Budget Committee. Therefore, contractual services expenditures decreased from \$206,342 to \$145,142 and capital outlay expenditures increased from \$8,455 to \$70,656.

The agency's revised estimate includes 5.0 FTE positions, which is unchanged from the FY 2023 approved number.

FY 2024 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 812,795	\$ 812,795	5.0
Agency Request:				
1. All Other Adjustments	-	(7,332)	(7,332)	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 805,463	\$ 805,463	5.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ -</u>	<u>\$ 805,463</u>	<u>\$ 805,463</u>	<u>5.0</u>

AGENCY REQUEST

The **agency** requests \$805,463, all from the Pooled Money Investment Portfolio Fee Fund, for FY 2024. This is a decrease of \$7,332 or 0.9 percent, below the FY 2023 revised estimate. The agency requests 5.0 FTE positions, which is unchanged from FY 2023 revised estimate.

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

1. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes the following adjustments:
 - **SALARY ADJUSTMENTS.** The agency estimate includes \$594,496 in salaries and wages expenditures, which is an increase of \$3,639, or 0.6 percent, above the FY 2023 revised estimate. This increase reflects employer contributions for group health insurance.
 - **CONTRACTUAL SERVICES ADJUSTMENTS.** The agency estimate includes a decrease in contractual services of \$11,770, or 8.1 percent, below the FY 2023 revised estimate. This decrease is due to the lack of a performance audit in FY 2024, as the performance audit is done every two years, and this is an off year for the statutory audit.
 - **ALL OTHER ADJUSTMENTS.** The agency requests additional adjustments including an increase of \$799, or 1.1 percent, for FY 2024. This increase is mostly due to the estimated cost of the computer software lease costs being raised slightly.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2024. The fall 2022 Consensus Revenue Estimating (CRE) Group increased the estimated Pooled Money Investment Portfolio Fee Fund transfer to the SGF to \$5.4 million for FY 2024, which is a decrease of \$1.2 million below the agency's budget request. This does not impact expenditures in the agency's budget.

2. **NO CHANGES.** The Governor recommends no changes to the agency's request for FY 2024.

The **Governor's** recommendation also includes 5.0 FTE positions, which is the same as the agency's request.

SPECIAL TOPICS: 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 of 90, 180, or 365 days. 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 550-day and 730-day fixed-rate options and allowed municipalities to pick their own maturity date between 30 and 725 days.

MIP balances totaled approximately:

- \$1.363 billion on June 30, 2022;
- \$1.151 billion on June 30, 2021;
- \$1.281 billion on June 30, 2020;
- \$1.310 billion on June 30, 2019;
- \$1.165 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; and
- \$834.0 million on June 30, 2012.

FIGURE 9
**MUNICIPAL INVESTMENT POOL - DEPOSITS
(AS OF DECEMBER 31, 2022)**

Deposits	OMIP*	FX 30**	FX 90**	FX 180**	FX 365**	FX 550**	FX 730**	TOTAL
State Agencies	\$ 1,263,481	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,263,481
Cities	250,552,844	1,060,248	31,494,115	83,980,974	37,362,738	26,000	0	404,476,919
Counties	368,370,304	27,000,000	21,595,000	12,645,000	4,100,000	0	0	433,710,304
Schools	387,175,801	6,213,066	18,375,037	49,365,927	5,210,000	0	0	466,339,831
Other	143,155,549	320,214	5,111,130	9,457,893	4,310,219	750,923	445,497	163,551,425
Total	\$ 1,150,517,979	\$ 34,593,528	\$ 76,575,282	\$ 155,449,794	\$ 50,982,957	\$ 776,923	\$ 445,497	\$ 1,469,341,960

*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

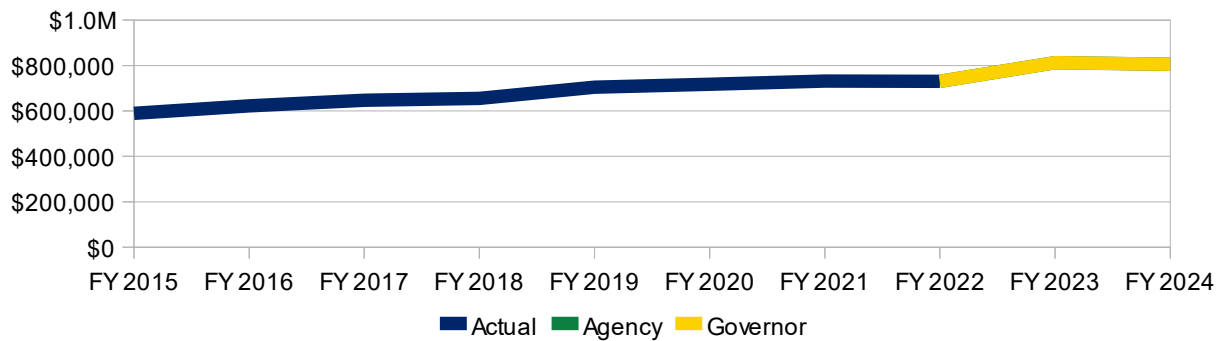
FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 730,416	\$ 812,795	\$ 812,796	\$ 805,463	\$ 805,463
FTE Positions:					
Administration	5.0	5.0	5.0	5.0	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.

ADMINISTRATION

FIGURE 11
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 75-4201 *et seq.*

PROGRAM GOALS: • The Pooled Money Investment Board aspires to be a premier financial services organization; serving both the citizens and the State of Kansas through professionalism, integrity, and efficiency. The agency strives to maximize the return on those resources entrusted to our care while remaining steadfast to the primary objectives of safety and liquidity.

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Spread to Benchmark (+/-)	0.06 %	(0.14) %	0.05 %	+/- 0.10 %	+/- 0.10 %
2. Number of Days Interest Earning to Cover PMIB Annual Budget*	22.2	29.3	18.4	3.0	2.0
3. SGF Fee Transfer (in thousands)*	\$ 3,225	\$ 4,225	\$ 3,850	\$ 6,500	\$ 6,500
Output Measure:					
4. Pooled Money Investment Portfolio Average Balance (in thousands)*	\$ 5,057,000	\$ 6,816,000	\$ 5,277,666	\$ 6,850,000	\$ 6,350,000
5. Pooled Money Investment Portfolio Net Interest Income (in thousands)*	\$ 12,000	\$ 9,100	\$ 30,466	\$ 100,000	\$ 150,000
6. Pooled Money Investment Portfolio Weighted Average Rate Earned Rate*	0.15 %	0.15 %	0.60 %	2.25 %	3.00 %
7. Pooled Money Investment Portfolio Weighted Average Maturity (Days)*	54.0	76.0	60.3	60.0	60.0
8. Interest earned on the idle portfolio: All Funds (in millions)	\$ 14.37	\$ 24.23	--	\$ 125.00	\$ 175.00
9. Total assets under management (in billions)	\$ 5.53	\$ 7.06	--	\$ 7.46	\$ 6.66
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	731,757	730,416		812,795	805,463
TOTAL	\$ 731,757	\$ 730,416		\$ 812,795	\$ 805,463

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	2.0 %	(0.2) %		11.3 %	(0.9) %
FTE Positions	5.0	5.0		5.0	5.0

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

PERFORMANCE 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 exceeded Benchmark "A" by 2.8 basis points in FY 2022, primarily due to the increasing difference of the asset mix between the PMIP and Benchmark "A". In FY 2023, the PMIP trailed Benchmark "B" by 13.7 basis points. Using these two benchmarks, the agency estimates the PMIP yield to be within 0.10 percent of both Benchmark "A" and Benchmark "B" in FY 2023 and for FY 2024.

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 that it will take required interest for 3.0 days in FY 2023 and 2.0 days for FY 2024 to pay for the agency's administrative expenditures.

SGF TRANSFER

The 1996 Legislature established the Pooled Money Investment Portfolio Fee Fund. KSA 75-4234 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 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 2022, \$4.2 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 \$6.5 million in FY 2023 and \$6.5 million for FY 2024.

AVERAGE BALANCE

The amount of available investable state funds has continued to increase. Short-term interest rates have also increased to levels not seen since 2005. The agency anticipates a continued increase in investable state moneys in FY 2023 as the state received additional federal during the last quarter of FY 2022. The agency estimates overall cash balances to decline modestly for FY 2024 as remaining federal American Rescue Plan Act (ARPA) and Coronavirus Aid, Relief, and Economic Security (CARES) Act funds are deployed.

KANSAS HUMAN RIGHTS COMMISSION

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

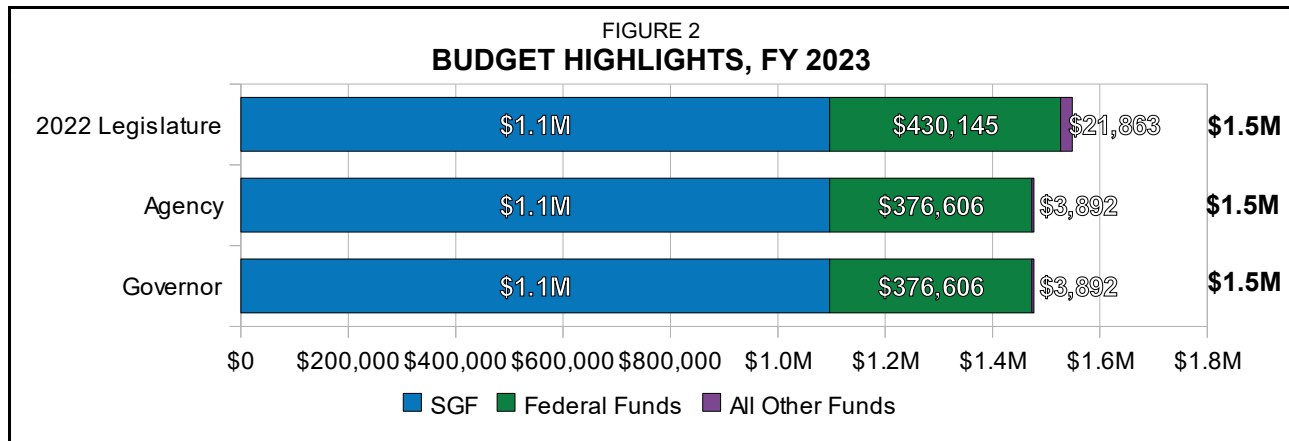
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 1,043,736	\$ 1,096,480	\$ 1,096,480	\$ 1,074,268	\$ 1,074,268
Federal Funds	289,658	376,606	376,606	401,407	401,407
All Other Funds	3	3,892	3,892	22,930	22,930
<i>Subtotal</i>	<i>\$ 1,333,397</i>	<i>\$ 1,476,978</i>	<i>\$ 1,476,978</i>	<i>\$ 1,498,605</i>	<i>\$ 1,498,605</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	\$ 1,333,397	\$ 1,476,978	\$ 1,476,978	\$ 1,498,605	\$ 1,498,605
Percentage Change:					
State General Fund	(5.2) %	5.1 %	5.1 %	(2.0) %	(2.0) %
All Funds	(0.6) %	10.8 %	10.8 %	1.5 %	1.5 %
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 illegal discrimination based upon protected traits in places and areas of employment, housing, and public accommodations, in pursuance of equal access to opportunities for all Kansans. Under the Kansas Act Against Discrimination, and its federal counterparts, individuals must file a complaint of discrimination with the agency, which is then required to investigate and attempt to resolve the complaint prior to the individual being afforded the right to sue. The agency is also responsible for educating the public regarding what constitutes acts of discrimination so that such acts can be prevented in the future.

EXECUTIVE SUMMARY

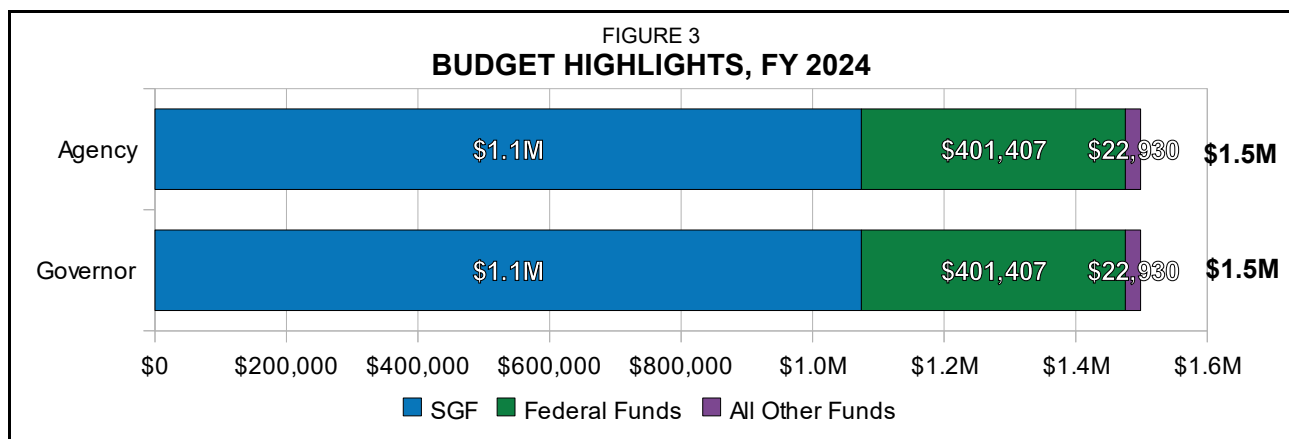
The 2022 Legislature approved a budget of \$1,512,381, including \$1,060,373 from the State General Fund (SGF), for the Kansas Human Rights Commission for FY 2023. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The agency reappropriated \$36,107 SGF from FY 2022 into FY 2023. This reappropriation gives the agency an approved budget of \$1,548,488, including \$1,096,480 SGF, for FY 2023.



The **agency** submits a revised estimate of \$1,476,978, including \$1,096,480 SGF, and 23.0 FTE positions in FY 2023. This is an all funds decrease of \$71,510, or 4.6 percent, including no change to the SGF amount, from the amount approved by the 2022 Legislature. This decrease is specifically due to an estimated decrease in both federal funds and all other funds. Adjustments include:

- **EMPLOYMENT DISCRIMINATION FEDERAL FUND.** The agency estimates a decrease of \$53,539, or 12.5 percent, in federal funds below the amount approved by the 2022 Legislature. The agency contracts with the federal Equal Employment Opportunity Commission (EEOC) to resolve complaints dually filed with both Commissions. The proposed number of resolved complaints was downgraded by the EEOC in the latest contract, resulting in a lower amount of federal revenue for the agency.
- **EDUCATION AND TRAINING FUND.** The agency estimates a decrease of \$17,971, or 82.2 percent, in all other funds, below the amount approved by the 2022 Legislature. The Education and Training Fee Fund generates revenue primarily through registration fees for the agency's annual Employment Law Seminar. However, due to the COVID-19 pandemic, the agency is temporarily replacing the in-person seminar with a series of free webinars.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$1,498,605, including \$1,074,268 SGF, and 23.0 FTE positions for FY 2024. This is an all funds increase of \$21,627, or 1.5 percent, including an SGF decrease of \$22,212, or 2.0 percent, from the FY 2023 revised estimate. The overall increase is due to an estimated increase in both federal funds and all other funds. Adjustments include:

- **EMPLOYMENT DISCRIMINATION FEDERAL FUND.** The agency estimates an increase of \$24,801, or 6.6 percent, in federal funds, above the FY 2023 revised estimate. However, this is partially offset by the agency's prediction that the EEOC will downgrade the proposed number of resolved complaints in the federal fiscal year 2024 contract, meaning that expenditures from the EEOC account will outpace the revenue earned from the EEOC account for FY 2024.
- **EDUCATION AND TRAINING FUND.** The agency estimates an increase of \$19,038, or 489.2 percent, in all other funds, above the FY 2023 revised estimate. The increase is due to the agency's plan to resume the in-person annual Employment Law Seminar in FY 2024. Costs incurred for the event will include food for the registrants and audio-visual equipment for the seminar.

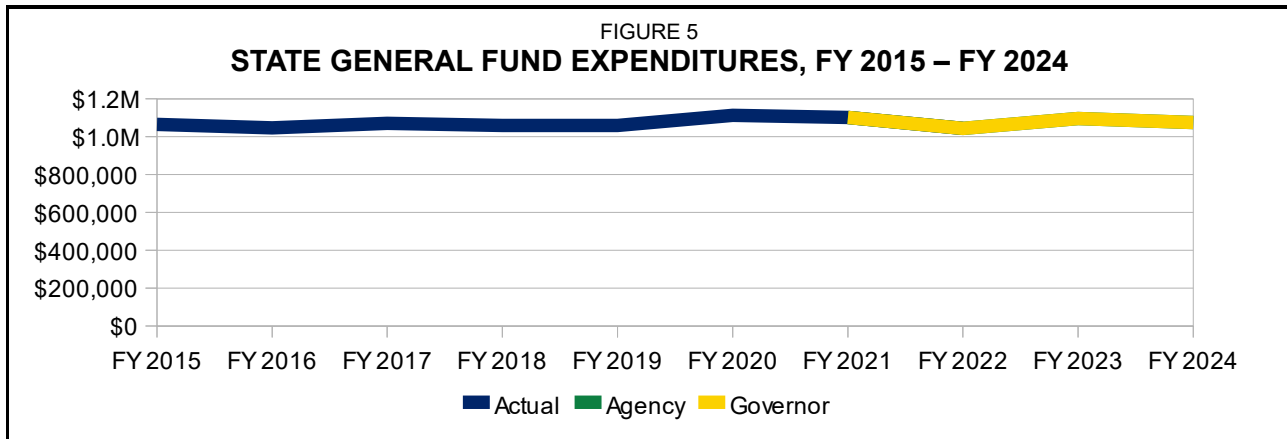
The **Governor** concurs with the agency's request for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

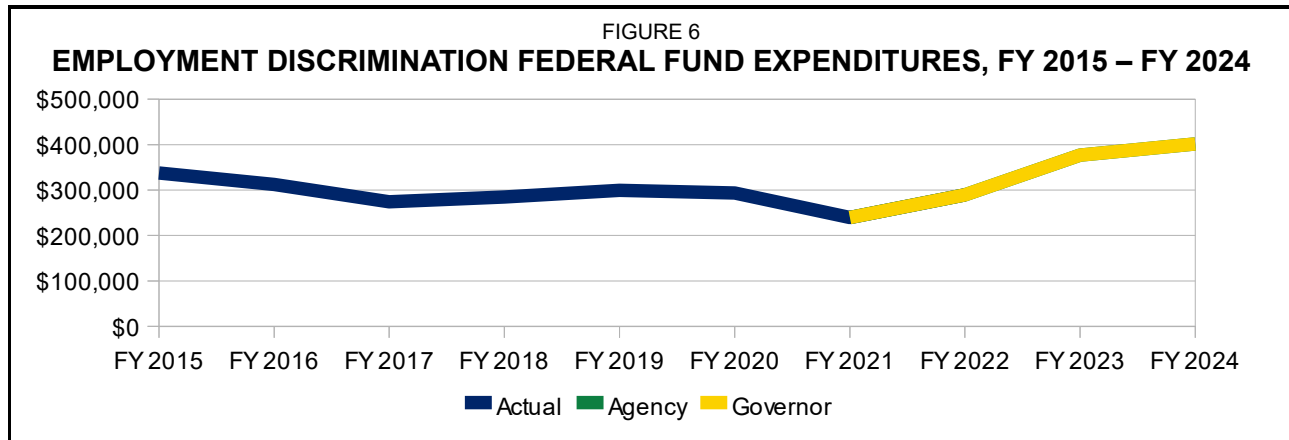
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 914,938	\$ 996,361	\$ 996,361	\$ 1,065,729	\$ 1,065,729
Contractual Services	409,490	455,279	455,279	406,896	406,896
Commodities	8,061	8,630	8,630	24,955	24,955
Capital Outlay	908	16,708	16,708	1,025	1,025
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 1,333,397</i>	<i>\$ 1,476,978</i>	<i>\$ 1,476,978</i>	<i>\$ 1,498,605</i>	<i>\$ 1,498,605</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 1,333,397</i>	<i>\$ 1,476,978</i>	<i>\$ 1,476,978</i>	<i>\$ 1,498,605</i>	<i>\$ 1,498,605</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 1,333,397	\$ 1,476,978	\$ 1,476,978	\$ 1,498,605	\$ 1,498,605
Financing:					
State General Fund	\$ 1,043,736	\$ 1,096,480	\$ 1,096,480	\$ 1,074,268	\$ 1,074,268
Federal Funds	289,658	376,606	376,606	401,407	401,407
All Other Funds	3	3,892	3,892	22,930	22,930
TOTAL	\$ 1,333,397	\$ 1,476,978	\$ 1,476,978	\$ 1,498,605	\$ 1,498,605
FTE Positions	23.0	23.0	23.0	23.0	23.0

STATE GENERAL FUND



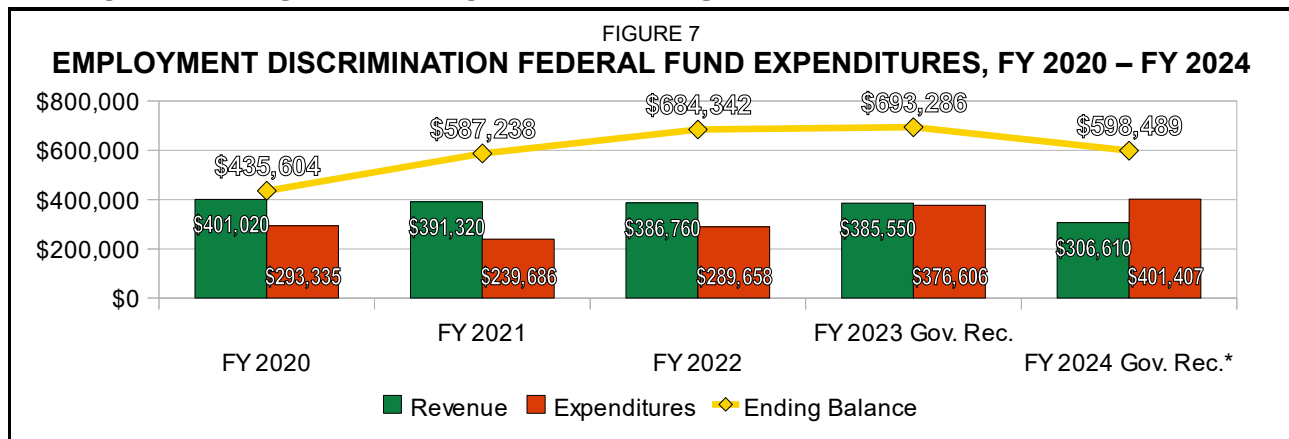
For the Kansas Human Rights Commission, SGF expenditures have remained in the \$1.0 million to \$1.1 million range from FY 2015 through FY 2022. The agency estimates that expenditures will remain within this range in FY 2023 and for FY 2024.

EMPLOYMENT DISCRIMINATION FEDERAL FUND



The Employment Discrimination Federal Fund is an account that arises out of the agency's annual contract with the EEOC to process and resolve complaints of discrimination that are jointly filed under Kansas statutes and federal regulations. Expenditures have fluctuated from FY 2015 through FY 2022, though the agency expects expenditures to increase for FY 2023 and FY 2024.

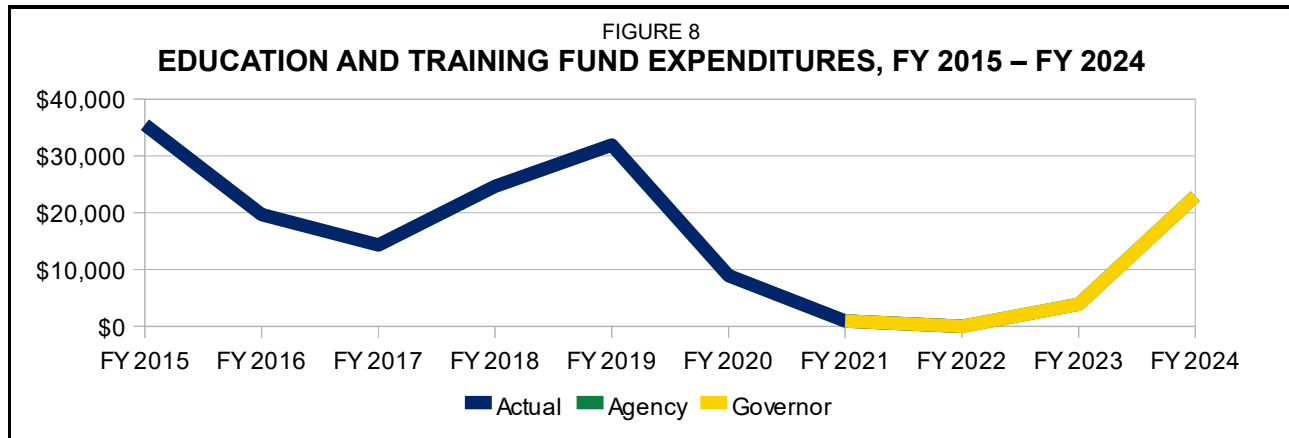
EMPLOYMENT DISCRIMINATION FEDERAL FUND



* For FY 2024, the lowest month ending balance for the Employment Discrimination Federal Fund will occur in October, with a balance of \$598,489.

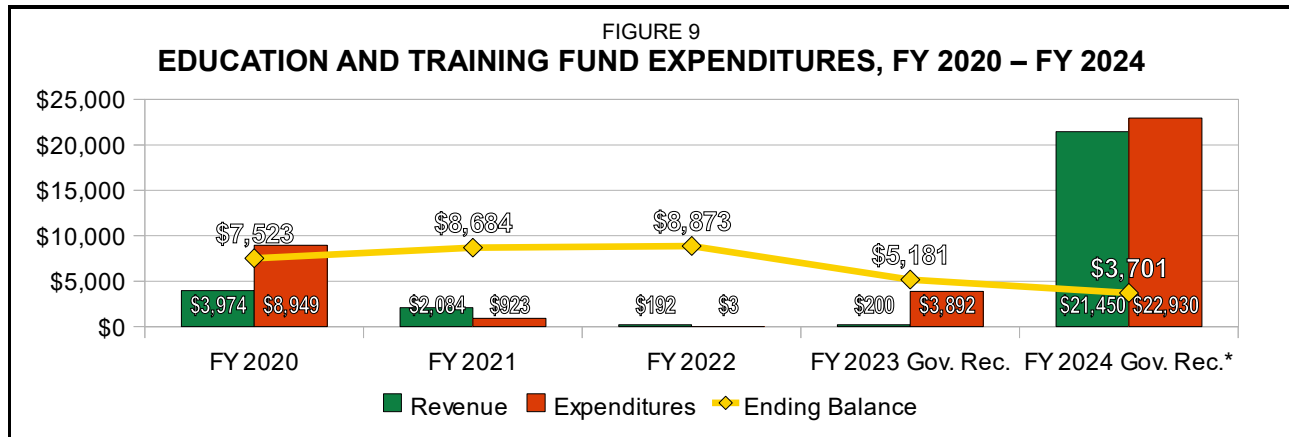
The Employment Discrimination Federal Fund generates revenue through the annual contract with the EEOC, as the EEOC pays the agency a specified amount to investigate a set number of dually filed cases. Due to a number of factors, the EEOC has decreased the contracted number of case resolutions for which the agency is reimbursed every year for the past 14 years. The agency expects that for FY 2024, expenditures from the Employment Discrimination Federal Fund will outpace revenue by \$94,797.

EDUCATION AND TRAINING FUND



The Education and Training Fund relates to the agency's education and training programs for the general public. Expenditures from this fund are generally associated with the agency's annual Employment Law Seminar. The main costs of the seminar are food, audio-visual expenditures, and printing. The agency has not held the annual seminar in recent years due to the COVID-19 pandemic, so expenditures for this fund have decreased from \$31,933 in FY 2019 to \$3 in FY 2022. Instead of hosting the annual in-person seminar in FY 2023, the agency is hosting a series of webinars, which reduces expenditures. However, the agency is expecting expenditures from this fund to increase to pre-COVID-19 pandemic levels in FY 2024, as the agency prepares to hold the in-person seminar for the first time since FY 2019.

EDUCATION AND TRAINING FUND



* For FY 2024, the lowest month ending balance for the Education and Training Fund will occur in February, with a balance of \$3,701.

The Education and Training Fund generates revenue through registration fees and fees for copies for the annual Employment Law Seminar. The Executive Director is authorized to fix, charge, and collect fees to recover all or part of the operating expenditures incurred for training programs. The agency has not been able to hold the annual seminar in recent years due to the COVID-19 pandemic. The agency is planning to host a series of free informative webinars in FY 2023. The agency anticipates hosting an in-person seminar for FY 2024, where approximately 250 registrants are expected to pay to attend. Revenue is expected to increase from \$200 in FY 2023 to \$21,450 in FY 2024.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 1,060,373	\$ 452,008	\$ 1,512,381	23.0
1. SGF Reappropriation	36,107	-	36,107	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 1,096,480</i>	<i>\$ 452,008</i>	<i>\$ 1,548,488</i>	<i>23.0</i>
Agency Revised Estimate:				
2. Salaries and Wages	\$ (70,026)	\$ (52,036)	\$ (122,062)	--
3. Contractual Services	57,934	(3,409)	54,525	--
4. Commodities	1,328	(16,065)	(14,737)	--
5. Capital Outlay	10,764	-	10,764	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 1,096,480</i>	<i>\$ 380,498</i>	<i>\$ 1,476,978</i>	<i>23.0</i>
Governor's Recommendation:				
6. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 1,096,480	\$ 380,498	\$ 1,476,978	23.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, one adjustment was made to the \$1.5 million, including \$1.1 million SGF, appropriated to the Kansas Human Rights Commission in FY 2023.

1. **SGF REAPPROPRIATION.** The agency reappropriated \$36,107 in unspent SGF moneys from FY 2022 into FY 2023. According to the agency, the reappropriation is associated with a database update that was difficult to formalize and complete in previous years due to the situation caused by the COVID-19 pandemic. This reappropriated amount gives the agency an approved budget of \$1,548,488, including \$1,096,480 SGF, in FY 2023 without any legislative action required.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$1.5 million, including \$1.1 million SGF, in FY 2023. This is an all funds decrease of \$71,510, or 4.6 percent, below the amount approved by the 2022 Legislature.

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

2. **SALARIES AND WAGES.** The agency's revised estimate includes \$996,361 in salaries and wages expenditures. This decrease of \$122,062, or 10.9 percent, below the amount approved by the 2022 Legislature is primarily due to there being several vacant positions, though the agency states they are hiring to fill those positions, and continues to contract with an outside law firm in lieu of filling the Chief Legal Counsel position. The request also takes into account increased employer contributions for unemployment compensation and group health insurance.
3. **CONTRACTUAL SERVICES.** The agency's revised estimate includes \$455,279 in contractual services expenditures. This increase of \$54,525, or 13.6 percent, above the amount approved by the 2022 Legislature is primarily due to increased costs associated with rental rates for the Landon State Office Building, as well as costs associated with technology programs and services, such as wireless network connections, software, and computers. In addition to the increased rates, the agency contracts with Kansas

Legal Services to provide mediation services to parties involved in a complaint of discrimination. Likewise, the agency contracts with outside counsel who, among other things, review and revise the Kansas Administrative Regulations as the agency is scheduled to report on an evaluation of its administrative regulations by July 2023.

4. **COMMODITIES.** The agency estimate includes \$8,630 in commodities expenditures. This decrease of \$14,737, or 63.1 percent, below the amount approved by the 2022 Legislature is due to the agency's purchase of office supplies and data processing supplies, which have been adjusted for the inflationary index. Expenses associated with the annual Employment Law Seminar are not budgeted, as a series of webinars will be held in lieu of the in-person event.
5. **CAPITAL OUTLAY.** The agency request includes \$16,708 in capital outlay expenditures. This increase of \$10,764, or 181.1 percent, above the amount approved by the 2022 Legislature is due to recommendations by the Office of Information Technology Services (OITS) that the agency replace servers, firewalls, monitors, printers, and other technology.

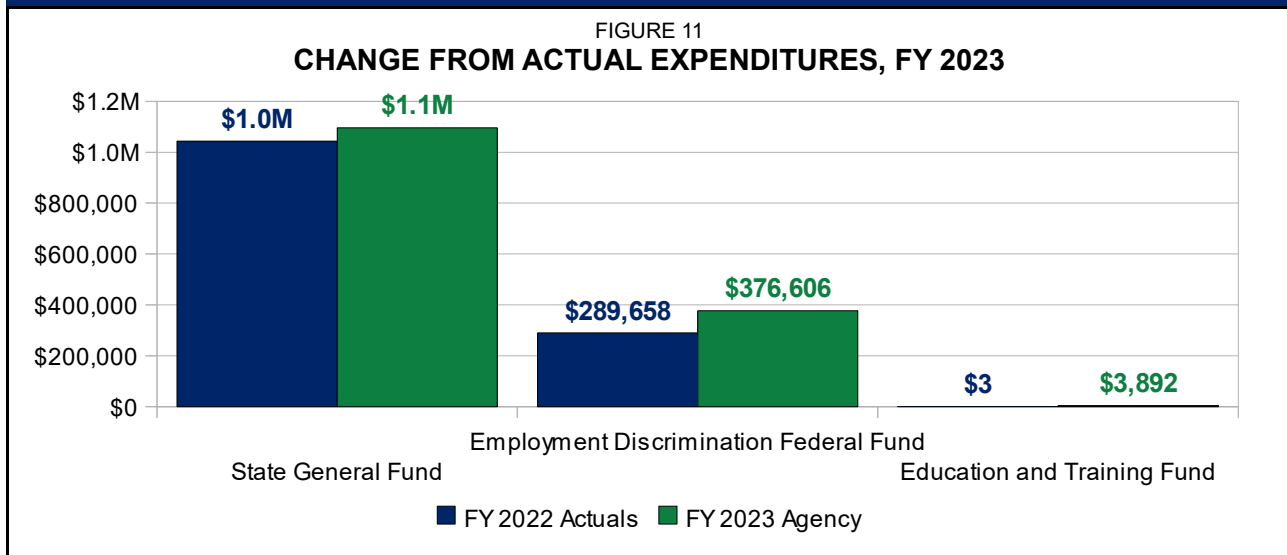
The agency estimate also includes 23.0 FTE positions, which is the same as the approved number by the 2022 Legislature.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate and recommends a budget of \$1.5 million, including \$1.1 million SGF, in FY 2023. The Governor's recommendation also includes 23.0 FTE positions, which is the same as the number approved by the 2022 Legislature.

6. **NO CHANGES.** The Governor concurs with the agency's revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$1,476,978, including \$1,096,480 SGF, in FY 2023. This is an increase of \$143,581, or 10.8 percent, above the FY 2022 actual expenditures. The agency anticipates that expenditures in the federal funds account will increase by \$86,948, or 30.0 percent, above the FY 2022 actual expenditures. The increase in expenditures from the federal fund account is attributable to the agency's belief that it will be processing and reviewing more cases. Likewise, the agency expects expenditures in the Education and Training fee fund account to increase by \$3,889, or 99.9 percent, above the FY 2022 actual expenditures. In FY 2022, the agency hosted presentations and trainings online in lieu of the annual employment seminar that is usually held in-person. In FY 2023, the agency plans to continue hosting online presentations and trainings, as well as a series of webinars.

FY 2024 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 1,096,480	\$ 380,498	\$ 1,476,978	23.0
Agency Request:				
1. Salaries and Wages	\$ 46,075	\$ 23,293	\$ 69,368	--
2. Contractual Services	(52,864)	4,481	(48,383)	--
3. Commodities	260	16,065	16,325	--
4. Capital Outlay	(15,683)	-	(15,683)	--
<i>Subtotal—Agency Estimate</i>	\$ 1,074,268	\$ 424,337	\$ 1,498,605	23.0
Governor's Recommendation:				
5. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ 1,074,268</u>	<u>\$ 424,337</u>	<u>\$ 1,498,605</u>	<u>23.0</u>

AGENCY REQUEST

The **agency** requests \$1.5 million, including \$1.1 million SGF, for FY 2024. This is an all funds increase of \$21,627, or 1.5 percent, including an SGF decrease of \$22,212, or 2.0 percent, from the FY 2023 revised estimate.

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

- SALARIES AND WAGES.** The agency request includes \$1.1 million in salaries and wages expenditures. The request includes an increase of \$69,368, or 7.0 percent, above the FY 2023 revised estimate is primarily due to increased employer contributions for unemployment compensation and group health insurance. The salary figure also includes longevity payments of \$40 per year, up to \$1,000 for eligible employees.
- CONTRACTUAL SERVICES.** The agency request includes \$406,896 in contractual services expenditures. The request includes a decrease of \$48,383, or 10.6 percent, below the FY 2023 revised estimate, primarily due to the agency's expectation that updates to the computer programming services and potential changes to the Kansas Administrative Regulations will both be completed. Likewise, the agency anticipates that permanent positions will be filled, which would eliminate the costs incurred from temporary staffing agencies. The decrease in contractual services expenditures is partially offset by increased expenditures associated with in-state and out-of-state travel, printing and binding of the potential new regulations, and other professional fees.
- COMMODITIES.** The agency request includes \$24,955 in commodities expenditures. The request includes an increase of \$16,325, or 189.2 percent, above the FY 2023 revised estimate, due to the agency's plan to host its annual Employment Law Seminar for the first time since FY 2019. Projected expenditures for the seminar are based on actual costs that the agency incurred in FY 2019.
- CAPITAL OUTLAY.** The agency request includes \$1,025 in capital outlay expenditures. This decrease of \$15,683, or 93.9 percent, below the FY 2023 revised estimate is due to the agency's expectation that no new technology updates, other than the replacement of two printers, will be needed. Other minor purchases from FY 2022 are carried forward and adjusted by the cost index.

The agency request also includes 23.0 FTE positions, which is the same as the requested number of positions in FY 2023.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request and recommends a budget of \$1.5 million, including \$1.1 million SGF, for FY 2024. The Governor's recommendation also includes 23.0 FTE positions, which is the same as the agency's requested number of positions.

5. **NO CHANGES.** The Governor concurs with the agency's revised estimate.

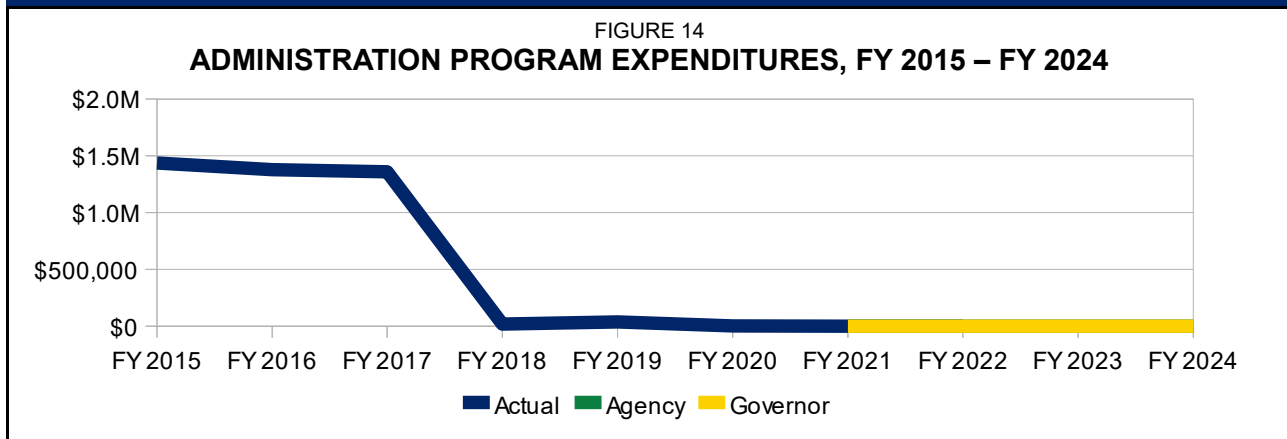
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 1,805	\$ -	\$ -	\$ -	\$ -
Compliance Program	1,331,592	1,472,022	1,472,022	1,474,060	1,474,060
Public Information and Education Program	-	4,956	4,956	24,545	24,545
TOTAL	\$ 1,333,397	\$ 1,476,978	\$ 1,476,978	\$ 1,498,605	\$ 1,498,605
FTE Positions:					
Administration Program	-	-	-	-	-
Compliance Program	23.0	23.0	23.0	23.0	23.0
Public Information and Education Program	-	-	-	-	-
TOTAL	23.0	23.0	23.0	23.0	23.0

PERFORMANCE MEASURES

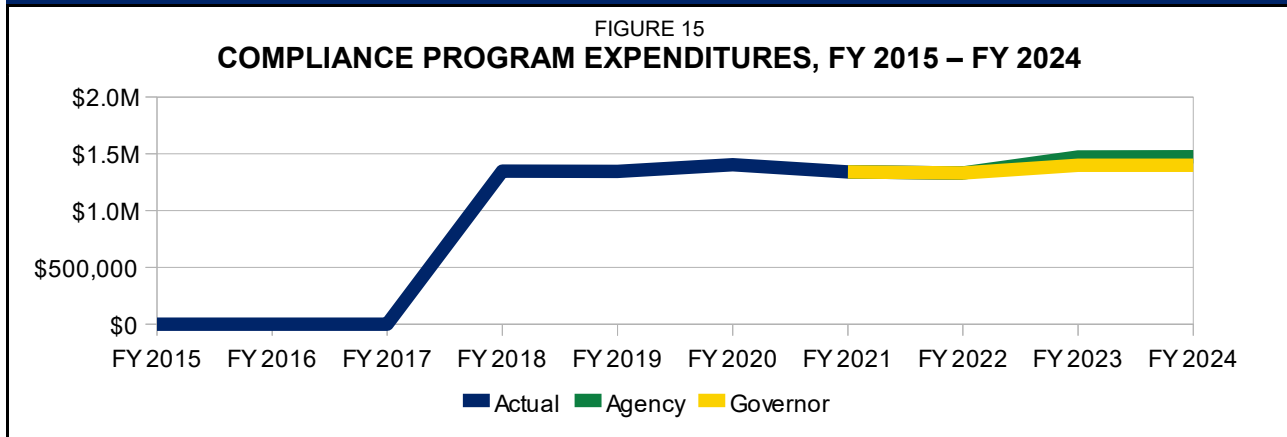
The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION PROGRAM



Prior to FY 2018, the agency consolidated program expenditures under the Administration Program. Therefore, expenditure amounts for the Compliance Program and the Public Information and Education Program are not available prior to FY 2018. As the agency began utilizing the Compliance Program and the Public Information and Education Program, expenditures under the Administration Program decreased from \$1.4 million in FY 2015, to \$2,170 in FY 2020. Expenditures were nonexistent in FY 2021, though expenditures increased to \$1,805 in FY 2022. The agency does not project costs associated with this program, as it is only used when a need for a public hearing arises.

COMPLIANCE PROGRAM



STATUTORY BASIS: • KSA 44-1005

PROGRAM GOALS:

- Provide prompt, professional, and appropriate services to all citizens who contact the agency for assistance, and to maintain an effective and efficient complaint intake service to reduce or eliminate frivolous or non-jurisdictional complaints.
- Provide the opportunity for the early resolution through mediation of every complaint filed.
- Conduct a prompt and thorough investigation of all allegations not previously resolved by mediation, and to render a timely and appropriate determination that is supported by evidence of either probable cause or no probable cause in all cases submitted to Commissioners for such determination.

The purpose of the Compliance Program is to investigate and attempt to resolve complaints of discrimination within the areas of employment, housing, and public accommodation. In order to bring a legal claim under the Kansas Act Against Discrimination, an individual is almost always required to exhaust all administrative remedies by first filing a complaint of discrimination with the agency.

Once a complaint of discrimination is filed and the parties involved determine that the matter cannot be resolved through mediation with the Kansas Legal Services, the complaint undergoes an investigation by agency. Investigators review records and documents and interview any person who could have relevant knowledge of the alleged act(s) or omission(s). A summary of the investigation is then compiled and submitted to one of the seven Commissioners for a determination of whether there is probable cause to believe that a discriminatory act has occurred.

If probable cause is not found, the Commission closes the case. If probable cause is found, the Commission is required to attempt to resolve the complaint through conciliation efforts before the complaint goes to the quasi-judicial program of the public hearing process.

Additionally, whenever there is sufficient information to conclude that a discriminatory pattern and practice may be occurring within a system, primarily in employment systems, the Commission initiates a complaint against the alleged violator(s). It must be determined whether certain patterns and practices, even those that appear facially neutral, are resulting in a discriminatory impact upon a certain class of individuals. If such a situation exists, and there is no valid business reason for that practice, the Commission issues a finding of probable cause and seeks to eliminate those patterns and practices. Successful resolution of such situations eliminates a large number of individual complaints that the Commission would otherwise have to process.

FIGURE 16

COMPLIANCE PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Complaints Clearance Rate	100 %	102 %	102 %	102 %	101 %
2. Case Processing Time (in months)	9.31	9.73	9.11	9.28	9.15
3. Average SGF provided to Kansas Legal Services / Midland Mediation per case brokered through KLS / MM *	\$ 280.00	\$ 289.00	\$ 189.67	\$ 258.00	\$ 251.00
Output Measure:					
4. Number of Complaints Filed	951	799	887	900	915
5. Number of Complaints Closed *	952	814	903	920	925
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,101,016	\$ 1,041,931		\$ 1,095,413	\$ 1,072,650
Federal Funds	239,686	289,658		376,606	401,407
All Other Funds	23	3		3	3
TOTAL	\$ 1,340,725	\$ 1,331,592		\$ 1,472,022	\$ 1,474,060
Percentage Change:					
SGF	(99.0) %	(5.4) %		5.1 %	(2.1) %
All Funds	(99.0) %	(0.7) %		10.5 %	0.1 %
FTE Positions	23.0	23.0		23.0	23.0

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests \$1.5 million, including \$1.1 million SGF, for the Compliance Program for both FY 2023 and FY 2024.

The **Governor** concurs with the agency's revised estimate for FY 2023 and request for FY 2024.

COMPLAINT PROCESS

The Compliance Program can be measured empirically in a number of ways, including by the number of complaints the agency resolves each year. The agency anticipates that the processing time for complaints will decrease from 9.73 months in FY 2022 to 9.28 months in FY 2023, allowing the agency to process more complaints. As such, the agency expects the clearance rate of complaints to remain over 100.0 percent in FY 2023 and for FY 2024.

According to the agency, the "clearance rate" of complaints is the percentage of closed cases divided by the total number of cases received. A rate above 100.0 percent indicates that the agency closes more cases in a year

than it receives in a year. Despite staff shortages, the agency expects to have a clearance rate of 102.0 percent in FY 2023, and a clearance rate of 101.0 percent for FY 2024.

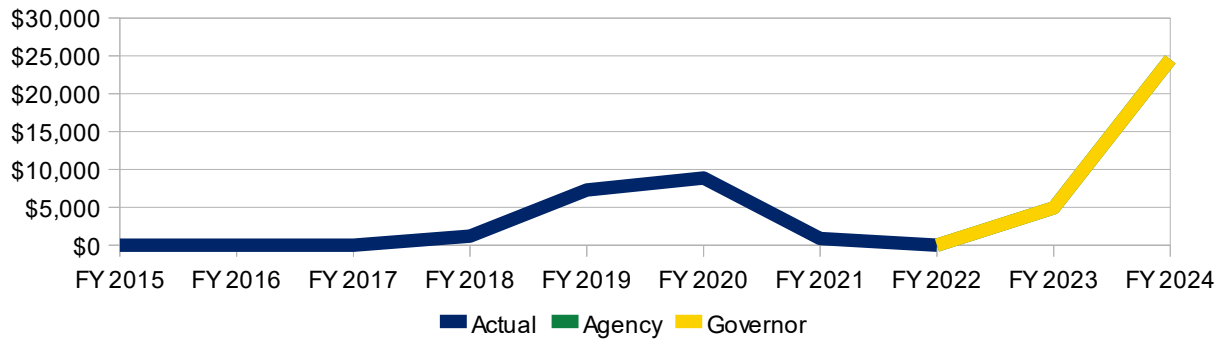
EEOC CONTRACT

The agency receives a reimbursement of \$830 per case resolution from the EEOC, in addition to \$100 per complaint intake (*i.e.*, complaints the agency receives but cannot investigate due to jurisdictional limitations). The agency estimates that the revenue it receives from the EEOC will decrease from \$385,550 in FY 2023 to \$306,610 for FY 2024. The decrease is due to the EEOC lowering the amount of case resolutions for which it would contract with the agency. The agency notes this is due to there being lower-than-normal case resolutions during the measurement period in which there were several vacancies in the agency's investigative staff.

PUBLIC INFORMATION AND EDUCATION PROGRAM

FIGURE 17

PUBLIC INFORMATION AND EDUCATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 44-1004

PROGRAM GOALS:

- Inform Kansans of what constitutes discrimination, the effects of unlawful discrimination, how to prevent discrimination, and provide an overview of discrimination laws in order 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 and Education 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.

Through the Public Information and Education Program, the Commission distributes information materials and conducts seminars and workshops that provide an overview of either the laws against discrimination or specific segments of the laws. For example, the

agency's most requested program is the presentation that addresses illegal harassment, including illegal sexual harassment, in the workplace.

Additionally, the agency hosts an annual Employment Law Seminar. Invitees include respondents, attorneys, human resource personnel, and other professionals. Topics cover various aspects of employment discrimination, as well as how to prevent discrimination in the workplace. Although the seminar was put on hold for the past few years because of the COVID-19 pandemic, the agency is planning to host the seminar in person during FY 2024.

FIGURE 18 PUBLIC INFORMATION AND EDUCATION PROGRAM, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of People Trained Through Educational Presentations	595	613	667	630	650
2. Number of People Completing KHRC Online Training *	11,010	12,347	11,083	12,375	12,400
Output Measure:					
3. Number of Educational Presentations *	26	21	22	24	26
4. Provide Online Training *	Yes	Yes	Yes	Yes	Yes
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ 1,067	\$ 1,618
Federal Funds	-	-		-	-
All Other Funds	900	-		3,889	22,927
TOTAL	\$ 900	\$ -		\$ 4,956	\$ 24,545
Percentage Change:					
SGF	(99.0) %	--		-- %	51.6 %
All Funds	(99.0) %	(100.0) %		-- %	395.3 %
FTE Positions	0.0	0.0		0.0	0.0

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests \$4,956, including \$1,067 SGF in FY 2023. The request is a decrease of \$18,455, including \$505 SGF, from the FY 2023 approved budget. The decrease is attributable to the agency not holding the employment law seminar in FY 2023.

The **Governor** concurs with the agency revised estimate in FY 2023.

The **agency** requests \$24,545, including \$1,618 SGF, for FY 2024. The request is an increase of \$20,589, and an SGF increase of \$551, above the FY 2023 revised estimate. The increase is attributable to expenditures for the annual employment law seminar.

The **Governor** concurs with the agency request for FY 2024.

PREVENTION PROGRAMS

The agency indicates the Public Information and Education Program is difficult to measure empirically, but the agency asserts that many acts of discrimination are prevented by the education and services this program provides. This assertion is due to the number of public requests for training materials, the number of

referrals received, and the number of people trained each year.

EDUCATION SEMINARS

Prior to the COVID-19 pandemic, the annual Employment Law Seminar was the main way the agency assisted the public in understanding what constitutes acts of discrimination. However, the agency transitioned away from the in-person seminar in FY 2021 and FY 2022, and instead used online training seminars and online presentations to continue educating Kansans. The number of persons trained through educational presentations increased from 595 in FY 2021 to 613 in FY 2022. Likewise, the number of persons who completed online training programs increased from 11,010 in FY 2021 to 12,347 in FY 2022. The agency expects the amount of people attending educational presentations, as well as the amount of people completing online training, to increase in FY 2023 and in FY 2024.

Additionally, the agency plans to bring back the annual Employment Law Seminar in FY 2024. Attendees pay a fee of \$85 in order to receive continuing education about employment law while surrounded by peers.

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HEALTH CARE STABILIZATION FUND BOARD OF GOVERNORS

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2024					
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	38,038,279	38,265,927	38,265,927	40,088,892	40,088,892
<i>Subtotal</i>	<u>\$ 38,038,279</u>	<u>\$ 38,265,927</u>	<u>\$ 38,265,927</u>	<u>\$ 40,088,892</u>	<u>\$ 40,088,892</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>\$ 38,038,279</u>	<u>\$ 38,265,927</u>	<u>\$ 38,265,927</u>	<u>\$ 40,088,892</u>	<u>\$ 40,088,892</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	36.9 %	0.6 %	0.6 %	4.8 %	4.8 %
FTE Positions	21.0	21.0	21.0	21.0	21.0

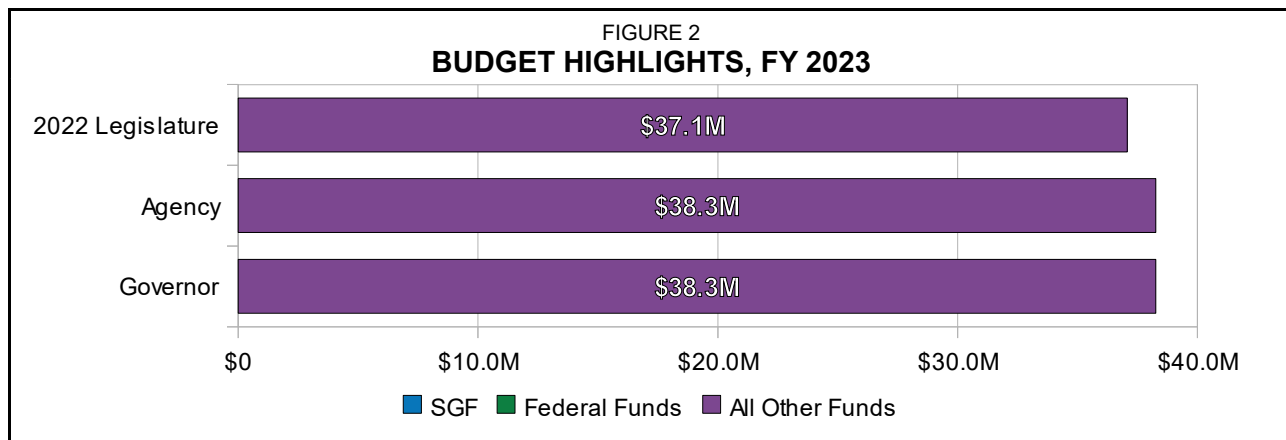
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Health Care Stabilization Fund Board of Governors' mission 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 Commissioner of Insurance appoints the 11 members of the Board of Governors.

The 1989 Legislature decided to self-insure the basic professional liability of residents in training as well as full-time physician faculty members at the University of Kansas Medical Center. Responsibility for initial payment of claims is handled by the HCSF, to be reimbursed by the faculty foundation and the State of Kansas. Reimbursements to the HCSF 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.

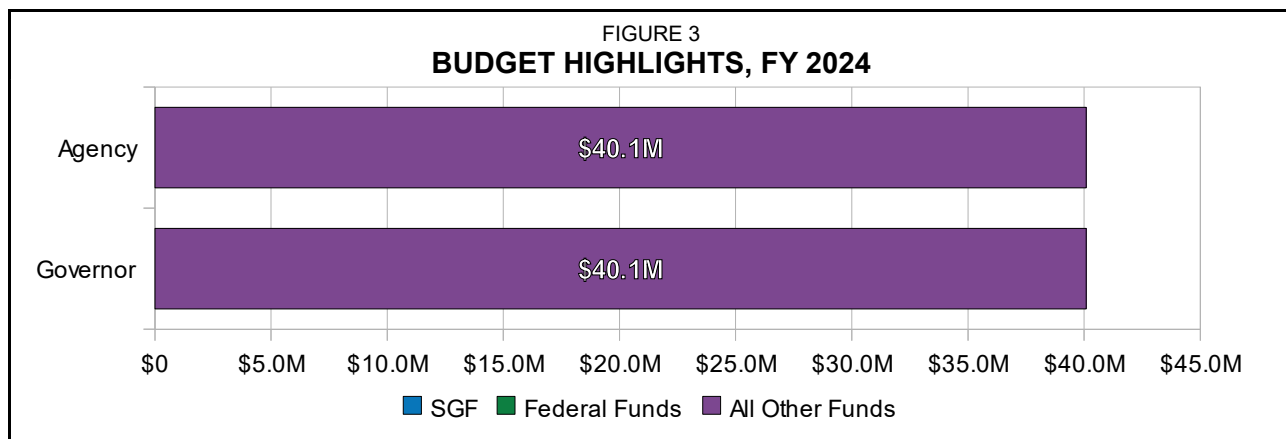
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$37.1 million, all from special revenue funds, for the Health Care Stabilization Fund Board of Governors for FY 2023. No adjustments have been made subsequently to that approved amount.



The **agency** submits a revised estimate of \$38.3 million, all from special revenue funds, and 21.0 FTE positions in FY 2023. This is an increase of \$1.2 million, or 3.2 percent, above the amount approved by the 2022 Legislature. This includes increased expenditures in other assistance of \$1.2 million, or 4.4 percent, and in contractual services of \$26,827, or 0.4 percent, above the approved amount. These increases are partially offset by a decrease in salaries and wages expenditures of \$97,325, or 4.8 percent, below the approved amount. The decrease in salaries and wages is mostly due to a decrease in employer contributions for employee fringe benefits. The overall increase is mainly attributed to other assistance, specifically an estimated increase in claims expenses for medical malpractice and in other fees for court cases. The contractual services increase is due to additional consulting services for information systems.

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



The **agency** requests \$40.1 million, all from special revenue funds, for FY 2024. This is an increase of \$1.8 million, or 4.8 percent, above the FY 2023 revised estimate. This is mainly attributable to increases in other assistance expenditures, contractual services, and capital outlay.

The request includes an increase in projected other assistance expenditures of \$801,568, or 2.7 percent, above the FY 2023 revised estimate, which is mainly due to increased projected court-approved settlement agreements or jury awards for medical malpractice lawsuits. The increase in contractual services is \$900,487, or 14.9 percent, above the FY 2023 revised estimate, which is mainly attributable to an expected increase in attorney and lawyer fees (\$543,897) and an anticipated increase in court reporter and expert witness fees (\$259,740). The capital outlay increase is \$43,300, or 71.9 percent, above the FY 2023 revised estimate, and is mainly attributable to routine system maintenance and equipment replacement (\$37,000).

The **agency** requests 21.0 FTE positions for FY 2024, which is the same number as the FY 2023 revised estimate.

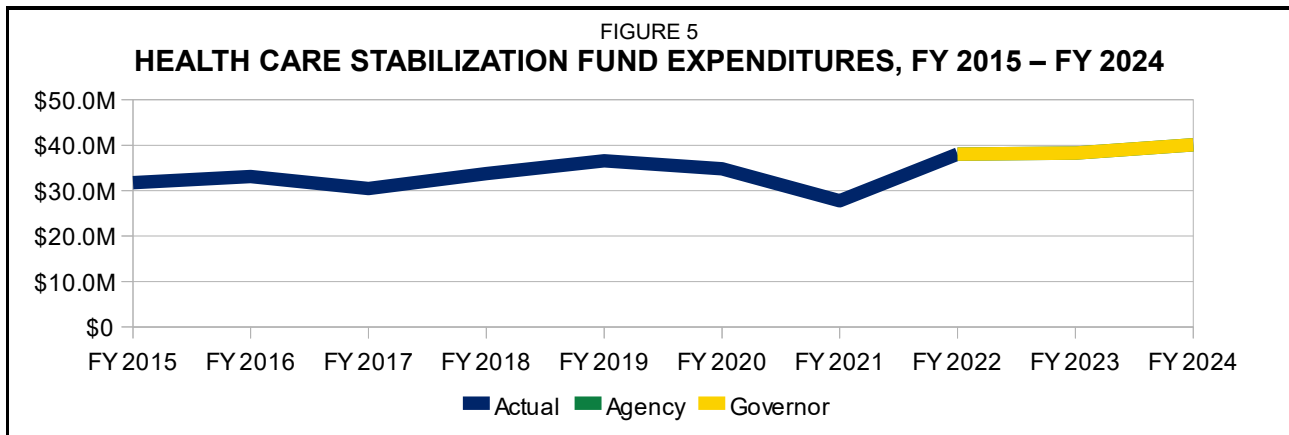
The **Governor** concurs with the agency's request for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

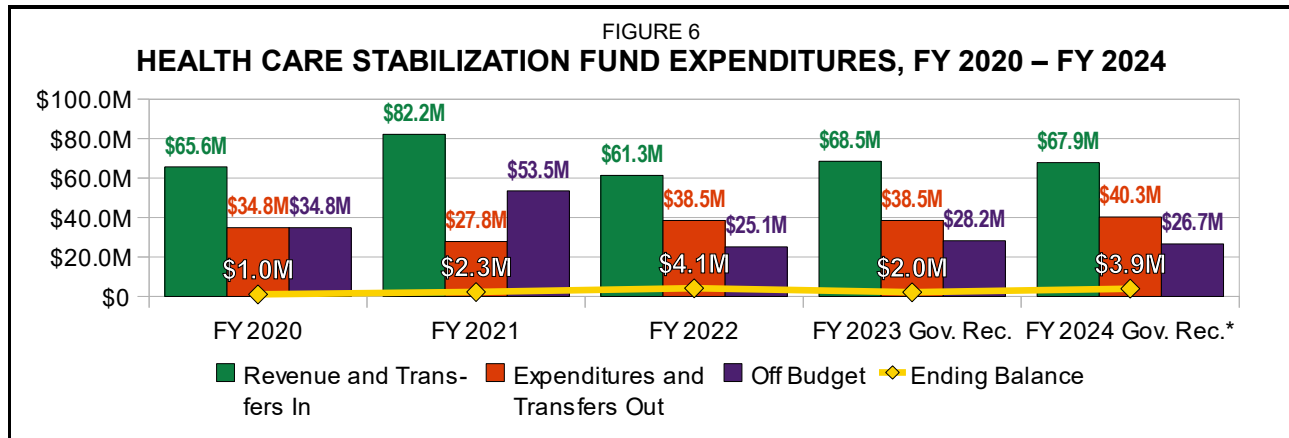
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 1,747,019	\$ 1,925,880	\$ 1,925,880	\$ 1,997,817	\$ 1,997,817
Contractual Services	6,361,446	6,048,538	6,048,538	6,949,025	6,949,025
Commodities	13,714	32,857	32,857	38,530	38,530
Capital Outlay	16,662	60,220	60,222	103,520	103,520
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 8,138,841</i>	<i>\$ 8,067,495</i>	<i>\$ 8,067,497</i>	<i>\$ 9,088,892</i>	<i>\$ 9,088,892</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	29,899,438	30,198,432	30,198,432	31,000,000	31,000,000
<i>Subtotal—Operating</i>	<i>\$ 38,038,279</i>	<i>\$ 38,265,927</i>	<i>\$ 38,265,929</i>	<i>\$ 40,088,892</i>	<i>\$ 40,088,892</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 38,038,279	\$ 38,265,927	\$ 38,265,929	\$ 40,088,892	\$ 40,088,892
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Health Care	38,035,148	38,253,927	38,253,927	40,076,892	40,076,892
Stabilization Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	3,131	12,000	12,000	12,000	12,000
TOTAL	\$ 38,038,279	\$ 38,265,927	\$ 38,265,927	\$ 40,088,892	\$ 40,088,892
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 1976 Health Care Providers Insurance Availability Act, which stipulates that the HCSF 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. The 2021 Legislature changed statutes regarding coverage limits, which results in reduced surcharge revenue in FY 2022.

HEALTH CARE STABILIZATION FUND



* For FY 2024, the lowest month ending balance for the Health Care Stabilization Fund will occur in September, with a balance of \$0.

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 and the investment earnings are a significant source of supplemental income to the HCSF. As a result of these investments, 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 2023 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 37,075,195	\$ 37,075,195	21.0
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 37,075,195	\$ 37,075,195	21.0
Agency Revised Estimate:				
1. All Other Adjustments	-	1,190,732	1,190,732	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 38,265,927	\$ 38,265,927	21.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 38,265,927	\$ 38,265,927	21.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$37.1 million appropriated to the Health Care Stabilization Fund Board of Governors in FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$38.3 million, all from special revenue funds, for expenditures in FY 2023. This is \$1,190,732, or 3.2 percent, above the FY 2023 approved amount.

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

1. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes the following adjustments:
 - **OTHER ASSISTANCE.** The agency made adjustments to expenditures in other assistance of \$1,261,230, or 4.4 percent, above the FY 2023 approved amount. This change is attributed to an increase in projected court-approved settlement agreements or jury awards based on observable trends.
 - **CONTRACTUAL SERVICES.** The agency made adjustments to expenditures in contractual services of \$26,827, or 0.4 percent, above the FY 2023 approved amount. This change is attributed mainly to an increase in information systems consulting.
 - **SALARIES AND WAGES.** The agency made adjustments to expenditures in salaries and wages of \$97,325, or 4.8 percent, below the FY 2023 approved amount. This change is mainly attributed to a decrease in employer contributions to fringe health benefits and the Kansas Public Employees Retirement System (KPERS).

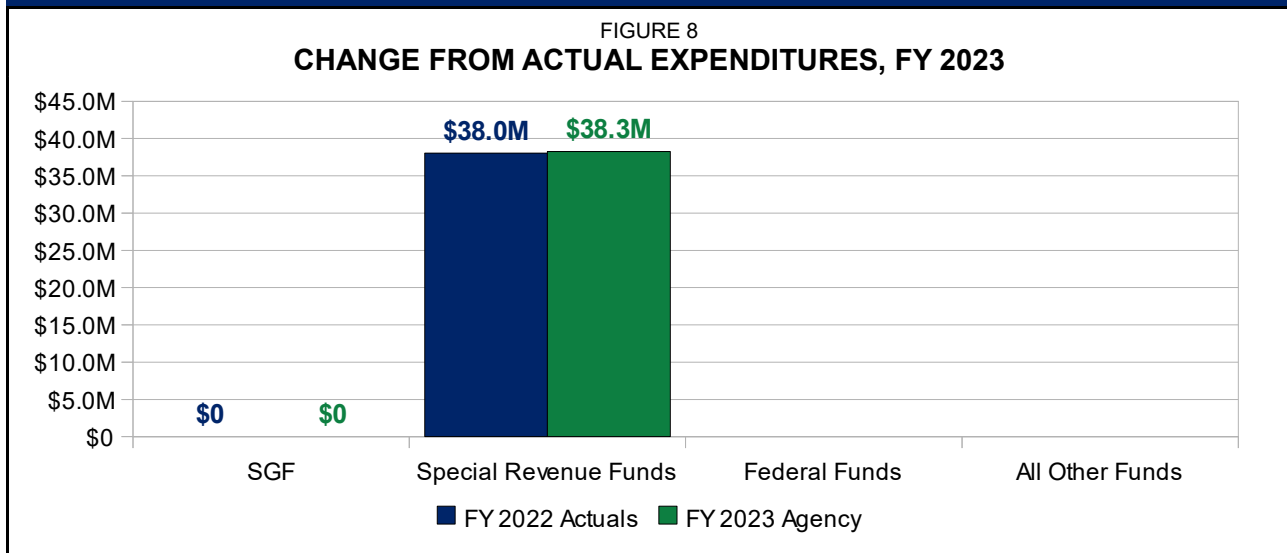
The **agency** estimate also includes 21.0 FTE positions, which is the same as the approved number of positions in FY 2023.

GOVERNOR'S RECOMMENDATION

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

2. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$38.3 million, all from special revenue funds, in FY 2023. This is an increase of \$227,648, or 0.6 percent, above the FY 2022 actual expenditures. There are increases to all categories of expenditures except contractual services. The increase for salaries and wages expenditures totals \$178,861, or 10.2 percent, which reflects the 5.0 percent salary increase plus the associated fringe benefit increases including increased employer contributions for both the KPERS and group health insurance.

The increase in commodities of \$19,143, or 139.6 percent, is mainly attributed to the Defense Counsel Seminar (\$12,000), which was canceled in FY 2021 and FY 2022 due to the COVID-19 pandemic. The increase in capital outlay of \$43,558, or 261.4 percent, is mainly attributed to routine system maintenance and equipment replacement (\$38,427). The increase in other assistance expenditures of \$298,994, or 1.0 percent, is attributable to an increase in projected court-approved settlement agreements or jury awards based on observable trends. There is a decrease in the category of contractual services of \$312,908, or 4.9 percent, below FY 2022 actual expenditures, which is attributed to a decrease in expected attorneys and lawyer fees.

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 38,265,927	\$ 38,265,927	21.0
Agency Request:				
1. All Other Adjustments	-	1,822,965	1,822,965	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 40,088,892	\$ 40,088,892	21.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ -</u>	<u>\$ 40,088,892</u>	<u>\$ 40,088,892</u>	<u>21.0</u>

AGENCY REQUEST

The **agency** requests a budget of \$40.1 million, all from special revenue funds, for FY 2024. This is an increase of \$1,822,965, or 4.8 percent, above the FY 2023 revised estimate.

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

1. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes the following adjustments:
 - **CONTRACTUAL SERVICES.** The agency requests an increase of \$900,487, or 14.9 percent, above the FY 2023 revised estimate. The change is mainly attributable to an expected increase in attorney and lawyer fees (\$543,897) and an expected increase in court reporter and expert witness fees (\$259,740).
 - **CAPITAL OUTLAY.** The agency requests an increase of \$43,300, or 71.9 percent, above the FY 2023 revised estimate. The change is mainly attributable to routine system maintenance and equipment replacement (\$37,000).
 - **OTHER ASSISTANCE.** The agency requests an increase of \$801,568, or 2.7 percent, above the FY 2023 revised estimate. The change is attributable to an increase in projected court-approved settlement agreements or jury awards based on observable trends.
 - **OTHER ADJUSTMENTS.** The agency made other adjustments including an increase for salaries and wages expenditures of \$71,937, or 3.7 percent, and an increase for commodities of \$5,673, or 17.3 percent, above the FY 2023 revised estimate. The change in salaries and wages assumes that all positions will be filled in FY 2024. The change in commodities reflects both higher cost and usage of supplies.

The **agency** request also includes 21.0 FTE positions, which is the same number as the FY 2023 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

2. **NO CHANGES.** The Governor recommended no changes to the agency's FY 2024 request.

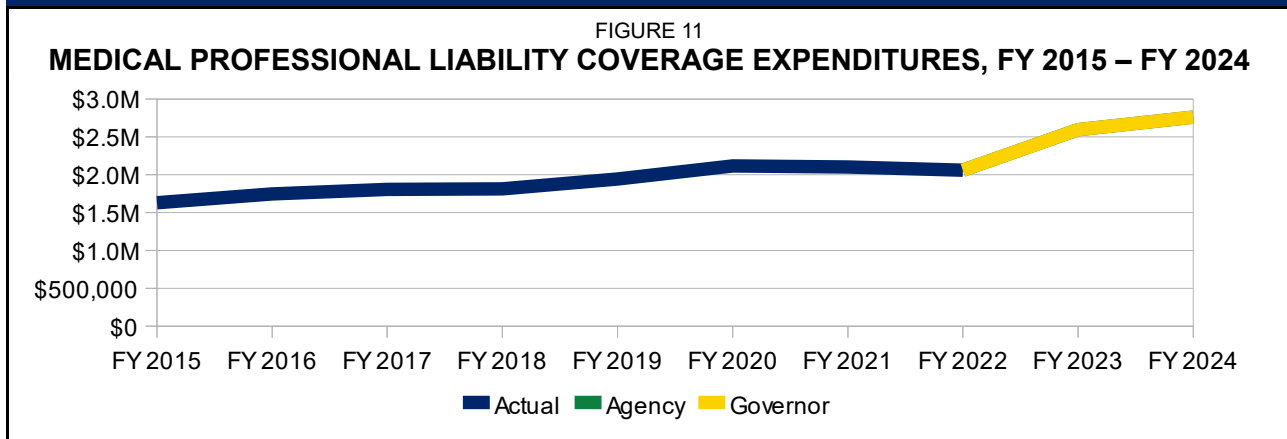
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Medical Professional Liability Coverage	\$ 2,062,873	\$ 2,596,307	\$ 2,596,307	\$ 2,760,792	\$ 2,760,792
Medical Professional Liability Adjudication	35,975,406	35,669,620	35,669,620	37,328,100	37,328,100
TOTAL	\$ 38,038,279	\$ 38,265,927	\$ 38,265,927	\$ 40,088,892	\$ 40,088,892
FTE Positions:					
Medical Professional Liability Coverage	21.0	21.0	21.0	21.0	21.0
Medical Professional Liability Adjudication	-	-	-	-	-
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.

MEDICAL PROFESSIONAL LIABILITY COVERAGE



STATUTORY BASIS: • KSA 40-3402

PROGRAM GOALS: • Assure that all health care providers as defined in KSA 40-3401 and maintain adequate professional liability coverage as required by KSA 40-3402

The Medical Professional Liability Coverage program is often referred to as the "compliance program," but it is not regulatory. The program provides instructions to insurers and health care providers for compliance with the statutory requirement, reviews documentation submitted by insurers and health care providers to ensure accuracy and correct payment, and assists insurers and health care providers who need help or have unusual circumstances.

In FY 2022, the agency transitioned from their previous structure, which has programs listed

as "Administration" and "Claims" to this new program structure.

This program was previously referred to as the "Administration Program." All administrative support costs for the Health Care Stabilization Fund Board of Governors are allocated to the Medical Professional Liability Coverage Program. This includes the activities of the Board of Governors, the executive staff, and the administrative support staff. Other major operating costs include office rent, actuarial and contractual services, information technology costs, as well as routine office supplies.

FIGURE 12 MEDICAL PROFESSIONAL LIABILITY COVERAGE, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Insurance Companies offering PLI** to KS health care providers*	32	35	33	35	35
2. Number of health care providers as of July 1 of fiscal year	15,474	17,013	15,743	16,983	16,988
3. Net surcharge revenue collected (in millions)*	\$ 35.0	\$ 24.4	\$ 29.4	\$ 28.5	\$ 29.0
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	2,104,043	2,062,873		2,596,307	2,748,792
TOTAL	\$ 2,104,043	\$ 2,062,873		\$ 2,596,307	\$ 2,748,792
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(0.6) %	(2.0) %		25.9 %	5.9 %
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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests Medical Professional Liability Coverage program expenditures of \$2.6 million, all from special revenue funds, in FY 2023. This is an increase of \$533,434, or 25.9 percent, above the FY 2022 actual amount.

The agency requests expenditures of \$2.8 million, all from special revenue funds, for FY 2024. This is an increase of \$164,485, or 6.3 percent, above the FY 2023 revised estimate.

The **Governor** concurs with the amounts requested for the Medical Professional Liability Coverage program for both FY 2023 and FY 2024.

PROFESSIONAL LIABILITY COVERAGE (PLI)

The Health Care Provider Insurance Availability Act was created, in part, to encourage commercial insurance companies to offer professional liability products in Kansas. Some of these companies are risk retention groups serving only a selected group of specialists. Three more insurance companies

began offering professional liability coverage to Kansas in FY 2022 than offered it in FY 2021.

OVERALL HEALTH CARE PROVIDERS MAINTAINING PLI

If patients are injured as a result of an unexpected medical outcome, the patients must have access to available remedies. Therefore, according to the agency, the total number of health care providers that maintain basic policy of PLI is important to track. A total of 17,013 health care providers maintained PLI in FY 2022, which is an increase of 1,529 providers above FY 2021.

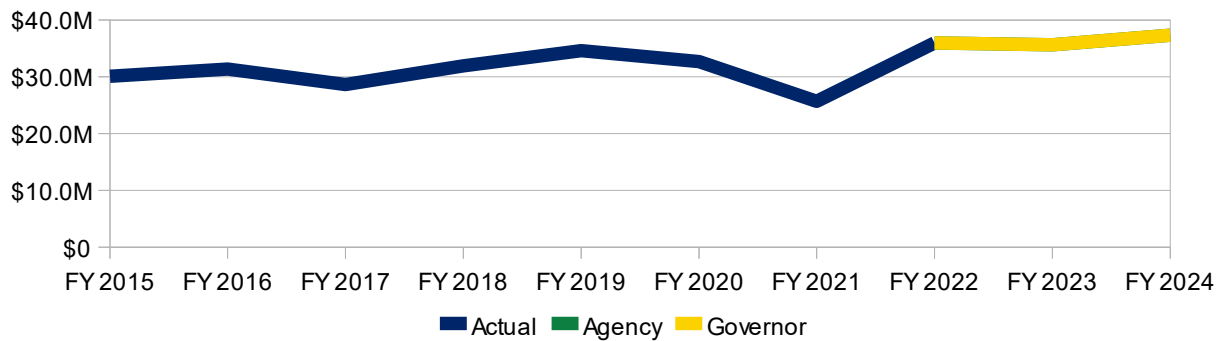
NET SURCHARGE REVENUE COLLECTED

In FY 2022, the agency collected \$24.4 million in net surcharge revenue. This is a decrease of \$10.6 million below FY 2021 collections. The 2021 Legislature changed statutes regarding coverage limits, which resulted in the reduced surcharge revenue in FY 2022. The agency does have higher target amounts in FY 2023 and FY 2024 than the FY 2022 actual amount, but the estimated collections are still less than the FY 2021 actual amount.

MEDICAL PROFESSIONAL LIABILITY ADJUDICATION

FIGURE 13

MEDICAL PROFESSIONAL LIABILITY ADJUDICATION EXPENDITURES, FY 2015 – FY 2024



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, to assure the appropriate compensation is provided in a timely manner.

The Medical Professional Liability Adjudication program is a function of the statutory liabilities of the HCSF.

In FY 2022, the agency transitioned from their previous structure, which has programs listed as "Administration" and "Claims" to this new program structure. This program was previously referred to as the "Claims Program."

This program is 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 Medical Professional Liability Adjudication program operates within a budget, it does not have an appropriated limit on its expenditures.

FIGURE 14

MEDICAL PROFESSIONAL LIABILITY ADJUDICATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of claims opened during the fiscal year	587	520	--	542	542
2. Number of claims closed during the fiscal year	421	542	496	500	500
3. Expenditures (claim payments for settlements and awards) (in millions)*	\$ 21.5	\$ 31.6	\$ 26.9	\$ 30.1	\$ 31.0
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	25,677,375	35,975,406		35,669,620	37,328,100
TOTAL	\$25,677,375	\$35,975,406		\$35,669,620	\$37,328,100
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(21.5) %	40.1 %		(0.8) %	4.6 %
FTE Positions	--	--		--	--

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

PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests Medical Professional Liability Adjudication program expenditures of \$35.7 million, all from special revenue funds, in FY 2023. This is a decrease of \$305,786, or 0.8 percent, below the FY 2022 actual amount.

The agency requests expenditures of \$37.3 million, all from special revenue funds, for FY 2024. This is an increase of \$1.7 million, or 4.6 percent, above the FY 2023 revised estimate.

The **Governor** concurs with the amounts requested for the Medical Professional Liability Adjudication program for both FY 2023 and FY 2024.

NUMBER OF CLAIMS CLOSED

According to the agency, the number of closed claims is an indication of the level of productivity. It is important to note that some cases require a substantial amount of time to be resolved. The total number of claims closed during FY 2022 was 542, which is an increase of 121 closed cases, or 28.7 percent, above FY 2021. The agency anticipates 500 claims will be closed in FY 2023 and FY 2024 each, which is a decrease of 42 closed claims, or 7.7 percent, below FY 2022.

NUMBER OF CLAIMS OPENED

The total number of new claims opened in FY 2022 was 520, which is a decrease of 67 claims, or 11.4 percent, below FY 2021. The agency anticipates that in FY 2023 and FY 2024 each, there will be 542 new claims opened each year, which is an increase of 22 new claims, or 4.2 percent, above FY 2022.

CLAIM PAYMENTS

Compensation received by injured patients as a result of settlements or jury awards is not determined by the HCSF Board of Governors, legal staff, or defense counsel. Per the agency, the amount of payments is still an important performance measure as it identifies trends for predicting future expenditures. In FY 2022, the total amount of claims payments for settlements and awards was \$31.6 million. This is an increase of \$10.1 million above FY 2021.

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JUDICIAL BRANCH

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 137,998,899	\$ 172,325,920	\$ 172,325,920	\$ 194,465,007	\$ 194,465,007
Federal Funds	567,806	1,381,423	1,381,423	1,502,887	1,502,887
All Other Funds	24,533,586	10,855,281	10,855,281	10,530,371	10,530,371
<i>Subtotal</i>	<i>\$ 163,100,291</i>	<i>\$ 184,562,624</i>	<i>\$ 184,562,624</i>	<i>\$ 206,498,265</i>	<i>\$ 206,498,265</i>
Capital Improvements:					
State General Fund	\$ -	\$ 210,000	\$ 210,000	\$ 350,000	\$ 350,000
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ 210,000</i>	<i>\$ 210,000</i>	<i>\$ 350,000</i>	<i>\$ 350,000</i>
TOTAL	\$ 163,100,291	\$ 184,772,624	\$ 184,772,624	\$ 206,848,265	\$ 206,848,265
Percentage Change:					
State General Fund	24.9 %	25.0 %	25.0 %	12.9 %	12.9 %
All Funds	5.3 %	13.3 %	13.3 %	11.9 %	11.9 %
FTE Positions	1,938.0	2,002.0	2,002.0	2,007.0	2,007.0

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.

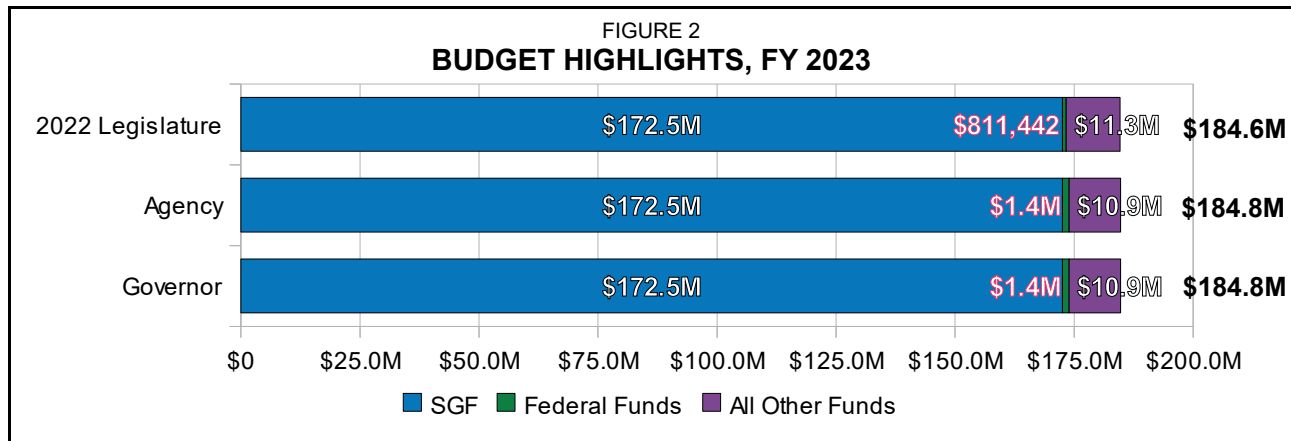
The *Kansas Constitution* vests the judicial power of the State in one court of justice, which is divided into the Supreme Court, district courts, and other courts as provided by law. The Supreme Court has general administrative authority over all the courts in the State. The Judicial Branch's budget 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 92.0 percent of expenditures in FY 2023.

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 2022 Legislature approved a budget of \$184.6 million, including \$172.5 million from the State General Fund (SGF), for the Judicial Branch for FY 2023. One adjustment has been made subsequently to that amount, which changes the current year approved amount without any legislative action required: \$451 SGF for miscellaneous operating expenditures was unspent and reappropriated in FY 2023.

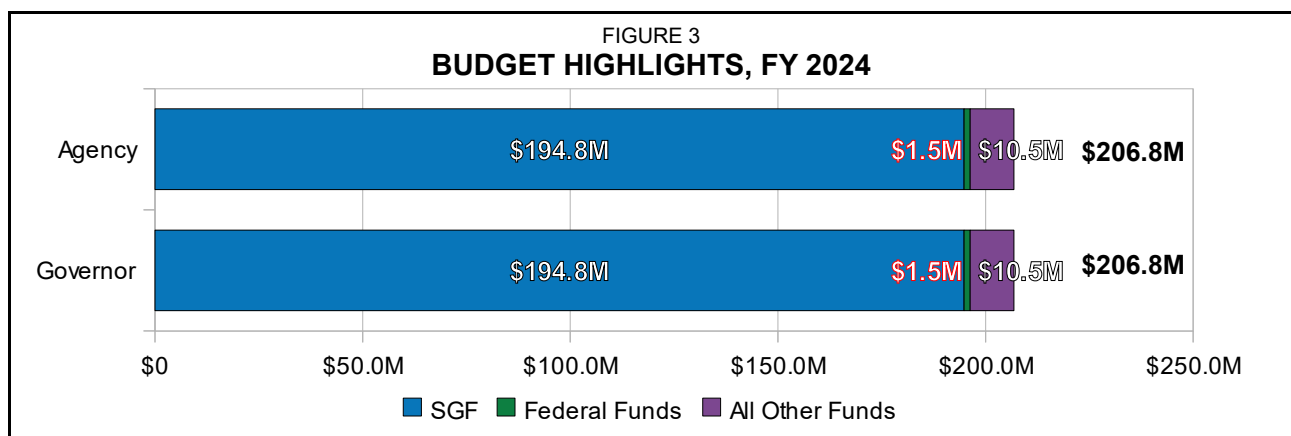


The **agency** submits a revised estimate of \$184.8 million in expenditures, including \$172.5 million SGF, in FY 2023. This is an all funds increase of \$132,597, or less than 0.1 percent, above the FY 2023 approved amount. The recommendation adds \$1.6 million from the electronic filing fee funding for operational expenditures for e-filing and \$255,421 in federal funds for a new Byrne Grant Discretionary Fund. The awarded grant will establish a new Veteran Treatment Court (VTC) in the 18th Judicial District Court located in Sedgwick County over a 36-month period. These courts are specialized dockets that utilize therapeutic or problem-solving procedures to address underlying factors that may be contributing to a party's involvement in the criminal justice system, like mental illness or drug, alcohol, or other addiction. The increases are partially offset by a reduction of \$1.7 million from the Docket Fee fund.

The agency estimates 2,002.0 FTE positions in FY 2023, which is an increase of 2.0 FTE positions above the FY 2023 approved amount. The request deletes 20.0 FTE positions in the District and Appellate Courts and adds 21.0 FTE positions in information services and the Office of Judicial Administration.

The agency's revised estimate includes capital improvements including \$100,000 SGF for library stacks compact shelving and \$110,000 SGF for the agency's IT help desk. This is a reduction in capital improvements expenditures of \$190,000, or 47.5 percent, below the FY 2023 approved budget.

Pursuant to KSA 75-3721(f), the **Governor** is statutorily required to include the Judicial Branch's budget in The Governor's Budget Report as submitted by the agency. The Governor's recommendation includes \$184.8 million in expenditures, including \$172.5 SGF, and 2,002.0 FTE positions for the Judicial Branch in FY 2023.



The **agency** requests \$206.8 million in expenditures, including \$194.8 million SGF, and 2,007.0 FTE positions for FY 2024. This is an increase of \$22.1 million, or 11.9 percent, and 5.0 FTE positions above the agency's FY 2023 revised estimate.

The request includes \$9.4 million SGF in enhancement expenditures for salary increases for non-judicial employees in FY 2024. The increase provides an 8.5 percent salary increase for non-judicial employees and is designed to offset inflationary pressures. The amount of the increase is equal to the increase in the Consumer Price Index at the time of the budget submission.

There is an increase of \$680,505 SGF in enhancement expenditures and 5.0 FTE positions for additional staff for FY 2024. The agency notes that the expansion of technology services statewide has increased the need for additional cybersecurity protection.

There is an increase of \$6.9 million SGF in enhancement expenditures for judicial salary increases. The increase provides a 15.3 percent salary increase for judges for FY 2024. The agency notes that according to a July 1, 2022, judicial salary survey performed by the National Center for State Courts, Kansas district judge pay ranks 43rd out of 50 states before adjusting for cost of living.

In addition to the enhancement requests, the FY 2024 request includes an increase of \$5.1 million, including \$5.3 million SGF. The majority of the increase is in salaries and wages, including District Courts (\$4.1 million), Appellate Courts (\$157,182), Office of Judicial Administration (\$192,399), Information Services (\$99,277), and Judicial and Professional Review (\$6,632). The request also includes an increase of \$422,186 in contractual services. The agency indicates that due to limited information technology staff available, vendors may be necessary to assist with the modification or development of applications.

The agency request includes capital improvements expenditures, including \$300,000 SGF for office restructuring and \$50,000 SGF for the Judicial Branch Learning Center.

Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in The Governor's Budget Report as submitted by the agency. The Governor's recommendation includes \$206.8 million in expenditures, including \$194.8 SGF, and 2,007.0 FTE positions for the Judicial Branch for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

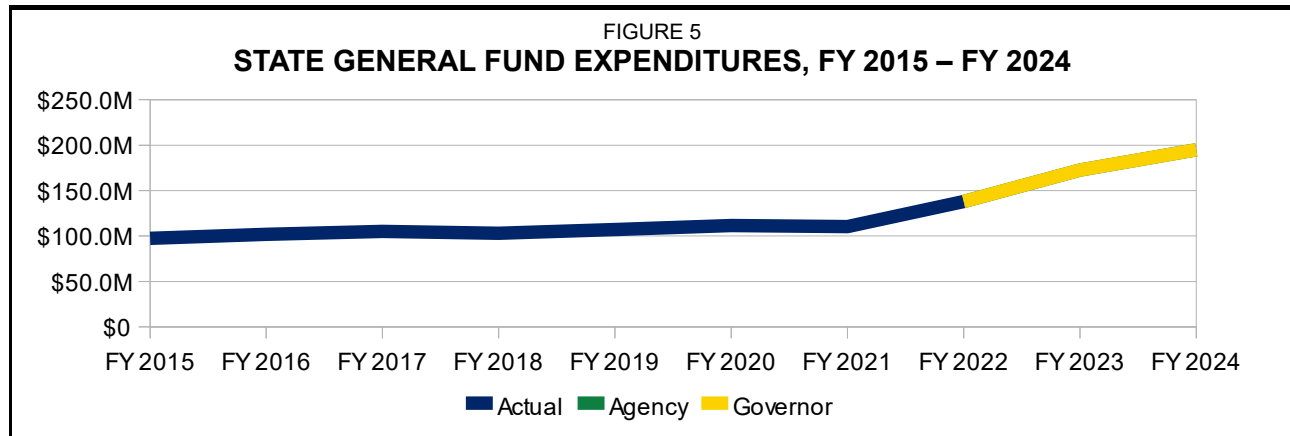
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 150,098,469	\$ 172,081,431	\$ 172,081,431	\$ 193,572,982	\$ 193,572,982
Contractual Services	9,306,003	9,262,610	9,262,610	9,684,796	9,684,796
Commodities	298,057	196,121	196,121	200,566	200,566
Capital Outlay	1,876,539	1,661,513	1,661,513	1,726,424	1,726,424
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 161,579,068</i>	<i>\$ 183,201,675</i>	<i>\$ 183,201,675</i>	<i>\$ 205,184,768</i>	<i>\$ 205,184,768</i>
Aid to Local Units	311,834	560,949	560,949	513,497	513,497
Other Assistance	1,209,389	800,000	800,000	800,000	800,000
<i>Subtotal—Operating</i>	<i>\$ 163,100,291</i>	<i>\$ 184,562,624</i>	<i>\$ 184,562,624</i>	<i>\$ 206,498,265</i>	<i>\$ 206,498,265</i>
Capital Improvements	-	210,000	210,000	350,000	350,000
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 163,100,291	\$ 184,772,624	\$ 184,772,624	\$ 206,848,265	\$ 206,848,265
Financing:					
State General Fund	\$ 137,998,899	\$ 172,535,920	\$ 172,535,920	\$ 194,815,007	\$ 194,815,007
Docket Fee Fund	15,341,256	4,192,407	4,192,407	5,584,532	5,584,532
Federal Funds	567,806	1,381,423	1,381,423	1,502,887	1,502,887
All Other Funds	9,192,330	6,662,874	6,662,874	4,945,839	4,945,839
TOTAL	\$ 163,100,291	\$ 184,772,624	\$ 184,772,624	\$ 206,848,265	\$ 206,848,265
FTE Positions	1,938.0	2,002.0	2,002.0	2,007.0	2,007.0

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). 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. Pursuant to 2022 HB 2541, the remaining balance shall be deposited into the SGF.
- **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 first \$15 of those fees, as well as 41.2 percent of the remainder amount, shall be deposited into the SGF.
- **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. Of the amount collected, 38.98 percent shall be deposited into the Protection from Abuse Fund; 15.19 percent to the Family and Children Trust Account of the Family and Children Investment Fund created by KSA 38-1808, and amendments thereto; 16.95 percent to the Crime Victims Assistance Fund created by KSA 74-7334, and amendments thereto; and the remainder to the SGF.

- **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.

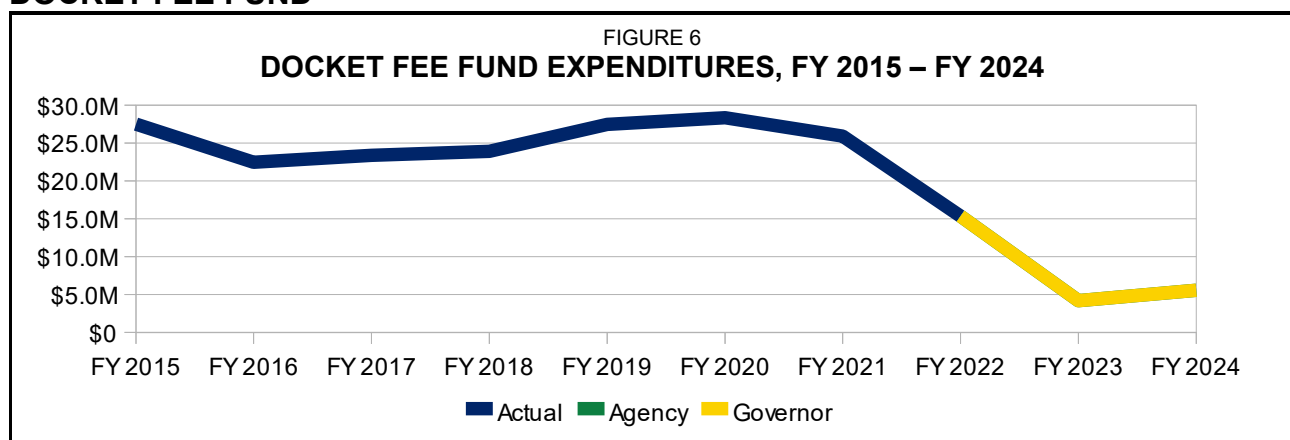
STATE GENERAL FUND



For the Judicial Branch, the increase in SGF expenditures in FY 2023 is primarily due to SGF appropriations to replace the assessment of the judicial surcharge (\$9.0 million SGF) and to compensate for the provisions of HB 2541 that shifted the deposit of the following fees and surcharges from Judicial Branch fee funds to the SGF: the first \$15 and 41.17 percent of the remaining amount of the driver's license reinstatement fee; docket fees received by the clerk of the Supreme Court; the balance of revenues received from district court docket fees, following deduction of other specified amounts; 15.25 percent of marriage license fees; and any additional charges that may be imposed by the Supreme Court.

For FY 2024, increases in SGF expenditures are primarily due to the agency's enhancement requests for salary increases for non-judicial employees (\$9.4 million), additional staff to address cybersecurity (\$680,505), and judicial salary increases (\$6.9 million).

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.

The 2022 Legislature amended statute so that the docket fees received by the clerk of the Supreme Court shall be deposited into the SGF.

FY 2023 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 172,535,469	\$ 12,104,107	\$ 184,639,576	2,000.0
1. SGF Reappropriation	451	-	451	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 172,535,920</i>	<i>\$ 12,104,107</i>	<i>\$ 184,640,027</i>	<i>2,000.0</i>
Agency Revised Estimate:				
2. Miscellaneous Adjustments	-	132,597	132,597	2.0
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 172,535,920</i>	<i>\$ 12,236,704</i>	<i>\$ 184,772,624</i>	<i>2,002.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ 172,535,920	\$ 12,236,704	\$ 184,772,624	2,002.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, one adjustment was made to the \$184.6 million appropriated to the Judicial Branch for FY 2023. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** \$451 in unspent SGF moneys was reappropriated from FY 2022 to FY 2023 for operating expenditures.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$184.8 million in expenditures, including \$172.5 million SGF, in FY 2023. This is an all funds increase of \$132,597, or less than 0.1 percent, above the FY 2023 approved amount. The recommendation adds \$1.6 million from the electronic filing fee funding for operational expenditures for e-filing and \$255,421 in federal funds for a new Byrne Grant Discretionary fund. The awarded grant will establish a new Veteran Treatment Court (VTC) in the 18th Judicial District Court located in Sedgwick County over a 36-month period. These courts are specialized dockets that utilize therapeutic or problem-solving procedures to address underlying factors that may be contributing to a party's involvement in the criminal justice system, like mental illness or drug, alcohol, or other addiction. The increases are partially offset by a reduction of \$1.7 million from the Docket Fee fund.

The agency estimates 2,002.0 FTE positions in FY 2023, which is an increase of 2.0 FTE positions above the FY 2023 approved amount. The request deletes 20.0 FTE positions in the District and Appellate Courts and adds 21.0 FTE positions in information services and the Office of Judicial Administration. The agency's revised estimate includes capital improvements expenditures including \$100,000 SGF for library stacks compact shelving and \$110,000 SGF for the agency's IT help desk. This is a reduction in capital improvements expenditures of \$190,000, or 47.5 percent, below the FY 2023 approved budget.

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

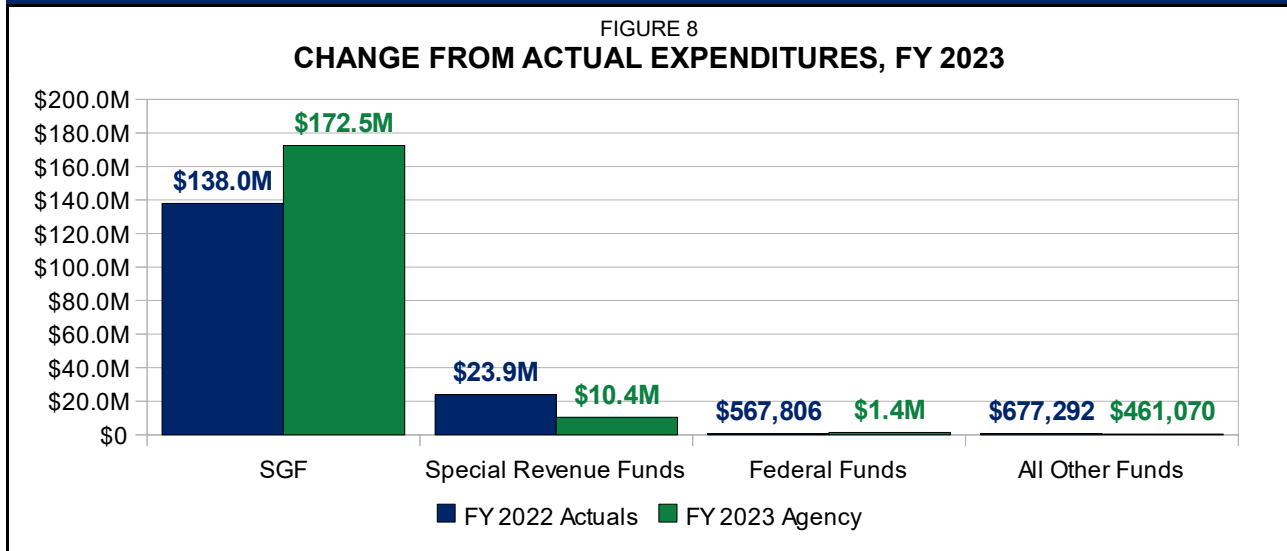
2. **MISCELLANEOUS ADJUSTMENTS.** The revised estimate includes an increase of \$132,597 in a variety of expenditures, primarily for the Judicial Administration and Information Service programs.

GOVERNOR'S RECOMMENDATION

Pursuant to KSA 75-3721(f), the **Governor** is statutorily required to include the Judicial Branch's budget in The Governor's Budget Report as submitted by the agency. The Governor's recommendation includes \$184.8 million in expenditures, including \$172.5 SGF, and 2,002.0 FTE positions for the Judicial Branch in FY 2023.

3. **NO CHANGES.** Pursuant to KSA 75-3721(f), 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 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$184.8 million, including \$172.5 SGF, and 2,002.0 FTE positions in FY 2023. This is an increase of \$21.7 million, or 13.3 percent, above FY 2022 actual expenditures. This increase is primarily attributable to a **5.0 percent salary increase** for state employees in FY 2023 (\$7.0 million SGF) as well as **new judge and staff positions** (\$5.7 million SGF, 62.0 FTE positions). The majority of the new staff positions created were based on needs identified in external National Center for State Courts weighted workload studies and through internal review of District Court workloads. The new positions will be spread across judicial districts in the state and include 14 District Judges, 9 District Magistrate Judges, 13 Court Reporters, and 22 Administrative Assistants. Additionally, four positions were created to accommodate for **efficiencies at the District Court level and the expansion of technology services statewide** (\$325,917 SGF, 4.0 FTE positions). Those positions include an IT Security Analyst, an IT Regional Operations Technician, an Internal Auditor, and a Data Analyst. Additionally, the increase includes additional funding to **convert three existing District Magistrate Judge positions to District Judge positions** as those positions become available (\$256,761 SGF). The 2022 Legislature added \$17.3 million SGF and deleted \$17.3 million from special revenue funds for FY 2023 to account for the provisions of 2022 HB 2541, which redirects deposit of the judicial surcharge and docket fees to the SGF.

FY 2024 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 172,535,920	\$ 12,236,704	\$ 184,772,624	2,002.0
Agency Request:				
1. Enhancement–Non-Judicial Salary Increase	\$ 9,418,739	\$ -	\$ 9,418,739	--
2. Enhancement–New FTE Positions	680,505	-	680,505	5.0
3. Enhancement–Judicial Salary Increase	6,874,211	-	6,874,211	--
4. All Other Adjustments	5,305,632	(203,446)	5,102,186	--
<i>Subtotal–Agency Estimate</i>	<u>\$ 194,815,007</u>	<u>\$ 12,033,258</u>	<u>\$ 206,848,265</u>	<u>2,007.0</u>
Governor's Recommendation:				
5. No Changes	-	-	-	--
TOTAL	<u><u>\$ 194,815,007</u></u>	<u><u>\$ 12,033,258</u></u>	<u><u>\$ 206,848,265</u></u>	<u><u>2,007.0</u></u>

AGENCY REQUEST

The **agency** requests \$206.8 million, including \$194.8 million SGF, and 2,007.0 FTE positions for FY 2024. This is an increase of \$22.1 million, or 11.9 percent, and 5.0 FTE positions above the agency's FY 2023 revised estimate.

The agency request includes capital improvements expenditures, including \$300,000 SGF for office restructuring and \$50,000 SGF for the Judicial Branch Learning Center.

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

- 1. ENHANCEMENT–NON-JUDICIAL SALARY INCREASE.** The request includes \$9.4 million SGF in enhancement expenditures for salary increases for non-judicial employees for FY 2024. The increase provides an 8.5 percent salary increase for non-judicial employees and is designed to offset inflationary pressures. The amount of the increase is equal to the increase in the Consumer Price Index at the time of the budget submission.
- 2. ENHANCEMENT–NEW FTE POSITIONS.** The request includes \$680,505 SGF in enhancement expenditures and 5.0 FTE positions for additional staff for FY 2024. The agency notes that the expansion of technology services statewide has increased the need for additional cybersecurity protection.

- *IT Security.* The agency requests \$406,037 and 2.0 FTE positions to assist with IT security operations due to the increased reliance on technology and remote applications.

Staff Note: Due to an error in the budget submission, there was a miscount in the total number of FTE positions for this portion of the enhancement. According to the agency, the request should include 4.0 FTE positions: 2.0 FTE cybersecurity specialist positions (\$155,590) and 2.0 FTE cybersecurity/senior developer positions (\$250,446).

- *Access to Justice Lead.* The agency requests \$94,875 and 1.0 FTE position to lead district court self-help center technical assistance. Self-help centers provide self-

represented litigants with resources and reference materials so they can represent themselves more effectively in court. Position duties includes outlining and ensuring compliance with standards, and collecting data related to self-help centers.

- *Deputy Clerk Specialist.* The agency requests \$66,702 and 1.0 FTE position to assist with the additional duties, including providing technical assistance and training to the court clerks in all 105 counties, imposed on the position of clerk specialist due to the rollout of the centralized case management system. The position's duties will also include standardizing court practices.
- *Director of Criminal Justice and Family Services.* The agency requests \$112,892 and 1.0 FTE position to oversee child welfare, family, and probation services to ensure district courts are receiving the level of support needed.

3. **ENHANCEMENT–JUDICIAL SALARY INCREASE.** The request includes a \$6.9 million SGF enhancement for judicial salary increases. The increase provides a 15.3 percent salary increase for judges in FY 2024. The agency notes that according to a July 1, 2022, judicial salary survey performed by the National Center for State Courts, Kansas district judge pay ranks 43rd out of 50 states before adjusting for cost of living.

FIGURE 10
JUDICIAL COMPENSATION

Position	Current Salary*	Agency FY 2024
Supreme Court		
Chief Justice	\$ 172,821	\$ 199,245
Justice	168,598	194,377
Court of Appeals		
Chief Judge	\$ 167,164	\$ 192,723
Judge	163,156	188,103
District Court		
Chief District Judge	\$ 150,422	\$ 173,422
District Judge	148,912	171,681
District Magistrate Judge	76,601	88,313

* *Staff note:* The 2021 Legislature approved a 5.0 percent pay increase in both FY 2022 and FY 2023, and the 2022 Legislature included judges in the 5.0 percent pay increase for all state employees.

4. **ALL OTHER ADJUSTMENTS.** In addition to the enhancement requests, the FY 2024 request includes an increase of \$5.1 million, including an increase of \$5.3 million SGF. The majority of the increase is in salaries and wages, including District Courts (\$4.1 million), Appellate Courts (\$157,182), Office of Judicial Administration (\$192,399), Information Services (\$99,277), and Judicial and Professional Review (\$6,632). The request also includes an increase of \$422,186 in contractual services. The agency indicates that due to limited information technology staff available, vendors may be necessary to assist with the modification or development of applications.

GOVERNOR'S RECOMMENDATION

Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in The Governor's Budget Report as submitted by the agency. The Governor's recommendation concurs with the agency request for FY 2024.

5. **NO CHANGES.** Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency.

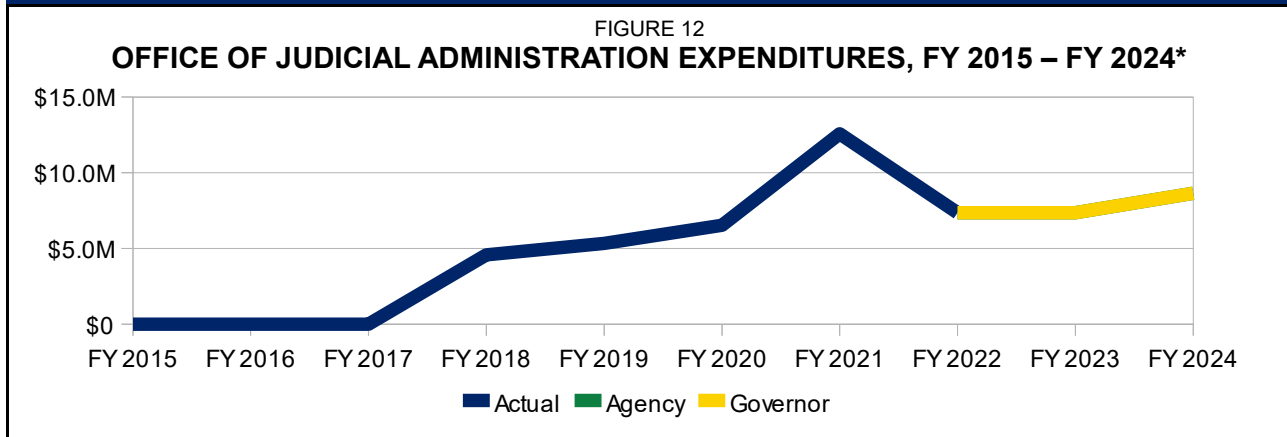
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Judicial Admin.	\$ 7,389,955	\$ 7,367,858	\$ 7,367,858	\$ 8,650,571	\$ 8,650,571
Appellate Courts	19,259,644	20,030,222	20,030,222	21,899,944	22,249,944
Education Services	183,028	357,011	357,011	381,379	381,379
Information Systems	4,776,464	6,938,760	6,938,760	7,518,194	7,518,194
District Courts	131,074,538	149,338,443	149,338,443	167,489,206	167,489,206
Judicial and Professional Review	416,662	530,330	530,330	558,971	558,971
Capital Improvements	-	210,000	210,000	350,000	350,000
TOTAL	\$ 163,100,291	\$ 184,772,624	\$ 184,772,624	\$ 206,848,265	\$ 207,198,265
FTE Positions:					
Judicial Admin.	48.8	51.8	51.8	56.8	56.8
Appellate Courts	123.0	122.0	122.0	122.0	122.0
Education Services	-	-	-	-	-
Information Systems	27.0	49.0	49.0	49.0	49.0
District Courts	1,737.2	1,776.2	1,776.2	1,776.2	1,776.2
Judicial and Professional Review	2.0	3.0	3.0	3.0	3.0
TOTAL	1,938.0	2,002.0	2,002.0	2,007.0	2,007.0

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



*Staff note: 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.

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.

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.

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 on 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.

FIGURE 13 OFFICE OF JUDICIAL ADMINISTRATION, PERFORMANCE MEASURES					
	Actual FY 2022	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Employees and Judges Receiving Payroll Services*	1,930	1,941	1,928	2,003	2,025
2. Number of Employees and Judges Participating in SEHP*	1,542	1,583	1,603	1,645	1,677
3. Number of Vouchers Processed	2,818	3,211	3,506	3,300	3,300
Output Measure:					
4. Number of Judicial Districts*	31	31	31	31	31
5. Number of Employees and Judges*	1,930	1,941	1,928	2,003	2,025
6. Number of Standing Committees*	14	18	14	18	18
Financing	Actual FY 2022	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 2,259,126	\$ 2,883,840		\$ 6,939,537	\$ 8,185,596
Federal Funds	6,579,289	154,421		109,558	160,000
All Other Funds	3,727,578	4,351,694		318,763	304,975
TOTAL	\$ 12,565,993	\$ 7,389,955		\$ 7,367,858	\$ 8,650,571
Percentage Change:					
SGF	(2.0) %	27.7 %		140.6 %	18.0 %
All Funds	100.1 %	(41.2) %		(0.3) %	17.4 %
FTE Positions	41.8	48.8		51.8	56.8

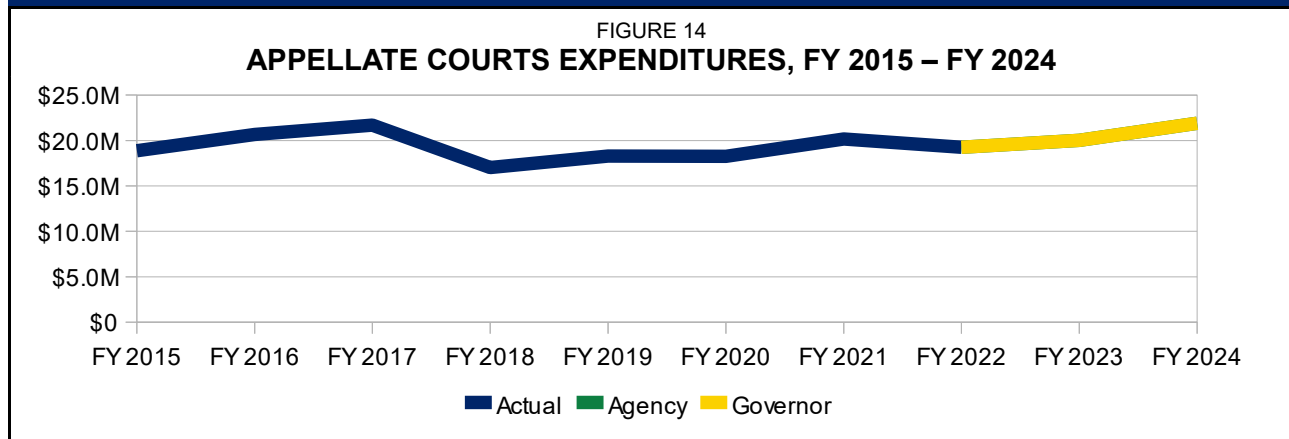
* The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The agency requests \$8.7 million in expenditures and 5.0 FTE positions for the Office of Judicial Administration program for FY 2024. This is an increase of \$1.3 million, or 17.4 percent, above the agency's FY 2023 revised estimate. The increase is primarily due to enhancement expenditures for salary increases and an increase of 5.0 FTE positions for additional staff to increase cybersecurity protection for FY 2024.

Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency. The **Governor** concurs with the agency request for FY 2024.

APPELLATE COURTS



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 15
APPELLATE COURTS SUBPROGRAMS, SUMMARY OF EXPENDITURES

Subprogram	Actual FY 2022	Agency Est. FY 2023	Gov. Rec. FY 2023	Agency Est. FY 2024	Gov. Rec. FY 2024
Supreme Court	\$ 4,842,449	\$ 5,121,450	\$ 5,121,450	\$ 5,636,581	\$ 5,636,581
Court of Appeals	6,801,613	7,144,542	7,144,542	8,243,192	8,243,192
Clerk of the Appellate Courts	802,676	831,520	831,520	1,034,553	1,034,553
Appellate Reporter	1,054,309	953,809	953,809	1,026,767	1,026,767
Law Library	791,341	853,446	853,446	895,294	895,294
eCourt	4,776,338	5,002,123	5,002,123	5,272,352	5,208,598
Municipal Court Training	190,653	223,149	223,149	240,770	240,770
Alternative Dispute Resolution	265	183	183	189	189
TOTAL	\$ 19,259,644	\$ 20,130,222	\$ 20,130,222	\$ 22,349,698	\$ 22,285,944

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 the opinions each court 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 for a statewide court case management system through the Odyssey program. Implementation of the eCourt system is scheduled to be completed in calendar year 2023.

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 16 APPELLATE COURTS, PERFORMANCE MEASURES					
	Actual FY 2022	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Number of Volumes and Online Resources Managed	139,399	139,404	138,864	144,044	147,004
2.Number of Opinions Reviewed and Filed	1,012	952	1,032	1,100	1,200
3.Numbers of Cases Docketed	1,097	1,152	1,255	1,300	1,450
Output Measure:					
4.Number of Dispute Resolution Providers Receiving Support, Education, and Training*	229	262	252	260	270
Financing					
	Actual FY 2022	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 8,854,427	\$ 10,582,832		\$ 15,578,905	\$ 17,310,097
Federal Funds	-	-		-	-
All Other Funds	11,302,435	8,676,812		4,451,317	4,589,847
TOTAL	\$ 20,156,862	\$ 19,259,644		\$ 20,030,222	\$ 21,899,944
Percentage Change:					
SGF	(4.6) %	19.5 %		47.2 %	11.1 %
All Funds	10.4 %	(4.5) %		4.0 %	9.3 %
FTE Positions	125.5	123.0		122.0	122.0

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

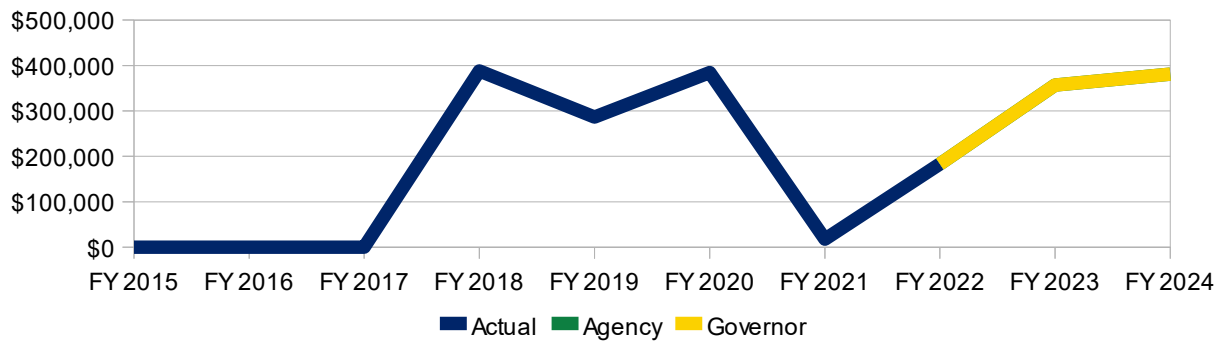
BUDGET ANALYSIS

The agency requests \$21.9 million in expenditures and 122.0 FTE positions for the Appellate Courts for FY 2024. This is an increase of \$1.9 million, or 9.3 percent, above the agency's FY 2023 revised estimate. The increase is primarily due to the agency's enhancement requests for salary increases (\$1.4 million) for FY 2024.

Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency. The **Governor** concurs with the agency request for FY 2024.

EDUCATION SERVICES

FIGURE 17
EDUCATION SERVICES EXPENDITURES, FY 2015 – FY 2024



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 18
EDUCATION SERVICES, PERFORMANCE MEASURES

	Actual FY 2022	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Trainings*	18	18	17	20	20
2. Number of Employees and Judges Served by Education and Training Services*	1,930	1,941	1,928	2,003	2,025
3. Number of Non-Lawyer District Magistrate Judges Certified	2	2	2.3	10	10
Financing					
	Actual FY 2022	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ 317,011	\$ 381,379
Federal Funds	-	-		40,000	-
All Other Funds	17,876	183,028		-	-
TOTAL	\$ 17,876	\$ 183,028		\$ 357,011	\$ 381,379
Percentage Change:					
SGF	-- %	-- %		100.0 %	20.3 %
All Funds	(95.4) %	923.9 %		95.1 %	6.8 %
FTE Positions	--	--		--	--

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

BUDGET ANALYSIS

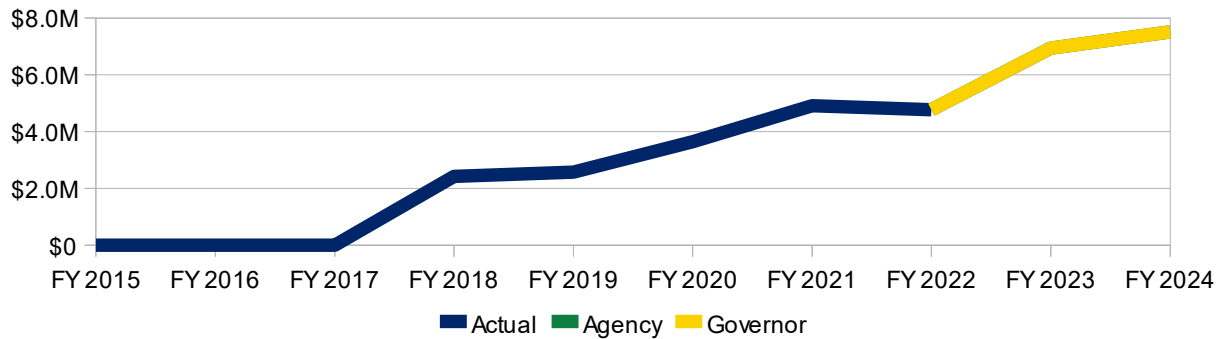
The agency requests \$381,379 in expenditures for the Education Services program for FY 2024. This is an increase of \$24,368, or 6.8 percent, above the agency's FY

2023 revised estimate. The increase is primarily due to various expenditures for contractual services and commodities for FY 2024.

Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency. The **Governor** concurs with the agency request for FY 2024.

INFORMATION SERVICES

FIGURE 19
INFORMATION SERVICES EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • N/A

PROGRAM GOALS: • Use information technology to improve efficiency and productivity through 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 (DUI) 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 7 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 20 INFORMATION SERVICES, PERFORMANCE MEASURES					
	Actual FY 2022	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Employees and Judges Served by Information Services Support and Training	1,930	1,941	1,928	2,003	2,025
Output Measure:					
2. Number and size of courts served*	-	43	-	39	1
3. Number of support calls*	-	8,673	-	9,500	9,500
4. Number of site visits*	-	49	-	130	74
5. Number of trainings*	-	168	-	331	92
Financing	Actual FY 2022	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,120,298	\$ 1,961,461		\$ 6,415,868	\$ 6,888,783
Federal Funds	-	8,525		522,892	629,411
All Other Funds	3,796,823	2,806,478		-	-
TOTAL	<u>\$ 4,917,121</u>	<u>\$ 4,776,464</u>		<u>\$ 6,938,760</u>	<u>\$ 7,518,194</u>
Percentage Change:					
SGF	19.9 %	75.1 %		227.1 %	7.4 %
All Funds	35.0 %	(2.9) %		45.3 %	8.4 %
FTE Positions	18.0	27.0		49.0	49.0

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

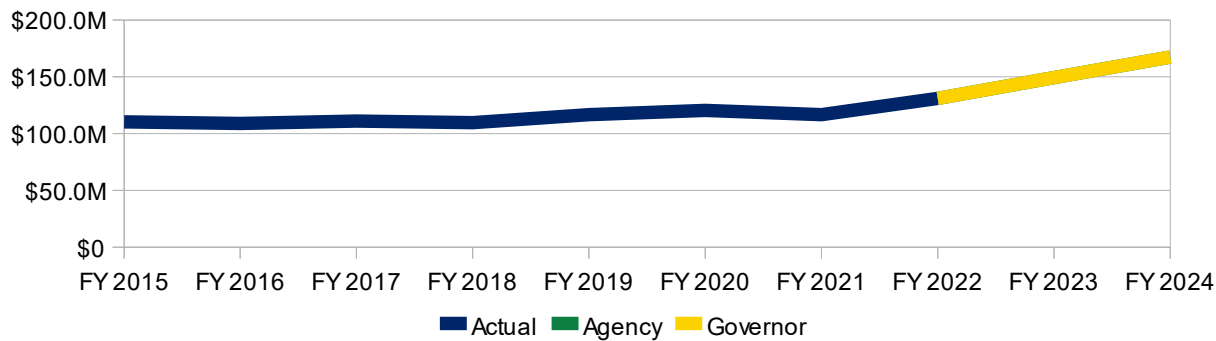
BUDGET ANALYSIS

The agency requests \$7.5 million in expenditures and 49.0 FTE positions for the Information Services program for FY 2024. This is an increase of \$579,434, or 8.4 percent, above the agency's FY 2023 revised estimate. The increase is primarily attributable to the agency's enhancement request for salary increases and increased expenditures from the National Criminal History Improvement Program (NCHIP) grant fund.

Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency. The **Governor** concurs with the agency request for FY 2024.

DISTRICT COURTS

FIGURE 21
DISTRICT COURTS EXPENDITURES, FY 2015 – FY 2024



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 22
DISTRICT COURTS SUBPROGRAMS, SUMMARY OF EXPENDITURES

Subprogram	Actual FY 2022	Agency Est. FY 2023	Gov. Rec. FY 2023	Agency Est. FY 2024	Gov. Rec. FY 2024
Judges of District Courts	\$ 38,065,533	\$ 44,631,028	\$ 44,631,028	\$ 51,642,741	\$ 51,642,741
Nonjudicial Personnel	90,419,811	102,279,953	102,279,953	113,390,263	113,390,263
CASA & CRB Programs	677,292	461,070	461,070	396,402	396,402
Court Improvements	343,605	373,583	373,583	400,016	400,016
Correctional Supervision	787,737	679,925	679,925	710,828	710,828
Child Support Enforcement	780,560	912,883	912,883	948,956	948,956
TOTAL	\$ 131,074,538	\$ 149,338,442	\$ 149,338,442	\$ 167,489,206	\$ 167,489,206

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.

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 22 CASA programs serving 24 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 23
DISTRICT COURTS, PERFORMANCE MEASURES

	Actual FY 2022	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of CASA and CRB programs	24	22	25.6	21	21
2. Number of Offenders Supervised	17,001	17,501	16,856	18,021	19,102
3. Number of correctional supervision trainings	116	50	-	50	50
4. Number of Cases Involving Title IV-D Child Support*	129,748	131,538	129,323	131,600	131,700
Output Measure:					
5. Number of Court Improvement Trainings*	12	13	9	18	18
Financing					
	Actual FY 2022	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 98,216,360	\$ 122,567,349		\$ 143,044,015	\$ 161,650,475
Federal Funds	335,379	404,860		708,973	713,476
All Other Funds	18,127,769	8,102,329		5,585,455	5,125,255
TOTAL	\$ 116,679,508	\$ 131,074,538		\$ 149,338,443	\$ 167,489,206
Percentage Change:					
SGF	(0.9) %	24.8 %		16.7 %	13.0 %
All Funds	(3.4) %	12.3 %		13.9 %	12.2 %
FTE Positions	1,680.7	1,737.2		1,776.2	1,776.2

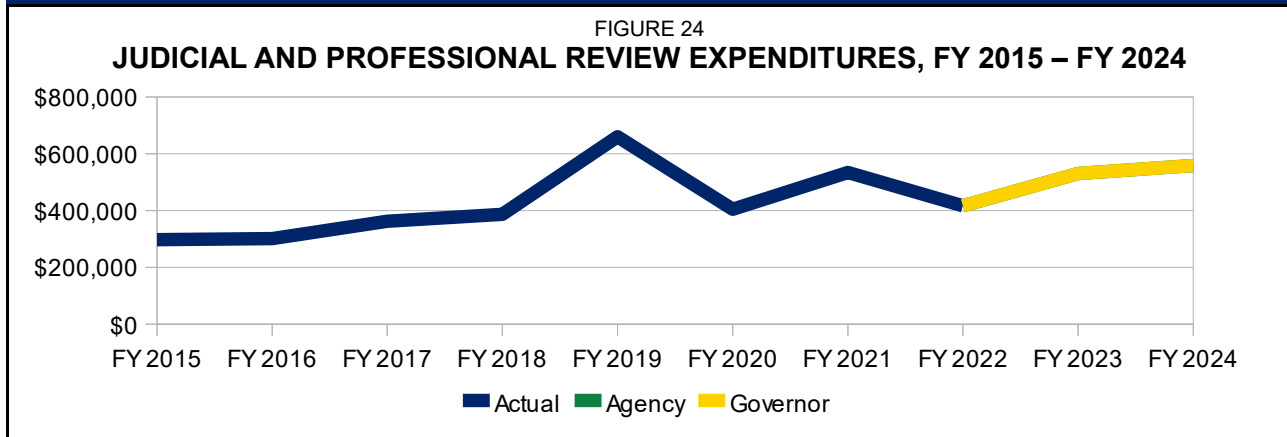
* The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The agency requests \$167.5 million in expenditures and 1,776.2 FTE positions for the District Courts for FY 2024. This is an increase of \$18.2 million, or 12.2 percent, above the agency's FY 2023 revised estimate. The increase is primarily attributable to the agency's enhancement requests for judicial and non-judicial salary increases for FY 2024.

Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency. The **Governor** concurs with the agency request for FY 2024.

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 reporters in Kansas.

FIGURE 25
JUDICIAL AND PROFESSIONAL REVIEW SUBPROGRAMS

Subprogram	Actual FY 2022	Agency Est. FY 2023	Gov. Rec. FY 2023	Agency Est. FY 2024	Gov. Rec. FY 2024
Commission on Judicial Qualifications	\$ 16,042	\$ 13,788	\$ 13,788	\$ 14,606	\$ 14,606
Judicial Nominating Commission	9,267	16,796	16,796	18,086	18,086
Board of Law Examiners	378,210	491,948	491,948	518,248	518,248
Board of Examiners of Court Reporters	13,143	7,798	7,798	8,031	8,031
TOTAL	\$ 416,662	\$ 530,330	\$ 530,330	\$ 558,971	\$ 558,971

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 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 26 JUDICIAL AND PROFESSIONAL REVIEW, PERFORMANCE MEASURES					
	Actual FY 2022	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Court Reporters Certified	291	284	291	290	295
2. Number of Court Reporters Trained	123	97	114.3	100	103
3. Number of Bar Exam Applicants	534	535	473.6	550	550
Financing					
	Actual FY 2022	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 4,522	\$ 3,417		\$ 30,548	\$ 48,677
Federal Funds	-	-		-	-
All Other Funds	529,385	413,245		499,746	510,294
TOTAL	\$ 533,907	\$ 416,662		\$ 530,294	\$ 558,971
Percentage Change:					
SGF	15.3 %	(24.4) %		794.0 %	59.3 %
All Funds	31.9 %	(22.0) %		27.3 %	5.4 %
FTE Positions	2.0	2.0		3.0	3.0

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

BUDGET ANALYSIS

The agency requests \$558,971 in expenditures and 3.0 FTE positions for the Judicial and Professional Review program for FY 2024. This is an increase of \$28,641, or 5.4 percent, above the agency's FY 2023 revised estimate. The increase is primarily due to the agency's enhancement requests for non-judicial salary increases.

Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency. The **Governor** concurs with the agency request for FY 2024.

CAPITAL IMPROVEMENTS

FIGURE 27
CAPITAL IMPROVEMENTS, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Capital Projects:					
Library Stacks Compact Shelving	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -
IT Help Desk	-	110,000	110,000	-	-
Judicial Branch Learning Center	-	-	-	50,000	50,000
Office Restructure	-	-	-	300,000	300,000
TOTAL	\$ -	\$ 210,000	\$ 210,000	\$ 350,000	\$ 350,000
Financing:					
SGF	\$ -	\$ 210,000	\$ 210,000	\$ 350,000	\$ 350,000
Docket Fee Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ -	\$ 210,000	\$ 210,000	\$ 350,000	\$ 350,000

FY 2023 CAPITAL IMPROVEMENTS

The **agency** submits a revised estimate of \$210,000 SGF in capital improvement expenditures in FY 2023. Supported projects include the following:

LIBRARY STACKS COMPACT SHELVING

The Judicial Branch requests \$100,000 in expenditures to consolidate library material into compact shelving to provide the room needed for the additional office spaces.

IT HELP DESK

The Judicial Branch requests \$110,000 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.

Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency. The **Governor** concurs with the agency's revised estimate and recommends \$210,000 in capital improvement expenditures in FY 2023.

FY 2024 CAPITAL IMPROVEMENTS

The **agency** requests \$350,000 SGF in capital improvement expenditures for FY 2024. Supported projects include the following:

JUDICIAL BRANCH LEARNING CENTER

The Judicial Branch requests \$50,000 in expenditures to create the Kansas Judicial Branch Learning Center. The Center is intended to utilize an interactive learning environment

that would provide visitors information about the Judicial Branch and its function within state government.

OFFICE RESTRUCTURE

The Judicial Branch requests \$300,000 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 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 to accommodate the volume of mail that will be received once centralized payment processing is rolled out statewide. Recommendations by the federal Department

of Homeland Security will be incorporated into the design and structure of the mail room. Department of Administration identified the current Clerk's records room to be restructured to allow for secure mail processing. A new Records room will be constructed to the west of the current records room, which will require minimal new construction.

Pursuant to KSA 75-3721(f), the Governor is statutorily required to include the Judicial Branch's budget in *The Governor's Budget Report* as submitted by the agency. The **Governor** concurs with the agency request and recommends \$350,000 in capital improvement expenditures for FY 2024.

JUDICIAL COUNCIL

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	589,600	645,673	645,673	694,098	694,098
<i>Subtotal</i>	<i>\$ 589,600</i>	<i>\$ 645,673</i>	<i>\$ 645,673</i>	<i>\$ 694,098</i>	<i>\$ 694,098</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	\$ 589,600	\$ 645,673	\$ 645,673	\$ 694,098	\$ 694,098
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	6.9 %	9.5 %	9.5 %	7.5 %	7.5 %
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 Kansas 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 13 advisory committees and 2 *ad hoc* committees made up of legislators, judges, attorneys, and persons from various backgrounds who bring their expertise to the committees. Committees established within the past few years include the following:

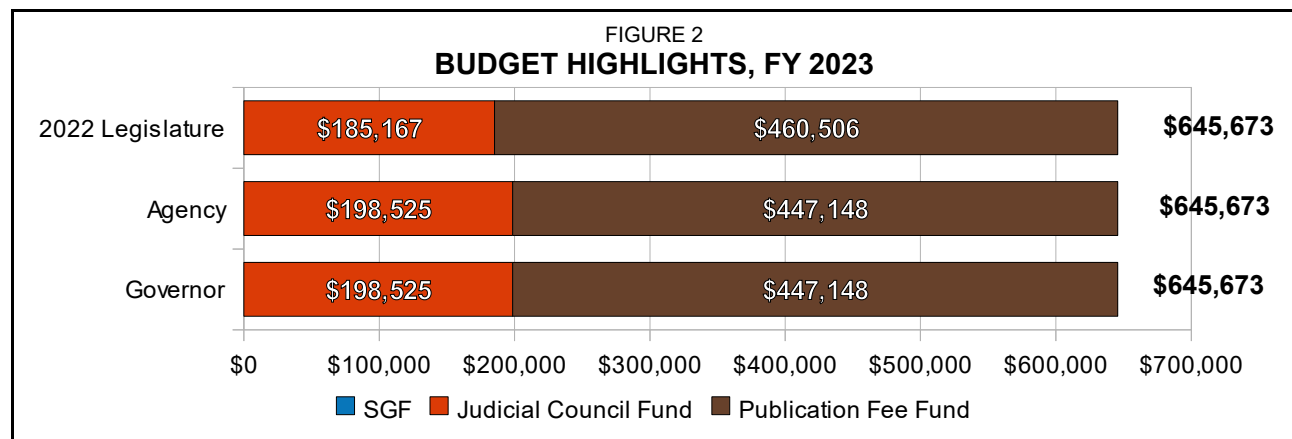
- The **Civil Asset Forfeiture Advisory Committee** was formed in 2017 in response to a legislative request to study and make recommendations regarding the Kansas Standard Asset Seizure and Forfeiture Act, KSA 60-4141 *et seq.* The Committee's recommendations were introduced in 2018 and passed by the 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 **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 **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 **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 audio-visual 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 **Advisory Committee on Adult Care Home Involuntary Discharge Appeals** is conducting a study regarding the right to appeal an involuntary discharge or transfer from an adult residential care facility and the issues raised by 2021 HB 2004.

The Judicial Council also receives and considers suggestions related to the administration of justice in Kansas from the Legislature, the Kansas 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 Judicial Council also authors and distributes five publications, covering a variety of judicial topics.

EXECUTIVE SUMMARY

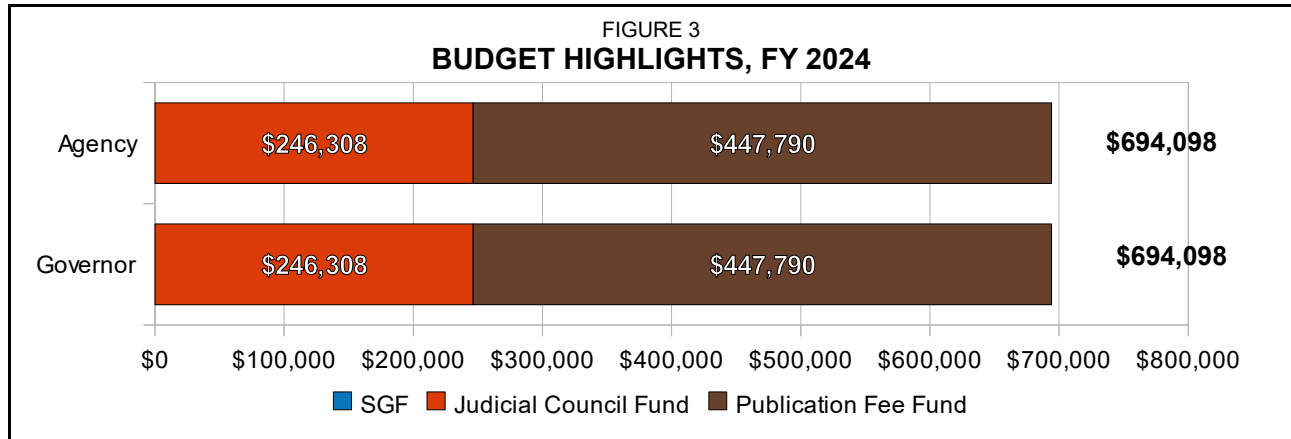
The 2022 Legislature approved a budget of \$645,673, all from special revenue funds, and 5.0 FTE positions for the Judicial Council for FY 2023. No adjustments have been made subsequently to that amount.



The **agency** submits a revised estimate of \$645,673, all from special revenue funds, and 5.0 FTE positions in FY 2023. This is the same as the amount approved by the 2022 Legislature.

Approximately 82.7 percent of the agency's budget is for personnel expenditures, which includes compensation for Council members, members of various advisory committees, and agency staff. Other expenditures include \$35,136 to reimburse mileage expenses for members attending Judicial Council and advisory committee meetings, \$29,271 for preparation, publication, and mailing of supplements to the Council's publications, and \$2,044 for computer and software upgrades.

The **Governor** concurs with the agency's revised estimate in 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 75-3721(f).



694,098694,098

The **agency** requests \$694,098, all from special revenue funds, and 5.0 FTE positions for FY 2024. This is an increase of \$48,425, or 7.5 percent, above the FY 2023 revised estimate. The increase is primarily due to changes in salaries and wages to fund a vacant full-time administrative assistant position. Previously, this position had been a part-time position, which the agency notes does not provide sufficient administrative support (\$31,032).

The **Governor** concurs with the agency request for FY 2024. 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 75-3721(f).

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

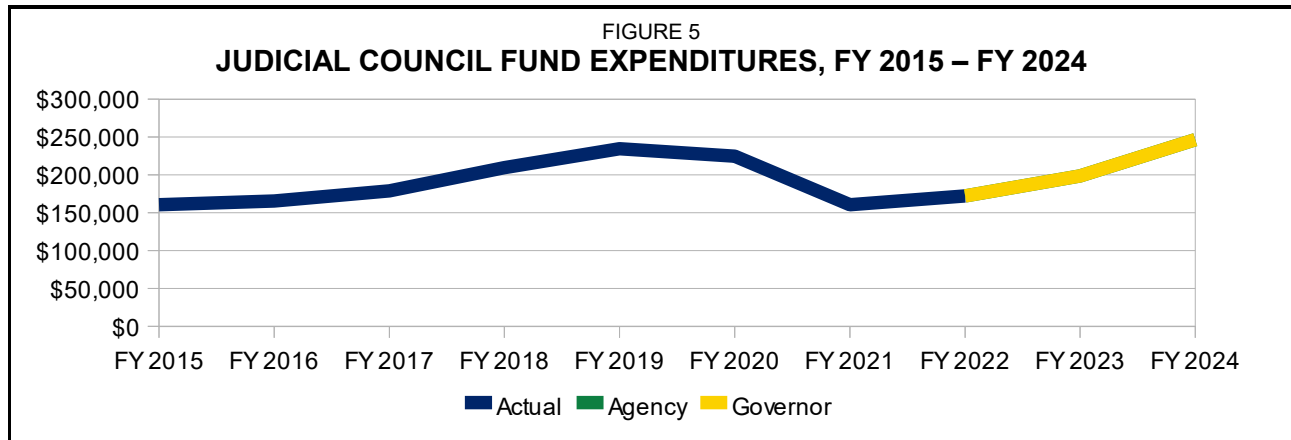
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 471,061	\$ 533,821	\$ 533,821	\$ 578,615	\$ 578,615
Contractual Services	99,343	104,261	104,261	109,722	109,722
Commodities	8,263	5,547	5,547	3,656	3,656
Capital Outlay	10,933	2,044	2,044	2,105	2,105
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 589,600</i>	<i>\$ 645,673</i>	<i>\$ 645,673</i>	<i>\$ 694,098</i>	<i>\$ 694,098</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 589,600</i>	<i>\$ 645,673</i>	<i>\$ 645,673</i>	<i>\$ 694,098</i>	<i>\$ 694,098</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 589,600	\$ 645,673	\$ 645,673	\$ 694,098	\$ 694,098
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial Council Fund	172,338	198,525	198,525	246,308	246,308
Publication Fee Fund	417,262	447,148	447,148	447,790	447,790
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 589,600	\$ 645,673	\$ 645,673	\$ 694,098	\$ 694,098
FTE Positions	5.0	5.0	5.0	5.0	5.0

The ending balances in both the Publications Fee Fund and the Judicial Council Fund are projected to decline in both FY 2023 and FY 2024. According to the agency, hard copy sales of agency publications have been declining over the last two decades as the legal field followed the trend of moving toward digital libraries. This results in a declining balance to fund agency operations.

The agency has introduced 2023 HB 2184, which redirects certain Judicial Branch fee funds to the SGF, thereby reducing the agency's reliance on fees, and appropriated funds from SGF for agency operations.

For FY 2024, the agency estimates that \$540,406 would be redirected to the SGF. Of that amount, \$184,735 is from the Judicial Council Fund and \$355,671 is from the Publications Fee Fund. Additionally, the agency intends to transfer the carry-over balances from its fee funds at the end of FY 2023 to the SGF (\$182,759). The agency requests FY 2024 expenditures of \$694,098, which is \$29,067 below revenues to the SGF from the special revenue funds above.

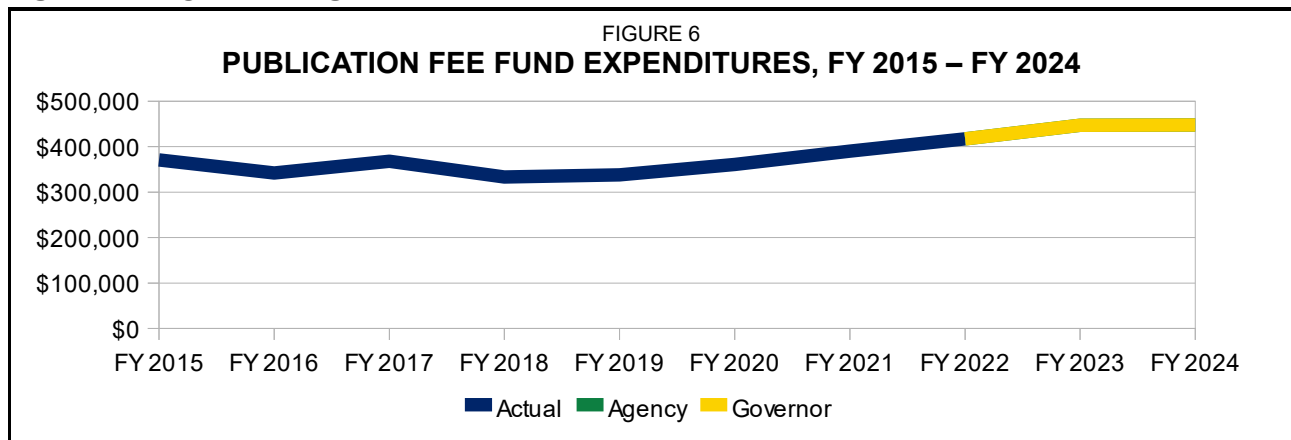
JUDICIAL COUNCIL FUND



The Judicial Council Fund was created in 2003 to support agency operations. Since FY 2013, pursuant to KSA 20-362(e), the Fund receives 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. Passage of 2023 HB 2184 does not impact the receipts for this fund.

PUBLICATION FEE FUND



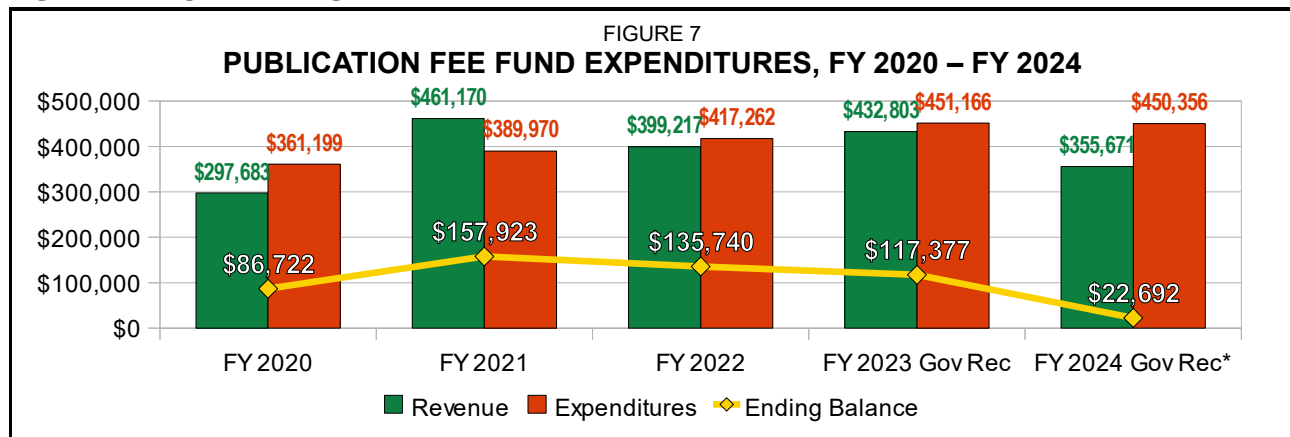
The Publication Fee Fund was created in 1992 and generates revenue from the sale of five legal publications:

- 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 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.

PUBLICATION FEE FUND



* For FY 2024, the lowest month ending balance for the Publication Fee Fund will occur in August, with a balance of \$15,682.

FIGURE 8
PROJECTED REVENUE FROM THE SALE OF PUBLICATIONS, FY 2021 - 2024

	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
KS Appellate Practice Manual	\$ -	\$ 625	\$ 4,025	\$ 125
KS Municipal Court Manual	6,105	5,970	5,640	5,640
PIK–Civil 4th	61,110	1,990	68,760	1,690
PIK–Criminal 4th	125,865	85,460	85,375	85,375
KS Probate Forms 3d	1,325	42,915	490	490
Royalties	15,000	6,000	15,000	10,000
Online Subscriptions	247,008	252,119	250,495	249,785
Sales Tax (Non-expense Item)	4,757	4,138	4,018	2,566
TOTAL	\$ 461,170	\$ 399,217	\$ 433,803	\$ 355,671

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 645,673	\$ 645,673	5.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 645,673</i>	<i>\$ 645,673</i>	<i>5.0</i>
Agency Revised Estimate:				
2. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 645,673</i>	<i>\$ 645,673</i>	<i>5.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 645,673	\$ 645,673	5.0

LEGISLATIVE APPROVED

The 2022 Legislature approved \$645,673 in expenditures and 5.0 FTE positions for the for FY 2023.

Approximately 82.7 percent of the agency's budget is for personnel expenditures, which includes compensation for Council members, members of various advisory committees, and agency staff. Other expenditures include \$35,136 to reimburse mileage expenses for members attending Judicial Council and advisory committee meetings; \$29,271 for preparation, publication, and mailing of supplements to the Council's publications; and \$2,044 for computer and software upgrades.

1. **NO CHANGES.** Subsequent to the 2022 Session, no changes were made to the \$645,673 appropriated to the Judicial Council for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$645,673, all from special revenue funds, and 5.0 FTE positions in FY 2023. This is the same as the amount approved by the 2022 Legislature.

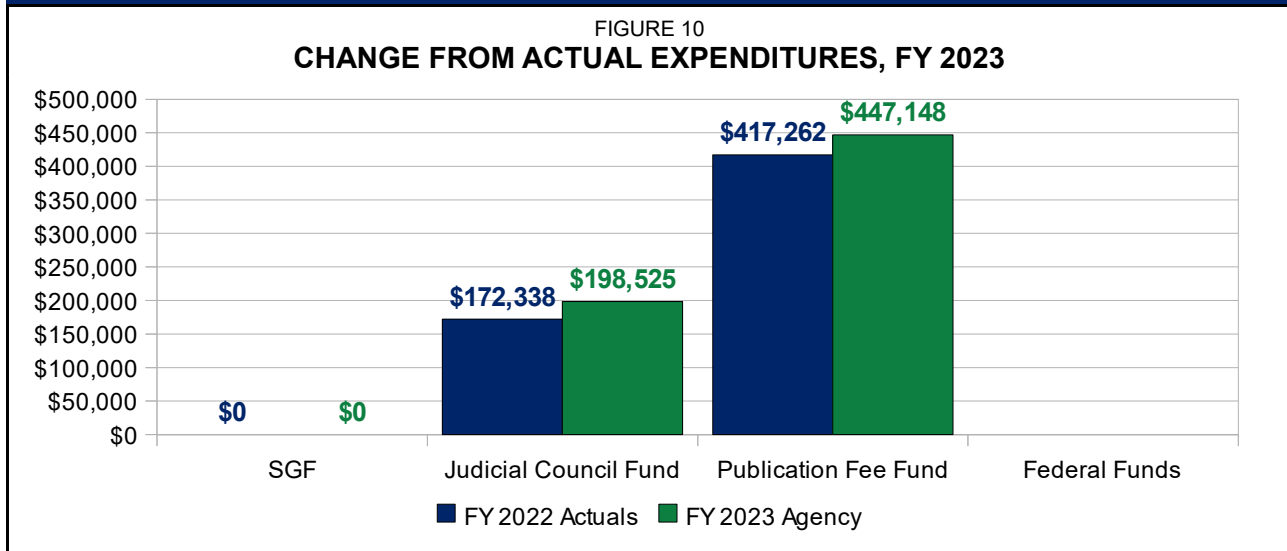
2. **NO CHANGES.** The agency requested no changes to the amount appropriated by the 2022 Legislature.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate and recommends \$645,673 in expenditures, all from special revenue funds, and 5.0 FTE positions in 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 75-3721(f).

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$645,673, all from special revenue funds, and 5.0 FTE positions in FY 2023. This is an increase of \$56,073, or 9.5 percent, above FY 2022 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 increase is primarily due to salaries and wages adjustments totaling \$62,760, including the 5.0 percent statewide salary increase (\$20,314). The increase is partially offset by reductions in capital outlay for new computer equipment (\$8,889) and in commodities for paper (\$2,140).

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 645,673	\$ 645,673	5.0
Agency Request:				
1. Expenditure Adjustments	-	48,425	48,425	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 694,098	\$ 694,098	5.0
Governor's Recommendation:				
2. No Changes	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 694,098</u>	<u>\$ 694,098</u>	<u>5.0</u>

AGENCY REQUEST

The **agency** requests \$694,098, all from special revenue funds, in expenditures and 5.0 FTE positions in FY 2024. This is an increase of \$48,425, or 7.5 percent, above the FY 2023 revised estimate.

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

1. **EXPENDITURE ADJUSTMENTS.** The increase is primarily due to changes in salaries and wages to fund a vacant full-time administrative assistant position. Previously, this position has been a part-time position, which the agency notes does not provide sufficient administrative support (\$31,032).

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 in FY 2023.

2. **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 75-3721(f).

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

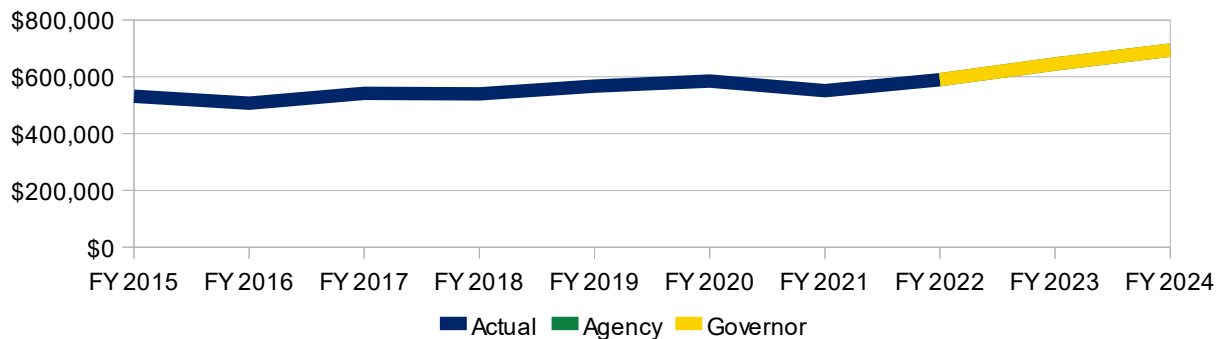
FIGURE 12 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 589,600	\$ 645,673	\$ 645,673	\$ 694,098	\$ 694,098
FTE Positions:					
Administration	5.0	5.0	5.0	5.0	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.

ADMINISTRATION

FIGURE 13
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



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 60 meetings in FY 2023 and 55 meetings for FY 2024.

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 2023, the agency will print and distribute the Kansas Appellate Practice Manual 2022 Supplement, the Kansas Municipal Court Manual 2022 Supplement, the PIK–Criminal 4th 2022 Supplement, and the PIK–Civil 4th 2022 Supplement. For FY 2024, the agency will print and distribute the Kansas Municipal Court Manual 2023 Supplement and the PIK–Criminal 4th 2023.

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 14
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Committee Meetings Held*	67	66	66	60	55
2. Number of Publications Authored*	3	3	3	4	2
3. Number of Website Visitors*	164,078	183,840	166,971	198,500	214,300
Output Measure:					
4. Number of Reports*	6	8	8	6	7
5. Number of Publications Sold	2,179	1,486	1,534	1,797	1,031
6. Number of Legal Forms Posted*	566	550	561	550	550
7. Number of Requests for Studies Assigned to Committees	5	8	6.3	6	7
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Judicial Council Fund	160,480	172,338		198,525	246,308
Publication Fee Fund	385,213	417,262		447,148	447,790
Federal Funds	5,800	-		-	-
All Other Funds	-	-		-	-
TOTAL	\$ 551,493	\$ 589,600		\$ 645,673	\$ 694,098
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(5.7) %	6.9 %		9.5 %	7.5 %
FTE Positions	5.0	5.0		5.0	5.0

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

FIGURE 15
NUMBER OF FULL MEETINGS HELD AND ANTICIPATED

Committee	FY 2022	FY 2023 Est.	FY 2024 Est.
Administrative Procedure	0	0	0
Adoption Law	3	3	2
Adult Care Home (HB 2004)	1	6	0
Appellate Practice	0	2	0
Chapter 61 Forms	0	2	5
Civil Code	1	2	1
Criminal Law	3	5	4
Family Law	10	9	10
Guardianship and Conservatorship	11	10	8
Judicial Council	4	3	2
Juvenile Offender/Child in Need of Care	4	4	4
Municipal Court Manual	2	1	1
Pattern Instructions for Kansas—Civil	5	0	5
Pattern Instructions for Kansas—Criminal	6	5	5
Probate Law	6	7	7
Tribal-State Judicial Forum	0	1	1
Virtual Court	5	0	0
Vital Statistics	5	0	0
TOTAL	66	60	55

BOARD OF INDIGENTS' DEFENSE SERVICES

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 34,801,607	\$ 50,054,516	\$ 51,353,700	\$ 69,153,881	\$ 49,678,130
Federal Funds	-	-	-	-	-
All Other Funds	988,376	612,243	612,243	606,000	606,000
<i>Subtotal</i>	<i>\$ 35,789,983</i>	<i>\$ 50,666,759</i>	<i>\$ 51,965,943</i>	<i>\$ 69,759,881</i>	<i>\$ 50,284,130</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	\$ 35,789,983	\$ 50,666,759	\$ 51,965,943	\$ 69,759,881	\$ 50,284,130
Percentage Change:					
State General Fund	17.1 %	43.8 %	47.6 %	38.2 %	(3.3) %
All Funds	16.5 %	41.6 %	45.2 %	37.7 %	(3.2) %
FTE Positions	243.2	243.2	243.2	404.2	243.2

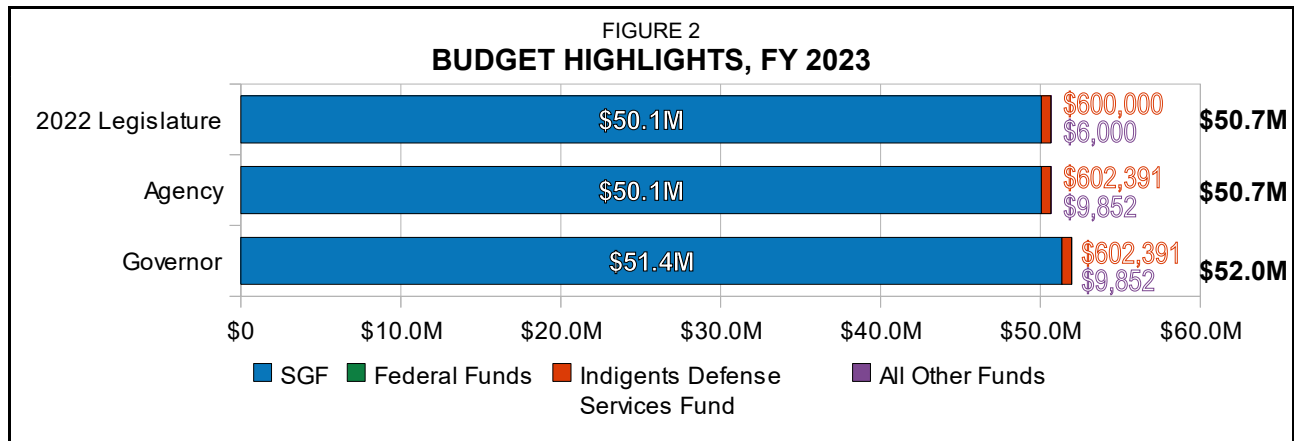
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Board of Indigents' Defense Services (BIDS) is 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 2022 Legislature approved a budget of \$50.7 million, including \$50.1 million from the State General Fund (SGF), for the Board of Indigents' Defense Services for FY 2023. 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:

- **SGF REAPPROPRIATION.** The agency received approximately \$3.7 million SGF in reappropriated funds from FY 2022. This amount includes Capital Defense Operations (\$217,555), Litigation Support (\$131,652), and Operations (\$3.3 million).

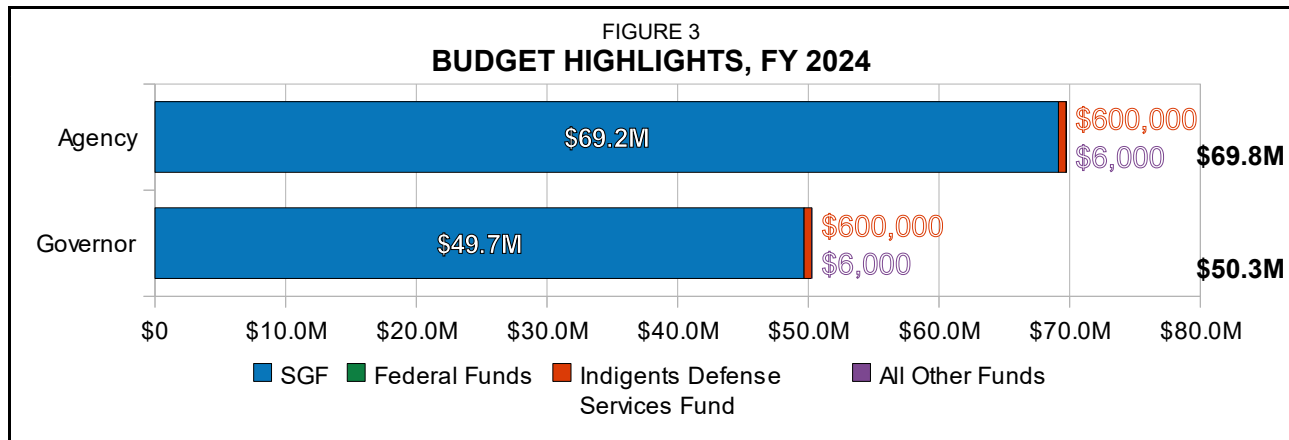


The **agency** submits a revised estimate of \$50.7 million, including \$50.1 million SGF, in FY 2023. This is an all funds increase of \$6,243, or less than 0.1 percent, above the FY 2023 approved amount, and no change in the amount of SGF moneys. Of this amount, \$6,243 is for increased expenditures related to the Indigents Defense Services Fund (\$2,391) and the Inservice Education Workshop Fee Fund (\$3,852). These are the carry forward balances of the funds and will be used for expert witness services and within the agency's training program.

The agency estimate also includes 243.2 FTE positions, which is 1.1 FTE positions below the approved amount. The change is due to a technical adjustment.

The **Governor** recommends expenditures of \$52.0 million, including \$51.4 million SGF, in FY 2023. This is an SGF increase of \$1.3 million, or 2.6 percent, above the agency's FY 2023 revised estimate. The increase is due to an increase of \$1.3 million SGF for the fall 2022 assigned counsel caseloads adjustment.

The Governor's recommendation also includes 243.2 FTE positions, which is the same as the agency's FY 2023 revised estimate number.



The **agency** requests \$69.8 million, including \$69.2 million SGF, in expenditures and 404.2 FTE positions for FY 2024. This is an all funds increase of \$19.1 million, or 37.7 percent, and an SGF increase of \$19.1 million, or 38.2 percent, above the FY 2023 revised estimate.

The agency request includes the following notable adjustments:

- **ENHANCEMENT—RECRUITMENT AND RETENTION.** The agency requests \$601,490 SGF to address pay parity with prosecutors and other government employees.
- **ENHANCEMENT—ETHICAL CASELOAD STAFFING.** The agency requests \$13.2 million SGF and 131.0 FTE positions to address chronic attorney caseload issues and insufficient support staffing in its public defender offices.
- **ENHANCEMENT—PUBLIC DEFENDER OFFICE SERVICE OF UNDERSERVED COMMUNITIES.** The agency requests \$3.8 million SGF and 30.0 FTE positions for first-year start-up costs to establish a public defender offices in the 29th Judicial District (Wyandotte County) and the 11th Judicial District (Crawford, Cherokee, and Labette counties).
- **ENHANCEMENT—BASIC INFRASTRUCTURE UPGRADES.** The agency requests \$784,586 SGF for additional leased space for current employees, software licensing, and agency employee training.
- **ENHANCEMENT—ASSIGNED COUNSEL RATE INCREASE.** The agency requests \$3.6 million SGF to fund an assigned counsel rate increase up to \$140 per hour.

The **Governor** recommends \$50.3 million, including \$49.7 million SGF, for FY 2024. This is an SGF decrease of \$19.5 million, or 28.2 percent, below the agency's FY 2024 request. The SGF decrease is primarily due to the Governor not recommending the enhancement requests for Recruitment and Retention, Ethical Caseload Staffing, Public Defender Office Service, Assigned Counsel Rate Increase, Legal Services for Prisoners, Inc. Salary Adjustment, and Capital Casework. The recommendation includes partial funding for the agency's Basic Infrastructure Upgrade enhancement request, and funding to continue the assigned counsel hourly rate of \$120 for FY 2024.

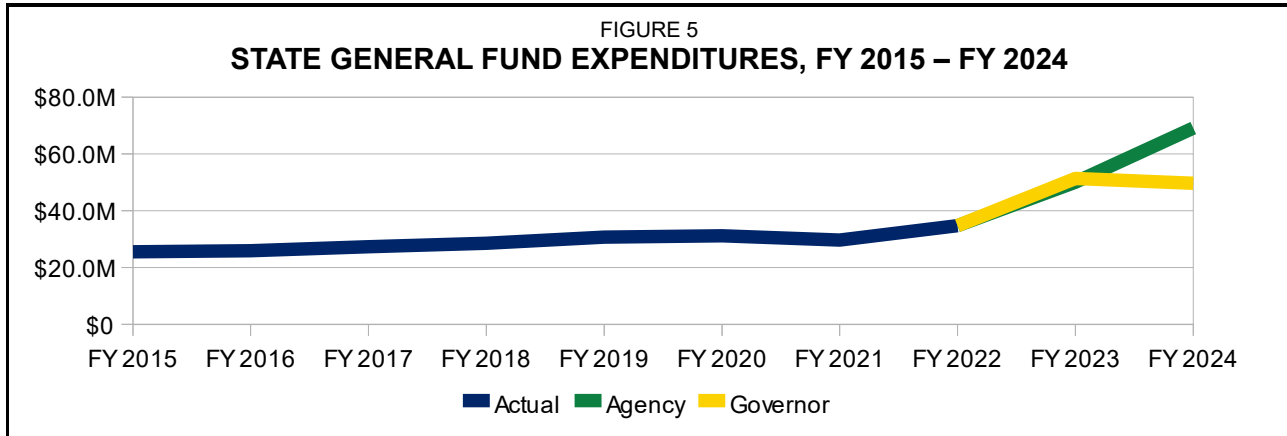
The Governor's recommendation also includes 243.2 FTE positions, which is 161.0 FTE positions below the agency's FY 2024 request. This is due to the Governor not recommending the agency's enhancement requests for ethical caseload staffing and the expansion of the public defender offices.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 13,968,187	\$ 22,496,562	\$ 22,496,562	\$ 39,833,065	\$ 22,614,282
Contractual Services	21,339,246	26,436,976	27,736,160	29,113,056	27,169,266
Commodities	157,738	203,444	203,444	110,694	110,694
Capital Outlay	324,812	1,529,777	1,529,777	703,066	389,888
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 35,789,983</i>	<i>\$ 50,666,759</i>	<i>\$ 51,965,943</i>	<i>\$ 69,759,881</i>	<i>\$ 50,284,130</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 35,789,983</i>	<i>\$ 50,666,759</i>	<i>\$ 51,965,943</i>	<i>\$ 69,759,881</i>	<i>\$ 50,284,130</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 35,789,983	\$ 50,666,759	\$ 51,965,943	\$ 69,759,881	\$ 50,284,130
Financing:					
State General Fund	\$ 34,801,607	\$ 50,054,516	\$ 51,353,700	\$ 69,153,881	\$ 49,678,130
Indigents' Defense Services Fund	974,003	602,391	602,391	600,000	600,000
Inservice Education Workshop Fee Fund	14,373	9,852	9,852	6,000	6,000
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 35,789,983	\$ 50,666,759	\$ 51,965,943	\$ 69,759,881	\$ 50,284,130
FTE Positions	243.2	243.2	243.2	404.2	243.2

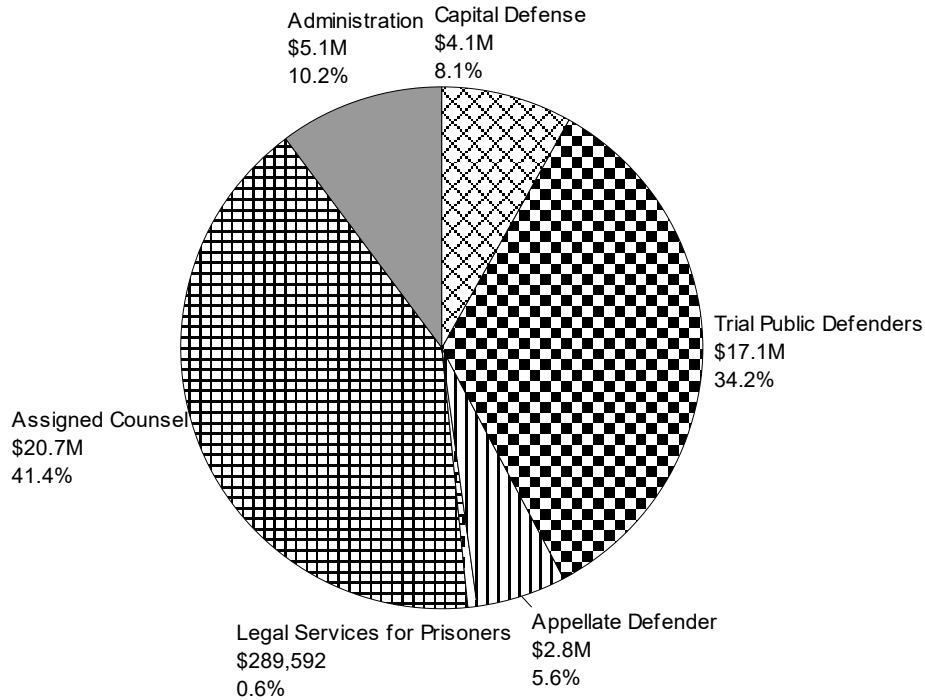
STATE GENERAL FUND



For the Board of Indigents' Defense Services, SGF moneys are the primary source of funding. FY 2023, the SGF expenditure increase is primarily due to the statewide 5.0 percent salary increase and \$4.1 million to address recruitment and retention issues through a pay scale adjustment. Additionally, the 2022 Legislature added language and \$3.6 million to the appropriations bill to fund the assigned counsel rate at \$120 per hour for FY 2023.

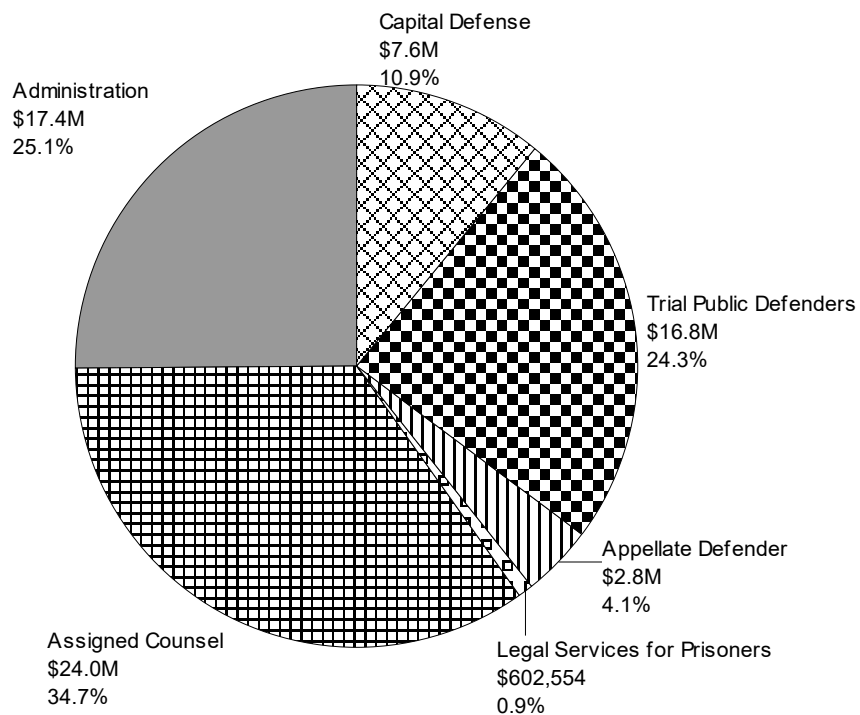
Agency FY 2023 SGF Expenditures

By Program

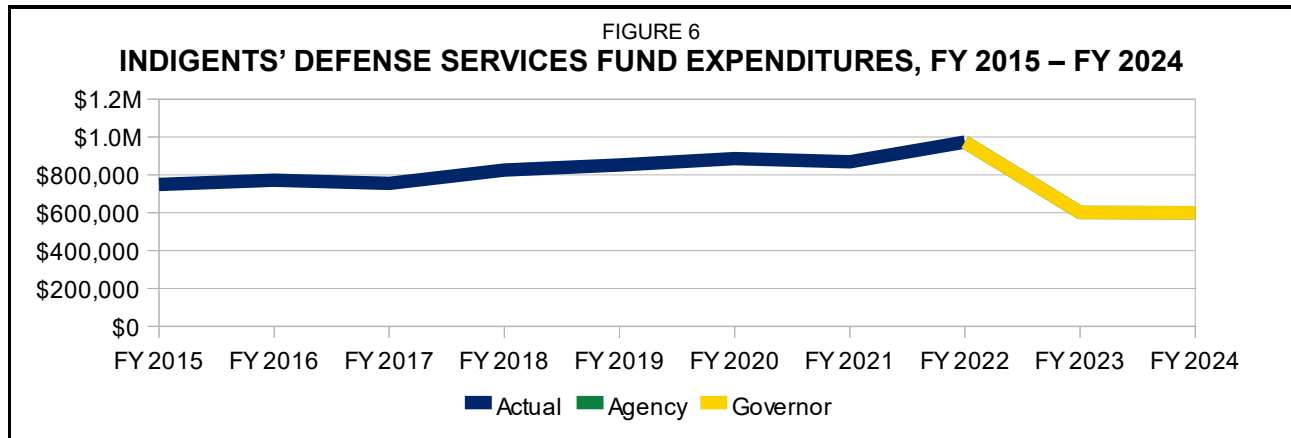


Agency FY 2024 SGF Expenditures

By Program



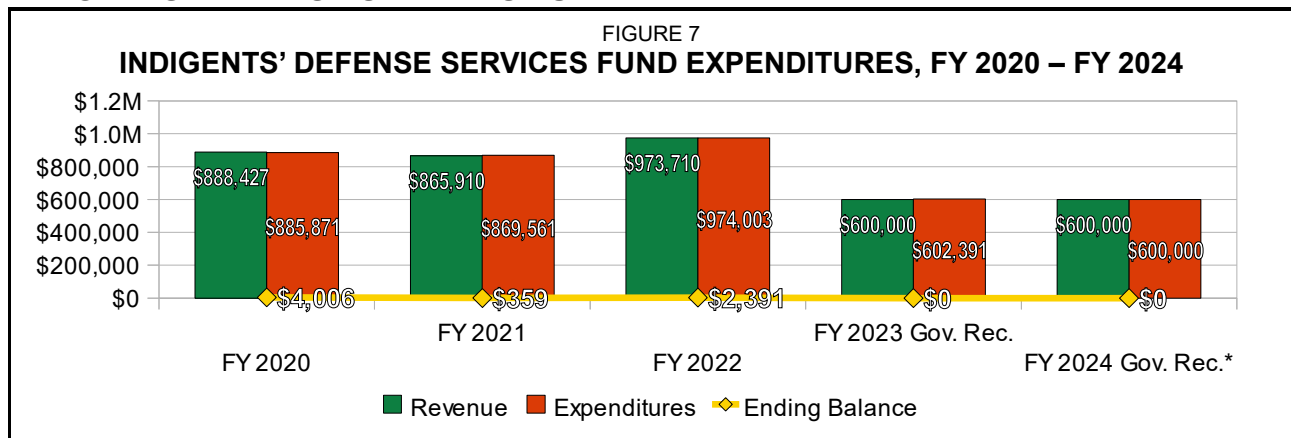
INDIGENTS' DEFENSE SERVICES FUND



The Indigents' Defense Services Fund, per KSA 22-4526, receives revenues from application fees and the bond forfeiture program. Defendants seeking legal counsel through the agency pay a \$100 application fee.

Since FY 2006, this fund has been used to pay expert service and transcriptionist costs, supplemented by SGF moneys. In FY 2022, the fund received \$672,953 from application fees and \$301,757 from the bond forfeiture program.

INDIGENTS' DEFENSE SERVICES FUND



* For FY 2024, the lowest month ending balance for the Indigents' Defense Services Fund will occur in June, with a balance of \$0.

Indigent's Defense Services Fund moneys are deposited directly to the Treasury each month as they become available. According to the agency, these monthly deposits are not always sufficient to fully cover the expert services expenses typically exhausted each month. Whenever the agency experiences a balance forward into the next month (or fiscal year), it is usually due to the timing of new funds being deposited to the Treasury.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 46,365,555	\$ 606,000	\$ 46,971,555	244.3
1. SGF Reappropriation	3,688,960	-	3,688,960	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 50,054,515</i>	<i>\$ 606,000</i>	<i>\$ 50,660,515</i>	<i>244.3</i>
Agency Revised Estimate:				
2. Miscellaneous Adjustments	1	6,243	6,244	(1.1)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 50,054,516</i>	<i>\$ 612,243</i>	<i>\$ 50,666,759</i>	<i>243.2</i>
Governor's Recommendation:				
3. Assigned Counsel Caseload Adjustment	1,299,184	-	1,299,184	--
TOTAL	\$ 51,353,700	\$ 612,243	\$ 51,965,943	243.2

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, one adjustment was made to the \$47.0 million appropriated to the Board of Indigents' Defense Services for FY 2023. This adjustment changes the current year approved amount without any legislative action and includes the following:

1. **SGF REAPPROPRIATION.** The agency received approximately \$3.7 million SGF in reappropriated funds from FY 2022. This amount includes Capital Defense Operations (\$217,555), Litigation Support (\$131,652), and Operations (\$3.3 million). The operations funding are the funds designated to fill vacant positions within the agency. The agency notes that much of this is related to the timing of when new hires graduate and pass the bar examination.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$50.7 million, including \$50.1 million SGF, in FY 2023. This is an all funds increase of \$6,244, or less than 0.1 percent, above the FY 2023 approved amount, and no change in the amount of SGF moneys.

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

2. **MISCELLANEOUS ADJUSTMENTS.** The agency requests \$6,243 for increased expenditures related to the Indigents Defense Services Fund (\$2,391) and Inservice Education Workshop Fee Fund (\$3,852). These are the carry forward balances of the funds and will be used for expert witness services and the agency's training program.

The **agency** estimate also includes 243.2 FTE positions, which is 1.1 FTE positions below the FY 2023 approved amount. The change is a technical adjustment.

GOVERNOR'S RECOMMENDATION

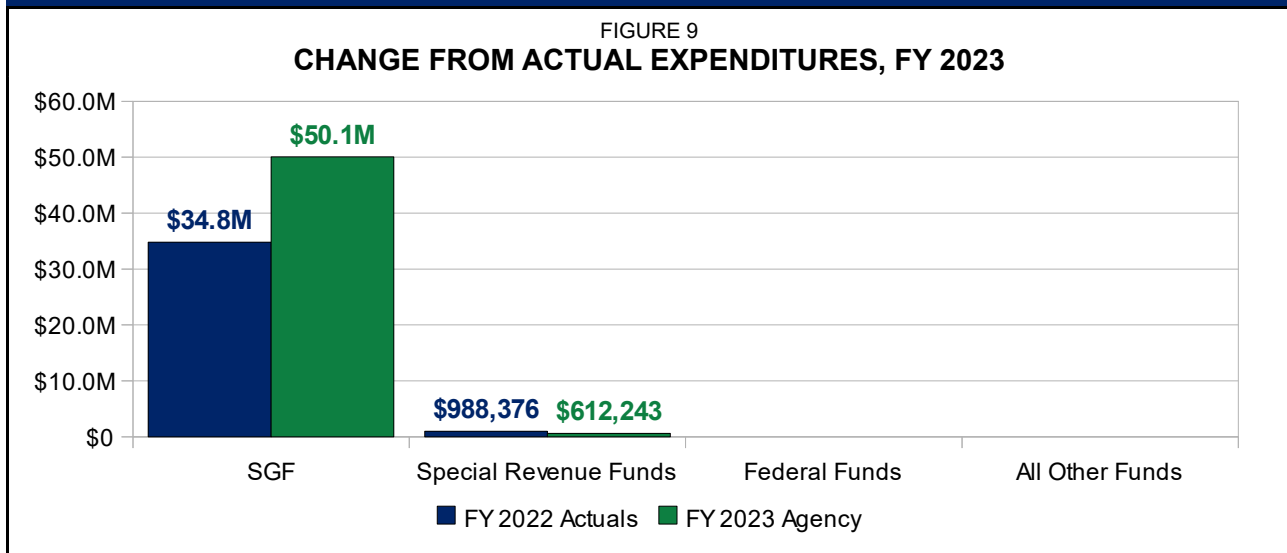
The **Governor** recommends \$52.0 million, including \$51.4 million SGF, in FY 2023. This is an SGF increase of \$1.3 million, or 2.6 percent, above the agency's FY 2023 revised estimate.

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

3. **ASSIGNED COUNSEL CASELOAD ADJUSTMENT.** The recommendation includes an increase of \$1.3 million SGF for the fall 2022 consensus assigned counsel caseload adjustment.

The **Governor's** recommendation also includes 243.2 FTE positions, which is the same as the agency's FY 2023 revised estimate number.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$50.7 million, including \$50.1 million SGF, in FY 2023. This is an all funds increase of \$14.9 million, or 41.6 percent, including \$15.3 million SGF, or 43.8 percent, above the FY 2022 actual expenditures. The increase is primarily due to \$3.7 million of reappropriated funds from FY 2022 into FY 2023, including Capital Defense Operations (\$217,555), Litigation Support (\$131,652), and Operations (\$3.3 million), as well as the agency's FY 2023 enhancements awarded by the 2022 Legislature, including \$4.1 million for a pay scale adjustment to address pay parity, \$3.6 million to fund assigned counsel rates up to \$120 per hour, and \$638,178 for a 5.0 percent statewide salary increase.

FY 2024 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 50,054,516	\$ 612,243	\$ 50,666,759	243.2
Agency Request:				
1. Enhancement—Recruitment and Retention	\$ 601,490	\$ -	\$ 601,490	--
2. Enhancement—Ethical Caseload Staffing	13,156,105	-	13,156,105	131.0
3. Enhancement—Public Defender Office Service	3,774,366	-	3,774,366	30.0
4. Enhancement—Basic Infrastructure Upgrades	784,586	-	784,586	--
5. Enhancement—Assigned Counsel Rate Increase to \$140 per hour	3,569,164	-	3,569,164	--
6. Enhancement—Legal Services for Prisoners, Inc. Salary Increase	312,962	-	312,962	--
7. Enhancement—Capital Casework	700,000	-	700,000	--
8. All Other Adjustments	(3,799,308)	(6,243)	(3,805,551)	--
<i>Subtotal—Agency Estimate</i>	<u>\$ 69,153,881</u>	<u>\$ 606,000</u>	<u>\$ 69,759,881</u>	<u>404.2</u>
Governor's Recommendation:				
9. Enhancements Not Recommended	\$ (22,114,087)	\$ -	\$ (22,114,087)	(161.0)
10. Enhancement—Basic Infrastructure Upgrades (Partial)	(292,500)	-	(292,500)	--
11. Assigned Counsel Caseload Adjustment to \$120 per hour	2,930,836	-	2,930,836	--
TOTAL	<u>\$ 49,678,130</u>	<u>\$ 606,000</u>	<u>\$ 50,284,130</u>	<u>243.2</u>

AGENCY REQUEST

The **agency** requests \$69.8 million, including \$69.2 million SGF, for FY 2024. This is an all funds increase of \$19.1 million, or 37.7 percent, and an SGF increase of \$19.1 million, or 38.2 percent, above the FY 2023 revised estimate.

The **agency** request includes the following adjustments; additional detail on the enhancements can be found in the enhancements section below:

1. **ENHANCEMENT—RECRUITMENT AND RETENTION.** Add \$601,490 SGF to address pay parity with prosecutors and other government employees.
2. **ENHANCEMENT—ETHICAL CASELOAD STAFFING.** Add \$13.2 million SGF and 131.0 FTE positions to address chronic attorney caseload issues and insufficient support staffing in public defender offices.
3. **ENHANCEMENT—PUBLIC DEFENDER OFFICE SERVICE OF UNDERSERVED COMMUNITIES.** Add \$3.8 million SGF and 30.0 FTE positions to cover first-year start-up costs and staffing to establish public defender offices in the 29th Judicial District (Wyandotte County) and the 11th Judicial District (Crawford, Cherokee, and Labette counties). This is an ongoing expenditure.

4. **ENHANCEMENT—BASIC INFRASTRUCTURE UPGRADES.** Add \$784,586 SGF for additional leased space for current employees, software licensing, and agency employee training.
5. **ENHANCEMENT—ASSIGNED COUNSEL RATE INCREASE.** Add \$3.6 million SGF to fund an assigned counsel rate increase from \$120 up to \$140 per hour.
6. **ENHANCEMENT—LEGAL SERVICES FOR PRISONERS, INC. SALARY INCREASES.** Add \$312,962 SGF for salary increases, according to experience, so that the employees are in line with the FY 2023 statewide salary increase passed by the 2022 Legislature.
7. **ENHANCEMENT—CAPITAL CASEWORK.** Add \$700,000 SGF for casework expenses related to capital cases.
8. **ALL OTHER ADJUSTMENTS.** The agency requests various adjustments for FY 2024, including \$3.7 million SGF that reappropriated in FY 2023 that does not carry forward into FY 2024. Additional decreases reflect the lack of carry forward balances in FY 2023 from the Indigents' Defense Services Fund (\$2,391) and Inservice Education Workshop Fee Fund (\$3,852) that are not carried over into FY 2024.

The **agency** request also includes 404.2 FTE positions. This is an increase of 161.0 FTE positions above the FY 2023 revised estimate. The increase is due to the agency's enhancement requests.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$50.3 million, including \$49.7 million SGF, for FY 2024. This is an SGF decrease of \$19.5 million, or 28.2 percent, below the agency's FY 2024 request.

The **Governor's** recommendation includes the following adjustments; additional detail on the enhancements can be found in the enhancements section below:

9. **ENHANCEMENTS NOT RECOMMENDED.** Delete \$22.1 million SGF and 161.0 FTE positions to not recommend the agency's enhancement requests for recruitment and retention, ethical caseload staffing, public defender offices, assigned counsel rate increase up to \$140 per hour, Legal Services for Prisoners, Inc. salary increase, and capital casework (Items 1-3 and 5-7).
10. **ENHANCEMENT—BASIC INFRASTRUCTURE UPGRADES.** Add \$492,086 SGF for partial recommendation of the agency's request for Infrastructure upgrades. This amount includes \$25,376 for Adobe Licensing, \$180,000 for video evidence software licenses, \$70,512 for investigative software expansion of background check licensing, and \$216,198 for the Training Division budget (Item 4).
11. **ASSIGNED COUNSEL CASELOAD ADJUSTMENT.** The recommendation includes \$2.9 million SGF above the fall 2022 consensus assigned counsel caseload adjustment of \$21.5 million. This sets the assigned counsel caseload expenditures at \$23.0 million for FY 2024.

Current law (KSA 22-4507) limits assigned counsel expenditures at \$80 per hour in FY 2024. The recommendation is based on current language in 2022 SB 267 that set the maximum rate of compensation of assigned counsel in FY 2023 at \$120 per hour.

Staff note: Legislative action would be required for the agency to be able to pay a rate higher than the one in current law. HB 2363 (2022) would have set the maximum hourly rate at \$120 on July 1, 2023. The bill died on the calendar.

The **Governor's** recommendation includes 243.2 FTE positions, which is 161.0 FTE positions below the agency's FY 2024 request. This is entirely 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

FY 2024 ENHANCEMENT REQUESTS				
Request	Agency		Governor	
	SGF	FTE	SGF	FTE
Recruitment & Retention	\$ 601,490	--	\$ -	--
Ethical Caseload Staffing	13,156,105	131.0	-	--
Service of Underserved Communities	3,774,366	30.0	-	--
Basic Infrastructure Upgrades	784,586	--	492,086	--
Assigned Counsel Rate Increase	3,569,164	--	2,930,836	--
LSP Salary Increase	312,962	--	-	--
Capital Casework	700,000	--	-	--
TOTAL	\$ 22,898,673	161.0	\$ 3,422,922	--

REQUEST 1 RECRUITMENT AND RETENTION

The **agency** requests \$601,490 SGF to address pay parity with prosecutors and other government employees for FY 2024. This amount would give all filled positions an approximately 3.0 percent base salary increase.

The agency conducted an internal review of all current employees and developed a pay scale adjustment for employees that are anticipated to receive pay increases within the next year. These adjustments would be based on (1) employee years of service, (2) employee skills developments, including transitions into different pay ranges (such as moving from a Public Defender I to a Public Defender II) and (3) additional job duties. The agency anticipates needing the additional funds to cover the total costs of adjustments for each of its current employees, including the expected adjustments to base pay as well as the anticipated impacts those adjustments will have on agency fringe costs.

The 2022 Legislature approved \$4.0 million SGF for a previous enhancement request for a pay scale adjustment in FY 2023. The agency has created a series of internal pay scales for each position that reflect the level of experience of employees and compete with prosecutor pay and other comparable government salaries. The agency indicates that the FY 2024 request is the next step in their pay progression plan for those at the top of the current pay scale.

The Governor does not recommend adoption of this request.

REQUEST 2 ETHICAL CASELOAD STAFFING

The **agency** requests \$13.2 million SGF and 131.0 FTE positions to address current and projected caseloads in an effort to mitigate current assigned counsel panel shortages. The staffing plan includes new trial public defenders (11.0 FTE positions), new trial-level support staff (45.5 FTE positions), New appellate-level public defenders (14.0 FTE positions), new appellate-level support staff (25.0 FTE positions), new capital public defenders (5.0 FTE positions), new capital-level support staff (25.0 FTE positions), new administrative office attorneys (1.5 FTE positions), and new administrative office staff (4.0 FTE positions).

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 titled "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 agency notes that the average caseload per active trial attorney in FY 2022 was 183 cases. At 40 hours per week, 52 weeks per year, that equates to approximately 11 hours per case. These cases range from probation violations to premeditated first degree murder.

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. In FY 2022, the agency requested an additional \$8.1 million SGF and 88.0 FTE positions, but the Governor did not recommend the adoption of the request, and the 2022 Legislature subsequently did not provide the funding or FTE positions.

The Governor does not recommend adoption of this request.

REQUEST 3 PUBLIC DEFENDER OFFICE SERVICE OF UNDERSERVED COMMUNITIES

The **agency** requests \$3.8 million SGF and 30.0 FTE positions to cover first-year start-up costs and staffing to establish public defender offices in the 29th Judicial District (Wyandotte County) and the 11th Judicial District (Crawford, Cherokee, and Labette counties).

- The agency estimates that first-year total start-up costs and staffing for the establishment of a 29th Judicial District Public Defender Office are approximately \$2.4 million SGF and 19.0 FTE positions. This amount includes new equipment and furniture costs, a full-service lease for approximately 7,500 square feet of office space, and training for each FTE position. Staffing includes public defenders (10.0 FTE positions), investigators (3.0 FTE positions), legal assistants (3.0 FTE positions), and administrative specialists (3.0 FTE positions).

The estimated ongoing costs of maintaining the office would be \$2.3 million per year.

- The agency estimates that first-year total start-up costs and staffing for the establishment of a 11th Judicial District Public Defender Office are approximately \$1.4 million SGF and 11.0 FTE positions. This amount includes new equipment and furniture costs, a full-service lease for approximately 3,300 square feet of office space, and training for each FTE position. Staffing includes public defenders (5.0 FTE positions), investigators (2.0 FTE positions), legal assistants (3.0 FTE positions), and an administrative specialist (1.0 FTE position).

The estimated ongoing costs of maintaining the office would be \$1.2 million per year.

The Governor does not recommend adoption of this request.

REQUEST 4 BASIC INFRASTRUCTURE UPGRADES

The **agency** requests \$784,586 SGF for additional leased space for current employees, software licensing, and agency employee training. The agency notes that many of the items in this request were funded by the 2022 Legislature, but the funding for those items was not expended. Expenditures include:

- **\$292,500 FOR ADDITIONAL LEASED SPACE FOR CURRENT EMPLOYEE NEEDS.** Due to the increase in FTE positions, and a decrease in remote work, the agency estimates that seven offices require new or additional leased space. This may require new short-term leases to supplement long term leases. The agency estimates space is needed for 39 employees across 7 offices. The request is based on 300 square feet per employee, at an anticipated cost of \$25 per square foot per year. This would be an ongoing expense.
- **\$25,376 FOR EXPANDED AND UPGRADED ADOBE LICENSING.** The agency conducted an internal needs assessment of tools used by employees, which indicated that an agency-wide expansion and upgrade of Adobe licensing was necessary to aid employees with discovery redactions, exhibits, and document production. The amount requested is based on the current state contract with Adobe and expanding the licensing for approximately 244 employees.
- **\$216,198 FOR AN AGENCY-WIDE TRAINING BUDGET.** The agency has been funding their current Training Division programming from existing resources. Established in October 2021, there have been 24 individual continuing learning education (CLE) and skill training events provided to agency staff. For FY 2024, the agency's training plans include capital trainings; new attorney trainings; leadership trainings; an all agency, in-person conference for public defenders and assigned counsel from across the state; investigator trainings; appellate trainings; and other items to consistently and thoroughly train all attorneys and staff handling criminal cases in the most up-to-date criminal defense methods and standards.
- **\$180,000 FOR NEW LICENSING FOR VIDEO EVIDENCE SOFTWARE.** The agency requests funding to license a program called JusticeText, which is a video evidence management software that creates key cited transcripts of video evidence to allow for review of evidence. JusticeText can be used during motions preparation, motions hearings, plea negotiations, and trial. Based on the demonstrations and information gathered, the agency believes that this will assist in the review of vehicle dash camera, body camera, and interrogation video evidence, allowing public defenders and investigators to work more efficiently. The agency received a quote of \$150 per month, per software license. It is anticipated that approximately 150 user licenses will be needed for attorneys and investigators. This would be an ongoing annual expenditure.
- **\$70,512 FOR A WESTLAW CLEAR INVESTIGATION SOFTWARE EXPANSION.** The agency indicates CLEAR investigation software allows public defender office investigators to conduct necessary detailed background investigations for public defender offices cases so that public defenders are prepared for their client's defense. The agency states it needs an additional 13 licenses for their trial offices, and currently, only 2 employees have software licenses.

The **Governor** recommends \$492,086 to partially adopt the Basic Infrastructure Upgrades enhancement request. This amount includes funding for Adobe licensing (\$25,376), video evidence software licenses (\$180,000), investigative software expansion of background check licensing (\$70,512), and for the Training Division (\$216,198).

REQUEST 5
ASSIGNED COUNSEL RATE INCREASE

The **agency** requests \$3.6 million SGF to fund an assigned counsel rate increase up to \$140 per hour for FY 2024. Current statutory rate for assigned counsel is \$80 per hour of work (KSA 22-407(c)). The 2022 Legislature gave the agency funding to raise that rate up to \$120 per hour, along with a special budget proviso to allow temporary pay at the rate as of July 1, 2022, if legislation did not pass raising that statutory rate. No legislation was passed, and the hourly rate for FY 2024 reverts to statutory limits.

The agency indicates it has had success recruiting new criminal defense attorneys to the assigned counsel panels and believes that there are a number of private counsel who could be recruited into accepting appointments at the rate of \$140 per hour, in an attempt to reach parity with the current federal Criminal Justice Act panel rate of approximately \$158 per hour.

The Board has tentatively approved an increase to the hourly rate for assigned counsel of \$140 per hour for FY 2024, dependent upon appropriate funding and statutory amendments to allow for this increase.

The **Governor** recommends \$2.9 million SGF to partially fund the agency's assigned counsel rate increase enhancement request. This is \$638,328 below the agency's request, and \$2.9 million above the fall 2022 consensus assigned counsel caseload adjustment of \$21.5 million. The Governor's recommendation will continue funding the agency's FY 2023 rate of \$120 per hour.

REQUEST 6
LEGAL SERVICES FOR PRISONERS, INC. SALARY INCREASE

The **agency** requests \$312,962 SGF in contractual services expenditures for salary increases, according to experience, so that Legal Services for Prisoners, Inc. (LSP) employee salaries are in line with the FY 2023 statewide salary increase passed by the 2022 Legislature. The salary adjustment would cover the base salary adjustments, fringe costs, and overhead for all four current LSP employees, adjusted for their levels of experience in line with the recent salary scales approved by the Governor and the Department of Administration for BIDS.

The agency notes current LSP attorneys have over 30 years of experience, and the LSP director has over 25 years of experience in his position. The LSP director runs the organization and helps coordinate services across 9 separate Kansas Department of Corrections facilities and is available to serve approximately 10,000 inmates.

The Governor does not recommend adoption of this request.

REQUEST 7
CAPITAL CASEWORK

The **agency** requests \$700,000 SGF to address casework expenses related to capital cases. These expenditures include all expenses that accompany the handling of a case, including those for attorneys, expert witnesses, evidentiary hearings, and forensic work.

The agency has noticed a steady increase in capital casework expenditures over the past five years and has indicated that this is due in part to a recognition of updated national standards and

expectations for capital case work in general, as well as the increased use of experts for more extensive hearings on mitigation and analysis of forensic work in evidentiary hearings. The agency has seen an increase in the number of capital cases charged by prosecutors across the state, and current cases continue to move through the network of trials, appeals, and now capital *habeas* proceedings.

Historically, the agency has been able to cover expenses in past years with reappropriated funds or by using its operating funds to cover its capital expenditures, but the agency indicates that this is no longer a sustainable solution. The agency notes that since January 2020, its Death Penalty Defense Unit has been appointed to 11 new capital cases across Kansas while still having capital cases that originated in the late 1990s and early 2000s currently cycling through its capital *habeas* office.

The Governor does not recommend adoption of this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

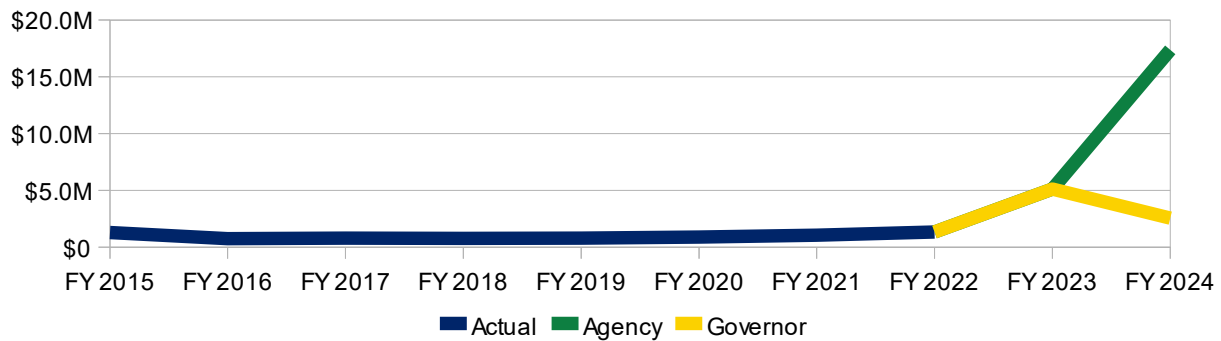
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 1,341,052	\$ 5,124,860	\$ 5,124,860	\$ 17,375,799	\$ 2,559,776
Appellate Defender	2,284,430	3,032,446	3,032,446	3,084,507	3,084,507
Assigned Counsel	17,489,919	20,960,816	22,260,000	24,248,328	23,610,000
Capital Defense	3,517,845	4,053,237	4,053,237	7,562,693	3,854,255
Legal Services for Prisoners	289,592	289,592	289,592	602,554	289,592
Trial Public Defenders	10,867,145	17,205,808	17,205,808	16,886,000	16,886,000
TOTAL	\$ 35,789,983	\$ 50,666,759	\$ 51,965,943	\$ 69,759,881	\$ 50,284,130
FTE Positions:					
Administration	19.2	19.2	19.2	150.2	19.2
Appellate Defender	25.0	25.0	25.0	25.0	25.0
Assigned Counsel	--	--	--	--	--
Capital Defense	34.0	34.0	34.0	64.0	34.0
Legal Services for Prisoners	--	--	--	--	--
Trial Public Defenders	165.0	165.0	165.0	165.0	165.0
TOTAL	243.2	243.2	243.2	404.2	243.2

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

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



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 support of the statewide delivery of indigents' defense services. Funding is from the SGF,

except for a small amount that is from the Inservice Education Workshop Fee Fund.

FIGURE 13

ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Maintain level of dollars saved by audit procedures.*	\$ 291,488	\$ 404,353	\$ 310,009	\$ 505,441	\$ 631,802
2. Maintain increase in average cost per case for private attorney	\$ 898	\$ 1,062	\$ 984	\$ 1,115	\$ 1,171
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.*	65	67	65	68	70
Output Measure:					
6. Number of Judicial Districts reviewed for cost effective delivery of defense services.*	31	31	31	31	31
7. Number of counties covered by assigned counsel contracts/agreements.*	19	17	18	18	20
8. Number of agency CLE** programs offered to appointed panel attorneys.	2	10	5	12	15
9. Number of agency CLE programs offered to public defenders.*	3	24	10	25	30
10. Number of contacts with Chief Defenders regarding caseloads.*	33	48	39	50	45
11. Number of contacts with Court regarding assignment of public defenders to other jurisdictions.*	18	10	16	12	14
12. Estimated Number of contacts/communications with assigned counsel/court regarding expert services approval and clarifications.*	1,300	1,500	1,270	1,700	2,000
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,064,133	\$ 1,338,912		\$ 5,115,008	\$ 2,553,776
Federal Funds	131,144	-		9,852	6,000
All Other Funds	625	2,140		-	-
TOTAL	\$ 1,195,902	\$ 1,341,052		\$ 5,124,860	\$ 2,559,776
Percentage Change:					
SGF	17.9 %	25.8 %		282.0 %	(50.1) %
All Funds	1.9 %	12.1 %		282.2 %	(50.1) %
FTE Positions	12.8	19.2		19.2	19.2

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

** Continuing Legal Education

BUDGET ANALYSIS

The **agency** requests Administration program million SGF, for FY 2024. This is an all funds expenditures of \$17.4 million, including \$17.4 increase of \$12.3 million, or 239.0 percent,

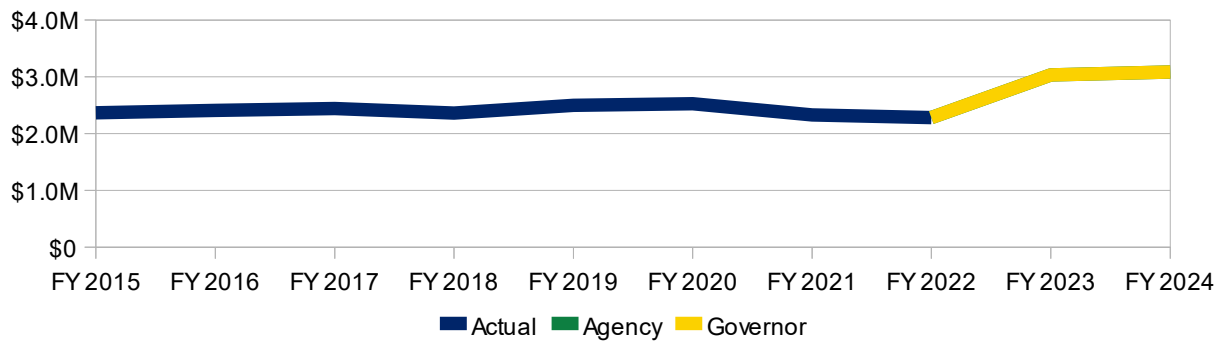
above the FY 2023 revised estimate. The increase is primarily due to the agency's FY 2024 enhancement requests for recruitment and retention, ethical caseload staffing, expansion of public defenders offices, and infrastructure upgrades.

The request includes 150.2 FTE positions, which is 131.0 FTE positions above the FY 2022 revised estimate number. This increase is entirely due to the agency's enhancement requests.

The **Governor** recommends \$2.6 million, including \$2.6 million SGF, and 19.2 FTE positions for FY 2024. This is an SGF decrease of \$14.8 million, or 85.3 percent, and 131.0 FTE positions below the agency's FY 2024 request. The decreases are due to the Governor not recommending the agency's enhancement request for caseload staffing and the expansion of the public defender offices.

APPELLATE DEFENDER

FIGURE 14
APPELLATE DEFENDER EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • 6th Amendment of the *U.S. Constitution*; Sections 5 and 10 of the *Kansas Constitution Bill of Rights*; KSA 22-4522b; KSA 22-4505b

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 included in the budget for the Death Penalty represents indigent felony defendants on Defense Unit.

The Office makes use of appeal. Funding for death penalty appeals paralegals and law school interns.

FIGURE 15

APPELLATE DEFENDER, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Prevent ineffective assistance of counsel due to case overload.*	All Offices	All Offices	-	All Offices	All Offices
2.Monitor average case units per attorney to avoid caseload overload.*	29	25	31.7	25	25
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
Output Measure:					
4.Number of in-house attorney training CLEs for public defenders.*	3	24	10	25	30
5.Number of Appeals Docketed *	704	731	728	850	760
6.Number of Appeals Completed *	981	843	935	950	900
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 2,113,378	\$ 2,113,925		\$ 2,782,446	\$ 2,834,507
Federal Funds	-	-		-	-
All Other Funds	215,981	170,505		250,000	250,000
TOTAL	\$ 2,329,359	\$ 2,284,430		\$ 3,032,446	\$ 3,084,507
Percentage Change:					
SGF	(7.6) %	0.0 %		31.6 %	1.9 %
All Funds	(7.9) %	(1.9) %		32.7 %	1.7 %
FTE Positions	23.0	25.0		25.0	25.0

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

BUDGET ANALYSIS

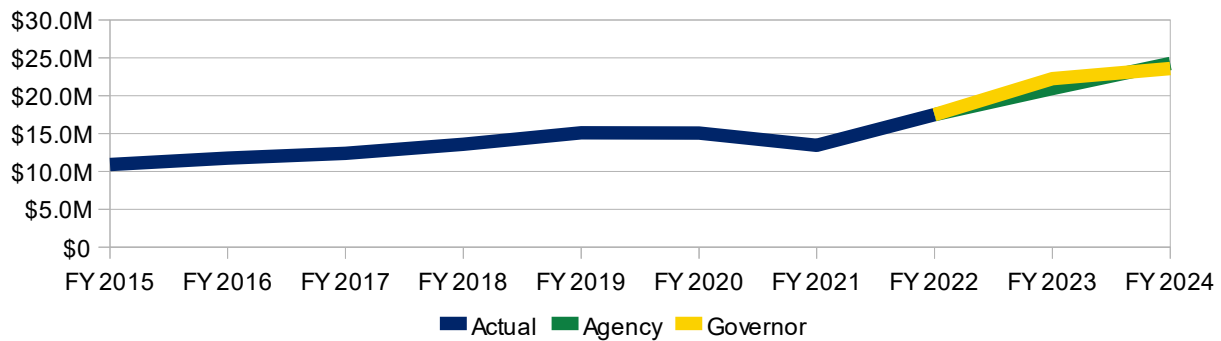
The **agency** requests Appellate Defender program expenditures of \$3.1 million, including \$2.8 million SGF, for FY 2024. This is an all funds increase of \$52,061, or 1.0 percent, above the FY 2023 revised estimate. The increase is primarily attributable to reimbursement for personal vehicle usage, rental vehicles, office rent, and software licensing.

The request includes 25.0 FTE positions, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency's request for FY 2024.

ASSIGNED COUNSEL

FIGURE 16
ASSIGNED COUNSEL EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • 6th Amendment of the *U.S. Constitution*; Sections 5 and 10 of the *Kansas Constitution Bill of Rights*; KSA 22-4501; KSA 22-4503c.

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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Maintain level of dollars saved by audit procedures on assigned counsel vouchers.*	\$ 291,488	\$ 404,353	\$ 310,008.7	\$ 505,441	\$ 631,802
2. Maintain increase in average cost per case for private attorney services to 5% or less.	898	1,062	984	1,115	1,171
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	17	18	18	20
5. Number of agency CLE programs offered to appointed panel attorneys.*	2	10	5	12	15
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 13,062,084	\$ 16,903,545		\$ 22,010,000	\$ 23,360,000
Federal Funds	-	-		-	-
All Other Funds	391,935	586,374		250,000	250,000
TOTAL	\$ 13,454,019	\$ 17,489,919		\$ 22,260,000	\$ 23,610,000
Percentage Change:					
SGF	(10.9) %	29.4 %		30.2 %	6.1 %
All Funds	(10.7) %	30.0 %		27.3 %	6.1 %
FTE Positions	--	--		--	--

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

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 FEES

For many years, the assigned counsel hourly rate has been below the statutory limit. In FY 2009, BIDS reduced the hourly rate paid on all cases to \$62 per hour. In FY 2016, the hourly rate was increased to \$65 per hour, followed by an additional increase to \$70 per hour in FY 2017. BIDS continued to increase the hourly

rate for assigned counsel to \$75 per hour for FY 2019 and to the statutory maximum hourly rate of \$80 per hour for assigned counsel in FY 2020 per KSA 22-4507 and KAR 105-5-2. In the FY 2022 budget, the Legislature funded a rate increase up from \$80 to \$100 per hour and increased that rate again in FY 2023 from \$100 to \$120 an hour.

BUDGET ANALYSIS

The **agency** requests Assigned Counsel program expenditures of \$24.2 million, including \$24.0 million SGF, for FY 2024. This is an SGF increase of \$3.3 million, or 15.9 percent, above the FY 2023 revised estimate. The increase is primarily attributable to the agency's enhancement request to fund an assigned counsel rate increase up to \$140 per hour.

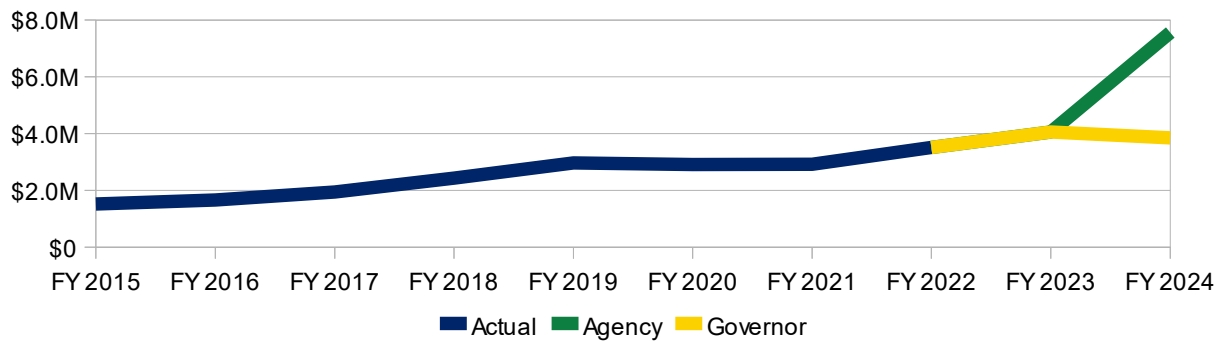
The **Governor** recommends \$23.6 million, including \$23.4 million SGF, for FY 2024.

This is an SGF decrease of \$638,328, or 2.7 percent, below the agency's FY 2024 request. The decrease is due to the Governor partially recommending the agency's enhancement request for assigned counsel expenditures to fund the hourly rate up down from \$140 to \$120.

This amount is \$2.9 million SGF above the fall 2022 consensus assigned counsel caseload adjustment of \$21.5 million which used the current statutory rate of \$80 per hour for FY 2024.

CAPITAL DEFENSE

FIGURE 18
CAPITAL DEFENSE EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • 6th Amendment of the *U.S. Constitution*; Sections 5 and 10 of the *Kansas Constitution Bill of Rights*; KSA 22-4522b; KSA 22-4506d

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. 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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Prevent ineffective assistance of counsel due to case overload.*	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
Output Measure:					
3.Number of new cases filed with a potential sentence of death.*	3	2	4	4	6
4.Number of cases tried or pled during the fiscal year.*	1	4	2	2	3
5.Number of in-house attorney training CLEs available for capital public defenders.*	3	24	10	25	30
<hr/>					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 2,917,892	\$ 3,512,714		\$ 4,053,237	\$ 3,854,255
Federal Funds	201	-		-	-
All Other Funds	5,175	5,131		-	-
TOTAL	\$ 2,923,268	\$ 3,517,845		\$ 4,053,237	\$ 3,854,255
<hr/>					
Percentage Change:					
SGF	0.5 %	20.4 %		15.4 %	(4.9) %
All Funds	0.1 %	20.3 %		15.2 %	(4.9) %
FTE Positions	27.0	34.0		34.0	34.0

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

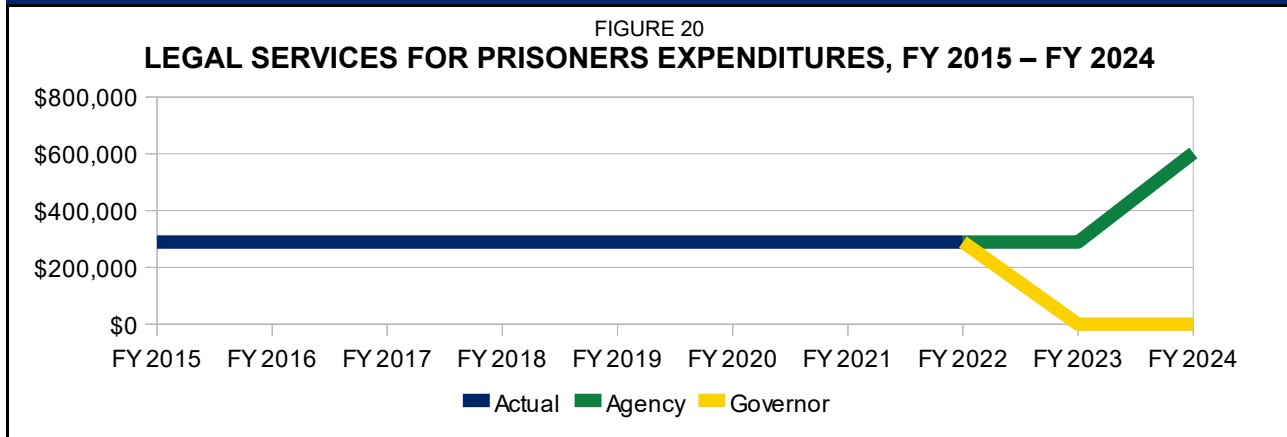
BUDGET ANALYSIS

The **agency** requests Capital Defense program expenditures of \$7.6 million SGF for FY 2024. This is an increase of \$3.5 million, or 86.6 percent, above the FY 2023 revised estimate. The increase is primarily attributable to the agency's enhancement requests to address casework expenses related to capital cases and Public Defender Office Service of Underserved Communities.

The request includes 64.0 FTE positions, which is an increase of 30.0 FTE positions above the FY 2023 revised estimate number.

The **Governor** recommends \$3.9 million SGF, and 34.0 FTE positions, for FY 2024. This is an SGF decrease of \$3.7 million, or 49.0 percent, and 30.0 FTE positions below the agency's FY 2024 request. The decreases are due to the Governor not recommending the agency's enhancement request for caseload staffing and capital casework.

LEGAL SERVICES FOR PRISONERS



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 meet 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, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Cases administratively resolved *	1,058	1,039	1,046	1,039	1,039
2.Cases judicially resolved *	1	2	3	2	2
3.Cases rejected by LSP *	467	522	455	522	522
4.Cases still open at the end of the fiscal year.*	4	-	1	-	-
Output Measure:					
5.Total Cases Handled by LSP*	1,530	1,582	1,525	1,582	1,582
6.Total Hours spent on cases *	2,013	1,943	1,905	1,943	1,943
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
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	--	--		--	--

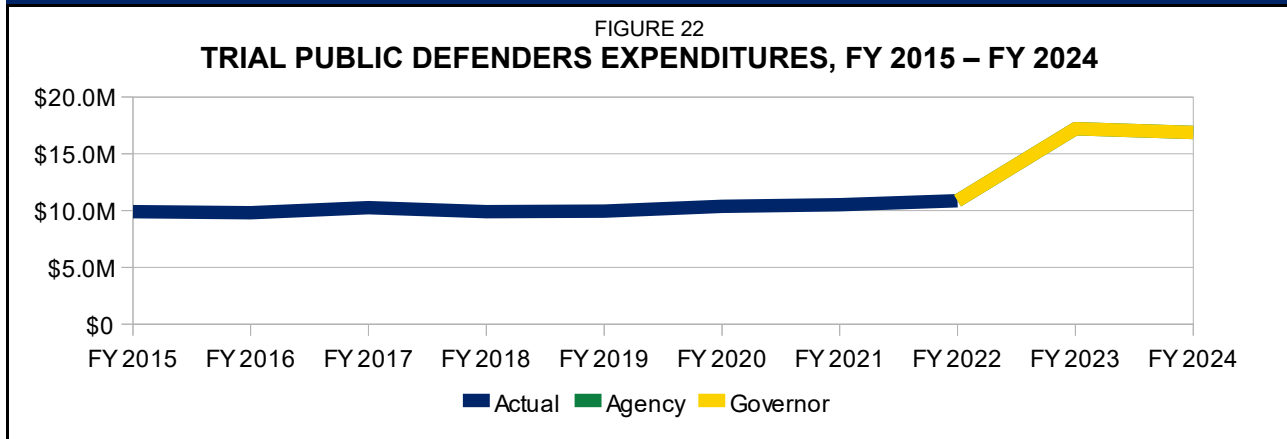
* The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests Legal Services for Prisoners, Inc. program expenditures of \$602,554 SGF for FY 2024. This is an increase of \$312,962, or 108.1 percent, above the FY 2023 revised estimate. The increase is entirely due to the agency's enhancement request for salary increases.

The **Governor** recommends \$289,592 SGF for FY 2024. This is an SGF decrease of \$312,962, or 51.9 percent, below the agency's FY 2024 request. The decreases are entirely due to the Governor not recommending the agency's enhancement request for salary increases.

TRIAL PUBLIC DEFENDERS



STATUTORY BASIS: • 6th Amendment of the *U.S. Constitution*; Sections 5 and 10 of the *Kansas Constitution Bill of Rights*; KSA 22-4522b

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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Prevent ineffective assistance of counsel due to case overload.*	All Offices	All Offices	-	All Offices	All Offices
2.Maintain increase in average cost per case for public defender services to 5% or less.	\$ 1,032	\$ 1,120	\$ 990	\$ 1,120	\$ 1,120
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
Output Measure:					
4.Number of in-house attorney training CLEs for public defenders.*	3	24	10	25	30
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.*	33	48	39	50	45
7.Number of contacts with Court regarding assignment of public defenders to other jurisdictions.*	18	10	16	12	14
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 10,260,120	\$ 10,642,919		\$ 17,103,417	\$ 16,786,000
Federal Funds	159	-		-	-
All Other Funds	260,322	224,226		102,391	100,000
TOTAL	\$ 10,520,601	\$ 10,867,145		\$ 17,205,808	\$ 16,886,000
Percentage Change:					
SGF	1.2 %	3.7 %		60.7 %	(1.9) %
All Funds	1.3 %	3.3 %		58.3 %	(1.9) %
FTE Positions	139.0	165.0		165.0	165.0

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

BUDGET ANALYSIS

The **agency** requests Trial Public Defenders program expenditures of \$16.9 million, including \$16.8 million SGF, for FY 2024. This is an all funds decrease of \$319,808, or 1.9 percent, and an SGF decrease of \$317,417, or 1.9 percent, below the FY 2023 revised estimate. The decrease is primarily attributable to reduced commodities expenditures due to the increase of electronic communications, as well as decreased expenditures for expert witnesses and court reporter services. The request also

reduces contractual services by \$197,616, largely related to travel, and for computer and other equipment replacements by \$158,000.

The request includes 165.0 FTE positions, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency's request for FY 2024.

DEPARTMENT OF ADMINISTRATION

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 114,911,422	\$ 103,864,636	\$ 103,695,841	\$ 102,667,357	\$ 104,633,656
Federal Funds	970,857	1,281,448	1,281,448	1,271,892	1,271,892
All Other Funds	44,277,398	39,855,197	39,855,197	39,907,698	40,407,698
<i>Subtotal</i>	<u>\$ 160,159,677</u>	<u>\$ 145,001,281</u>	<u>\$ 144,832,486</u>	<u>\$ 143,846,947</u>	<u>\$ 146,313,246</u>
Capital Improvements:					
State General Fund	\$ 365,159,057	\$ 87,973,382	\$ 87,973,382	\$ 32,577,422	\$ 32,577,422
Federal Funds	1,700,000	10,000,000	10,000,000	40,000,000	40,000,000
All Other Funds	16,499,567	-	-	-	-
<i>Subtotal</i>	<u>\$ 383,358,624</u>	<u>\$ 97,973,382</u>	<u>\$ 97,973,382</u>	<u>\$ 72,577,422</u>	<u>\$ 72,577,422</u>
<i>Off-Budget*</i>	<u>\$ 93,960,684</u>	<u>\$ 91,970,771</u>	<u>\$ 91,970,771</u>	<u>\$ 93,076,417</u>	<u>\$ 93,076,417</u>
Total On-Budget	\$ 543,518,301	\$ 242,974,663	\$ 242,805,868	\$ 216,424,369	\$ 218,890,668
Total Off-Budget	93,960,684	91,970,771	91,970,771	93,076,417	93,076,417
GRAND TOTAL	<u>\$ 637,478,985</u>	<u>\$ 334,945,434</u>	<u>\$ 334,776,639</u>	<u>\$ 309,500,786</u>	<u>\$ 311,967,085</u>
Percentage Change:					
State General Fund	239.0 %	(60.0) %	(60.1) %	(29.5) %	(28.4) %
All Funds	120.9 %	(47.5) %	(47.5) %	(7.6) %	(6.8) %
FTE Positions	467.6	473.8	473.8	475.8	485.8

*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 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.

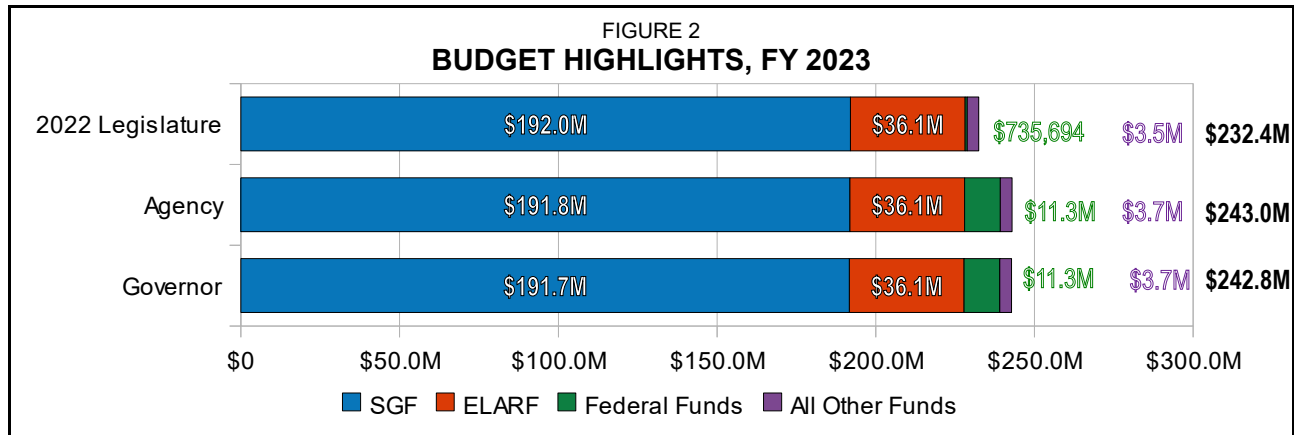
The Department of Administration provides central services for state agencies and also includes a number of other entities and programs for administrative purposes. The Secretary of Administration, who is appointed by and serves at the pleasure of the Governor, manages the Department with the assistance 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 2022 Legislature approved a budget of \$232.4 million in on-budget expenditures and 96.9 on-budget FTE positions for the Department of Administration for FY 2023, including \$190.9 million

from the State General Fund (SGF) and \$36.1 million from the Expanded Lottery Act Revenues Fund (ELARF). Subsequent to the 2022 Session, \$1.2 million in unspent SGF moneys and \$112,297 in unspent State Institutions Building Fund (SIBF) moneys were shifted from FY 2022 to FY 2023. Included within that amount are \$336,980 for the Division of the Budget, \$96,266 for the Office of Public Advocates, and \$833,222 for the Office of Facilities and Property Management. These adjustments change the current year approved amount without any legislative action required.



The agency submits a revised estimate of \$243.0 million in on-budget expenditures and 99.5 on-budget FTE positions in FY 2023, including \$191.8 million SGF and \$36.1 million from ELARF. This represents an overall increase of \$10.6 million, or 4.3 percent, above the amount approved by the 2022 Legislature.

The increase is primarily attributable to an additional \$10.0 million in planned expenditures from the federal American Rescue Plan Act (ARPA) State Relief Fund for the **renovation of the Docking State Office Building**. State Finance Council Resolution 21-740 approved the renovation of Docking into a three-story building with office and meeting space. The Department of Administration estimated up to half of the \$120.0 million total project cost could be funded with federal moneys. Accordingly, the 2022 Legislature appropriated \$60.0 million SGF for the renovation, and this \$10.0 million reflects the beginning of federal funds for the project.

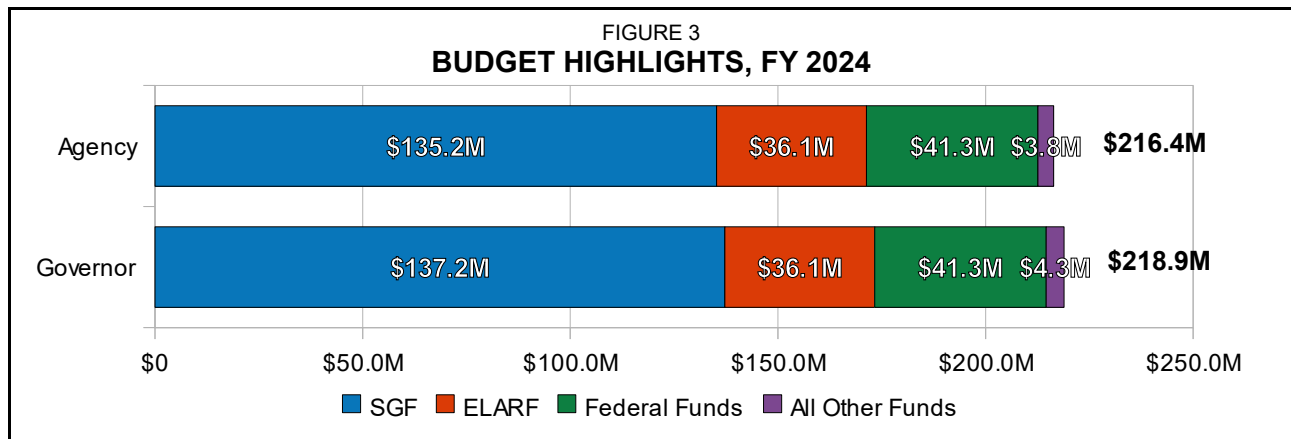
The revised estimate includes a request for \$18,795 in supplemental funding to provide a **5.0 percent salary increase to employees of the Long-Term Care Ombudsman (LTCO)**. For FY 2023, the LTCO has nine Regional Ombudsmen, one State Ombudsman, one Administrative Assistant, and three unclassified temporary positions. The request amount allocates \$15,235 for salary increases and \$3,560 for fringe benefits.

The revised estimate also includes \$92.0 million in off-budget expenditures and 374.3 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2023, off-budget expenditures increase by \$1.6 million, or 1.8 percent, above the FY 2023 approved amount. The increase is primarily due to accounting and reporting services for other state agencies.

The **Governor** recommends \$242.8 million in on-budget expenditures and 99.5 on-budget FTE positions in FY 2023, including \$191.7 million SGF and \$36.1 million from ELARF. This represents an overall decrease of \$168,795, or less than 0.1 percent, below the agency's revised estimate.

The reduction is primarily due to the Governor not recommending adoption of the agency's supplemental request to provide a **5.0 percent salary increase to employees of the LTCO**. The Governor also recommends **lapsing \$150,000 SGF that was allocated for a potential gubernatorial transition**. The Division of the Budget is statutorily (per KSA 75-137) appropriated up to \$150,000 in fiscal years where a gubernatorial transition would occur. Absent such a transition, those funds remain unused and the Governor recommends lapsing it back to the SGF.

The Governor's recommendation also includes \$92.0 million in off-budget expenditures and 374.3 off-budget FTE positions, which is the same as the agency's revised estimate.



The **agency** requests \$216.4 million in on-budget expenditures and 101.5 on-budget FTE positions for FY 2024, including \$135.2 million SGF and \$36.1 million from ELARF. This represents an overall reduction of \$26.6 million, or 10.9 percent, below the agency's revised estimate in FY 2023.

The most significant change is attributable to a request for \$6.5 million SGF in enhancement funding for **deferred maintenance and upgrades to the State Printing Plant**, which houses both printing and central mail operations. Most of the Printing Plant's mechanical, electrical, plumbing, and fire protection systems are original to its construction in 1985 and are at, or past, median service life estimates. Examples of the impact the outdated system has on the agency's operational needs and goals include: (1) slowed production and increased waste caused by drastic changes in temperature and humidity, (2) needing to install a temporary HVAC system because the current system is unable to adequately cool new equipment, and (3) damage to paper inventories as well as long-term impacts on digital equipment caused by leaks in roofs and walls.

The agency also requests \$1.6 million SGF in enhancement funding to increase the total amount of **rehabilitation and repair funding for the Capitol Complex** to \$5.0 million. The agency indicates the increase is needed to keep facilities operating in an efficient and safe manner while accounting for the increasing cost of labor and materials and the continual aging of buildings. *Absent the enhancement*, the agency has budgeted \$3.4 million for rehabilitation and repair.

The request includes \$18,795 SGF in enhancement funding to continue the **5.0 percent salary increase to employees of the LTCO**. This is the same as the amount requested in FY 2023. The requested amount allocates \$15,235 for salary increases and \$3,560 for fringe benefits.

The request also includes \$40.0 million in expenditures from the ARPA State Relief Fund for planned expenditures for the **renovation of the Docking State Office Building**. This represents an overall decrease of \$30.0 million below FY 2023, including a reduction of \$60.0 million SGF and an increase of \$30.0 million from the federal ARPA State Relief Fund.

The agency request also includes \$93.1 million in off-budget expenditures and 374.3 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2024, off-budget expenditures increase by \$1.1 million, or 1.2 percent, above the FY 2023 revised estimate. The increase is primarily due to an increase in claims filed with the Office of the State Employee Health Benefits Plan (\$841,526) and increases in employer contribution expenditures for group health insurance (\$298,930).

The **Governor** recommends \$218.9 million in on-budget expenditures and 111.5 on-budget FTE positions for FY 2024, including \$137.2 million SGF and \$36.1 million from ELARF. This represents an overall increase of \$2.5 million, or 1.1 percent, above the agency request. The increase is due to the Governor's recommendation to **establish a Division of Policy within the Division of the Budget** (\$1.5 million and 10.0 FTE positions), conduct a **state workforce study** (\$500,000), and for **employee engagement activities** (\$500,000). The increase is partially offset by the Governor's recommendation not to adopt the enhancement request for a 5.0 percent salary increase to employees of the LTCO (\$18,795 decrease).

The Governor's recommendation also includes \$93.1 million in off-budget expenditures and 374.3 off-budget FTE positions, which is the same as the agency request.

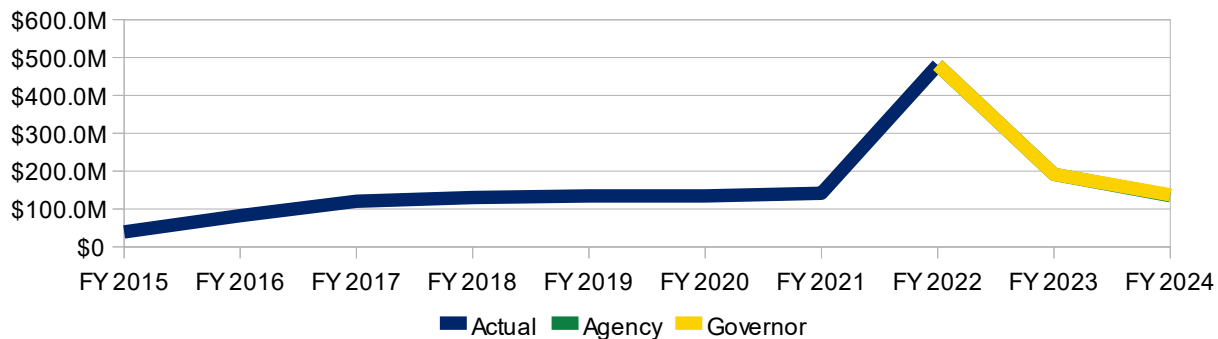
EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (ON-BUDGET)
FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 7,246,051	\$ 8,870,386	\$ 8,851,591	\$ 9,185,238	\$ 10,342,288
Contractual Services	2,361,574	3,311,578	3,161,578	3,125,551	4,306,064
Commodities	127,164	347,475	347,475	342,805	349,141
Capital Outlay	97,764	216,930	216,930	86,326	208,726
Debt Service Interest	92,707,774	76,938,309	76,938,309	73,968,027	73,968,027
<i>Subtotal</i>	<i>\$ 102,540,327</i>	<i>\$ 89,684,678</i>	<i>\$ 89,515,883</i>	<i>\$ 86,707,947</i>	<i>\$ 89,174,246</i>
Aid to Local Units	335,488	297,603	297,603	250,000	250,000
Other Assistance	3,862	19,000	19,000	4,000	4,000
<i>Subtotal—Operating</i>	<i>\$ 102,879,677</i>	<i>\$ 90,001,281</i>	<i>\$ 89,832,486</i>	<i>\$ 86,961,947</i>	<i>\$ 89,428,246</i>
Capital Improvements	4,681,920	74,170,418	74,170,418	51,500,000	51,500,000
Debt Service Principal	435,956,704	78,802,964	78,802,964	77,962,422	77,962,422
TOTAL	\$ 543,518,301	\$ 242,974,663	\$ 242,805,868	\$ 216,424,369	\$ 218,890,668
Financing:					
State General Fund	\$ 480,070,479	\$ 191,838,018	\$ 191,669,223	\$ 135,244,779	\$ 137,211,078
ELARF	36,114,389	36,110,453	36,110,453	36,109,324	36,109,324
SIBF	212,703	325,000	325,000	325,000	325,000
CIBF	400,000	400,000	400,000	550,000	550,000
Federal Funds	2,670,857	11,281,448	11,281,448	41,271,892	41,271,892
All Other Funds	24,049,873	3,019,744	3,019,744	2,923,374	3,423,374
TOTAL	\$ 543,518,301	\$ 242,974,663	\$ 242,805,868	\$ 216,424,369	\$ 218,890,668
FTE Positions	93.9	99.5	99.5	101.5	111.5

STATE GENERAL FUND

FIGURE 5
STATE GENERAL FUND EXPENDITURES, FY 2015 – FY 2024



FY 2023 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE*
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 190,860,216	\$ 40,279,403	\$ 231,139,619	470.7
1. SGF Reappropriation	1,154,171	-	1,154,171	--
2. SIBF Reappropriation	-	112,297	112,297	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 192,014,387</i>	<i>\$ 40,391,700</i>	<i>\$ 232,406,087</i>	<i>470.7</i>
Agency Revised Estimate:				
3. SGF Reappropriation	\$ (40,670)	\$ -	\$ (40,670)	--
4. Supplemental—LTCO Salary Increase	18,795	-	18,795	--
5. Docking State Office Building	-	10,000,000	10,000,000	--
6. All Other Adjustments	(154,494)	744,945	590,451	2.6
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 191,838,018</i>	<i>\$ 51,136,645</i>	<i>\$ 242,974,663</i>	<i>473.3</i>
Governor's Recommendation:				
7. Supplemental—LTCO Salary Increase – Not Recommended	\$ (18,795)	\$ -	\$ (18,795)	--
8. Lapse Gubernatorial Transition Funding	(150,000)	-	(150,000)	--
TOTAL	\$ 191,669,223	\$ 51,136,645	\$ 242,805,868	473.3

* Staff Note: This number represents both on- and off-budget FTE positions.

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, several adjustments were made to the \$232.4 million in on-budget expenditures appropriated to the Department of Administration for FY 2023. These adjustments change the current year approved amount without any legislative action required and include the following:

1. **SGF REAPPROPRIATION.** \$1.2 million in unspent SGF moneys was shifted from FY 2022 to FY 2023. Included within that amount are \$720,925 for rehabilitation and repair of state facilities, \$336,980 for the Division of the Budget, and \$96,266 for the Office of Public Advocates.
2. **SIBF REAPPROPRIATION.** \$112,297 in unspent State Institution Building Fund (SIBF) moneys was shifted from FY 2022 to FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$243.0 million in on-budget expenditures and 99.5 on-budget FTE positions in FY 2023, including \$191.8 million SGF and \$36.1 million from ELARF. This represents an increase of \$10.6 million, or 4.3 percent, above the amount approved by the 2022 Legislature. The revised estimate includes the following adjustments:

3. **SGF REAPPROPRIATION.** The revised estimate includes a reduction of \$40,670 SGF for budgeted unspent funds within the Division of the Budget that shifted from FY 2022 into FY 2023.
4. **SUPPLEMENTAL—LTCO SALARY INCREASE.** The revised estimate includes \$18,795 SGF in supplemental funding to replace federal funding for the Long-Term Care Ombudsman (LTCO) that was approved by the 2022 Legislature for a statewide 5.0 percent salary increase in FY 2023. The LTCO was reorganized under the Office of

Public Advocates in FY 2022. At that time, the LTCO had 11 employees, totaling 11.0 FTE positions: nine Regional Ombudsmen, one State Ombudsman, and one Administrative Assistant. For FY 2023, the LTCO has increased its employee count to 14.0 FTE positions, adding three unclassified temporary positions with benefits. The requested amount includes \$15,235 for salary increases and \$3,560 for benefits for the permanent personnel.

5. **DOCKING STATE OFFICE BUILDING.** The revised estimate includes \$10.0 million from the federal American Rescue Plan Act (ARPA) State Relief Fund in planned expenses for the rehabilitation and repair of the Docking State Office Building. State Finance Council Resolution 21-740 approved the renovation of Docking into a three-story building with office and meeting space. The Department of Administration estimated up to half of the \$120.0 million total project cost could be funded with federal moneys. Accordingly, the 2022 Legislature appropriated \$60.0 million SGF for the renovation, and this \$10.0 million reflects the beginning of federal funds for the renovation.
6. **ALL OTHER ADJUSTMENTS.** The revised estimate includes an increase of \$590,451 in a variety of other expenditures, primarily from distributions in fee funds and federal funds. For example, the LTCO received additional grant funding from ARPA under Title XX of the Social Security Act, which it used to increase expenditures for ombudsman programs to develop capacity (\$79,801), including hiring staff and recruiting volunteers. The revised estimate also includes an overall increase of 2.6 FTE positions for personnel changes within the agency, including for the LTCO (4.0 FTE increase), Office of Facilities and Property Management (3.0 FTE increase), and Office of Accounts and Reports (5.9 FTE reduction).

The **agency** estimate also includes \$92.0 million in off-budget expenditures and 374.3 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2023, off-budget expenditures increase by \$1.6 million, or 1.8 percent, above the FY 2023 approved amount. The increase is primarily due to accounting and reporting services for other state agencies.

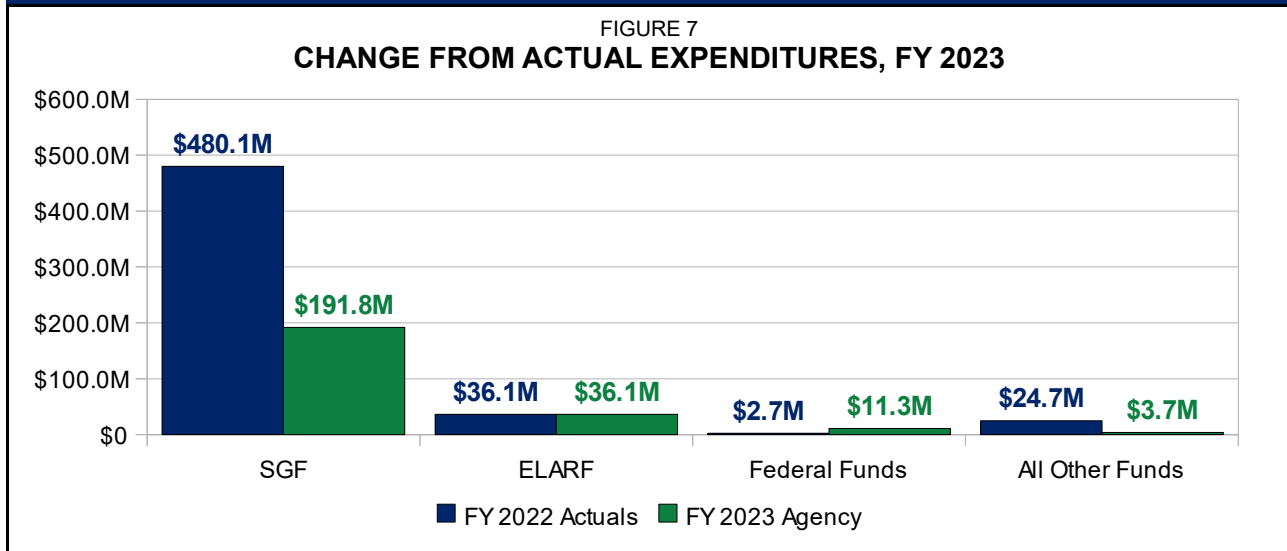
GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$242.8 million in on-budget expenditures and 99.5 on-budget FTE positions in FY 2023 including \$191.7 million SGF and \$36.1 million from ELARF. This represents a decrease of \$168,795, or less than 0.1 percent, below the agency's FY 2023 revised estimate. The recommendation includes the following adjustments:

7. **SUPPLEMENTAL-LTCO SALARY INCREASE – NOT RECOMMENDED.** The Governor does not recommend adopting the agency's supplemental request of \$18,795 SGF for a 5.0 percent salary increase to employees of the LTCO (Item 4).
8. **LAPSE GUBERNATORIAL TRANSITION FUNDING.** The Governor recommends lapsing \$150,000 SGF that was allocated for a potential gubernatorial transition. The Division of the Budget is statutorily appropriated up to \$150,000 in fiscal years where a gubernatorial transition would occur. Absent such a transition, those funds remain unused and the Governor recommends lapsing the amount back to the SGF.

The **Governor's** recommendation also includes \$92.0 million in off-budget expenditures and 374.3 off-budget FTE positions, which is the same as the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** submits a revised estimate of \$243.0 million in on-budget expenditures and 99.5 on-budget FTE positions in FY 2023, including \$191.8 million SGF and \$36.1 million from ELARF. This represents a decrease of \$300.5 million, or 55.3 percent, below FY 2022 actual expenditures, primarily due to the a one-time appropriation of **\$332.2 million SGF to pay off two bonds early**, ahead of the scheduled final debt service payment in FY 2035. Those bonds include **Series 2015A**, which consisted 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, and **Series 2015G**, which was a debt service bond for the State's portion of the National Bio and Agro-Defense Facility located in Manhattan, Kansas.

The decrease is partially offset by an appropriation of \$60.0 million SGF for the renovation of the Docking State Office Building, with language to lapse up to that entire amount if the federal funding received is in excess of \$60.0 million.

FY 2024 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE*
Agency Revised Estimate, FY 2023	\$ 191,838,018	\$ 51,136,645	\$ 242,974,663	473.3
Agency Request:				
1. SGF Reappropriation	\$ 40,670	\$ -	\$ 40,670	--
2. Enhancement—Printing Plant Upgrade	6,500,000	-	6,500,000	--
3. Enhancement—Facilities R&R	1,550,507	-	1,550,507	--
4. Enhancement—DOB Budget Analyst	113,415	-	113,415	1.0
5. Enhancement—OPA Budget Analyst	82,927	-	82,927	1.0
6. Enhancement—LTCO Salary Increase	-	-	-	--
7. Docking State Office Building	(60,000,000)	30,000,000	(30,000,000)	--
8. Debt Service Adjustments	(3,809,695)	(1,129)	(3,810,824)	--
9. All Other Adjustments	(1,071,063)	44,074	(1,026,989)	--
Subtotal—Agency Estimate	\$ 135,244,779	\$ 81,179,590	\$ 216,424,369	475.3
Governor's Recommendation:				
10. Enhancement—LTCO Salary Increase – Not Recommended	\$ (18,795)	\$ -	\$ (18,795)	--
11. State Workforce Study	500,000	-	500,000	--
12. Employee Engagement	-	500,000	500,000	--
13. Division of Policy	1,485,094	-	1,485,094	10.0
TOTAL	\$ 137,211,078	\$ 81,179,590	\$ 218,890,668	485.3

* Staff Note: This number represents both on- and off-budget FTE positions.

AGENCY REQUEST

The **agency** requests \$216.4 million in on-budget expenditures and 101.5 on-budget FTE positions for FY 2024, including \$135.2 million SGF and \$36.1 million from ELARF. This represents a reduction of \$26.6 million, or 10.9 percent, below the agency's revised estimate in FY 2023. The agency request includes the following adjustments:

1. **SGF REAPPROPRIATION.** The request includes an increase of \$40,670 SGF for budgeted unspent funds within the Division of the Budget that shifted over from FY 2023 into FY 2024.
2. **ENHANCEMENT—PRINTING PLANT UPGRADE.** The request includes \$6.5 million SGF in enhancement funding for deferred maintenance and upgrades to the State Printing Plant, which houses both printing and central mail operations. Most of the Printing Plant's mechanical, electrical, plumbing, and fire protection systems are original to its construction in 1985 and are at, or past, median service life estimates. Examples of the impact the outdated system has on the agency's operational needs and goals include: **(1)** slowed production and increased waste caused by drastic changes in temperature and humidity, **(2)** needing to install a temporary HVAC system because the current system is unable to adequately cool new equipment, and **(3)** damage to paper inventories as well as long-term impacts on digital equipment caused by leaks in roofs and walls.
3. **ENHANCEMENT—FACILITIES REHAB AND REPAIR.** The request includes \$1.6 million SGF in enhancement funding to increase the total amount of rehabilitation and repair funding for the Capitol Complex to \$5.0 million. The agency indicates the increase is needed to keep facilities operating in an efficient and safe manner while

accounting for the increasing cost of labor and materials and the continual aging of buildings. Absent the enhancement, the agency has budgeted \$3.4 million for rehabilitation and repair.

4. **ENHANCEMENT–DOB BUDGET ANALYST.** The request includes \$113,415 SGF in enhancement funding and 1.0 FTE position for a new Budget Analyst in the Division of the Budget (DOB). That amount includes \$85,000 for salaries and \$28,415 for fringe benefits. The Division indicates attrition and budget pressures over the past two decades has required spreading additional duties among remaining staff. For comparison, DOB personnel decreased from 21.0 FTE positions (including 16 Budget Analysts and 3 Administrative Assistants) in FY 2000 to 13.0 FTE positions (including 9 Budget Analysts and 1 Administrative Assistant) in FY 2022.
5. **ENHANCEMENT–OPA BUDGET ANALYST.** The request includes \$82,927 SGF in enhancement funding and 1.0 FTE position for a new Budget Analyst in the Office of Public Advocates (OPA). That amount includes \$58,032 for salaries, \$21,955 for fringe benefits, and \$2,940 for communications and other contractual service fees. The Office of Public Advocates was established in FY 2022 and includes the Long-Term Care Ombudsman, the KanCare Ombudsman, and the Division of the Child Advocate. The Office does not currently have a Budget Analyst and requests one to assist with fiscal management, communications, and federal funding reporting requirements. Other responsibilities would include tracking grant spending and specialized reporting to be in compliance for federal awards, such as through Medicaid, as well as coordinating fiscal needs with the directors of each of the Office's component divisions.
6. **ENHANCEMENT–LTCO SALARY INCREASE.** The request includes \$18,795 SGF in enhancement funding to continue the 5.0 percent salary increase to employees of the LTCO. This increase was part of a statewide 5.0 percent salary increase approved by the 2022 Legislature. Federal funding originally used for this purpose has since elapsed. This is the same as the amount requested in FY 2023.
7. **DOCKING STATE OFFICE BUILDING.** The request includes \$40.0 million from the federal ARPA State Relief Fund in planned expenditures for the renovation of the Docking State Office Building. This is an overall decrease of \$30.0 million in expenditures below FY 2023, resulting from a reduction of \$60.0 million SGF and an increase of \$30.0 million from the ARPA State Relief Fund.

FIGURE 9

DOCKING STATE OFFICE BUILDING FUNDING (IN MILLIONS)			
Fund	FY 2023	FY 2024	Change
SGF	\$ 60.0	\$ -	\$ (60.0)
ARPA State Relief Fund	10.0	40.0	30.0
TOTAL	\$ 70.0	\$ 40.0	\$ (30.0)

8. **DEBT SERVICE ADJUSTMENTS.** The request includes an overall reduction of \$3.8 million for changes in debt service expenditures, including \$3.8 million SGF and \$1,129 from the ELARF. The majority of the change is for **Series 2020R** (\$3.8 million decrease), which refinances bonds originally issued for debt service on a variety of projects such as renovations to the Kansas Statehouse and National Guard armories.
9. **ALL OTHER ADJUSTMENTS.** The request includes an overall decrease of \$1.0 million in a variety of other expenditures, including a reduction of \$1.1 million SGF but an

increase of \$44,074 from special revenue funds. That amount includes one-time expenditures in FY 2023 that do not continue into FY 2024, such as expenditures budgeted for a potential gubernatorial transition (\$150,000), reimbursements to the Friends of Cedar Crest Association (\$15,000), and efficiency projects as needed by the Governor and the Director of the Budget (\$124,361).

The **agency** request also includes \$93.1 million in off-budget expenditures and 374.3 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2024, off-budget expenditures increase by \$1.1 million, or 1.2 percent, above the FY 2023 revised estimate. The increase is primarily due to claims filed with the Office of the State Employee Health Benefits Plan (\$841,526) and changes in employer contributions for group health insurance (\$298,930).

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$218.9 million in on-budget expenditures and 111.5 on-budget FTE positions for FY 2024, including \$137.2 million SGF and \$36.1 million from ELARF. This represents an increase of \$2.5 million, or 1.1 percent, above the agency's FY 2024 request. The recommendation includes the following adjustments:

10. **ENHANCEMENT-LTCO SALARY INCREASE – NOT RECOMMENDED.** The Governor does not recommend adopting the agency's enhancement request of \$18,795 SGF for a 5.0 percent salary increase to employees of the LTCO (Item 6).
11. **STATE WORKFORCE STUDY.** The Governor recommends \$500,000 SGF for the Office of Personnel Services to conduct a state workforce study. This study would examine compensation issues, benefits, bonuses and awards, long-term compensation adjustment structures, and work patterns. The Office of the Governor indicates state agencies continue to experience workforce shortages and that recruiting and retaining the necessary staff for state operations remains a critical concern across agencies. The Office further indicates a workforce study needs to be conducted on the state employee workforce and future workforce to develop recommendations and strategies for the long-term retention, recruitment, and staffing of vital state government roles. This study would encompass Executive Branch employees under the authority of the Governor.
12. **EMPLOYEE ENGAGEMENT.** The Governor recommends \$500,000 in expenditures from the Budget Fee Fund, transferred from the SGF, for employee engagement activities. This funding would be available for Executive Branch state agencies to request for employee engagement activities up to \$25 per employee. All requests would have to be approved by the Division of the Budget, and appropriate guidelines would be established on the use of such funding. The Office of the Governor indicates this would help provide state agencies with a funding source to coordinate agencywide events for better staff engagement activities. This recommendation does not include employees of the Judicial Branch, the Legislative Branch, or the Kansas Board of Regents and state universities.
13. **DIVISION OF POLICY.** The Governor recommends \$1.5 million SGF and an additional 10.0 FTE positions to establish a Division of Policy within the Division of the Budget. The Division of Policy would work with existing policy teams in state agencies to set the strategic direction of policy priorities and liaise with agency policy teams to partner on policy research and development. While individual agencies would be responsible for implementing any new policies enacted through this partnership, Division of Policy staff would continue to follow the new policy and work with the agency staff to ensure new

policies have the intended effect on Kansas citizens and businesses. The Division of Policy would be led by the Director of the Budget and a Deputy Director for Policy and Research would be appointed to oversee day-to-day operations. Like with the Division of the Budget, staff within the Division of Policy would be nonpartisan.

The **Governor's** recommendation also includes \$93.1 million in off-budget expenditures and 374.3 off-budget FTE positions, which is the same as the agency's FY 2024 request.

SPECIAL TOPICS

DOCKING STATE OFFICE BUILDING

Built in 1954, the Docking State Office Building (at 915 SW Harrison Street in Topeka) provided office and meeting space for state employees. Underneath the structure is an energy center that services buildings in the Capitol Complex.

State Finance Council Resolution 21-740 approved the renovation of Docking into a three-story building with office and meeting space. The renovated building will have three floors, public lobby and exhibit spaces, state agency office space, shared meeting rooms, wellness and personal health support rooms, and a fitness center. The renovation will be built atop of the building's existing foundation, which contains the basement and sub-basement levels. Existing programs, such as the central utility plant and warehouse, will remain. Additionally, the renovation will retain various artifacts and materials used in the original construction of the building.

PROJECT UPDATES

In 2022, both the Joint Committee on State Building Construction and the State Finance Council approved the renovation plan, and the Legislature appropriated \$60.0 million SGF for the project. In November, the agency contracted with Hutton Construction to renovate the building and indicates the contractor will be using 87 percent Kansas-based trades and suppliers. In December, agency personnel were relocated out of the building and the project site was fenced off. Afterward, the building underwent asbestos abatement of interior upper floors and the removal of building contents.

Physical deconstruction of the building is scheduled for March 2023, and construction of the new building is scheduled to begin in March 2024. The Department also indicates the project is on-target for completion in June 2025.

FINANCING

During the 2022 Session, the Department of Administration estimated up to half of the \$120.0 million total project cost could be funded with federal moneys. Accordingly, the Legislature appropriated \$60.0 million SGF for the project and approved financing the remaining \$60.0 million from federal funds. Of the \$60.0 million in federal funds, the Department spent \$1.7 million from the ARPA State Relief Fund in FY 2022 and has budgeted \$10.0 million in FY 2023 and \$40.0 million for FY 2024. The Department indicates the final \$8.3 million will be budgeted for FY 2025.

FIGURE 10

DOCKING STATE OFFICE BUILDING FINANCING (IN MILLIONS)					
Fund	FY 2022	FY 2023	FY 2024	FY 2025	Total
SGF	\$ -	\$ 60.0	\$ -	\$ -	\$ 60.0
ARPA State Relief Fund	1.7	10.0	40.0	8.3	60.0
TOTAL	\$ 1.7	\$ 70.0	\$ 40.0	\$ 8.3	\$ 120.0

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

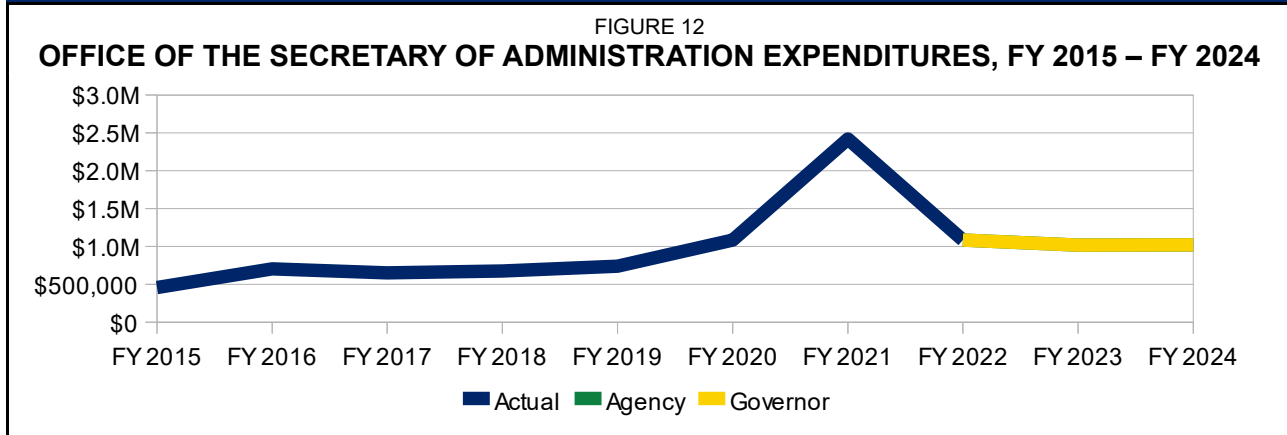
FIGURE 11 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Secretary	\$ 746,538	\$ 788,991	\$ 788,991	\$ 792,178	\$ 792,178
Chief Counsel	321,964	365,816	365,816	366,314	366,314
Facilities	816,034	1,061,742	1,061,742	1,205,824	1,205,824
Printing and Mailing	226,411	464,100	464,100	394,100	394,100
Procurement	1,366,681	1,938,570	1,938,570	1,909,831	1,909,831
Financial Management	487,558	493,961	493,961	446,109	529,036
Personnel Services	1,359,939	1,924,386	1,924,386	1,931,666	2,431,666
Accounts and Reports	2,175,581	1,536,701	1,536,701	1,533,783	1,533,783
Systems Management	73,487	226,911	226,911	260,808	260,808
Division of the Budget	1,591,528	2,139,430	1,989,430	1,997,630	3,982,724
Public Advocates	958,382	2,122,364	2,103,569	2,155,677	2,053,955
Debt Service	528,664,478	155,741,273	155,741,273	151,930,449	151,930,449
Capital Improvements	4,729,720	74,170,418	74,170,418	51,500,000	51,500,000
<i>Total–On-Budget</i>	<i>\$ 543,518,301</i>	<i>\$ 242,974,663</i>	<i>\$ 242,805,868</i>	<i>\$ 216,424,369</i>	<i>\$ 218,890,668</i>
Off-Budget*	93,960,684	91,970,771	91,970,771	93,076,417	93,076,417
GRAND TOTAL	\$ 637,478,985	\$ 334,945,434	\$ 334,776,639	\$ 309,500,786	\$ 311,967,085
FTE Positions:					
Secretary	5.0	5.2	5.2	5.2	5.2
Chief Counsel	2.0	1.0	1.0	1.0	1.0
Facilities	1.0	4.0	4.0	4.0	4.0
Printing and Mailing	-	-	-	-	-
Procurement	15.0	16.0	16.0	16.0	16.0
Financial Management	1.9	1.9	1.9	1.9	2.9
Personnel Services	15.1	16.4	16.4	16.4	16.4
Accounts and Reports	24.0	18.1	18.1	18.1	18.1
Systems Management	1.0	1.0	1.0	1.0	1.0
Division of the Budget	13.0	13.0	13.0	14.0	24.0
Public Advocates	16.0	23.0	23.0	24.0	23.0
Debt Service	-	-	-	-	-
Capital Improvements	-	-	-	-	-
<i>Total–On-Budget</i>	<i>93.9</i>	<i>99.5</i>	<i>99.5</i>	<i>101.5</i>	<i>111.5</i>
Off-Budget*	373.7	374.3	374.3	374.3	374.3
GRAND TOTAL	467.6	473.8	473.8	475.8	485.8

* 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 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 13

OFFICE OF THE SECRETARY OF ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
There are no performance measures submitted for this program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 679,282	\$ 603,679		\$ 639,028	\$ 641,730
Federal Funds	1,454,722	-		-	-
All Other Funds	141,037	142,859		149,963	150,448
<i>Subtotal—On-Budget</i>	<i>\$ 2,275,041</i>	<i>\$ 746,538</i>		<i>\$ 788,991</i>	<i>\$ 792,178</i>
Off-Budget	146,771	338,291		229,404	230,672
GRAND TOTAL	\$ 2,421,812	\$ 1,084,829		\$ 1,018,395	\$ 1,022,850
Percentage Change:					
SGF	13.4 %	(11.1) %		5.9 %	0.4 %
All Funds	123.3 %	(55.2) %		(6.1) %	0.4 %
FTE Positions	7.0	7.0		7.0	7.0

BUDGET ANALYSIS

The **agency** requests \$792,178 in on-budget expenditures and 5.2 on-budget FTE positions for the Office of the Secretary of Administration for FY 2024. This represents an increase of \$3,187, or 0.4 percent, above the revised estimate in FY 2023, primarily due to year-to-year changes in employer contributions to fringe benefits such as group health insurance (\$4,729 increase) and public employees retirement (\$1,821 decrease).

The request also includes \$230,672 in off-budget expenditures and 1.8 off-budget FTE positions for FY 2024, which are categorized as such to avoid double counting payments from one state agency to another.

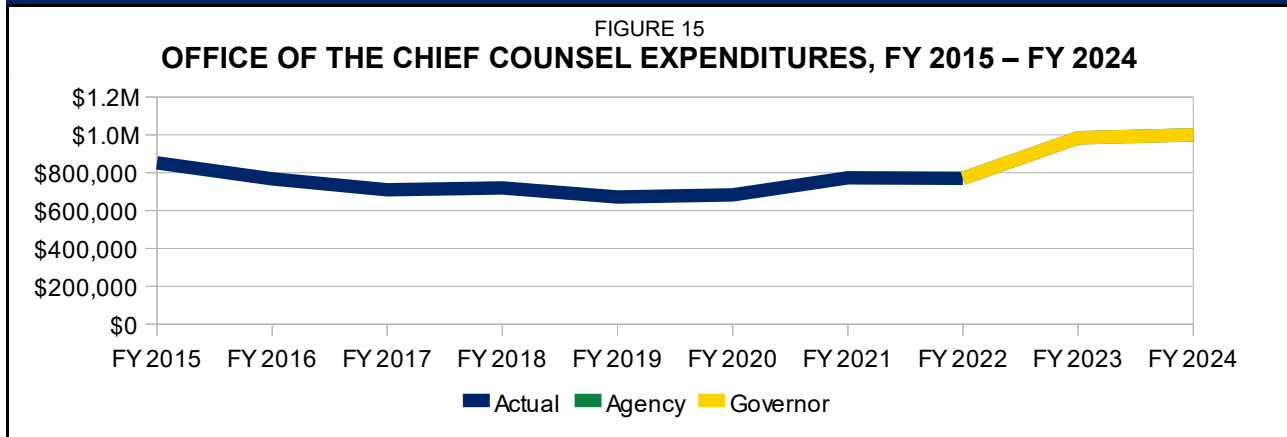
The **Governor** concurs with the agency request for FY 2024.

FIGURE 14

OFFICE OF THE SECRETARY OF ADMINISTRATION, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
Administration	\$ 431,047	\$ 466,479	\$ 466,479	\$ 468,108	\$ 468,108
Public Information	223,529	226,501	226,501	227,618	227,618
KCJIS Administration	91,962	96,011	96,011	96,452	96,452
<i>Subtotal</i>	<i>\$ 746,538</i>	<i>\$ 788,991</i>	<i>\$ 788,991</i>	<i>\$ 792,178</i>	<i>\$ 792,178</i>
Off-Budget:					
Administration	\$ 338,291	\$ 229,404	\$ 229,404	\$ 230,672	\$ 230,672
TOTAL	\$ 1,084,829	\$ 1,018,395	\$ 1,018,395	\$ 1,022,850	\$ 1,022,850

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 16

OFFICE OF THE CHIEF COUNSEL, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Regulations Submitted	398	557	393	375	375
2. Number of Contracts Completed*	104	102	99	105	105
3. Number of KORA Requests Closed*	152	224	165	220	220
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 250,995	\$ 316,764		\$ 360,616	\$ 361,114
Federal Funds	-	-		-	-
All Other Funds	2,618	5,200		5,200	5,200
Subtotal—On-Budget	\$ 253,613	\$ 321,964		\$ 365,816	\$ 366,314
Off-Budget	519,968	449,352		619,489	634,718
GRAND TOTAL	\$ 773,581	\$ 771,316		\$ 985,305	\$ 1,001,032
Percentage Change:					
SGF	(17.1) %	26.2 %		13.8 %	0.1 %
All Funds	13.1 %	(0.3) %		27.7 %	1.6 %
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 \$366,314 in on-budget expenditures and 1.0 on-budget FTE position for the Office of the Chief Counsel for FY 2024. This represents an increase of \$498, or 0.1 percent, above the revised estimate in FY 2023, primarily due to year-to-year changes in employer contributions to fringe benefits such as group health insurance (\$1,053 increase) and public employees retirement (\$589 decrease).

The request also includes \$634,718 in off-budget expenditures and 6.0 off-budget FTE positions for FY 2024, which are categorized as such to avoid double counting payments from one state agency to another.

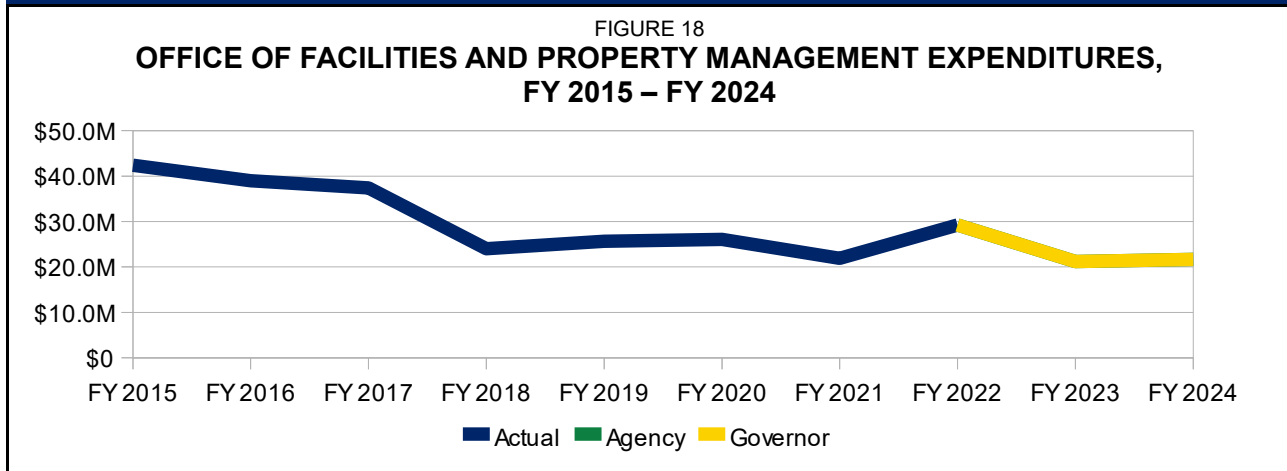
The **Governor** concurs with the agency request for FY 2024.

FIGURE 17

OFFICE OF THE CHIEF COUNSEL, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
Chief Counsel	\$ 321,964	\$ 365,816	\$ 365,816	\$ 366,314	\$ 366,314
Off-Budget:					
Chief Counsel	\$ 449,352	\$ 496,358	\$ 496,358	\$ 510,991	\$ 510,991
Labor Relations	-	123,131	123,131	123,727	123,727
Subtotal	\$ 449,352	\$ 619,489	\$ 619,489	\$ 634,718	\$ 634,718
TOTAL	\$ 771,316	\$ 985,305	\$ 985,305	\$ 1,001,032	\$ 1,001,032

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 form, 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 19 OFFICE OF FACILITIES AND PROPERTY MANAGEMENT, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Number of Events Scheduled at the Statehouse	315	537	440	550	550
2.Number of Work Orders	4,963	5,063	5,536	5,425	5,450
3.Cost Per Square Foot Cleaned	\$ 1.36	\$ 1.38	\$ 1.36	\$ 1.40	\$ 1.42
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 305,728	\$ 72,890		\$ 207,000	\$ 200,304
Federal Funds	-	-		-	-
All Other Funds	531,923	743,144		854,742	1,005,520
Subtotal-On-Budget	\$ 837,651	\$ 816,034		\$ 1,061,742	\$ 1,205,824
Off-Budget	21,077,941	28,408,558		20,156,781	20,455,179
GRAND TOTAL	\$ 21,915,592	\$ 29,224,592		\$ 21,218,523	\$ 21,661,003
Percentage Change:					
SGF	(22.4) %	(76.2) %		184.0 %	(3.2) %
All Funds	(12.7) %	33.4 %		(27.4) %	2.1 %
FTE Positions	188.0	188.0		188.0	188.0

BUDGET ANALYSIS

The **agency** requests \$1.2 million in on-budget expenditures and 4.0 on-budget FTE positions for the Office of Facilities and Property Management for FY 2024. This represents an increase of \$144,082, or 13.6 percent, above the revised estimate in FY 2023, primarily due to insurance premium expenditures for state buildings, equipment, and vehicles (\$150,000 increase).

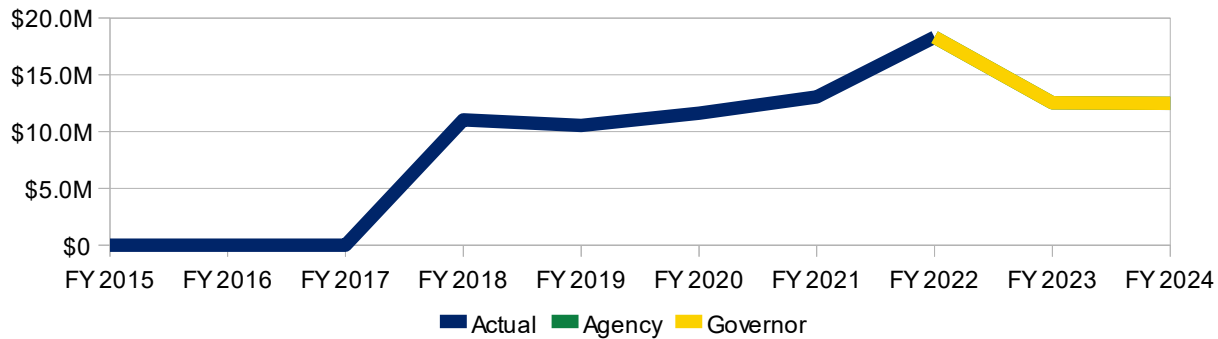
The request also includes \$20.5 million in off-budget expenditures and 184.0 off-budget FTE positions for FY 2024, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2024.

OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL

FIGURE 20

OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL EXPENDITURES, FY 2015 – FY 2024



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 donors 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 directs the State Printer to do all the printing and binding required by the Legislature, Supreme Court, Governor, or any state agency. KSA 75-4512 allows the Secretary of Administration to provide and maintain central and consolidated mail services for state agencies.

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, which 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 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 mail pickup.

FIGURE 21 OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of Agencies Using State Printer	84 %	86 %	85 %	86 %	86 %
2. Number of Pieces of Mail Handled	9,323,415	7,597,607	8,846,632	9,000,000	9,000,000
3. Total Surplus Property Sales	\$ 658,495	\$ 657,342	\$ 649,559	\$ 705,000	\$ 730,000
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	272,575	226,411		464,100	394,100
Subtotal—On-Budget	\$ 272,575	\$ 226,411		\$ 464,100	\$ 394,100
Off-Budget	12,776,640	18,082,568		12,074,832	12,090,596
GRAND TOTAL	\$ 13,049,215	\$ 18,308,979		\$ 12,538,932	\$ 12,484,696
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(55.1) %	40.3 %		(31.5) %	(0.4) %
FTE Positions	53.0	53.0		49.0	49.0

BUDGET ANALYSIS

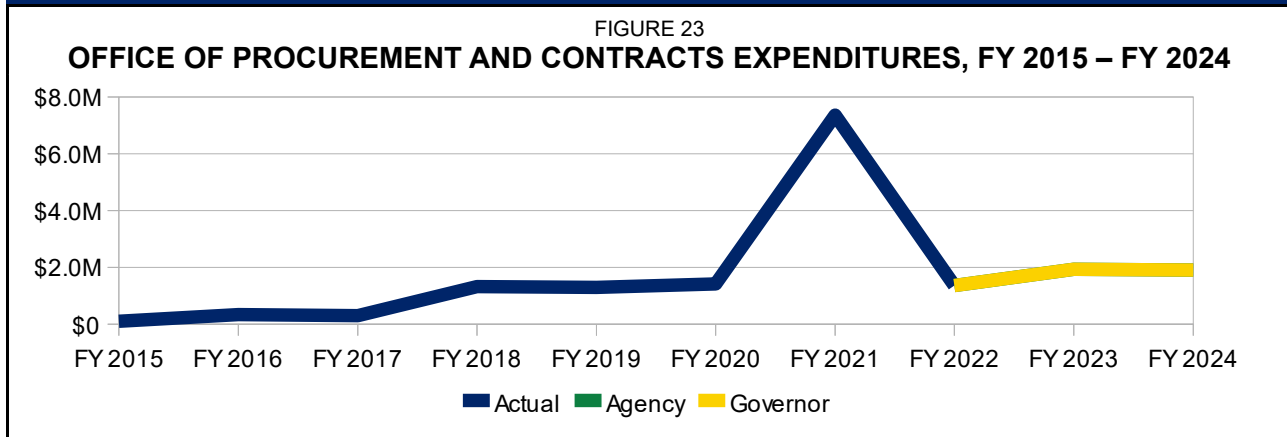
The **agency** requests \$394,100 in on-budget expenditures and no on-budget FTE positions for the Office of Printing, Surplus, and Central Mail for FY 2024. This represents a decrease of \$70,000, or 15.1 percent, below the revised estimate in FY 2023. The decrease is entirely due to expenditures to replace outdated equipment in the Printing Plant that were budgeted for FY 2023 and that do not reoccur in FY 2024.

The request also includes \$12.1 million in off-budget expenditures and 49.0 off-budget FTE positions for FY 2024, 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 2024.

FIGURE 22 OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL, SUMMARY OF EXPENDITURES					
Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
Surplus Property	\$ 226,411	\$ 464,100	\$ 464,100	\$ 394,100	\$ 394,100
Off-Budget:					
Surplus Property	\$ 405,432	\$ 403,638	\$ 403,638	\$ 407,866	\$ 407,886
Central Mail	6,374,917	5,874,002	5,874,002	5,974,765	5,974,765
Printing	11,302,219	5,797,192	5,797,192	5,707,965	5,707,965
Subtotal	\$ 18,082,568	\$ 12,074,832	\$ 12,074,832	\$ 12,090,596	\$ 12,090,616
TOTAL	\$ 18,308,979	\$ 12,538,932	\$ 12,538,932	\$ 12,484,696	\$ 12,484,716

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.
- 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.

Additionally, the Office of Procurement and Contracts also 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.

PROCUREMENTS IN KANSAS

In Kansas, the procurement and contracting process is statutorily required by KSA 75-3739(a), which states that "all contracts for construction and repairs, and all purchases of and contracts for supplies, materials, equipment

and contractual services to be acquired for state agencies shall be based on competitive bids." Competitive procurements take the form of either a Request for Quotation (RFQ), used for one-time purchases; an Invitation for Bid (IFB), used for repetitive purchases; or a Request for Proposal (RFP), used for either one-time or repetitive purchases.

The State of Kansas also employs noncompetitive procurements—also called "sole source" or "no bid" procurements—that are exempt from the normal competitive process. Noncompetitive procurements are exceptions to the general statutory rule for requiring a competitive process when acquiring goods and services. When requesting a noncompetitive procurement, agencies must provide research and analysis establishing whether competition exists and, if it does, why it is in the best interest of the State to bypass the competitive procurement process.

FIGURE 24

OFFICE OF PROCUREMENT AND CONTRACTS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Prior Authorization Contracts Approved**	3,489	3,477	3,652	3,400	3,400
2. Number of Open State Contracts*	3,887	3,949	3,835	3,900	3,900
3. Number of Requisitions Received*	6,624	7,726	7,306	7,200	7,200
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 6,001,300	\$ 1,400		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,354,986	1,365,281		1,938,570	1,909,831
Subtotal—On-Budget	\$ 7,356,286	\$ 1,366,681		\$ 1,938,570	\$ 1,909,831
Off-Budget	-	-		-	-
GRAND TOTAL	\$ 7,356,286	\$ 1,366,681		\$ 1,938,570	\$ 1,909,831
Percentage Change:					
SGF	(23.9) %	(100.0) %		(100.0) %	--
All Funds	9.0 %	(81.4) %		41.8 %	(1.5) %
FTE Positions	15.0	15.0		16.0	16.0

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

** These prior authorization contract approvals do not include grants and utility encumbrances.

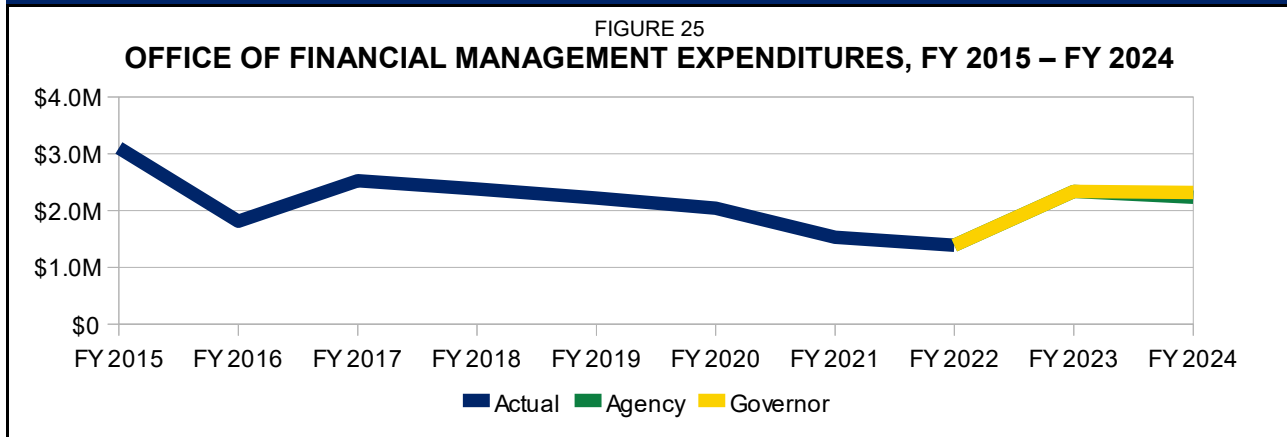
BUDGET ANALYSIS

The **agency** requests \$1.9 million in on-budget expenditures and 16.0 on-budget FTE positions for the Office of Procurement and Contracts for FY 2024. This represents a decrease of \$28,739, or 1.5 percent, below the revised estimate in FY 2023, primarily due to expenditures to purchase computer equipment and software that were budgeted for FY 2023 and that do not reoccur in FY 2024 (\$27,000 decrease).

The decrease is entirely due to expenditures to replace outdated equipment in the Printing Plant that were budgeted for FY 2023 and that do not reoccur in FY 2024.

The **Governor** concurs with the agency request for FY 2024.

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 26

OFFICE OF FINANCIAL MANAGEMENT, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Overall Satisfaction with the Small Agency Service Scale**	N/A	4.44	N/A	4.44	4.50
2. Late Charges Paid on Invoices*	\$ -	\$ -	\$ -	\$ 200	\$ 200
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 139,378	\$ 111,174		\$ 150,301	\$ 232,529
Federal Funds	382,299	335,488		297,603	250,000
All Other Funds	39,707	40,896		46,057	46,507
<i>Subtotal—On-Budget</i>	<i>\$ 561,384</i>	<i>\$ 487,558</i>		<i>\$ 493,961</i>	<i>\$ 529,036</i>
Off-Budget	971,485	904,212		1,846,024	1,787,698
GRAND TOTAL	\$ 1,532,869	\$ 1,391,770		\$ 2,339,985	\$ 2,316,734
Percentage Change:					
SGF	26.4 %	(20.2) %		35.2 %	54.7 %
All Funds	16.6 %	(9.2) %		68.1 %	(1.0) %
FTE Positions	19.0	17.9		18.0	19.0

** This measure uses a scale of 1 to 5, where 1 is "very dissatisfied" and 5 is "very satisfied."

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

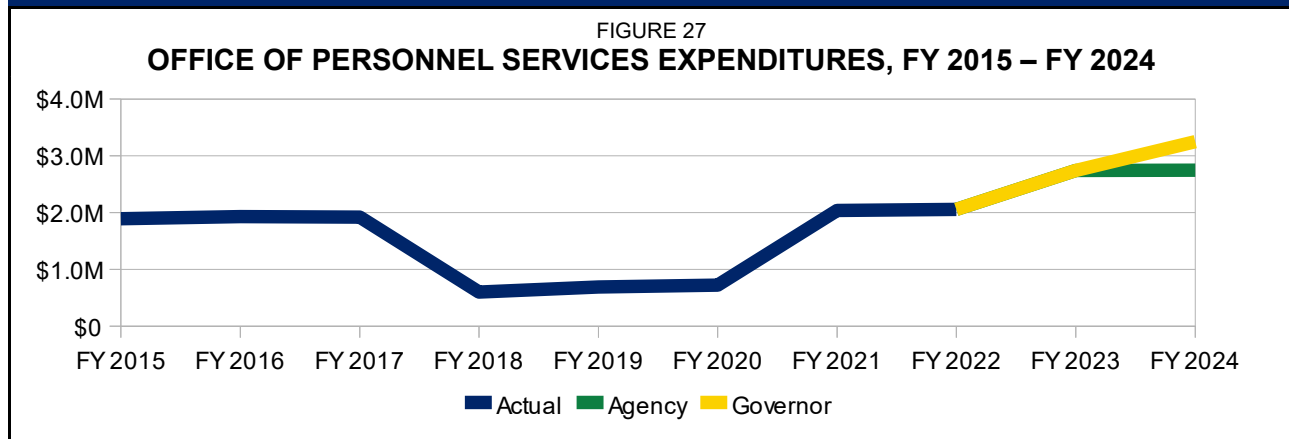
BUDGET ANALYSIS

The **agency** requests \$446,109 in on-budget expenditures and 1.9 on-budget FTE positions for the Office of Financial Management for FY 2024. This represents a decrease of \$47,852, or 9.7 percent, below the revised estimate in FY 2023, primarily due to changes in expenditures from the Flood Control Emergency Federal Fund (\$47,603 decrease). Pursuant to federal law and regulation, the U.S. Corps of Engineers distributes 75.0 percent of moneys derived from the lease for agricultural purposes of federally owned land adjacent to federal reservoirs. KSA 27-117 provides for subsequent payment of such moneys to counties, townships, and certain school districts in accordance with a distribution list provided by the U.S. Corps of Engineers.

The request also includes \$1.8 million in off-budget expenditures and 16.2 off-budget FTE positions for FY 2024, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** recommends \$529,036 in on-budget expenditures and 2.9 on-budget FTE positions for the Office of Financial Management for FY 2024. This is an increase of \$82,927 and 1.0 FTE above the agency request, entirely due to funding the agency's enhancement request for an additional Budget Analyst position in the Office for Public Advocates from within the Office of Financial Management instead.

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 form, 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 28

OFFICE OF PERSONNEL SERVICES, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Non-Cabinet Agencies Receiving HR Assistance	57	57	55	57	57
2. Percentage of Customer Agencies Satisfied with OPS Services	N/A	98.2 %	N/A	100.0 %	100.0 %
3. Number of Queries and Reports Provided for Agencies, KORA, and Legislative Inquiries	1,770	1,800	1,685	1,850	1,800
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,299,572	\$ 1,352,415		\$ 1,893,638	\$ 2,400,602
Federal Funds	-	-		-	-
All Other Funds	7,138	7,524		30,748	31,064
<i>Subtotal—On-Budget</i>	<i>\$ 1,306,710</i>	<i>\$ 1,359,939</i>		<i>\$ 1,924,386</i>	<i>\$ 2,431,666</i>
Off-Budget	730,763	699,530		818,676	818,220
GRAND TOTAL	\$ 2,037,473	\$ 2,059,469		\$ 2,743,062	\$ 3,249,886
Percentage Change:					
SGF	(7.2) %	4.1 %		40.0 %	26.8 %
All Funds	(3.4) %	1.1 %		33.2 %	18.5 %
FTE Positions	24.0	24.0		26.0	26.0

BUDGET ANALYSIS

The **agency** requests \$1.9 million in on-budget expenditures and 16.4 on-budget FTE positions for the Office of Personnel Services for FY 2024. This represents an increase of \$7,280, or 0.4 percent, above the revised estimate in FY 2023, primarily due to changes in employer contributions for group health insurance (\$14,874 increase) and public employees retirement (\$7,563 decrease). The request also includes \$818,220 in off-budget expenditures and 9.7 off-budget FTE positions for FY 2024.

The **Governor** recommends \$2.4 million in on-budget expenditures and 16.4 on-budget FTE positions for the Office of Personnel Services for FY 2024. This represents an increase of \$500,000 above the agency request and is entirely due to the Governor's recommendation to conduct a state workforce study.

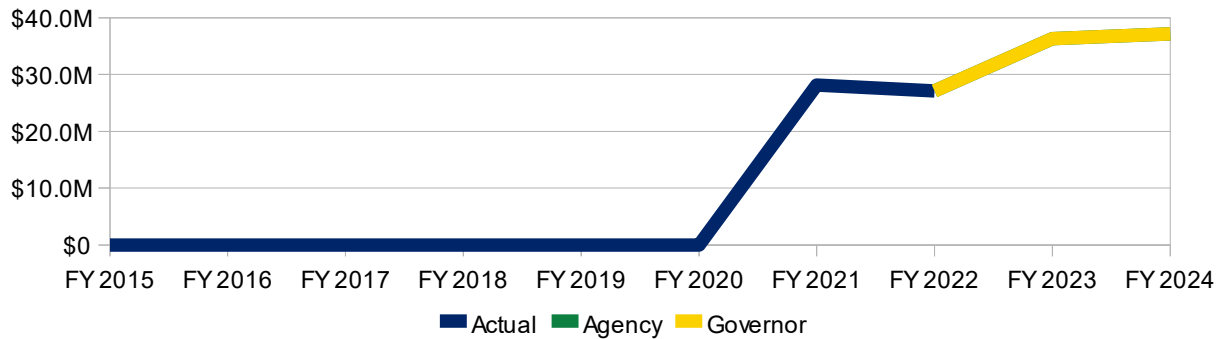
FIGURE 29

OFFICE OF PERSONNEL SERVICES, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
State Agency HR Mgmt.	\$ 959,003	\$ 1,297,355	\$ 1,297,355	\$ 1,300,656	\$ 1,800,656
Policy and Compliance	313,340	453,142	453,142	455,926	455,926
Data Management	87,596	173,889	173,889	175,084	175,084
<i>Subtotal</i>	<i>\$ 1,359,939</i>	<i>\$ 1,924,386</i>	<i>\$ 1,924,386</i>	<i>\$ 1,931,666</i>	<i>\$ 2,431,666</i>
Off-Budget:					
State Agency HR Mgmt.	\$ 448,053	\$ 469,674	\$ 469,674	\$ 472,358	\$ 472,358
Personnel Services	148,943	349,002	349,002	345,862	345,862
Data Management	102,534	-	-	-	-
<i>Subtotal</i>	<i>\$ 699,530</i>	<i>\$ 818,676</i>	<i>\$ 818,676</i>	<i>\$ 818,220</i>	<i>\$ 818,220</i>
TOTAL	\$ 2,059,469	\$ 2,743,062	\$ 2,743,062	\$ 2,749,886	\$ 3,249,886

OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM

FIGURE 30
OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM EXPENDITURES,
FY 2015 – FY 2024



STATUTORY BASIS: • KSA 75-6501 *et seq.*

PROGRAM GOALS:

- Manage the Health Benefits Administration 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, 2022, there are 128 public employers participating in SEHP. These non-state public employers included 17 school districts; 52 cities, counties, or townships; 16 public hospitals; and 43 miscellaneous local

government entities, extension offices, water districts, and housing authorities. The number of members in the groups range from 1 to 279. There are 4 groups who have more than 200 members, and 15 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, 175 accident reports are received monthly. In FY 2022, the SSIF spent about \$12.2 million on claims expenditures with about 61.4 percent for medical services and 38.6 percent for indemnity.

FIGURE 31					
OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM, PERFORMANCE MEASURES**					
	Actual CY 2021	Actual CY 2022	Actual 3-Year Avg.	Target CY 2023	Target CY 2024
Outcome Measure:					
1. Total Plan Expenses*	\$ 495,843,214	\$ 523,645,783	\$ 491,531,890	\$ 542,672,942	\$ 562,953,098
2. Number of Member Wellness Visits	34,517	41,191	36,516	41,300	41,500
3. Number of Preventative Dental Cleanings	86,286	94,663	88,514	96,556	98,487
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal—On-Budget	\$ -	\$ -		\$ -	\$ -
Off-Budget	28,147,570	27,132,240		36,309,231	37,131,953
GRAND TOTAL	\$ 28,147,570	\$ 27,132,240		\$ 36,309,231	\$ 37,131,953
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(11.3) %	(3.6) %		33.8 %	2.3 %
FTE Positions	45.0	45.0		45.0	45.0

* The Office of the Governor does not utilize this measure for evaluation purposes. Additionally, this measure reflects projections for CY 2022.

** Performance measures for this program are tracked by calendar year (CY) instead of by fiscal year.

BUDGET ANALYSIS

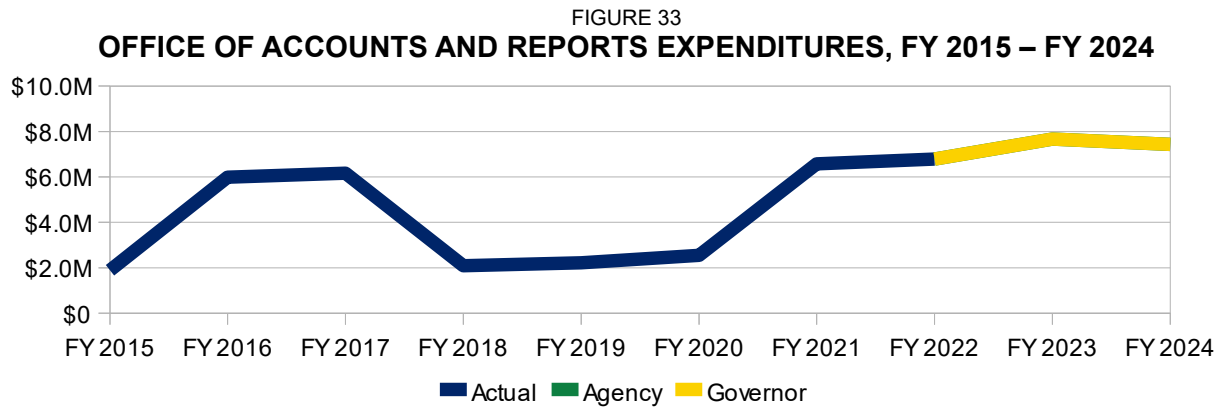
The **agency** requests \$37.1 million in off-budget expenditures and 45.0 off-budget FTE positions for the Office of the State Employee Health Benefits Program for FY 2024. This represents an increase of \$822,722, or 2.3 percent, above the revised estimate in FY 2023, primarily due to payments for workers' compensation claims (\$841,526 increase).

The agency anticipates \$14.8 million in payments for FY 2024, up from the \$14.0 million budgeted in FY 2023.

The **Governor** concurs with the agency request for FY 2024.

FIGURE 32					
OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM, SUMMARY OF EXPENDITURES					
Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget	\$ -	\$ -	\$ -	\$ -	\$ -
Off-Budget:					
Director's Office	\$ 782,784	\$ 1,100,183	\$ 1,100,183	\$ 1,088,575	\$ 1,088,575
Health Management	6,842,235	9,674,458	9,674,458	9,675,234	9,675,234
Health Plan Operations	2,408,838	3,341,116	3,341,116	3,345,617	3,345,617
Design and Fiscal	1,156,418	2,387,670	2,387,670	2,389,324	2,389,324
Membership Services	778,565	1,149,744	1,149,744	1,151,063	1,151,063
Workers Compensation	15,163,400	18,656,060	18,656,060	19,482,140	19,482,140
Subtotal	\$ 27,132,240	\$ 36,309,231	\$ 36,309,231	\$ 37,131,953	\$ 37,131,953
TOTAL	\$ 27,132,240	\$ 36,309,231	\$ 36,309,231	\$ 37,131,953	\$ 37,131,953

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 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 34
OFFICE OF ACCOUNTS AND REPORTS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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	51.2 %	48.1 %	49.4 %	49.0 %	49.0 %
3. Number of New Debts Entered into Kansas Debt Recovery System	385,596	439,582	424,302	484,200	434,900
Financing					
SGF	\$ 1,691,923	\$ 1,921,422		\$ 1,281,337	\$ 1,278,079
Federal Funds	-	-		-	-
All Other Funds	309,149	254,159		255,364	255,704
Subtotal—On-Budget	\$ 2,001,072	\$ 2,175,581		\$ 1,536,701	\$ 1,533,783

FIGURE 34					
OFFICE OF ACCOUNTS AND REPORTS, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Off-Budget	4,574,447	4,610,761		6,129,270	5,897,446
GRAND TOTAL	\$ 6,575,519	\$ 6,786,342		\$ 7,665,971	\$ 7,431,229
Percentage Change:					
SGF	(19.3) %	13.6 %		(33.3) %	(0.3) %
All Funds	(3.0) %	3.2 %		13.0 %	(3.1) %
FTE Positions	63.0	62.0		61.0	61.0

BUDGET ANALYSIS

The **agency** requests \$1.5 million in on-budget expenditures and 18.1 on-budget FTE positions for the Office of Accounts and Reports for FY 2024. This represents a decrease of \$2,918, or 0.2 percent, below the revised estimate in FY 2023, primarily due to payments for computer programming and data processing services (\$10,374). The change is also attributable to shifts in employer contributions to fringe benefits such as employee retirement

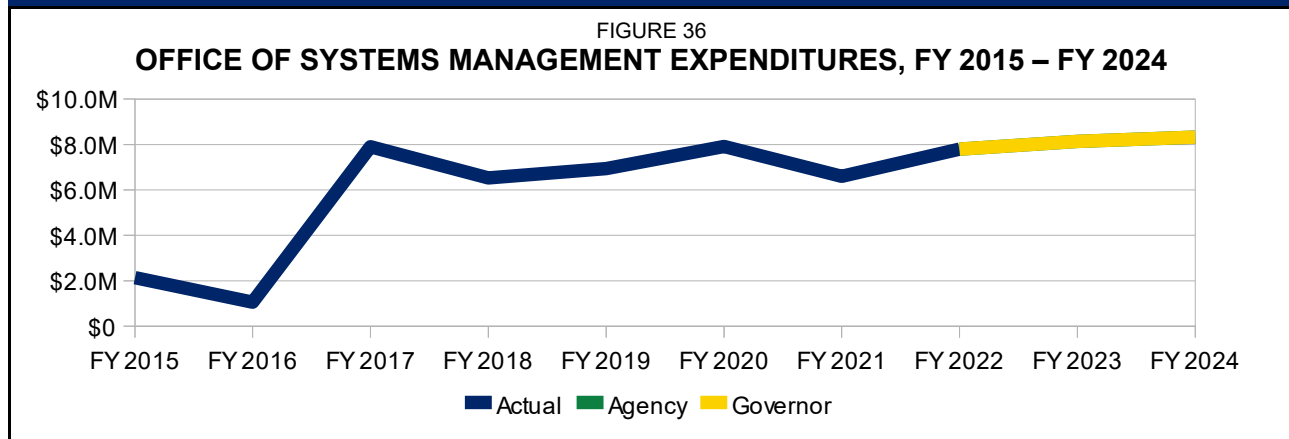
(\$5,801 decrease) and group health insurance (\$13,128 increase).

The request also includes \$5.9 million in off-budget expenditures and 42.9 off-budget FTE positions, 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 2024.

FIGURE 35					
OFFICE OF ACCOUNTS AND REPORTS, SUMMARY OF EXPENDITURES					
Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
Chief Financial Officer	\$ 101,434	\$ 120,056	\$ 120,056	\$ 120,284	\$ 120,284
Audit Services	357,244	176,241	176,241	177,423	177,423
Financial Integrity	589,231	77,398	77,398	77,883	77,883
Internal Controls	131,516	176,596	176,596	176,971	176,971
Federal Reporting	160,162	201,772	201,772	192,582	192,582
Municipal Services	214,219	211,418	211,418	211,461	211,461
Statewide Payroll	82,234	86,467	86,467	87,215	87,215
Statewide Accounting	509,003	486,753	486,753	489,964	489,964
Setoff	30,538	-	-	-	-
<i>Subtotal</i>	<i>\$ 2,175,581</i>	<i>\$ 1,536,701</i>	<i>\$ 1,536,701</i>	<i>\$ 1,533,783</i>	<i>\$ 1,533,783</i>
Off-Budget:					
Chief Financial Officer	\$ 360,523	\$ 360,419	\$ 360,419	\$ 337,011	\$ 337,011
Audit Services	143,002	399,919	399,919	402,576	402,576
Financial Integrity	548,584	875,376	875,376	862,796	862,796
Revolving Fund	202,465	261,548	261,548	263,151	263,151
Internal Controls	261,696	223,587	223,587	225,397	225,397
Federal Reporting	14,593	83,572	83,572	236,766	236,766
Statewide Payroll	823,880	982,067	982,067	989,358	989,358
Statewide Accounting	1,585,203	2,218,122	2,218,122	1,845,212	1,845,212
Setoff	670,815	724,660	724,660	735,179	735,179
<i>Subtotal</i>	<i>\$ 4,610,761</i>	<i>\$ 6,129,270</i>	<i>\$ 6,129,270</i>	<i>\$ 5,897,446</i>	<i>\$ 5,897,446</i>
TOTAL	\$ 6,786,342	\$ 7,665,971	\$ 7,665,971	\$ 7,431,229	\$ 7,431,229

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. 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.

The Office is composed of the following five teams that support essential central systems:

The **Systems Development** team provides development and application support for the SMART and SHARP systems. This includes creating technical designs; developing and testing requested updated and enhancements to the systems; and providing support to customers and stakeholders.

The **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, eSupplier users, and Candidate Gateway users. This team also assists with system announcements as well as monitoring and adding solutions to a shared knowledge base.

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.

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.

The **Enterprise Systems Architecture and IT Project Management** team is responsible for understanding all enterprise solution components, how they work individually, and

how they inter-operate. These responsibilities include coordinating enterprise application technical production support as well as upgrade support and services for integrated systems.

FIGURE 37
OFFICE OF SYSTEMS MANAGEMENT, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent Uptime During Business Hours—SMART*	99.95 %	99.95 %	99.97 %	100.00 %	100.00 %
2. Percent Uptime During Business Hours—SHARP*	99.95 %	99.95 %	99.97 %	100.00 %	100.00 %
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 534,291	\$ 73,487		\$ 226,911	\$ 260,808
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<i>\$ 534,291</i>	<i>\$ 73,487</i>		<i>\$ 226,911</i>	<i>\$ 260,808</i>
Off-Budget	6,067,665	7,725,715		7,907,485	8,068,934
GRAND TOTAL	\$ 6,601,956	\$ 7,799,202		\$ 8,134,396	\$ 8,329,742
Percentage Change:					
SGF	627.5 %	(86.2) %		208.8 %	14.9 %
All Funds	(16.6) %	18.1 %		4.3 %	2.4 %
FTE Positions	19.0	19.8		20.8	20.8

* Includes four hours of downtime to end-users for scheduled upgrades.

BUDGET ANALYSIS

The **agency** requests \$260,808 in on-budget expenditures and 1.0 on-budget FTE positions for the Office of Systems Management for FY 2024. This represents an increase of \$33,897, or 15.0 percent, above the revised estimate in FY 2023, primarily due to expenditures for managed hosting and system development of architecture for SMART and SHARP (\$33,411 increase).

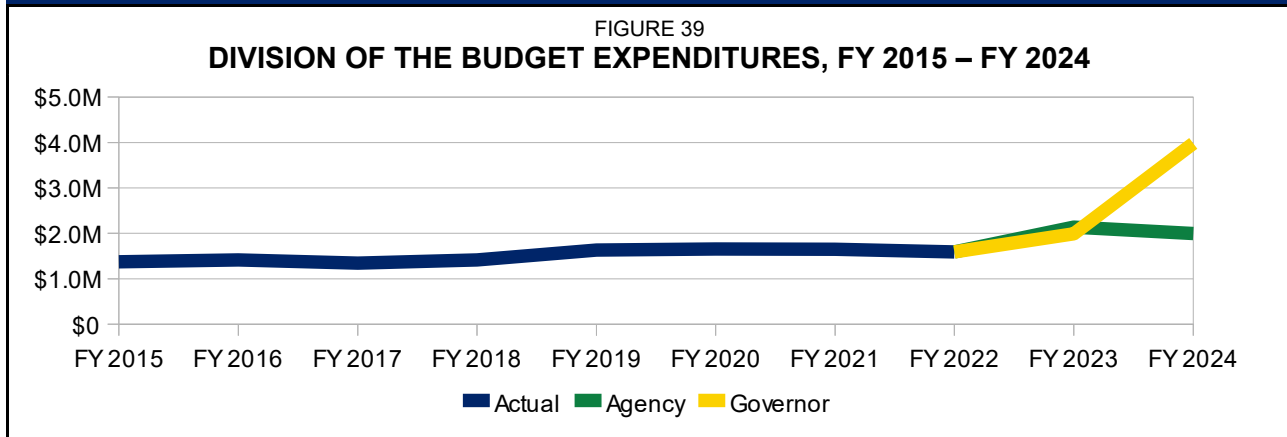
The request also includes \$8.1 million in off-budget expenditures and 19.8 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2024.

FIGURE 38
OFFICE OF SYSTEMS MANAGEMENT, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
State Service Desk	\$ 73,487	\$ 226,911	\$ 226,911	\$ 260,808	\$ 260,808
Off-Budget:					
Systems Management	\$ 7,524,730	\$ 7,668,655	\$ 7,668,655	\$ 7,828,142	\$ 7,828,142
State Service Desk	200,985	238,830	238,830	240,792	240,792
<i>Subtotal</i>	<i>\$ 7,725,715</i>	<i>\$ 7,907,485</i>	<i>\$ 7,907,485</i>	<i>\$ 8,068,934</i>	<i>\$ 8,068,934</i>
TOTAL	\$ 7,799,202	\$ 8,134,396	\$ 8,134,396	\$ 8,329,742	\$ 8,329,742

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 SGF solvency throughout the year.

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 resources budget, using estimates provided by the Division, based on the assumption that revenues might decline enough to make a base budget unsupportable.

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.

The 2022 Legislature removed the requirement that the Director of the Budget make an independent determination of implementation and compliance costs, removed provisions requiring the Director to approve all rules and regulations, and specified that the Director is not required to review or approve rules and regulations if the submitting agency determines such rules and regulations would not result in costs of more than \$1.0 million over two years from the effective date of the bill through June 30, 2024, or more than \$3.0 million over two years on and after July 1, 2024.

FIGURE 40
DIVISION OF THE BUDGET, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of Agency Budgets that Include at Least One Outcome Measure for Each Program**	90.3 %	90.3 %	90.7 %	90.3 %	90.3 %
2. Percent of Fiscal Notes Completed by Bill Hearing Date	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Output Measure:					
3. Number of Fiscal Notes Completed	761	528	623	620	620
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,650,870	\$ 1,591,528		\$ 1,989,430	\$ 3,482,724
Federal Funds	-	-		-	-
All Other Funds	-	-		-	500,000
<i>Subtotal—On-Budget</i>	<i>\$ 1,650,870</i>	<i>\$ 1,591,528</i>		<i>\$ 1,989,430</i>	<i>\$ 3,982,724</i>
Off-Budget	-	-		-	-
GRAND TOTAL	\$ 1,650,870	\$ 1,591,528		\$ 1,989,430	\$ 3,982,724
Percentage Change:					
SGF	(0.3) %	(3.6) %		25.0 %	75.1 %
All Funds	(0.3) %	(3.6) %		25.0 %	100.2 %
FTE Positions	13.0	13.0		13.0	24.0

** This measure does not include debt service and capital improvements programs.

BUDGET ANALYSIS

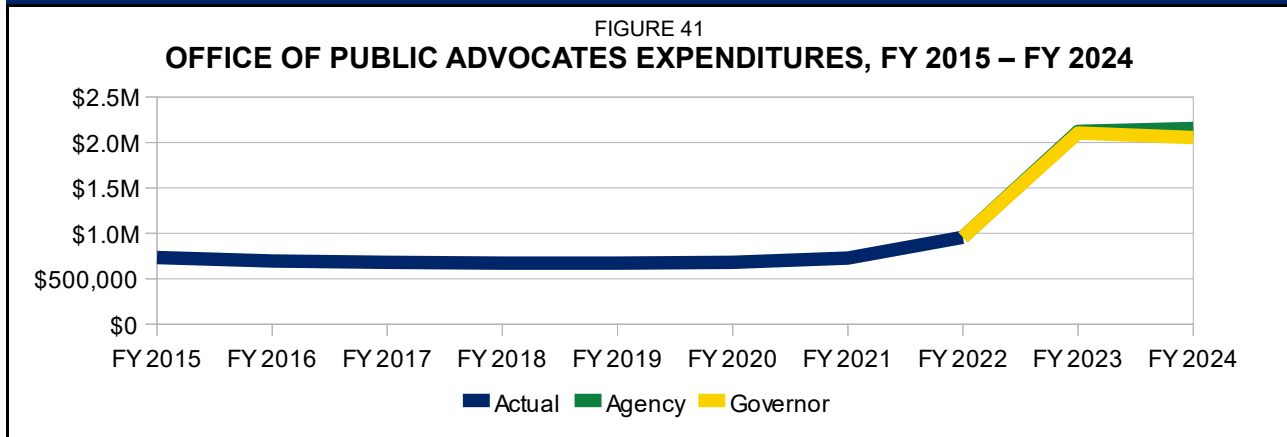
The **agency** requests \$2.0 million in expenditures and 14.0 FTE positions for the Division of the Budget for FY 2024. This represents a decrease of \$141,800, or 6.6 percent, below the revised estimate in FY 2023. The decrease is primarily due to one-time expenditures in FY 2023 that do not continue into FY 2024, such as expenditures budgeted for a potential gubernatorial transition (\$165,000 decrease) and efficiency projects as required by the Governor and the Director of the Budget (\$124,361 decrease).

The decrease is partially offset by an increase in expenditures for the Division's enhancement request to add a Budget Analyst position (\$113,415 increase) for FY 2024. The

Division indicates attrition and budget pressures over the past two decades have required spreading additional duties among remaining staff.

The **Governor** recommends \$4.0 million in expenditures and 24.0 FTE positions for the Division of the Budget for FY 2024. This is an increase of \$2.0 million and 10.0 FTE positions above the Division's request, entirely due to the Governor's recommendation to establish a Division of Policy within the Division of the Budget (\$1.5 million and 10.0 FTE positions) and to conduct employee engagement activities (\$500,000).

OFFICE OF PUBLIC ADVOCATES



Staff Note: Expenditures prior to FY 2022 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.
- Support KanCare members, applicants, and those assisting them in resolving problems regarding services, coverage, access, and rights.
- Safeguard Kansas children from abuse, neglect, and harm by providing independent oversight and accountability of state child welfare services.

Executive Order 21-27 created the Office of Public Advocates within the Department of Administration and transferred the following entities to it:

LONG-TERM CARE OMBUDSMAN

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 SGF 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 42 OFFICE OF PUBLIC ADVOCATES, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of Complaints Resolved to Satisfaction of LTC Resident	73 %	80 %	79 %	80 %	80 %
2. Number of Outreaches to KanCare/Medicaid Stakeholders	373	653	379	250	300
2. Number of Complaints Investigated by Division of the Child Advocate	N/A	N/A	N/A	144	200
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 290,046	\$ 370,813		\$ 1,119,724	\$ 1,032,063
Federal Funds	437,072	587,569		983,845	1,021,892
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<i>\$ 727,118</i>	<i>\$ 958,382</i>		<i>\$ 2,103,569</i>	<i>\$ 2,053,955</i>
Off-Budget	-	-		-	-
GRAND TOTAL	\$ 727,118	\$ 958,382		\$ 2,103,569	\$ 2,053,955
Percentage Change:					
SGF	(0.8) %	27.8 %		202.0 %	(7.8) %
All Funds	6.7 %	31.8 %		119.5 %	(2.4) %
FTE Positions	11.0	16.0		23.0	23.0

BUDGET ANALYSIS

The **agency** requests \$2.2 million in expenditures and 24.0 FTE positions for the Office of Public Advocates for FY 2024. This represents an increase of \$33,313, or 1.6 percent, above the revised estimate in FY 2023, primarily due to an enhancement request to create a Budget Analyst position to assist with fiscal management, communications, and federal funding reporting requirements (\$82,927 and 1.0 FTE). The Office does not currently have such a position amongst its personnel.

The increase is also due to temporary employee pay (\$63,492 increase) and employer contributions for group health insurance (\$32,146 increase), partially offset by decreases for expenditures in FY 2023 that do not reoccur in FY 2024, such as for the case management system for the Division of the Child Advocate (\$60,940 decrease) and the purchase of a

vehicle for the LTCO (\$46,664 decrease). The request also includes \$18,795 in enhancement funding to continue the 5.0 percent salary increase for LTCO employees requested in FY 2023.

The **Governor** recommends \$2.1 million in expenditures for the Office of Public Advocates for FY 2024. This is a decrease of \$101,722 below the agency request, due to the funding the agency's enhancement request for an additional Budget Analyst position in the Office for Public Advocates from within the Office of Financial Management instead (\$82,927 and 1.0 FTE position). The decrease is also attributable to the Governor's recommendation not to adopt the enhancement request for a 5.0 percent salary increase for LTCO employees (\$18,795).

FIGURE 43 OFFICE OF PUBLIC ADVOCATES, SUMMARY OF EXPENDITURES					
Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Long-Term Care Ombudsman	\$ 831,539	\$ 1,066,943	\$ 1,048,148	\$ 1,115,730	\$ 1,063,764
KanCare Ombudsman	-	465,288	465,288	502,869	469,698
Division of the Child Advocate	126,843	590,133	590,133	537,078	520,493
TOTAL	\$ 958,382	\$ 2,122,364	\$ 2,103,569	\$ 2,155,677	\$ 2,053,955

DEBT SERVICE

FIGURE 44
DEBT SERVICE, GOVERNOR'S RECOMMENDATION, FY 2023 – FY 2024

	Principal	FY 2023 Interest	Total	Principal	FY 2024 Interest	Total
On-Budget:						
KPERS Pension Bonds	\$55,000,000	\$ 69,290,482	\$ 124,290,482	\$ 56,885,000	\$ 67,406,317	\$ 124,291,317
2016H Refinancing	5,190,000	1,099,875	6,289,875	5,465,000	833,500	6,298,500
2019F/G Refinancing	4,437,964	2,137,502	6,575,466	4,642,422	1,935,760	6,578,182
2020R Refinancing	9,380,000	2,667,450	12,047,450	5,950,000	2,284,200	8,234,200
2020S Refinancing	550,000	224,000	774,000	575,000	201,500	776,500
2021P Refinancing	4,245,000	1,519,000	5,764,000	4,445,000	1,306,750	5,751,750
<i>Subtotal</i>	<u>\$ 78,802,964</u>	<u>\$ 76,938,309</u>	<u>\$ 155,741,273</u>	<u>\$ 77,962,422</u>	<u>\$ 73,968,027</u>	<u>\$ 151,930,449</u>
Off-Budget:						
2019F/G Eisenhower	\$ 1,097,037	\$ 528,378	\$ 1,625,415	\$ 1,147,578	\$ 478,508	\$ 1,626,086
2020K Curtis, DCF	3,574,009	680,155	4,254,164	3,734,818	600,096	4,334,914
<i>Subtotal</i>	<u>\$ 4,671,046</u>	<u>\$ 1,208,533</u>	<u>\$ 5,879,579</u>	<u>\$ 4,882,396</u>	<u>\$ 1,078,604</u>	<u>\$ 5,961,000</u>
TOTAL	<u>\$83,474,010</u>	<u>\$ 78,146,842</u>	<u>\$ 161,620,852</u>	<u>\$ 82,844,818</u>	<u>\$ 75,046,631</u>	<u>\$ 157,891,449</u>
Financing:						
SGF	\$59,697,964	\$ 59,932,856	\$ 119,630,820	\$ 57,832,422	\$ 57,988,703	\$ 115,821,125
ELARF	19,105,000	17,005,453	36,110,453	20,130,000	15,979,324	36,109,324
State Building Operating Fd.	4,671,046	1,208,533	5,879,579	4,882,396	1,078,605	5,961,001
TOTAL	<u>\$83,474,010</u>	<u>\$ 78,146,842</u>	<u>\$ 161,620,852</u>	<u>\$ 82,844,818</u>	<u>\$ 75,046,632</u>	<u>\$ 157,891,450</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 Legislatures 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 45

SUMMARY OF OUTSTANDING BONDS, GOVERNOR'S RECOMMENDATION, FY 2024

Series	Items	June 30, 2024 Balance	Final Payment
2004C	KPERS Pension Obligation Bonds	\$ 271,855,000	FY 2034
2015P	KPERS Pension Obligation Bonds	833,590,000	FY 2045
2016H	Refinancing (2007M, 2008L)	25,930,000	FY 2029
2019F	Refinancing (2009A, 2009M-1, M-2)	50,455,000	FY 2035
2019G	Refinancing (2009N)	1,115,000	FY 2025
2020K	Curtis State Office Building, DCF Topeka Service Center	23,055,220	FY 2029
2020R	Refinancing (2010E-1, 2010E-2, 2010O-2, 2011B)	49,315,000	FY 2035
2020S	Refinancing (2010F)	4,755,000	FY 2032
2021K	KPERS Pension Obligation Bonds	462,445,000	FY 2051
2021P	Refinancing (2013A)	25,630,000	FY 2033
TOTAL		\$ 1,748,145,220	

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 SGF. The following projects are included for FY 2023 and FY 2024:

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. 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

State Finance Council Resolution 21-740 approved the renovation of Docking into a three-story building with office and meeting

space. The renovated building will have three floors, public lobby and exhibit spaces, state agency office space, shared meeting rooms, wellness and personal health support rooms, and a fitness center. The renovation will be built atop of the building's existing foundation, which contains the basement and sub-basement levels.

STATE PRINTING PLANT

This project addresses deferred maintenance and upgrades to the State Printing Plant, which houses printing and central mail operations. Most of the State Printing Plant's mechanical, electrical, plumbing, and fire protection systems are original to its construction in 1985 and are at, or past, median service life estimates.

Additionally, each year, the agency also budgets and pays for the principal debt service on bonds issued for a variety of reasons.

FIGURE 46
CAPITAL IMPROVEMENTS (ON-BUDGET), FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Capital Projects:					
Capitol Complex R&R	\$ 2,715,328	\$ 4,170,418	\$ 4,170,418	\$ 5,000,000	\$ 5,000,000
Docking State Office Bldg.	-	70,000,000	70,000,000	40,000,000	40,000,000
State Printing Plant	-	-	-	6,500,000	6,500,000
<i>Subtotal–Projects</i>	<i>\$ 2,715,328</i>	<i>\$ 74,170,418</i>	<i>\$ 74,170,418</i>	<i>\$ 51,500,000</i>	<i>\$ 51,500,000</i>
Debt Service Principal:					
Statehouse Renovations	\$ 1,765,000	\$ -	\$ -	\$ -	\$ -
John Redmond Reservoir	1,080,000	-	-	-	-
KU Medical Ed. Bldg.	940,000	-	-	-	-
2015A Refinancing	173,251,955	-	-	-	-
2015G NBAF	180,215,610	-	-	-	-
2016H Refinancing	4,935,000	5,190,000	5,190,000	5,465,000	5,465,000
2019F/G Refinancing	4,359,139	4,437,964	4,437,964	4,642,422	4,642,422
2020R Refinancing	266,592	9,380,000	9,380,000	5,950,000	5,950,000
2020S Refinancing	11,960,000	550,000	550,000	575,000	575,000
2021P Refinancing	530,000	4,245,000	4,245,000	4,445,000	4,445,000
<i>Subtotal–Debt</i>	<i>\$ 379,303,296</i>	<i>\$ 23,802,964</i>	<i>\$ 23,802,964</i>	<i>\$ 21,077,422</i>	<i>\$ 21,077,422</i>
TOTAL	\$ 382,018,624	\$ 97,973,382	\$ 97,973,382	\$ 72,577,422	\$ 72,577,422
Financing:					
SGF	\$ 365,159,057	\$ 87,973,382	\$ 87,973,382	\$ 32,577,422	\$ 32,577,422
Federal Funds	1,700,000	10,000,000	10,000,000	40,000,000	40,000,000
All Other Funds	16,499,567	-	-	-	-
TOTAL	\$ 383,358,624	\$ 97,973,382	\$ 97,973,382	\$ 72,577,422	\$ 72,577,422

FY 2023 CAPITAL IMPROVEMENTS

The **agency** requests a revised estimate of \$98.0 million in on-budget capital improvement expenditures in FY 2023, including \$88.0 million SGF. The majority of capital project expenditures in FY 2023 are for the renovation of the Docking State Office Building (\$70.0 million). This includes both the funding appropriated by the 2022 Legislature (\$60.0 million SGF) and the beginning of federal funds expended for the project (\$10.0 million from the ARPA State Relief Fund).

In FY 2023, capital project expenditures also include regular rehabilitation and repair expenditures for buildings in the Capitol

Complex (\$4.2 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 on bonds that refinanced prior bonds for a variety of capital projects, including restoration of the Capitol Complex, the Eisenhower State Office Building, and others (\$23.8 million).

The **Governor** concurs with the revised estimate in FY 2023.

FY 2024 CAPITAL IMPROVEMENTS

The **agency** requests \$72.6 million in on-budget capital improvement expenditures for FY 2024. For FY 2024, capital project expenditures

include continued expenditures for the renovation of the Docking State Office Building

(\$40.0 million from the ARPA State Relief Fund).

The request also includes two enhancement requests for FY 2024. *First*, the agency requests \$1.6 million SGF to bring its annual base Capitol Complex rehabilitation and repair allocation of \$3.4 million to \$5.0 million. The agency indicates the increase is needed to keep facilities operating in an efficient and safe manner while accounting for the increasing cost of labor and materials and the continual aging of buildings.

Second, the agency also requests \$6.5 million for deferred maintenance and upgrades to the State Printing Plant, which houses both printing and central mail operations. Most of the Printing Plant's mechanical, electrical, plumbing, and fire protection systems are original to its construction in 1985 and are at, or

past, median service life estimates. Examples of the impact outdated system has on the agency's operational needs and goals include: (1) slowed production and increased waste caused by drastic changes in temperature and humidity, (2) needing to install a temporary HVAC system because the current system is unable to adequately cool new equipment, and (3) damage to paper inventories as well as long-term impacts on digital equipment caused by leaks in roofs and walls.

Debt service expenditures include principal payments on bonds that refinanced prior bonds for a variety of capital projects, including restoration of the Capitol Complex, the Eisenhower State Office Building, and more (\$21.1 million).

The **Governor** concurs with the agency request for FY 2024.

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Capital Projects:					
State Buildings	\$ 600,956	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000
State Printing Plant	2,958	-	-	-	-
<i>Subtotal–Projects</i>	<i>\$ 603,914</i>	<i>\$ 850,000</i>	<i>\$ 850,000</i>	<i>\$ 850,000</i>	<i>\$ 850,000</i>
Debt Service Principal:					
2019F/G Refinancing	\$ 1,052,442	\$ 1,097,037	\$ 1,097,037	\$ 1,147,578	\$ 1,147,578
2020K Curtis, Myriad Building	9,430,027	3,999,009	3,999,009	4,159,818	4,159,818
<i>Subtotal–Debt</i>	<i>\$ 10,482,469</i>	<i>\$ 5,096,046</i>	<i>\$ 5,096,046</i>	<i>\$ 5,307,396</i>	<i>\$ 5,307,396</i>
TOTAL	\$ 11,086,383	\$ 5,946,046	\$ 5,946,046	\$ 6,157,396	\$ 6,157,396
Financing:					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	11,086,383	5,946,046	5,946,046	6,157,396	6,157,396
TOTAL	\$ 11,086,383	\$ 5,946,046	\$ 5,946,046	\$ 6,157,396	\$ 6,157,396

FY 2023 CAPITAL IMPROVEMENTS (OFF-BUDGET)

The **agency's** revised estimate includes \$5.9 million in off-budget capital improvement expenditures in FY 2023. These expenditures include funding reserved for large or unexpected maintenance for the Curtis State Office Building (\$425,000) as well as for the Landon State Office Building, Memorial Hall,

and state-owned buildings at Forbes (\$425,000).

The revised estimate also includes off-budget debt service expenditures for principal payments on bonds related to the Eisenhower and Curtis State Office Buildings as well as the

Myriad Building, where the DCF Topeka Service Center is located (\$5.1 million).

The **Governor** concurs with the agency's revised estimate in FY 2023.

FY 2024 CAPITAL IMPROVEMENTS (OFF-BUDGET)

The **agency** request includes \$6.2 million in off-budget capital improvement expenditures for FY 2024. These expenditures include moneys reserved for large or unexpected maintenance for the Curtis State Office Building (\$425,000) as well as for the Landon State Office Building, Memorial Hall, and state-owned buildings at Forbes (\$425,000).

The revised estimate also includes off-budget debt service expenditures for principal payments on bonds related to the Eisenhower and Curtis State Office Buildings as well as the Myriad Building, where the DCF Topeka Service Center is located (\$5.3 million).

The **Governor** concurs with the agency request for FY 2024.

OFFICE OF INFORMATION AND TECHNOLOGY SERVICES

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 4,250,000	\$ 4,250,000	\$ 4,250,000	\$ 15,750,000	\$ 10,000,000
Federal Funds	-	-	-	-	-
All Other Funds	93,333	60,000	60,000	60,000	60,000
Subtotal	\$ 4,343,333	\$ 4,310,000	\$ 4,310,000	\$ 15,810,000	\$ 10,060,000
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
Off-Budget*	\$ 58,982,031	\$ 57,356,213	\$ 57,356,213	\$ 51,180,974	\$ 56,413,134
Total On-Budget	\$ 4,343,333	\$ 4,310,000	\$ 4,310,000	\$ 15,810,000	\$ 10,060,000
Total Off-Budget	58,982,031	57,356,213	57,356,213	51,180,974	56,413,134
GRAND TOTAL	\$ 63,325,364	\$ 61,666,213	\$ 61,666,213	\$ 66,990,974	\$ 66,473,134
Percentage Change:					
State General Fund	(63.4) %	-- %	-- %	270.6 %	135.3 %
All Funds	(5.3) %	(2.6) %	(2.6) %	8.6 %	7.8 %
FTE Positions	115.0	117.0	117.0	135.0	126.0

*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 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.

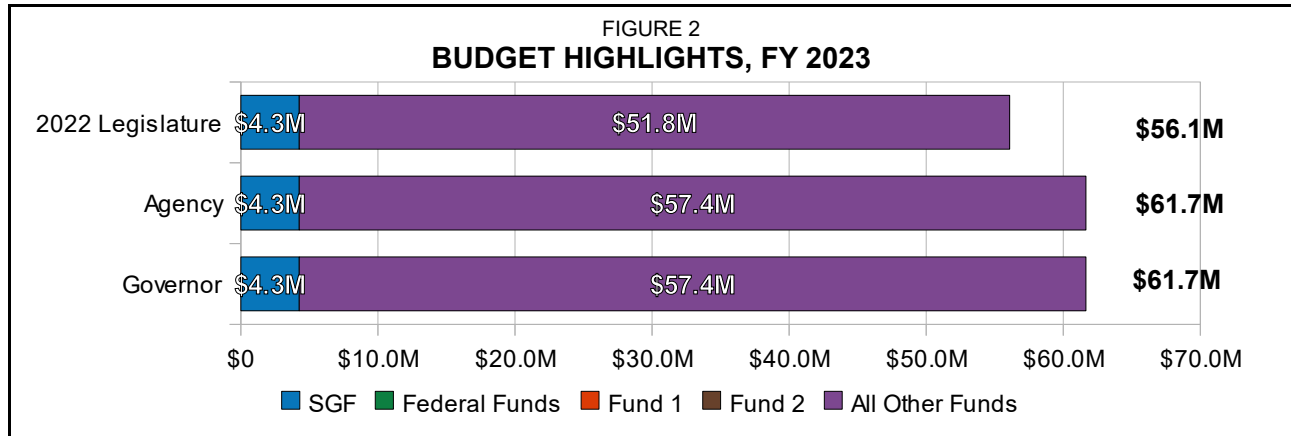
The Office of Information and Technology Services (OITS) is responsible for providing efficient and effective electronic information processing and technical management services to all state agencies in a uniform and cost-effective manner. OITS functions like a utility by providing phone, computer, and 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 approximately 60 agencies, 18,800 MS Office 365 users 17,500 data communication users, and 14,100 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). 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 2022 Legislature approved a budget of \$56.1 million, including \$4.3 million SGF, for the Office of Information and Technology Services in FY 2023.

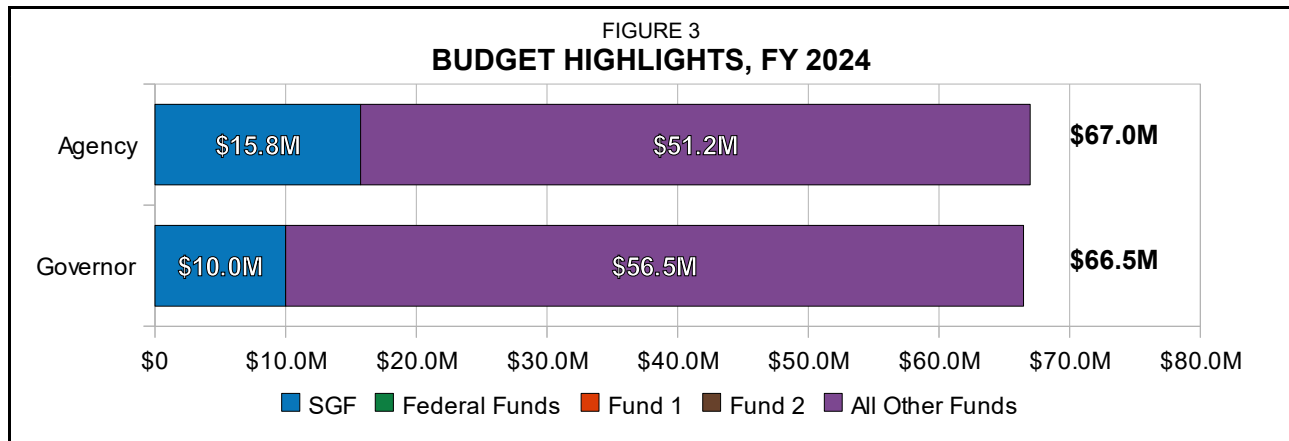


The **agency** submits a revised estimate of \$4.3 million, including \$4.3 million SGF, for on-budget expenditures in FY 2023. The revised estimate is the same as the FY 2023 approved amount. Included in this amount is \$60,000 in expenditures from the GIS Contracting Services Fund to support state geographic information systems for the user community in Kansas.

The agency's revised estimate also includes \$57.4 million in off-budget expenditures, all from special revenue funds, which is an increase of \$5.5 million, or 10.6 percent, above the FY 2023 approved amount. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The increase can primarily be attributed to expenditures for software, services, and equipment purchased on behalf of other state agencies (\$6.5 million), the relocation to the Capitol Complex (\$1.0 million), license costs for new software utilized in the Hosted Services Program (\$225,000), renewal of licenses for Cisco and Info Block Maintenance (\$175,000), increased expenditures for temporary professional services within the Client Services program (\$150,000), one-time purchases of Cisco desk phones (\$150,000), and increased expenditures for various vendor maintenance services including, Cisco Smartnet, Hewlett Packard, and ConvergeOne. (\$100,000).

The increase is partially offset by a decrease in the Business Productivity program due to the agency shifting more of the costs associated with Microsoft licensing to the Direct Billed Services Program to better align their costs and revenues (\$1.9 million), and reduced services fees related to the Unysis data center (\$800,000). The revised estimate also includes 117.0 off-budget FTE positions for FY 2023, which is the same as the FY 2023 approved number.

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



The **agency** requests \$15.8 million, including \$15.8 million SGF, which is an SGF increase of \$11.5 million, or 266.8 percent, above the FY 2023 revised estimate for on-budget expenditures for FY 2024. The increase is attributed to the agency's enhancement request to replace off-budget special revenue funding for the Kansas Information Security Office (KISO) and further expand KISO's capabilities. The request includes funding for cybersecurity training and a statewide cybersecurity posture assessment (\$6.9 million); salaries and wages to support current and additional Information Security Officers (ISOs), security engineers, security analysts, and staff to assist with collaboration and partnership with entities such as local governments on cybersecurity endeavors (\$4.5 million); and the purchase of equipment to improve the base level of security on networks (\$166,840).

The request includes 36.0 on-budget FTE positions for FY 2024, which is an increase of 36.0 FTE positions above the FY 2023 revised estimate. (*Staff Note:* 18.0 FTE positions are funded from off-budget special revenue funds in the FY 2023 revised estimate, 6.0 FTE positions are new ISOs, 8.0 FTE positions are cybersecurity support staff, and 4.0 FTE positions are general support staff.)

The FY 2024 request also includes \$51.2 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$6.2 million, or 10.8 percent, below the FY 2023 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 the agency's request to fully fund the KISO from on-budget SGF moneys, instead of off-budget sources (\$5.2 million), and the elimination of a one-time expenditure for relocation of OITS to the Capitol Complex (\$1.0 million). The request includes 99.0 off-budget FTE positions for FY 2024, which is a decrease of 18.0 FTE positions below the FY 2023 revised estimate.

The **Governor** recommends expenditures of \$10.1 million, all SGF, for on-budget expenditures for FY 2024. The recommendation is an SGF decrease of \$5.8 million, or 36.4 percent, below the FY 2024 agency request. The decrease is attributable to the Governor recommending partial adoption of the agency's enhancement request for new and ongoing cybersecurity activities, and not recommending the portion of the request that would have changed the funding source for the Kansas Information Security Office (KISO) from off-budget special revenue funds to SGF moneys. The recommendation includes 9.0 on-budget FTE positions for FY 2024, which is an increase of 9.0 FTE positions above the FY 2023 revised estimate.

For FY 2024, the Governor's recommendation also includes \$56.4 million in off-budget special revenue fund expenditures. The recommendation is an increase of \$5.2 million, or 10.2 percent, above the FY 2024 agency request. The increase is attributable to the Governor partially adopting the agency's enhancement request, and replacing a portion of the SGF moneys requested for KISO operations with off-budget special revenue funds. The recommendation includes 117.0 off-budget FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

EXPENDITURES AND FINANCING

FIGURE 4

BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (ON BUDGET), FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ -	\$ -	\$ -	\$ 4,477,160	\$ 1,153,000
Contractual Services	760,213	1,310,000	1,310,000	8,166,000	5,845,160
Commodities	531,430	-	-	-	-
Capital Outlay	3,051,690	3,000,000	3,000,000	3,166,840	3,061,840
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 4,343,333</u>	<u>\$ 4,310,000</u>	<u>\$ 4,310,000</u>	<u>\$ 15,810,000</u>	<u>\$ 10,060,000</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<u>\$ 4,343,333</u>	<u>\$ 4,310,000</u>	<u>\$ 4,310,000</u>	<u>\$ 15,810,000</u>	<u>\$ 10,060,000</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	<u>\$ 4,343,333</u>	<u>\$ 4,310,000</u>	<u>\$ 4,310,000</u>	<u>\$ 15,810,000</u>	<u>\$ 10,060,000</u>
Financing:					
State General Fund	\$ 4,250,000	\$ 4,250,000	\$ 4,250,000	\$ 15,750,000	\$ 10,000,000
GIS Contracting	93,333	60,000	60,000	60,000	60,000
Service Fund	-	-	-	-	-
TOTAL	<u>\$ 4,343,333</u>	<u>\$ 4,310,000</u>	<u>\$ 4,310,000</u>	<u>\$ 15,810,000</u>	<u>\$ 10,060,000</u>
FTE Positions	--	--	--	36.0	9.0

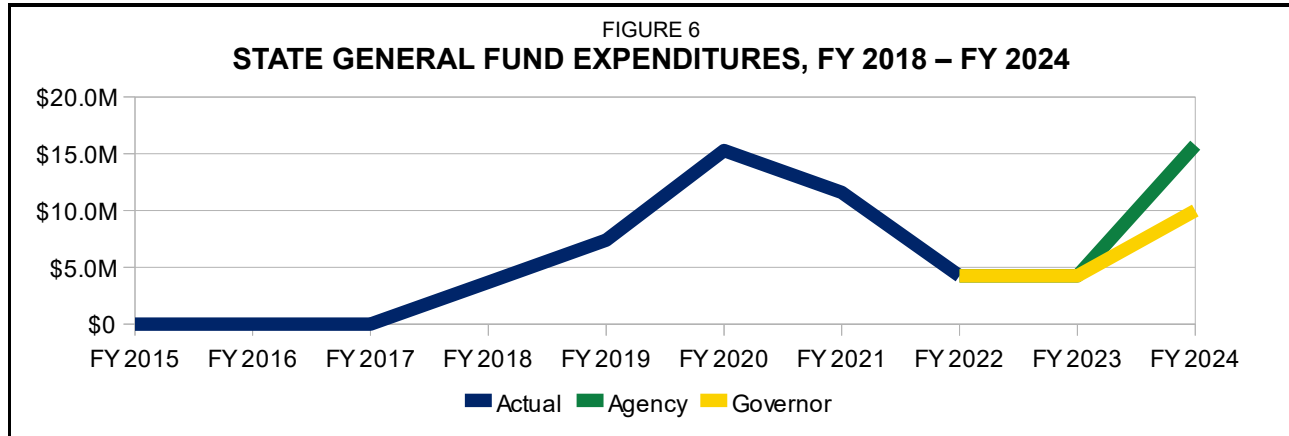
FIGURE 5

BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (OFF BUDGET*) FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 10,250,436	\$ 11,795,713	\$ 11,795,713	\$ 9,674,474	\$ 11,845,634
Contractual Services	32,848,566	37,929,000	37,929,000	34,985,000	37,941,000
Commodities	14,150,309	6,030,500	6,030,500	6,030,500	6,030,500
Capital Outlay	1,732,720	1,601,000	1,601,000	491,000	596,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 58,982,031</u>	<u>\$ 57,356,213</u>	<u>\$ 57,356,213</u>	<u>\$ 51,180,974</u>	<u>\$ 56,413,134</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<u>\$ 58,982,031</u>	<u>\$ 57,356,213</u>	<u>\$ 57,356,213</u>	<u>\$ 51,180,974</u>	<u>\$ 56,413,134</u>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	<u>\$ 58,982,031</u>	<u>\$ 57,356,213</u>	<u>\$ 57,356,213</u>	<u>\$ 51,180,974</u>	<u>\$ 56,413,134</u>
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Information	58,888,698	57,256,213	57,256,213	51,080,974	56,313,134
Technology Fund	-	-	-	-	-
GIS Contracting	93,333	100,000	100,000	100,000	100,000
Services Fund	-	-	-	-	-
TOTAL	<u>\$ 58,982,031</u>	<u>\$ 57,356,213</u>	<u>\$ 57,356,213</u>	<u>\$ 51,180,974</u>	<u>\$ 56,413,134</u>
FTE Positions	115.0	117.0	117.0	99.0	117.0

*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 specified.

STATE GENERAL FUND



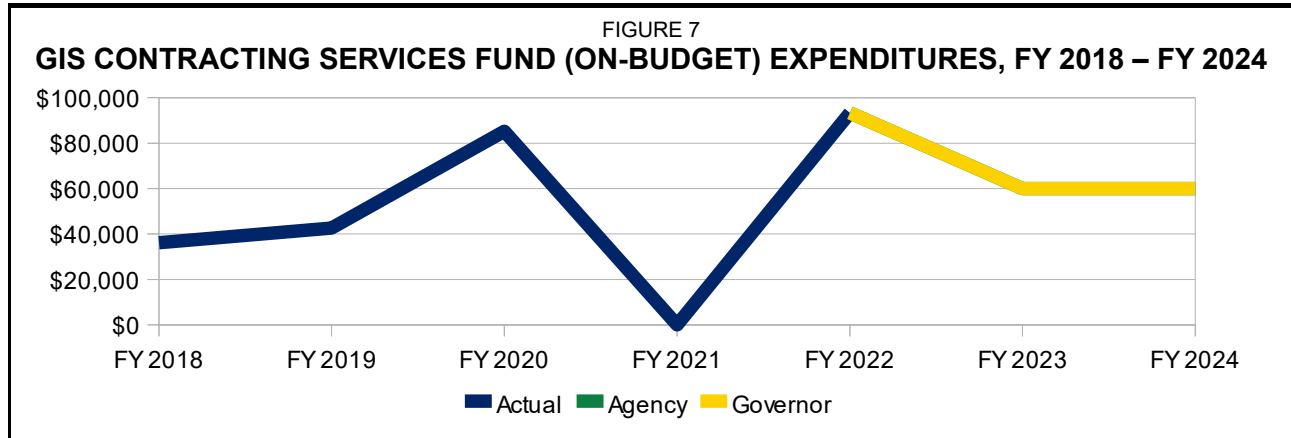
For the Office of Information and Technology Services, SGF expenditures averaged \$9.5 million from FY 2018 to FY 2021. Historically, the majority of OITS expenditures are supported by off-budget funds received for services performed for other state agencies or for local units of government. The appropriation of SGF moneys, which 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 **2022 Legislature** appropriated \$4.3 million, all SGF, for continued rehabilitation and repair of state IT equipment and infrastructure in FY 2022 and FY 2023.

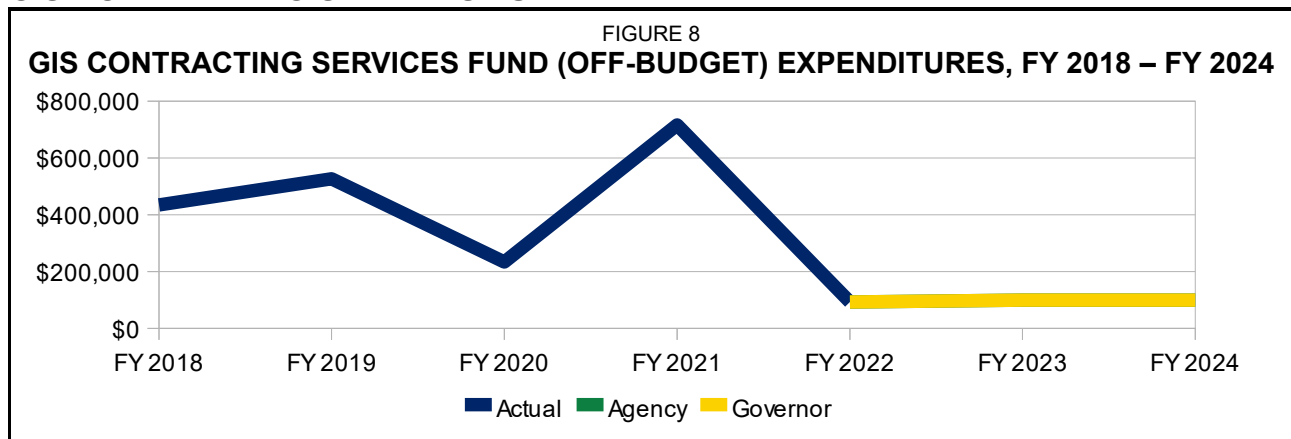
The decline in SGF expenditures after FY 2020 is due to the completion of projects associated with network upgrades to accommodate information technology modernization strategy and data center migration activities. These funds have essentially been replaced with off-budget funds as agencies have begun utilizing the modernized infrastructure to subscribe to OITS technology services.

For FY 2024, the agency has requested an additional \$11.5 million, all SGF, to fully replace off-budget funding for the Kansas Information Security Office (KISO), and expand its capabilities. The request would fund increase the KISO from 18.0 FTE positions to 36.0 FTE positions, and allow for statewide cybersecurity training and assessment.

GIS CONTRACTING SERVICES FUND



GIS CONTRACTING SERVICES FUND



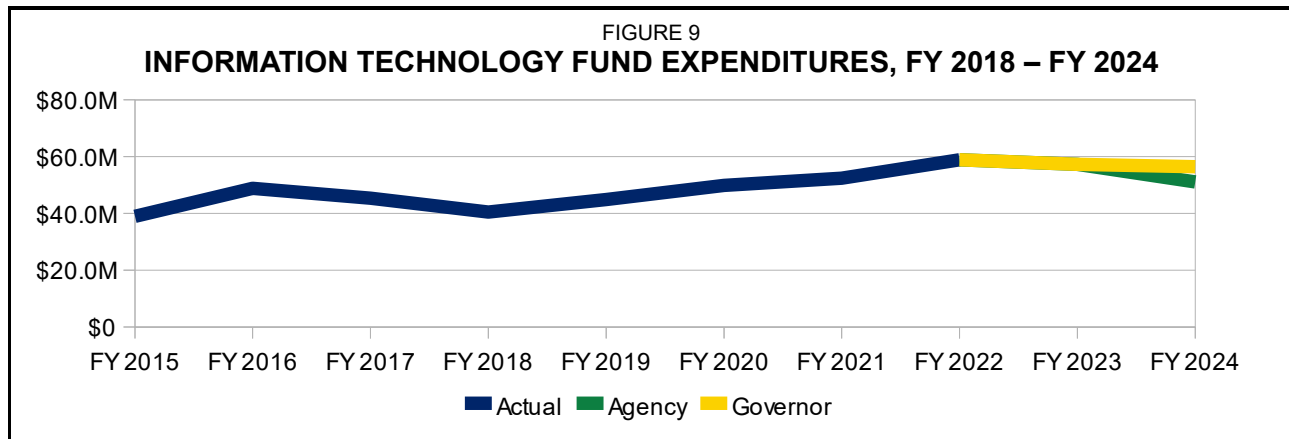
In 1989, Executive Order 06-08 established the Kansas Geographical Information Systems (GIS) Policy Board, which currently directs the Kansas Geological Survey and the University of Kansas to monitor contracted services and funding. Pursuant to KSA-74-99f08, OITS is required to fund the state geographic 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. Both 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 intragovernmental 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. 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 averaged \$51,455 from FY 2018 to FY 2022. OITS made no on-budget expenditures from this fund in FY 2021. The agency estimates it will collect \$60,000 from non-state entities in FY 2023 and FY 2024.

The agency's off-budget expenditures average \$401,036 from FY 2018 to FY 2022, and the agency estimates it will collect \$100,000 from state agencies in FY 2023 and FY 2024 for this subprogram.

INFORMATION TECHNOLOGY FUND



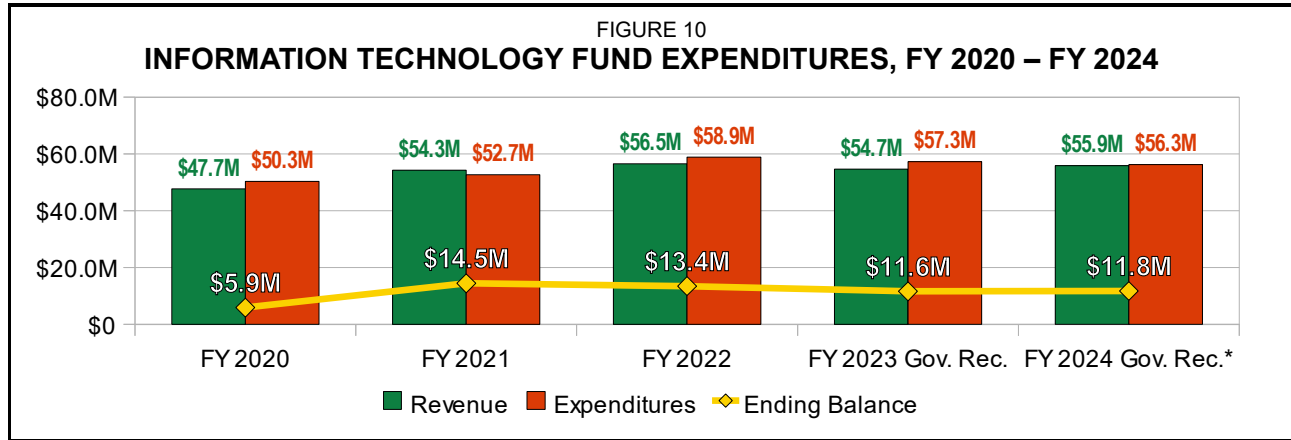
The Information Technology Fund is an off-budget special revenue fund that accounts for the provision of IT goods and services to other state agencies. This fund generates revenue from rates and charges for services, as established by the Executive Chief Information Technology Officer pursuant to KSA 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 \$47.4 million between FY 2015 to FY 2022. The agency estimates it will expend \$57.4 million in FY 2023 and \$51.2. million for FY 2024.

Rates are intended only to recover costs and to comply with federal audit and cost accounting guidelines, as outlined by Office of Management and Budget (OMB) 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 2022 – FY 2024)				
Item	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate	
Office 365/Cloud Services	\$ 7,867,000	\$ 9,058,068	\$ 10,375,056	
Network Telecommunications	15,366,000	14,077,590	14,077,590	
Mainframe	4,113,018	3,943,477	4,059,462	
State-owned Data Centers	678,000	507,600	507,600	
Data Center as a Service (Unisys)	9,573,801	10,305,000	10,305,000	
Project Management	604,617	698,577	861,076	
Surcharges	982,000	955,000	1,007,000	
Direct Billings	16,323,782	12,000,000	12,000,000	
TOTAL	\$ 55,508,218	\$ 51,545,312	\$ 53,192,784	

FY 2023 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 4,250,000	\$ 51,883,918	\$ 56,133,918	117.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 4,250,000</i>	<i>\$ 51,883,918</i>	<i>\$ 56,133,918</i>	<i>117.0</i>
Agency Revised Estimate:				
2. Service Center Software Replacement	\$ 1,250,000	\$ -	\$ 1,250,000	--
3. Rehab and Repair of Networking Equipment	(1,250,000)	-	(1,250,000)	--
4. Software, Services, and Equipment- Direct Billed	-	6,500,000	6,500,000	--
5. OITS Office Relocation-LSOB	-	1,000,000	1,000,000	--
6. Hosted Services Software	-	225,000	225,000	--
7. Network and Telecom License Renewal	-	175,000	175,000	--
8. Temporary Professional Services	-	150,000	150,000	--
9. Desk Phones Purchase	-	150,000	150,000	--
10. Help Desk Software Increase	-	100,000	100,000	--
11. Vendor Maintenance Agreements	-	100,000	100,000	--
12. Office 365 Licenses Shift	-	(1,911,000)	(1,911,000)	--
13. Unisys Data Center Charges	-	(900,000)	(900,000)	--
14. All Other Adjustments	-	(56,705)	(56,705)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 4,250,000</i>	<i>\$ 57,416,213</i>	<i>\$ 61,666,213</i>	<i>117.0</i>
Governor's Recommendation:				
15. No Changes	-	-	-	--
TOTAL	\$ 4,250,000	\$ 57,416,213	\$ 61,666,213	117.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** The 2022 Legislature approved a budget of \$56.1 million, including \$4.3 million SGF, for the Office of Information and Technology Services for FY 2023. No adjustments were made to the the approved FY 2023 budget.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$4.3 million, including \$4.3 million SGF, for on-budget expenditures in FY 2023. The revised estimate is the same as the FY 2023 approved amount. Included in this amount is \$60,000 in expenditures from the GIS Contracting Services Fund, which is an increase of \$17,000, or 39.5 percent, above the FY 2023 approved amount, to support state geographic information systems for the user community in Kansas.

The **agency** on-budget revised estimate includes the following adjustments:

2. **SERVICE CENTER SOFTWARE REPLACEMENT.** The agency estimate includes a \$1.3 million increase, all SGF, to replace the current service center software with ServiceNow, a technical support and troubleshooting software service. This increase is offset by a \$1.3 million decrease, all SGF, for rehabilitation and repair of state networking equipment, which is explained further in Item 3.

3. **REHAB AND REPAIR OF NETWORKING EQUIPMENT.** The agency estimate includes a \$1.3 million decrease, all SGF, for reduced purchases related to the rehabilitation, repair, and upgrade of state networking equipment. OITS has indicated it is concluding a multi-year network refresh and is shifting focus to other areas of need within the State IT enterprise.

The **agency** revised estimate also includes \$57.4 million in off-budget expenditures, all from special revenue funds, which is an increase of \$5.5 million, or 10.6 percent, above the FY 2023 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 117.0 off-budget FTE positions for FY 2023, which is the same as the FY 2023 approved number.

The agency off-budget revised estimates include the following adjustments:

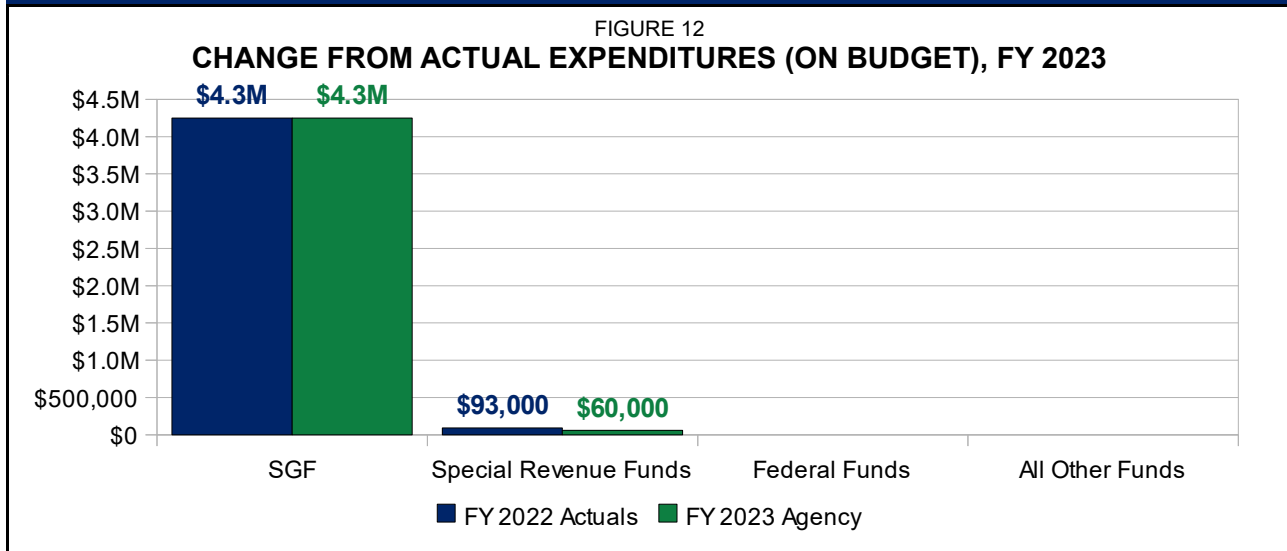
4. **SOFTWARE, SERVICES, AND EQUIPMENT-DIRECT BILLED.** The revised estimate includes an increase of \$6.5 million , all from off-budget sources, attributed to increased purchases of certain software subscription services, and increased utilization of services offered by OITS, such as data center and desktop as a service. The agency estimates total expenditures for Direct Billed Services to be \$12.0 million in FY 2023
5. **OITS OFFICE RELOCATION.** The revised estimate includes an increase of \$1.0 million, all from off-budget sources, attributed to the planned relocation of the OITS offices to the Landon State Office Building.
6. **HOSTED SERVICES SOFTWARE.** The revised estimate includes an increase of \$225,000 , all from off budget sources, attributed to the adoption of new software to help manage the Hosted Services Program. The agency estimates total expenditures for Hosted Services to be \$14.5 million in FY 2023.
7. **NETWORK AND TELECOMMUNICATION LICENSE RENEWAL.** The revised estimate includes an increase of \$175,000 , all from off-budget sources, attributed to the renewal service licenses from Cisco and Info Block to assist and administering the Network and Telecommunications Program. The agency estimates total expenditures for Network and Telecommunications to be \$10.8 million, including \$3.0 million SGF, in FY 2023.
8. **TEMPORARY PROFESSIONAL SERVICES.** The revised estimate includes an increase of \$150,000 , all from off budget sources, attributed to temporary professional services acquired to assist in administering the Client Services Program. The agency estimates total expenditures for Client Services to be \$5.3 million in FY 2023.
9. **DESK PHONE PURCHASE.** The revised estimate includes an increase of \$150,000, all from off-budget sources, attributable to increased one-time purchases of Cisco Desk phones for a state agency. The agency estimates total expenditures for Network and Telecommunications to be \$10.8 million, including \$3.0 million SGF, in FY 2023.
10. **HELPDESK SOFTWARE LICENCE INCREASE.** The revised estimate includes an increase of \$100,000 , all from off-budget sources, attributable to an increase in the cost of the help desk software, ServiceNow.
11. **VENDOR MAINTINANCE AGREEMENTS.** The revised estimate includes an increase of \$100,000, all from off-budget sources, attributable to increased cost for various vendor maintenance services including, Cisco Smartnet, Hewlett Packard, and ConvergeOne.

12. **OFFICE 365 LICENSES SHIFT.** The revised estimate includes a decrease of \$1.9 million, all from off-budget sources, attributable to the agency shifting more of the costs associated with Microsoft licensing to the Direct Billed Services Program to better align their costs and revenues. The agency estimates total expenditures for the Direct Billed Services to be \$12.0 million in FY 2023.
13. **UNYSIS DATA CENTER CHARGES.** The revised estimate includes a decrease of \$900,000 in costs attributable to Unysis Data Center charges. The agency estimates total expenditures for Network and Telecommunications to be \$10.8 million, including \$3.0 million SGF, in FY 2023.
14. **ALL OTHER ADJUSTMENTS.** The revised estimate includes a decrease of \$56,705, 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.

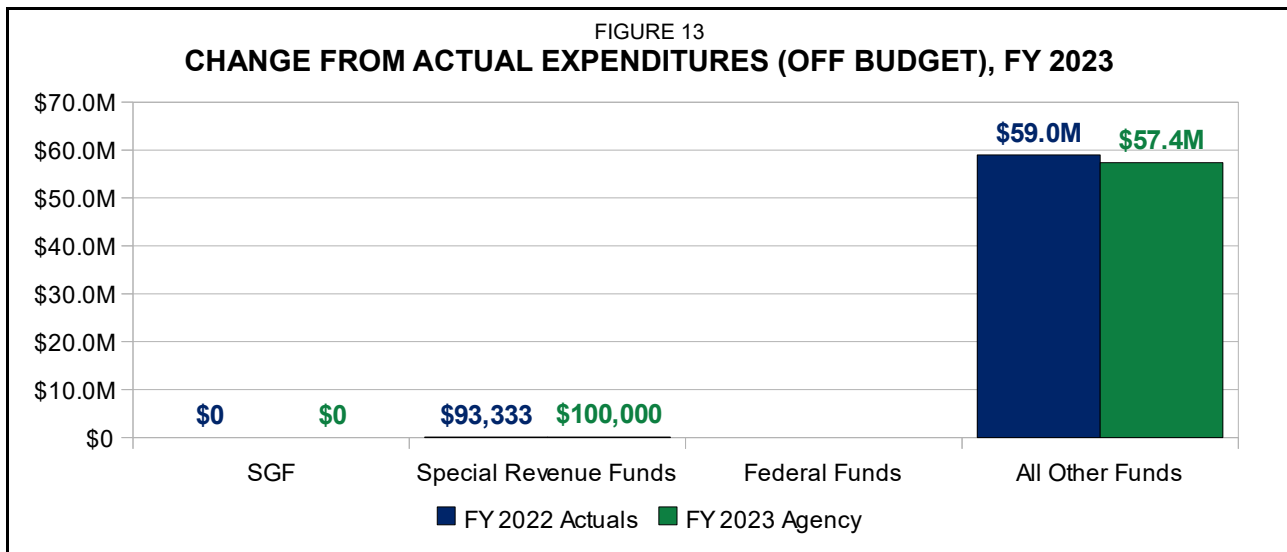
GOVERNOR'S RECOMMENDATION

NO CHANGES. The Governor concurs with the agency request in FY 2023.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised FY 2023 on-budget expenditures of \$4.3 million, including \$4.3 million SGF. The revised estimate is the same as the FY 2022 actual expenditures. Included in this amount is \$60,000 from the GIS Contracting Services Fund, which is an increase of \$17,000, or 39.5 percent, above the FY 2023 approved amount, to support state geographic information systems for the user community in Kansas.



The **agency** estimates revised FY 2023 off-budget expenditures of \$57.4 million, all from special revenue funds, which is a decrease of \$1.7 million, or 2.6 percent, below FY 2022 actual expenditures. The decrease can be attributed to reduced expenditures on certain commodities the agency purchases on behalf of other state agencies, such as cables, electronic equipment, and peripherals (\$8.1 million). The decrease is partially offset by increased expenditures for certain contractual services including ongoing software licenses and utilization of OITS services by other state agencies (\$5.6 million), and increased salaries and wages increases related to the 5.0 percent salary increase approved by the 2022 Legislature (\$1.5 million).

FY 2024 ANALYSIS

FIGURE 14
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 4,250,000	\$ 57,416,213	\$ 61,666,213	117.0
Agency Request:				
1. Enhancement–Cybersecurity Operations	\$ 11,500,000	\$ (5,227,084)	\$ 6,272,916	18.0
2. OITS Relocation	-	(1,000,000)	(1,000,000)	--
3. All Other Adjustments	-	51,845	51,845	--
<i>Subtotal–Agency Estimate</i>	<i>\$ 15,750,000</i>	<i>\$ 51,240,974</i>	<i>\$ 66,990,974</i>	<i>135.0</i>
Governor's Recommendation:				
4. Enhancement–Cybersecurity Operations	\$ (5,750,000)	\$ 5,232,160	\$ (517,840)	(9.0)
TOTAL	\$ 10,000,000	\$ 56,473,134	\$ 66,473,134	126.0

AGENCY REQUEST

The **agency** requests \$15.8 million, including \$15.8 million SGF, which is an SGF increase of \$11.5 million, or 266.8 percent, above the FY 2023 revised estimate for on-budget expenditures. Included in this amount is \$60,000 from the GIS Contracting Services Fund. The request includes 36.0 on-budget FTE positions for FY 2024, which is an increase of 36.0 FTE positions above the FY 2023 revised estimate. *Note:* This is a net increase is 18.0 new FTE positions. As described below in Item 1, the agency requests funding for the KISO's current 18.0 FTE positions with on-budget SGF moneys. Historically, these positions have been funded using off-budget moneys.

The agency request also includes \$51.2 million in off-budget expenditures, all from special revenue funds, which is a decrease of \$6.2 million, or 10.8 percent, below the FY 2023 revised estimate. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The request includes 99.0 off-budget FTE positions, for FY 2024, which is a decrease of 18.0 FTE positions below the FY 2023 revised estimate. *Note:* The combined FTE positions for the agency's request totals 135.0.

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

- 1. ENHANCEMENT – CYBERSECURITY OPERATIONS.** The request includes an \$11.5 million increase, all SGF, to improve the State's cybersecurity posture and replace off-budget special revenue funding currently used to fund the Kansas Information Security Office (KISO) with SGF moneys.
- 2. OITS RELOCATION.** The request includes a \$1.0 million decrease, all from off-budget sources, attributable to the elimination of one-time expenditures associated with the relocation of OITS to the Capitol Complex.
- 3. ALL OTHER ADJUSTMENTS.** The request includes a decrease of \$51,845, 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** recommends expenditures of \$10.0 million, all SGF, for on-budget expenditures for FY 2024. The recommendation is an SGF decrease of \$5.8 million, or 36.5 percent, below the FY 2024 agency request. The decrease is attributable to the Governor recommending partial adoption of the agency's enhancement request for new and ongoing cybersecurity activities. The recommendation includes 9.0 on-budget FTE positions for FY 2024, which is a decrease of 27.0 FTE positions below the FY 2024 Request.

For FY 2024, the Governor's recommendation includes \$56.4 million in off-budget special revenue expenditures. The recommendation is an increase of \$5.2 million, or 10.2 percent, above the FY 2024 agency request. The increase is attributable to the Governor partially recommending the agency's enhancement request and shift \$5.2 million of the agency's request to off-budget special revenue funds.

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

4. **ENHANCEMENT – CYBERSECURITY OPERATIONS.** The Governor recommends partial adoption of the agency's enhancement request. The recommendation includes \$11.0 million, including \$5.8 million SGF, and \$5.2 million in off-budget expenditures, which are categorized as such to avoid double counting payments from other state agencies. The recommendation is an all funds decrease of \$517,840, or 4.5 percent, below the agency FY 2024 request. The Governor also recommends the addition of 9.0 FTE positions for this purpose (Item 1).

ENHANCEMENT REQUESTS

CYBERSECURITY INITIATIVES

The agency requests enhancements to improve the cybersecurity posture of the State and assist the Kansas Information Security office (KISO) in meeting requirements of the Kansas Cybersecurity Act (KCA), KSA 75-7239.

CYBER SECURITY ENHANCEMENT REQUEST				
Item	SGF	Other Funds	All Funds Change	New FTE
1. Enhanced Cybersecurity Operations	\$ 11,500,000	\$ (5,232,160)	\$ 6,267,840.0	18.00
TOTAL	\$ 11,500,000	\$ (5,232,160)	\$ 6,267,840.0	18.00

ENHANCED CYBERSECURITY OPERATIONS. The agency requests \$11.5 million SGF to improve the the States cybersecurity posture, by adding additional capacity to the Kansas Information Security office, and shift the funding source for the KISO from off-budget special revenue funds (Rates paid by other state agency's to OITS), to SGF, resulting in the office being entirely funded with SGF. The request is an all funds increase of \$6.3 million, or 120.0 percent, above the FY 2023 revised estimate for the KISO. Included in this request is \$3.9 million for cybersecurity and assessments, \$2.3 million to hire: 6.0 FTE additional information security officers and replace charge back for existing 6.0 information security officers; 8.0 FTE new cybersecurity analysts and protection positions; and 4.0 FTE positions to assist with collaboration with local government on cybersecurity issues. Also included in the request is expenditures of \$5.2 million for existing KISO operations, including cybersecurity training and mediation (\$3.0 million), and salaries and wages for the KISO's current 18.0 FTE, 6.0 FTE of which are information security officers for other state agencies (\$2.2 million)

The Governor partially recommends the agency's request. The Governor recommends \$11.0 million, including \$5.8 million SGF, and \$5.2 million in off-budget expenditures, which are categorized as such to avoid double counting payments from other state agencies. The recommendation also includes 9.0 FTE positions.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 15
EXPENDITURES AND FTE POSITIONS BY PROGRAM
(ON AND OFF BUDGET), FY 2022 – FY 2024

Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 6,664,356	\$ 6,544,325	\$ 6,544,325	\$ 5,707,377	\$ 5,707,377
Client Services	3,103,649	5,327,015	5,327,015	5,433,887	5,433,887
Hosted Services	15,639,059	14,534,416	14,534,416	14,036,103	14,036,103
Business Productivity Tools (O365)	5,171,152	5,993,956	5,993,956	5,996,938	5,996,938
Network and Telecommunication	11,362,683	10,762,414	10,762,414	11,124,697	11,124,697
Kansas Information Technology Office	342,133	1,277,003	1,277,003	1,191,972	1,191,972
Kansas Information Security Office	4,743,397	5,227,084	5,227,084	11,500,000	10,982,160
Direct Billed Services	16,298,935	12,000,000	12,000,000	12,000,000	12,000,000
TOTAL	\$ 63,325,364	\$ 61,666,213	\$ 61,666,213	\$ 66,990,974	\$ 66,473,134
FTE Positions:					
Administration	30.0	31.0	31.0	31.0	31.0
Client Services	27.0	26.0	26.0	26.0	26.0
Hosted Services	5.0	6.0	6.0	6.0	6.0
Business Productivity Tools (O365)	7.0	6.0	6.0	6.0	6.0
Network and Telecommunication	23.0	22.0	22.0	22.0	22.0
Kansas Information Technology Office	6.0	8.0	8.0	8.0	8.0
Kansas Information Security Office*	17.0	18.0	18.0	36.0	27.0
Direct Billed Services	-	-	-	-	-
TOTAL	115.0	117.0	117.0	135.0	126.0

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 specified.

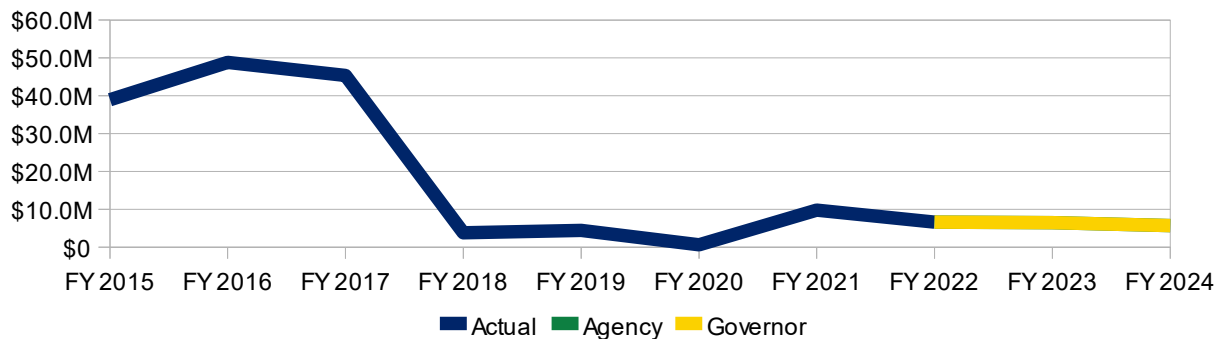
*Staff note: In FY 2024, the agency has requested SGF funding for specific program FTE positions.

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 16
ADMINISTRATION EXPENDITURES, FY 2018 – FY 2024



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.

According to the agency, 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.

BUDGET ANALYSIS

The agency requests FY 2024 Administration Program expenditures of \$5.7 million, all from special revenue funds. The request includes \$5.7 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 \$836,948, or 12.8 percent, below the FY 2023 revised estimate. The decrease can primarily be attributed to the elimination of one-time expenditures present in the FY 2023 revised estimate for the agency's relocation to the

Capitol Complex (\$1.0 million). The decrease is partially offset by increased expenditures on rent related to OITS' relocation into the Landon State Office Building (\$150,000). The Administration Program request also includes 31.0 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency request for the Administration program in FY 2023 and for FY 2024.

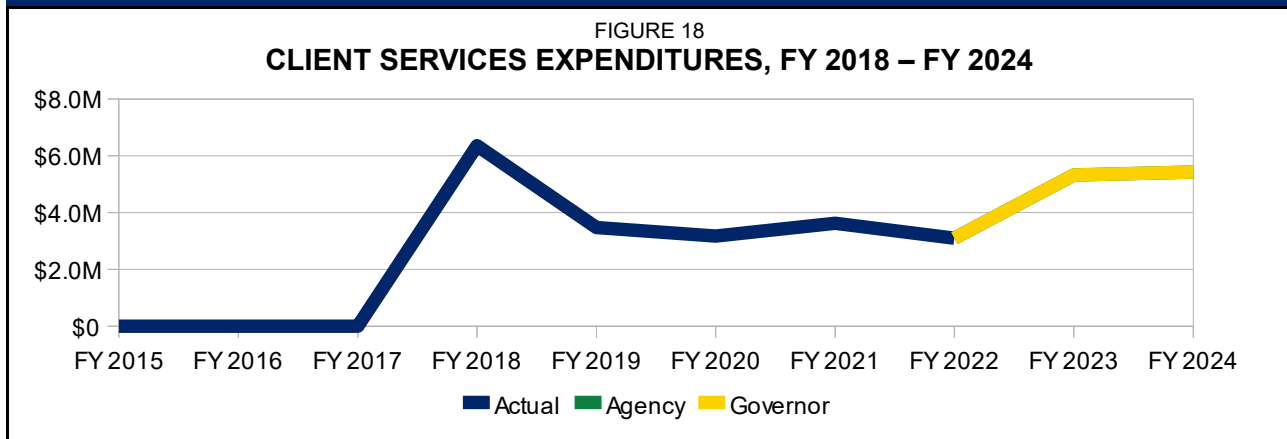
FIGURE 17
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of requested Executive Branch agencies submitting 3-year IT plans*	87.1 %	90.0 %	89.6 %	95.0 %	95.0 %
2. Number of contracts and RFPs executed*	2	12	01	15	15
3. Employee turnover rate*	23.7 %	23.3 %	21.9 %	20.0 %	20.0 %
4. Percent of Invoices Paid on Time*	100.0 %	100.0 %	99.9 %	100.0 %	100.0 %
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,728,850	\$ -		\$ -	\$ -
Federal Funds	2,065,484	-		-	-
All Other Funds	-	93,333		60,000	60,000
Subtotal—On-Budget	\$ 3,794,334	\$ 93,333		\$ 60,000	\$ 60,000
Off-Budget**	6,013,729	6,571,023		6,484,325	5,647,377
GRAND TOTAL	\$ 9,808,063	\$ 6,664,356		\$ 6,544,325	\$ 5,707,377
Percentage Change:					
SGF	-- %	(100.0) %		-- %	-- %
All Funds	47.4 %	(32.1) %		(1.8) %	(12.8) %
FTE Positions	30.0	30.0		31.0	31.0

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

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 specified.

CLIENT 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 Client 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. Client 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.

BUDGET ANALYSIS

The agency requests FY 2024 Client Services program expenditures of \$5.4 million, including \$1.3 million SGF. The request includes \$4.2 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 increase of \$106,872, or 2.0 percent, above the FY 2023 revised estimate for both on and off-budget items. The increase is primarily attributed to

increased licensing cost for the helpdesk software, ServiceNow (\$100,000).

The Client Services request also includes 26.0 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency request for the Client Services program in FY 2023 and for FY 2024.

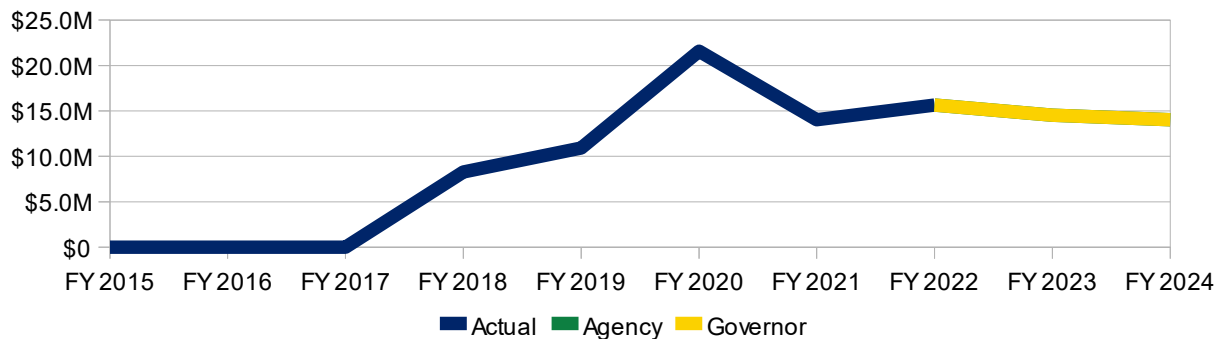
FIGURE 19 CLIENT SERVICES, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Service Desk hold time less than or equal to 2 minutes	99.0 %	99.0 %	99.0 %	99.0 %	99.0 %
2. Number of tickets closed by Client Services team *	20,959	21,064	21,012	22,000	22,500
3. Number of non-Cabinet agencies receiving services from the Client Services*	16	22	17	24	25
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ (2,401)	\$ 64,741		\$ 1,250,000	\$ 1,250,000
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<i>\$ (2,401)</i>	<i>\$ 64,741</i>		<i>\$ 1,250,000</i>	<i>\$ 1,250,000</i>
Off-Budget**	3,634,258	3,038,908		4,077,015	4,183,887
GRAND TOTAL	\$ 3,631,857	\$ 3,103,649		\$ 5,327,015	\$ 5,433,887
Percentage Change:					
SGF	-- %	(2,796.4) %		1,830.8 %	-- %
All Funds	14.3 %	(14.5) %		71.6 %	2.0 %
FTE Positions	25.0	27.0		26.0	26.0

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

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 specified.

HOSTED SERVICES

FIGURE 20
HOSTED SERVICES EXPENDITURES, FY 2018 – FY 2024



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 calendar year (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 requested additional funding for FY 2020 and 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.

BUDGET ANALYSIS

The agency requests FY 2024 Hosted Services program expenditures of \$14.0 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 \$498,313, or 3.4 percent, below the FY 2023

revised estimate. The decrease can primarily be attributed to a cost associated with the contract for multi-factor authentication service that is present in the FY 2023 revised estimate but absent in FY 2024 request (\$500,00).

The Hosted Services program request also includes 6.0 FTE positions for FY 2024, which

is the same as the FY 2023 revised estimate number.

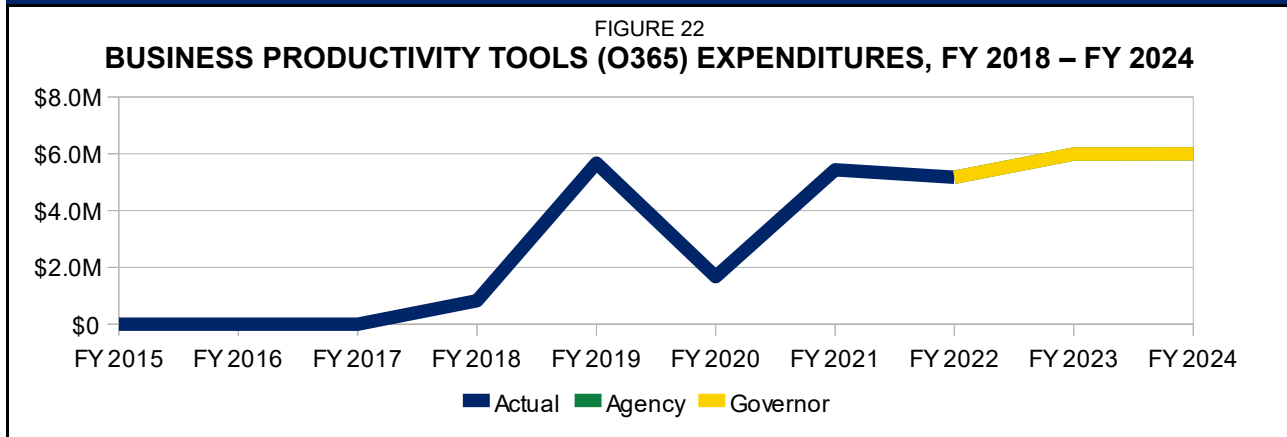
The **Governor** concurs with the agency request for the Hosted Services program in FY 2023 and for FY 2024.

FIGURE 21 HOSTED SERVICES, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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*	40.0 %	40.0 %	44.0 %	40.0 %	40.0 %
3. Average percentage of utilization of mainframe storage	72.0 %	66.0 %	67.3 %	70.0 %	70.0 %
4. Percent of successfully completed mainframe backup jobs	95.0 %	100.0 %	96.7 %	95.0 %	95.0 %
5. Average communication line latency to Unisys Data Center (minutes)*	4.0	4.0	10.0	4.0	4.0
6. Percentage of time Unisys DCaaS is available*	--	100.0 %	--	100.0 %	100.0 %
7. Percentage of time Microsoft Azure is available*	--	100.0 %	--	99.5 %	99.5 %
Financing	FY 2021	FY 2022		FY 2023	FY 2024
SGF	\$ 5,400,000	\$ 578,438		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
Subtotal—On-Budget	\$ 5,400,000	\$ 578,438		\$ -	\$ -
Off-Budget**	8,634,512	15,060,621		14,534,416	14,036,103
GRAND TOTAL	\$ 14,034,512	\$ 15,639,059		\$ 14,534,416	\$ 14,036,103
Percentage Change:					
SGF	(62.4) %	(89.3) %		(100.0) %	-- %
All Funds	(34.9) %	11.4 %		(7.1) %	(3.4) %
FTE Positions	6.5	5.0		6.0	5.0

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

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 specified.

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.

BUDGET ANALYSIS

The agency requests FY 2024 Business Productivity Tools (O365) expenditures of \$6.0 million, all from special revenue funds, which is \$2,982, or less than 0.1 percent, above the FY 2023 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 6.0 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

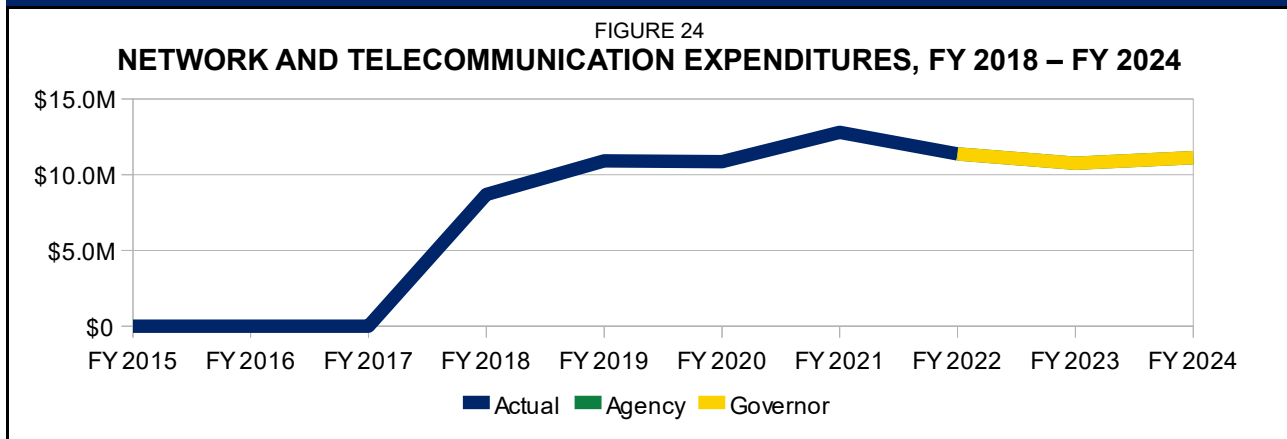
The **Governor** concurs with the agency request for the Business Productivity Tools (O365) program in FY 2023 and for FY 2024.

FIGURE 23					
BUSINESS PRODUCTIVITY TOOLS (O365), PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of time O365 is available	100.0 %	100.0 %	100.0 %	99.9 %	99.9 %
2. Number of O365 users*	19,681	18,720	18,700	20,000	20,000
3. Teams Meetings hosted in O365*	264,000	297,426	--	300,000	300,000
4. Collaboration Teams Sites*	1,471	1,799	--	2,000	2,000
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<i>\$ -</i>	<i>\$ -</i>		<i>\$ -</i>	<i>\$ -</i>
Off-Budget**	5,438,862	5,171,152		5,993,956	5,996,938
GRAND TOTAL	\$ 5,438,862	\$ 5,171,152		\$ 5,993,956	\$ 5,996,938
Percentage Change:					
SGF	(100.0) %	-- %		-- %	-- %
All Funds	226.3 %	(4.9) %		15.9 %	0.0 %
FTE Positions	8.0	7.0		6.0	6.0

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

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 specified.

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.

BUDGET ANALYSIS

The agency requests FY 2024 Network and Telecommunication program expenditures of \$11.1 million, including \$3.0 million SGF. The request includes \$8.2 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 increase of \$362,283, or 3.4 percent, above the FY 2023 revised estimate for both on and off-budget items. The increase is primarily attributable to expenditures related to repairs and services of

state networking and telecommunications equipment (\$352,000).

The Network and Telecommunications program request also includes 22.0 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency request for the Network and Telecommunication program in FY 2023 and for FY 2024.

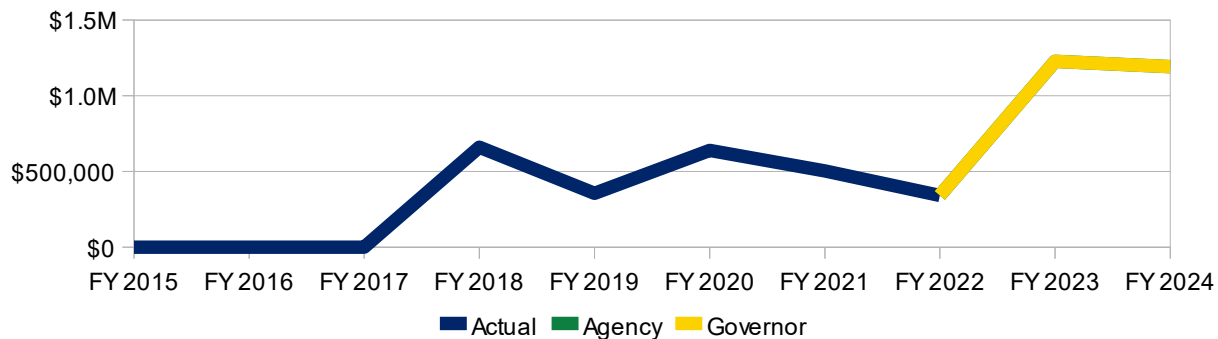
FIGURE 25 NETWORK AND TELECOMMUNICATION, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of network uptime in the capitol complex*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
2. Percentage of network uptime in the metropolitan area network*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
3. Percentage of network uptime in the wide area network*	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %
4. Percentage of uptime in the voice environment*	99.9 %	99.9 %	99.3 %	99.9 %	99.9 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 4,500,000	\$ 3,374,451		\$ 3,000,000	\$ 3,000,000
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<i>\$ 4,500,000</i>	<i>\$ 3,374,451</i>		<i>\$ 3,000,000</i>	<i>\$ 3,000,000</i>
Off-Budget**	8,308,456	7,988,232		7,762,414	8,124,697
GRAND TOTAL	\$ 12,808,456	\$ 11,362,683		\$ 10,762,414	\$ 11,124,697
Percentage Change:					
SGF	1,834.8 %	(25.0) %		(11.1) %	-- %
All Funds	15.5 %	(11.3) %		(5.3) %	3.4 %
FTE Positions	22.7	23.0		22.0	22.0

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

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 specified.

KANSAS INFORMATION TECHNOLOGY OFFICE

FIGURE 26
KANSAS INFORMATION TECHNOLOGY OFFICE EXPENDITURES, FY 2018 – FY 2024



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 Chief Information Technology Officer (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 process.
- 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.

BUDGET ANALYSIS

The agency requests FY 2024 Kansas Information Technology Office (KITO) expenditures of \$1.2 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 \$85,031, or 6.7 percent, below the FY 2023 revised estimate. The decrease can be attributed to reduced

professional services fees for consulting services (\$100,000) present in the FY 2023 revised estimate. The decrease is partially offset by increased expenditures associated with repairs and servicing (\$10,000). The KITO program request also includes 8.0 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

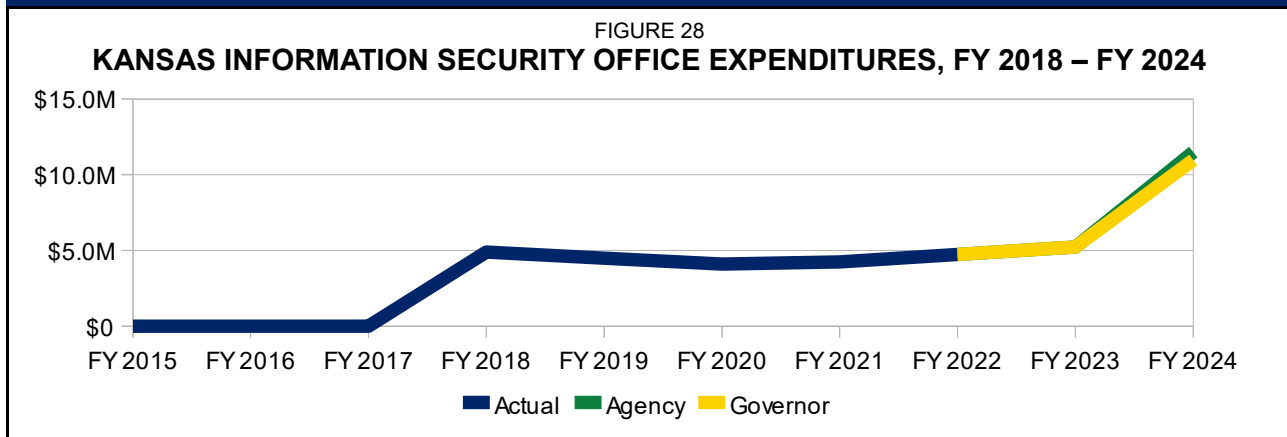
The **Governor** concurs with the agency request for the KITO program in FY 2023 and for FY 2024.

FIGURE 27 KANSAS INFORMATION TECHNOLOGY OFFICE, PERFORMANCE MEASURES					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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. Percentage of agencies running the Accessibility Management Platform (AMP)*	66.0 %	68.0 %	68.3 %	75.0 %	75.0 %
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<i>\$ -</i>	<i>\$ -</i>		<i>\$ -</i>	<i>\$ -</i>
Off-Budget**	503,377	342,133		1,277,003	1,191,972
GRAND TOTAL	\$ 503,377	\$ 342,133		\$ 1,277,003	\$ 1,191,972
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(21.4) %	(32.0) %		273.2 %	(6.7) %
FTE Positions	44,686.0	6.0		8.0	8.0

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

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 specified.

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 respond 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 established 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 (ISO) SERVICES. 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.

PERFORMANCE AND BUDGET ANALYSIS

The agency requests FY 2024 Kansas Information Security Office (KISO) program expenditures of \$11.5 million, all SGF. The request is an all funds increase of \$6.3 million, or 120.0 percent, above the FY 2023 revised estimate. The increase can be attributed to the agency's FY 2024 enhancement requests to shift the KISO's funding from off-budget special revenue funds to SGF (\$5.2 million) and add additional capacity to improve the State's cybersecurity posture with additional agency Information Security Officers (ISOs), additional cybersecurity professionals, expanded training, and outreach (\$6.3 million).

The KISO program request also includes 36.0 FTE positions for FY 2024, which is an increase of 18.0 FTE positions above the FY 2023 revised estimate. Included in the 18.0 FTE positions are 6.0 new ISOs, 8.0 cybersecurity analysts and engineers, and 4.0 collaboration and support staff. *Note:* This is a net increase of

18.0 new FTE positions. The agency requests funding for the KISO's current 18.0 FTE positions with on-budget SGF moneys. Historically, these positions have been funded using off-budget moneys.

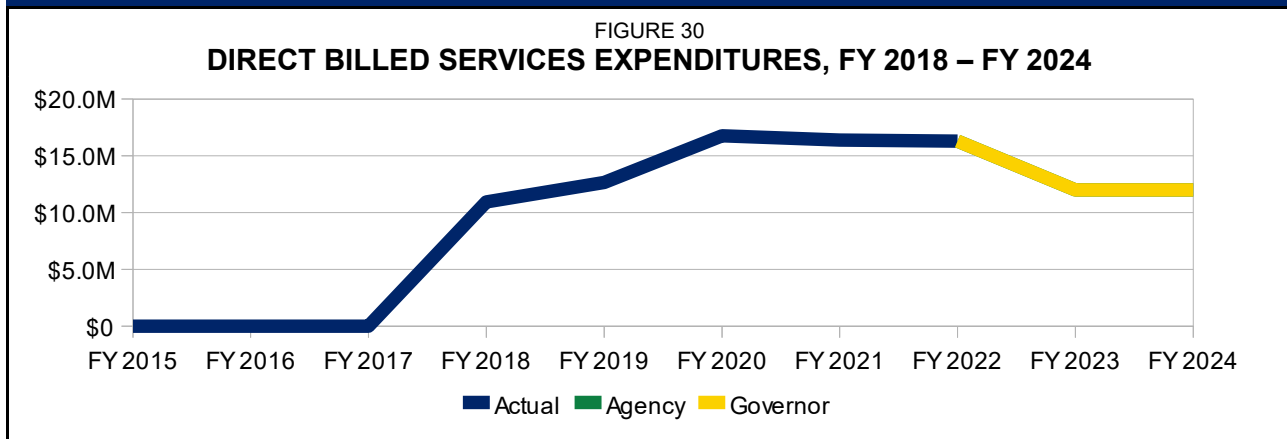
The **Governor** recommends FY 2024 KISO expenditures of \$11.0 million, including \$5.8 million SGF. The recommendation includes \$5.2 million in off-budget expenditures, which are categorized as such to avoid double counting payments from other state agencies. The recommendation is an all funds decrease of \$517,840, or 4.5 percent, below the agency FY 2024 request. The decrease is attributable to the Governor's partial adoption of the agency cybersecurity enhancement request. The recommendation also includes 27.0 FTE positions for FY 2024, 9.0 of which are funded with SGF moneys, which is a decrease of 9.0 FTE positions below the FY 2024 request.

<p style="text-align: center;">FIGURE 29</p> <p style="text-align: center;">KANSAS INFORMATION SECURITY OFFICE, PERFORMANCE MEASURES</p>					
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Respond to high priority incidents/requests within 8 hours per Service Level Agreements 100% of the time*	100.0 %	100.0 %	--	100.0 %	100.0 %
2. Yearly ticket resolution should be no less than 90% of the yearly opened*	95.0%	99.0%	94.7%	97.0%	97.0%
3. Achieve and maintain a 3% "phished" rate in email security testing of service participating agency state employees*	6.0%	4.0%	5.3%	3.0%	3.0%
4. Maintain a minimum information risk rating of 730 for state government agencies*	730	710	707	760	760
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ 232,370		\$ -	\$ 5,750,000
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<i>\$ -</i>	<i>\$ 232,370</i>		<i>\$ -</i>	<i>\$ 5,750,000</i>
Off-Budget**	4,243,355	4,511,027		5,227,084	5,232,160
GRAND TOTAL	<u>\$ 4,243,355</u>	<u>\$ 4,743,397</u>		<u>\$ 5,227,084</u>	<u>\$ 10,982,160</u>
Percentage Change:					
SGF	-- %	100.0 %		(100.0) %	100.0 %
All Funds	3.4 %	11.8 %		10.2 %	110.1 %
FTE Positions	17.0	17.0		18.0	27.0

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

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 specified.

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.

BUDGET ANALYSIS

The agency requests FY 2024 Direct Billed Services program expenditures of \$12.0 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 the same as FY 2023 revised estimate.

The Direct Billed Services program request does not include any FTE positions for FY 2024, which is the same as the FY 2023 revised estimate.

The **Governor** concurs with the agency request for the Direct Billed Services program in FY 2023 and for FY 2024.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	59,815,495	63,897,928	63,897,928	65,920,720	65,920,720
<i>Subtotal</i>	<u>\$ 59,815,495</u>	<u>\$ 63,897,928</u>	<u>\$ 63,897,928</u>	<u>\$ 65,920,720</u>	<u>\$ 65,920,720</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>\$ 59,815,495</u>	<u>\$ 63,897,928</u>	<u>\$ 63,897,928</u>	<u>\$ 65,920,720</u>	<u>\$ 65,920,720</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	18.0 %	6.8 %	6.8 %	3.2 %	3.2 %
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.

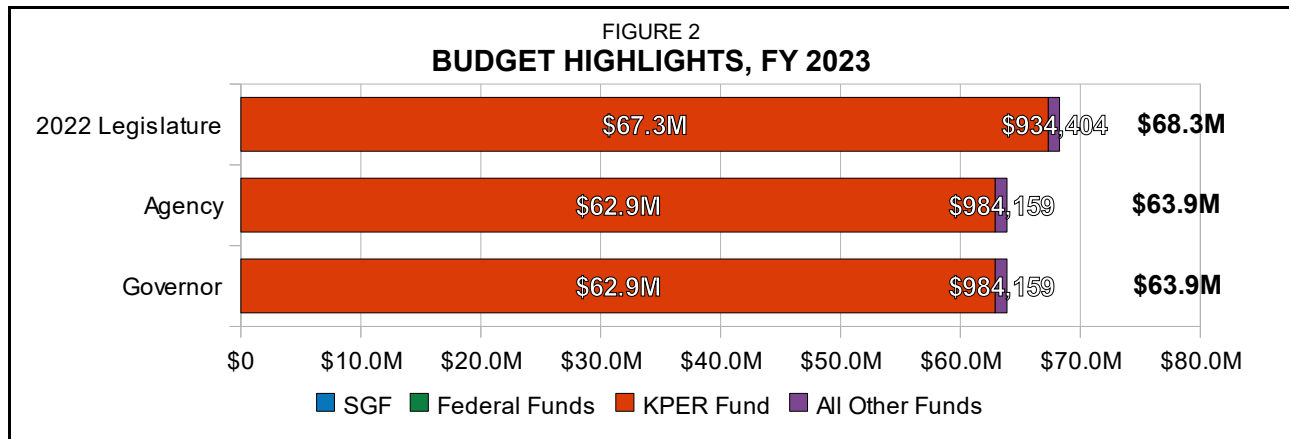
Pursuant to KSA 74-4901, the Kansas Public Employees Retirement System (KPERS) is to "provide an orderly means whereby employees of the participating employers who have attained retirement age as herein set forth may be retired from active service without prejudice and without inflicting a hardship upon 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

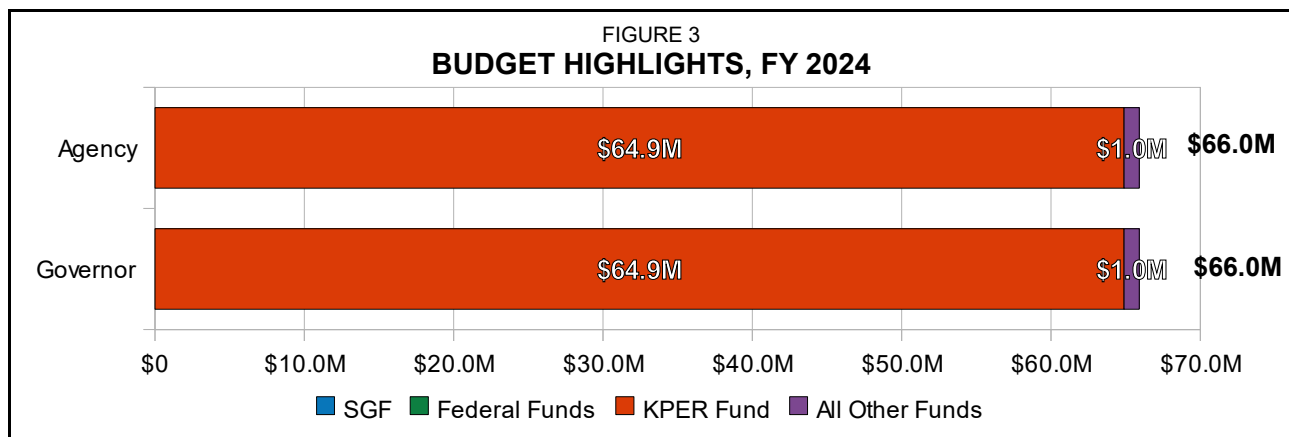
The 2022 Legislature approved a budget of \$68.3 million, including \$67.3 million from the Kansas Public Employees Retirement Fund, for the Kansas Public Employees Retirement System for FY 2023. No adjustments have been subsequently made to that amount.



The **agency** submits a revised estimate of \$63.9 million in FY 2023, including \$62.9 million from the Kansas Public Employees Retirement Fund. This represents a decrease of \$4.4 million, or 6.4 percent, below the amount approved by the 2022 Legislature. The majority of the decrease is attributable to a \$4.6 million decrease in expenditures from the Kansas Public Employees Retirement Fund for **external investment management and consultant fees**. Investment-related expenditures are determined by forecasting the current market value of the portfolio on June 30, 2022, by an actuarial rate of return assumption. On May 20, 2022, the KPERS Board of Trustees lowered the assumed rate of return from 7.75 percent to 7.00 percent. Management fee estimates are regularly updated to reflect investment experience and performance. The revised estimate lowers management fee estimates from the \$38.4 million approved by the 2022 Legislature to \$33.9 million in FY 2023, representing 0.143 percent of total assets.

The agency also submits a revised estimate of 98.4 FTE positions in FY 2023, which is the same as the approved number.

The **Governor** concurs with the agency's revised estimate and recommends \$63.9 million in FY 2023, including \$62.9 million from the Kansas Public Employees Retirement Fund.



The **agency** requests \$65.9 million for FY 2024, including \$64.9 million from the Kansas Public Employees Retirement Fund. This represents an increase of \$2.0 million, or 3.2 percent, above the FY 2023 revised estimate. The majority of the increase is attributable to a \$1.4 million increase in expenditures from the Kansas Public Employees Retirement Fund for **external investment management and consultant fees**. The request decreases management fee estimates from \$33.9 million in FY 2023 to \$35.3 million for FY 2024.

The request also includes increases in a variety of other expenditures, including expenses for computer system maintenance agreements and repairs on computers and related equipment (\$332,432). The increase is also attributable to administrative expenses for the following programs: Investment (\$44,380), Deferred Compensation (\$13,979), and Death and Disability (\$21,066).

The agency also requests 98.4 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

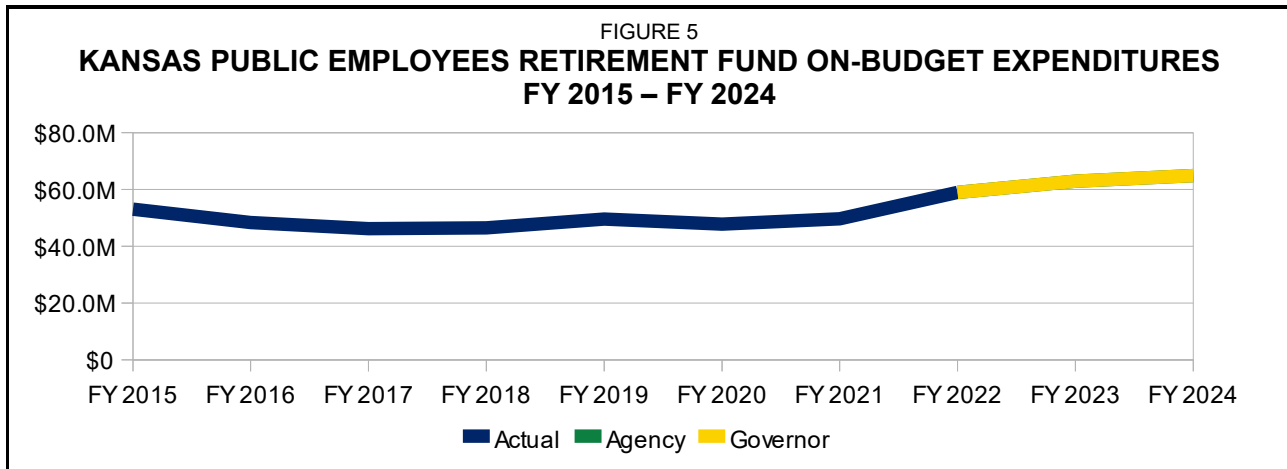
The **Governor** concurs with the agency's request and recommends \$65.9 million for FY 2024, including \$64.9 million from the Kansas Public Employees Retirement Fund.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

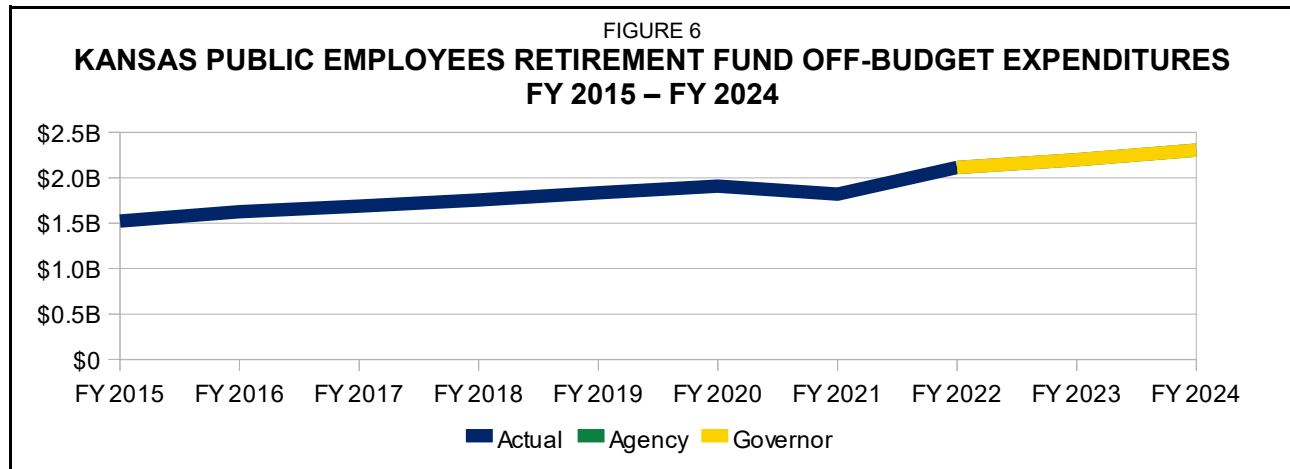
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 13,373,608	\$ 15,609,646	\$ 15,609,646	\$ 15,941,499	\$ 15,941,499
Contractual Services	45,129,611	47,663,332	47,663,332	49,354,271	49,354,271
Commodities	227,556	124,950	124,950	124,950	124,950
Capital Outlay	1,084,720	500,000	500,000	500,000	500,000
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 59,815,495</i>	<i>\$ 63,897,928</i>	<i>\$ 63,897,928</i>	<i>\$ 65,920,720</i>	<i>\$ 65,920,720</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 59,815,495</i>	<i>\$ 63,897,928</i>	<i>\$ 63,897,928</i>	<i>\$ 65,920,720</i>	<i>\$ 65,920,720</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 59,815,495	\$ 63,897,928	\$ 63,897,928	\$ 65,920,720	\$ 65,920,720
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
KPER Fund	58,960,138	62,913,769	62,913,769	64,901,491	64,901,491
Deferred Comp. Fund	519,087	618,909	618,909	632,913	632,913
Group Ins. Res. Fund	336,270	365,250	365,250	386,316	386,316
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 59,815,495	\$ 63,897,928	\$ 63,897,928	\$ 65,920,720	\$ 65,920,720
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 13.11 percent in FY 2023 and 12.57 percent for FY 2024. The statutory state/school employer contribution rate reflects the full actuarial required contribution rate (ARC) for those years. The local employer rate is 8.43 percent in calendar year (CY) 2023 and 9.26 percent for CY 2024. Local employers have been contributing the full ARC since CY 2015 and are scheduled to pay the full ARC in CY 2023 and for CY 2024.



The Legislature has previously 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.

Additionally, the 2022 Legislature transferred \$1.125 billion SGF directly to the KPERS Trust Fund. Of that amount, the first \$253.9 million SGF paid off outstanding accounts receivable for KPERS-School employer contributions withheld in FY 2017 and FY 2019 ("layering payments") while the remaining \$871.1 million SGF was applied to the KPERS-School unfunded actuarial liability.

At a 7.0 percent assumed rate of return, investment earnings are estimated to total \$1.7 billion in FY 2023 and \$1.82 billion for FY 2024. Total combined employee and employer contributions for pension, death and disability, and optional group life insurance are estimated to be \$1.87 billion in FY 2023 (which includes \$271.1 million in additional contributions approved in 2022 SB 421) and \$1.6 billion for FY 2024. This reflects the certified employer contributions set in the 2019 and 2020 actuarial valuations, which include a state/school employer contribution rate of 13.11 percent in FY 2023 and 12.57 percent for FY 2024.

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 2023 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 68,272,942	\$ 68,272,942	98.4
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	\$ -	\$ 68,272,942	\$ 68,272,942	98.4
Agency Revised Estimate:				
2. Investment Management Fees	\$ -	\$ (4,596,786)	\$ (4,596,786)	--
3. All Other Adjustments	-	221,772	221,772	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 63,897,928	\$ 63,897,928	98.4
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 63,897,928	\$ 63,897,928	98.4

LEGISLATIVE APPROVED

The 2022 Legislature approved \$68.3 million in expenditures and 98.4 FTE positions for the Kansas Public Employees Retirement System for FY 2023.

1. **NO CHANGES.** Subsequent to the 2022 Session, no changes were made to the \$68.3 million appropriated to the Kansas Public Employees Retirement System for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$63.9 million and 98.4 FTE positions in FY 2023, including \$62.9 million from the Kansas Public Employees Retirement Fund. This represents a decrease of \$4.4 million, or 6.4 percent, below the amount approved by the 2022 Legislature. The revised estimate includes the following adjustments:

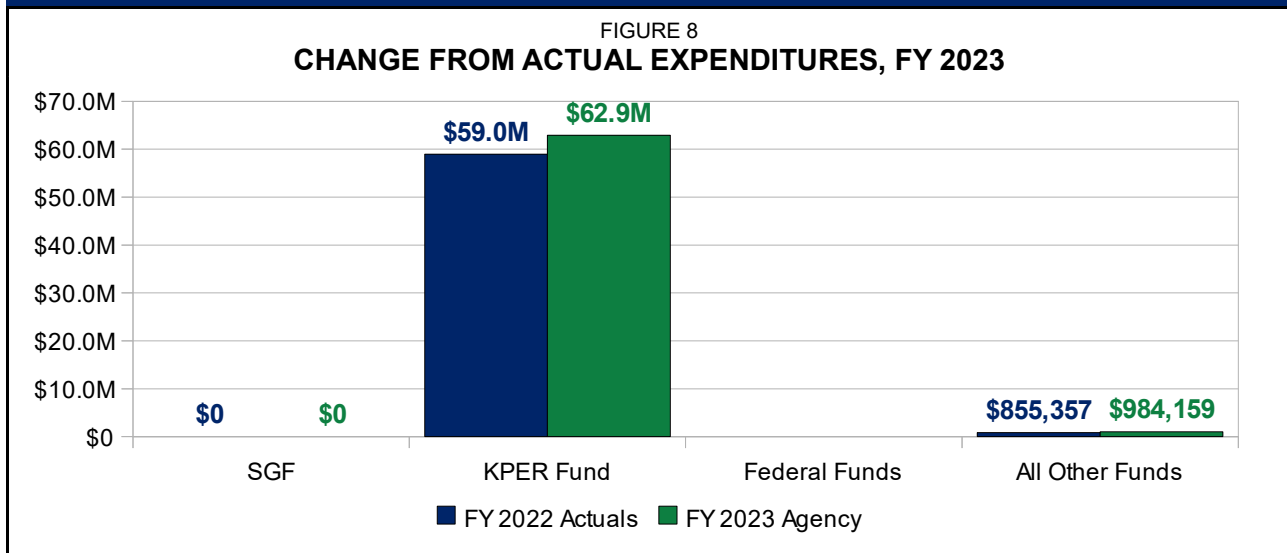
2. **INVESTMENT MANAGEMENT FEES.** The revised estimate includes a decrease of \$4.6 million in expenditures from the Kansas Public Employees Retirement Fund for external investment management and consultant fees. Investment-related expenditures are determined by forecasting the current market value of the portfolio on June 30, 2022, by an actuarial rate of return assumption. On May 20, 2022, the KPERS Board of Trustees lowered the assumed rate of return from 7.75 percent to 7.00 percent. Management fee estimates are regularly updated to reflect investment experience and performance. The revised estimate lowers management fee estimates from the \$38.4 million approved by the 2022 Legislature to \$33.9 million in FY 2023.
3. **ALL OTHER ADJUSTMENTS.** The revised estimate also includes an increase of \$221,772 in administrative expenses for the following programs: Investment (\$172,017), Deferred Compensation (\$22,315), and Death and Disability (\$27,440).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate and recommends \$63.9 million and 98.4 FTE positions in FY 2023, including \$62.9 million from the Kansas Public Employees Retirement Fund.

4. **NO CHANGES.** The Governor does not recommend any changes to the agency's revised estimate in FY 2023.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** submits a revised estimate of \$63.9 million and 98.4 FTE positions in FY 2023, including \$62.9 million from the Kansas Public Employees Retirement Fund. This represents an increase of \$4.1 million, or 6.8 percent, above actual expenditures in FY 2022, largely due to the following items:

- PENSION ADMINISTRATION SYSTEM.** The revised estimate includes an increase of \$5.7 million in expenditures for the continued modernization of the Pension Administration System in FY 2023. The increase is due to contractual service expenditures with the current vendor, Sagitec, to modernize the system. The agency anticipates an increase in expenditures as the project moves from planning to implementation, before tapering off as the project nears completion in FY 2026. The revised estimate increases expenditures from \$3.4 million in FY 2022 to \$9.2 million in FY 2023.
- INVESTMENT MANAGEMENT FEES.** The revised estimate includes a decrease of \$1.5 million in expenditures from the Kansas Public Employees Retirement Fund for external investment management and consultant fees. Investment-related expenses are determined by forecasting the current market value of the portfolio on June 30, 2022, by an actuarial rate of return assumption. On May 20, 2022, the KPERS Board of Trustees lowered the assumed rate of return from 7.75 percent to 7.00 percent. Management fee estimates are regularly updated to reflect investment experience and performance. The revised estimate decreases management fee estimates from \$35.3 million in FY 2022 to \$33.9 million in FY 2023.

FY 2024 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 63,897,928	\$ 63,897,928	98.4
Agency Request:				
1. Investment Management Fees	\$ -	\$ 1,430,635	\$ 1,430,635	--
2. All Other Adjustments	-	592,157	592,157	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 65,920,720	\$ 65,920,720	98.4
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ -</u>	<u>\$ 65,920,720</u>	<u>\$ 65,920,720</u>	<u>98.4</u>

AGENCY REQUEST

The **agency** requests \$65.9 million and 98.4 FTE positions for FY 2024, including \$64.9 million from the Kansas Public Employees Retirement Fund. This represents an increase of \$2.0 million, or 3.2 percent, above the FY 2023 revised estimate. The request includes the following adjustments:

1. **INVESTMENT MANAGEMENT FEES.** The request includes an increase of \$1.4 million from the Kansas Public Employees Retirement Fund for external investment management and consultant fees. Investment-related expenses are determined by forecasting the current market value of the portfolio on June 30, 2022, by an actuarial rate of return assumption. On May 20, 2022, the KPERS Board of Trustees lowered the assumed rate of return from 7.75 percent to 7.00 percent. Management fee estimates are regularly updated to reflect investment experience and performance. The request decreases management fee estimates from \$33.9 million in FY 2023 to \$35.3 million for FY 2024.
2. **ALL OTHER ADJUSTMENTS.** The request also includes an increase of \$592,157 in a variety of other expenditures, including expenditures for computer system maintenance agreements and repairs on computers and related equipment (\$332,432). The increase is also attributable to administrative expenditures for the following programs: Investment (\$44,380), Deferred Compensation (\$13,979), and Death and Disability (\$21,066).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency request and recommends \$65.9 million and 98.4 FTE positions for FY 2024, including \$64.9 million from the Kansas Public Employees Retirement Fund.

3. **NO CHANGES.** The Governor does not recommend any changes to the agency's request for FY 2024.

SPECIAL TOPICS

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 KPERS 2 in 2007 and KPERS 3 in 2012, which required moving to pay period reporting for employee and employer contributions.

BACKGROUND

In 2020, KPERS engaged in a request for proposal (RFP) 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 had 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.

In 2021, Sagitec completed the proof-of-concept project, and KPERS elected to retain Sagitec as a project vendor at that time. Because of the extensive customization of the base system, KPERS originally decided the new pension administration system would be based on a new platform using Sagitec's application, Neospin. External data would have been migrated to a new database and the base application would be customized to meet project requirements.

In 2022, after assessing the existing state of the system, KPERS initially determined it could adopt an upgrade-in-place approach with Sagitec. However, as the year progressed, KPERS ultimately determined Sagitec was unable to meet its expectations for a successful process. Additionally, KPERS indicates budget estimates had increased to a point where it made more sense to go to the market to assess the cost of a full replacement.

In 2023, KPERS initiated the RFP process for a replacement and is working with Segal to draft a proposal that covers the requirements identified during the needs assessment. The agency anticipates the RFP being completed this spring and a vendor selected this autumn. KPERS will need to continue using the existing pension administration system during this time and indicates the work completed to this point is essential.

FINANCING

At this point, KPERS maintains the budget estimates provided to the 2022 Legislature but indicates those numbers may be adjusted in future years as a new vendor is selected. In **FY 2023**, the revised estimate remains unchanged at the \$9.2 million. For **FY 2024**, KPERS requests \$9.0 million, all from the Kansas Public Employee Retirement Fund, for preliminary modernization costs. These estimates are primarily budgeted for contractual services expenditures for the vendor. For **FY 2025**, KPERS has preliminarily budgeted \$9.0 million for the project, which is the same amount presented to the 2022 Legislature. New budget estimates for the modernization project will be available when a vendor is selected later this year.

SPECIAL TOPICS

COST-OF-LIVING ADJUSTMENTS

Cost-of-living adjustments (COLAs) modify benefits to counteract the impact of economic changes like inflation. COLAs can be implemented either automatically or on an *ad hoc* basis. **Automatic adjustments** occur on a regular, predetermined schedule and do not require additional action by the plan sponsor. These adjustments can be tied to an index, such as the Consumer Price Index (CPI), or conditioned on investment performance or funding level. In contrast, ***ad hoc* adjustments** do not occur on a regular basis and require approval of the plan sponsor or a delegating authority. In Kansas, that authority resides within the Legislature.

KPERS plans have not included a COLA since the system was created, with three exceptions:

- **KPERS 2** included an automatic 2.0 percent COLA when it was created in 2007, but the authorizing statute was repealed in 2012.
- **KPERS 3** has a self-funded COLA of 1.0 or 2.0 percent, but that benefit is funded by the member through an actuarial reduction to the member's lifetime benefit.
- A **13th check benefit** was paid to members from 1980 to 1987.

The Kansas Legislature has approved both permanent and one-time *ad hoc* COLAs. The Legislature has not approved a COLA since 2008. As of the December 31, 2021, valuation, 11,261 members (10.0 percent of beneficiaries) met the criteria to receive at least one COLA since they retired. The remaining 90.0 percent have never received a COLA.

The projected costs of implementing a COLA depends on the characteristics of the adjustment—automatic or *ad hoc*, one-time payment or permanent adjustment, base or compound adjustment, and so on. When a COLA is approved, costs are funded through current employee or employer contributions. COLAs can be funded through a one-time payment equal to the change in the unfunded actuarial liability (UAL), or the cost can be amortized over a number of years.

During the 2022 Session, several bills to implement a COLA were introduced to both the House and Senate, but none were passed. Examples of such bills are as follows:

- **HB 2583** and **SB 401** would have implemented an **automatic COLA** for all retirees starting June 30, 2022. COLA increases would be tied to the CPI, ranging from no COLA, if the CPI increase was lower than 0.04 percent, to a 5.0 percent COLA, if the CPI increase was 3.5 percent or greater. The projected cost for the bill was a \$4.9 billion increase in the UAL. If funded over a 20-year period, the projected average annual cost would have been about \$500.0 million.
- **HB 2584** and **SB 402** would have provided a **single, permanent adjustment** for those who retired before July 1, 2017. The adjustment would have been tiered from 1.0 to 5.0 percent, depending on how long the member had been retired. The projected increase in the UAL was \$317.4 million. If funded over a 15-year period, the average annual cost would have been approximately \$36.0 million.
- **HB 2742** would have issued a **one-time 13th check** payment to retirees on or before July 1, 2022. The projected cost was \$142.4 million.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 21,129,047	\$ 25,839,254	\$ 25,839,254	\$ 26,351,961	\$ 26,351,961
KPERS Investments	37,831,091	37,074,515	37,074,515	38,549,530	38,549,530
Deferred Comp.	519,087	618,909	618,909	632,913	632,913
Death and Disability	336,270	365,250	365,250	386,316	386,316
TOTAL	\$ 59,815,495	\$ 63,897,928	\$ 63,897,928	\$ 65,920,720	\$ 65,920,720
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

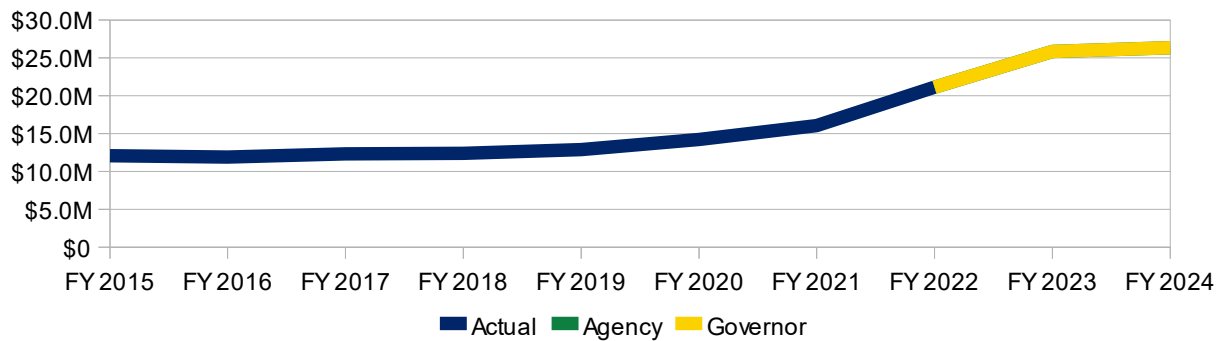
PERFORMANCE MEASURES

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.

FIGURE 11 KPERS MEMBERSHIP, 12/31/2021				
Group	Active Members		Retired Members	
State	19,917	13.1 %	21,245	19.2 %
School	87,898	57.7	59,421	53.7
Local	36,436	23.9	23,546	21.3
KP&F	7,779	5.1	6,055	5.5
Judges	258	0.2	319	0.3
TOTAL	152,288	100.0 %	110,586	100.0 %

ADMINISTRATION

FIGURE 12
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



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 13
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Annual Cost of Administrative Operations as a Percentage of Trust Fund Assets*	0.063 %	0.087 %	0.073 %	0.099 %	0.095 %
2. Annual Cost of Administrative Operations as a Percentage of Benefit Payments	0.786 %	1.000 %	0.851 %	1.175 %	1.144 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	217,615	-		-	-
All Other Funds	15,844,263	21,129,047		25,839,254	26,351,961
TOTAL	\$ 16,061,878	\$ 21,129,047		\$ 25,839,254	\$ 26,351,961
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	12.9 %	31.5 %		22.3 %	2.0 %
FTE Positions	83.1	83.1		83.1	83.1

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

BUDGET ANALYSIS

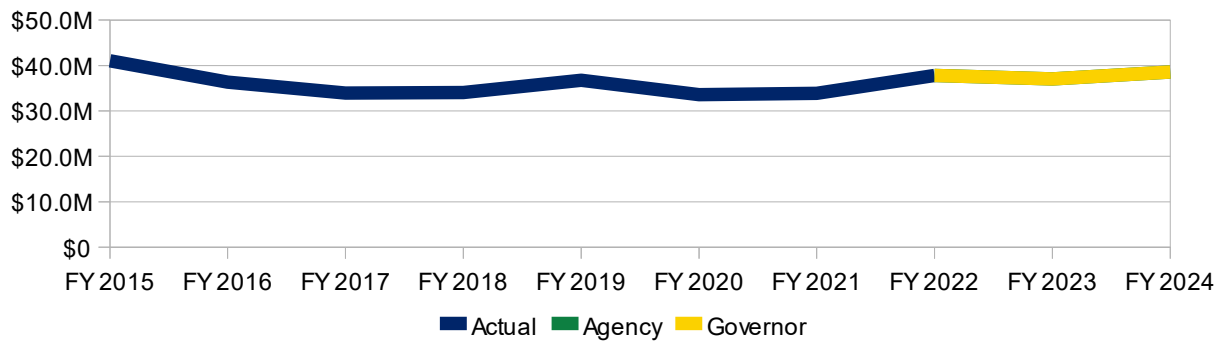
The **agency** requests \$26.4 million and 83.1 FTE positions for the Administration program for FY 2024. This represents an increase of \$512,707, or 2.0 percent, above the agency's revised estimate in FY 2023. The change is primarily due to expenditure increases on repair and servicing fees (\$332,432), employee pay

(\$158,868), and employer contributions for group health insurance (\$106,554).

The **Governor** concurs with the agency's request and recommends \$26.4 million and 83.1 FTE positions for the Administration program for FY 2024.

KPERS INVESTMENTS

FIGURE 14
KPERS INVESTMENTS EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 74-4920 *et seq.*

PROGRAM GOALS: • Prudently manage the investments of the KPERS Trust Fund.

The KPERS Investments program directs investment-related activities, including the 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. KPERS staff charge a portion of time and operating expenses 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.

Investments are made in accordance with state statutes and the Statement of Investment

Policy, Objectives, and Guidelines maintained by the Board. The investment policy specifies a long-term target asset mix based on market value.

FY 2022 INVESTMENT PERFORMANCE

In FY 2022, the system's investment portfolio experienced a (4.7) percent rate of return, exceeding the KPERS Policy Index of -8.5 percent. For reference, the portfolio's rate of return averaged an annualized return of 7.1 percent in a three-year period (FY 2020 to FY 2022), 7.4 percent in a five-year period (FY 2018 to FY 2022), and 7.3 percent in a twenty-five-year period (FY 1998 to FY 2022).

FIGURE 15
KPERS INVESTMENTS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Total Trust Fund Assets (in Billions)*	\$ 25	\$ 24	\$ 23	\$ 26	\$ 28
2.Total Benefit Payments (in Billions)	2.01	2.11	1.99	2.20	2.30
3.KPERS Portfolio Rate of Return*	26.3 %	(4.7) %	7.9 %	7.0 %	7.0 %
4.Investment-Related Fees as a Percentage of Trust Fund Assets*	0.133 %	0.148 %	0.149 %	0.143 %	0.139 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	33,853,772	37,831,091		37,074,515	38,549,530
TOTAL	\$33,853,772	\$37,831,091		\$37,074,515	\$38,549,530
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	0.8 %	11.7 %		(2.0) %	4.0 %
FTE Positions	9.4	9.4		9.4	9.4

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

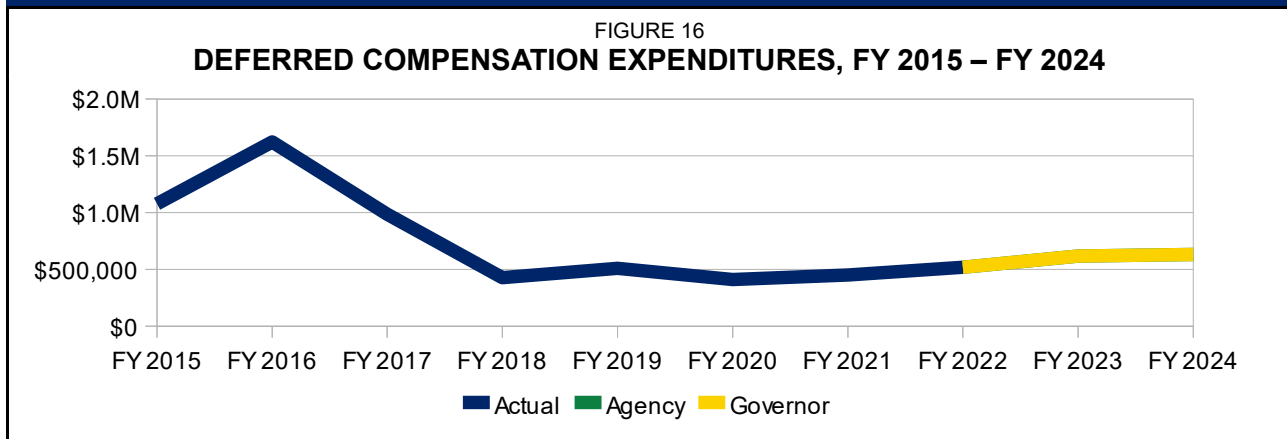
BUDGET ANALYSIS

The **agency** requests \$38.5 million and 9.4 FTE positions for the KPERS Investments program for FY 2024. This represents an increase of \$1.5 million, or 4.0 percent, above the agency's revised estimate in FY 2023. The change is largely due to a \$1.4 million increase in expenditures for external investment management and consultant fees. Investment-related expenditures are determined by forecasting the current market value of the portfolio on June 30, 2022, by an actuarial rate of return assumption. On May 20, 2022, the KPERS Board of Trustees lowered the

assumed rate of return from 7.75 percent to 7.00 percent. Management fee estimates are regularly updated to reflect investment experience and performance. The request decreases management fee estimates from \$33.9 million in FY 2023 to \$35.3 million for FY 2024.

The **Governor** concurs with the agency's request and recommends \$38.5 million and 9.4 FTE positions for the KPERS Investments program for FY 2024.

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. 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 2007 Legislature moved 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 2016 Legislature provided KPERS with the authority to establish a flexible 401(a) supplemental defined contribution plan for local employers that have adopted the KPERS 457 plan and wish to make employer contributions to employee personal savings. As of June 30,

2022, there are 12 employers participating in the 401(a) plan, with 409 participants and assets totaling \$3.4 million.

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.

As of June 30, 2022, the plan has 26,162 state and local participants, with total assets of approximately \$1.26 billion. During FY 2022, 2,295 new participants enrolled in the plan, 23 local employers adopted the KPERS 457 plan, and two local employers adopted the 401(a) plan.

FIGURE 17

DEFERRED COMPENSATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Total Number of Participants*	25,476	26,162	25,654	N/A	N/A
2. Total Actively Deferring Members*	13,068	13,081	13,143	N/A	N/A
3. Percent of Active Members from Participating Employers in All Retirement Systems*	23 %	32 %	26 %	N/A	N/A
4. Total Plan Assets (in Millions)*	\$ 1,463.2	\$ 1,255.6	\$ 1,295.5	N/A	N/A
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	451,773	519,087		618,909	632,913
TOTAL	<u>\$ 451,773</u>	<u>\$ 519,087</u>		<u>\$ 618,909</u>	<u>\$ 632,913</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	9.9 %	14.9 %		19.2 %	2.3 %
FTE Positions	2.6	2.6		2.6	2.6

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

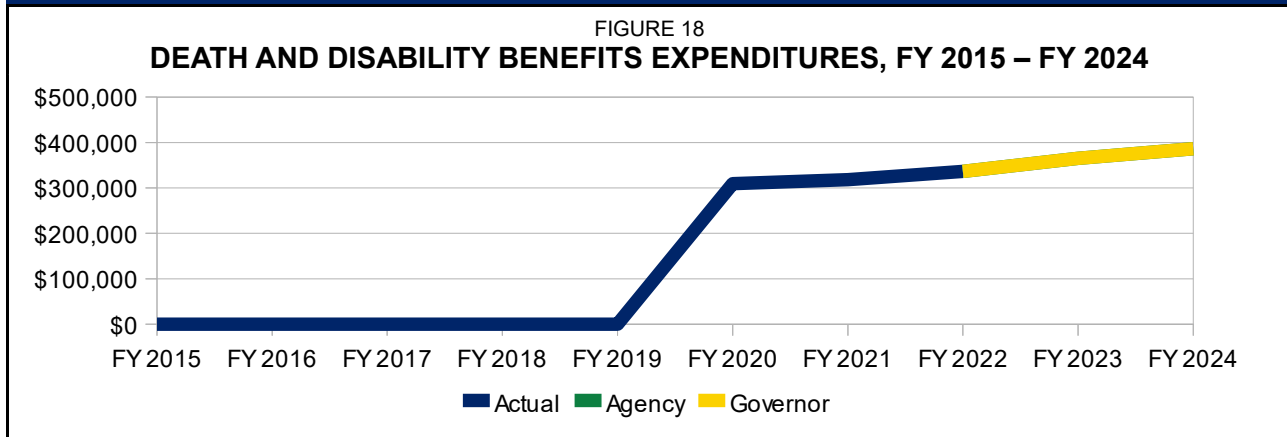
BUDGET ANALYSIS

The **agency** requests \$632,913, all from the Deferred Compensation Fee Fund, and 2.6 FTE positions for the Deferred Compensation program for FY 2024. This represents an increase of \$14,004, or 2.3 percent, above the agency's revised estimate in FY 2023, largely due to expenditure increases for temporary employee pay (\$10,249) and employer

contributions for group health insurance (\$3,054).

The **Governor** concurs with the agency's request and recommends \$632,913, all from the Deferred Compensation Fee Fund, and 2.6 FTE positions for the Deferred Compensation program for FY 2024.

DEATH AND DISABILITY BENEFITS



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. 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.

FIGURE 19

DEATH AND DISABILITY BENEFITS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
There are no performance measures submitted for this program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	318,379	336,270		365,250	386,316
TOTAL	<u>\$ 318,379</u>	<u>\$ 336,270</u>		<u>\$ 365,250</u>	<u>\$ 386,316</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	2.9 %	5.6 %		8.6 %	5.8 %
FTE Positions	3.3	3.3		3.3	3.3

BUDGET ANALYSIS

The **agency** requests \$386,316 and 3.3 FTE positions for the Death and Disability Benefits program for FY 2024. This represents an increase of \$21,066, or 5.8 percent, above the agency's revised estimate in FY 2023. The increase is largely due to higher expenditures for employee pay (\$15,375) and employer contributions for group health insurance (\$3,691).

The **Governor** concurs with the agency request and recommends \$386,316 and 3.3 FTE positions for the Death and Disability Benefits program for FY 2024.

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KANSAS LOTTERY

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	381,692,466	399,434,145	399,025,186	439,638,788	438,977,897
<i>Subtotal</i>	<u>\$ 381,692,466</u>	<u>\$ 399,434,145</u>	<u>\$ 399,025,186</u>	<u>\$ 439,638,788</u>	<u>\$ 438,977,897</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>\$ 381,692,466</u>	<u>\$ 399,434,145</u>	<u>\$ 399,025,186</u>	<u>\$ 439,638,788</u>	<u>\$ 438,977,897</u>
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	7.8 %	4.6 %	4.5 %	10.1 %	10.0 %
FTE Positions	90.0	95.0	95.0	95.0	95.0

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 Lottery operates under Article 15, Section 3c of the *Kansas Constitution*, which 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.

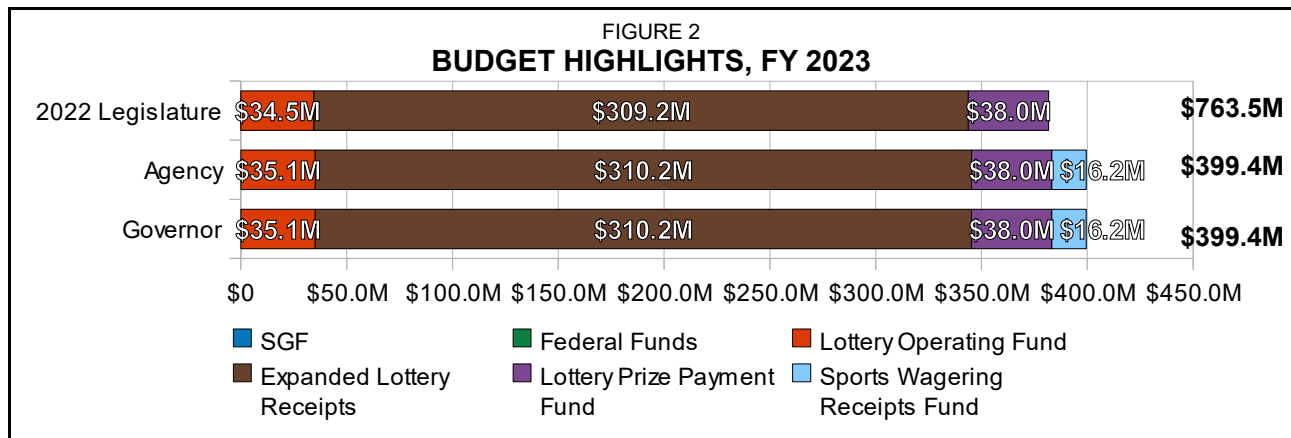
The 2022 Legislature passed House Sub. for Sub. for SB 84, which allows the Kansas Lottery to enter into a contract with gaming facility managers to offer sports wagering in the state on behalf of the State of Kansas through the Kansas Lottery. Gaming facility managers are allowed to offer sports wagering in-person at their facility or over the internet through websites and mobile device applications from up to three licensed interactive sports wagering platforms approved by the Kansas Lottery. If a gaming facility manager offers sports wagering, then the management contract will include a provision that 10.0 percent of the sports wagering revenue will be distributed to the Lottery Operating Fund and the manager will be allowed to retain the remaining 90.0 percent. Sports wagering revenue is defined as total revenues from sports wagering excluding voided tickets and after all prize related payments are made and after federal excise taxes, free plays, or

other promotional credits. Sports wagering will be regulated by the Kansas Racing and Gaming Commission. However, if sports wagering is allowed to operate at a tribal gaming facility, then it will be regulated by the Tribal Gaming Regulation Program (State Gaming Agency) of the Kansas Racing and Gaming Commission.

The agency has eight budget programs that support its operations. These programs are Administration, Information Technology, Sales, Security, Cost of Sales, Expanded Lottery Act, Marketing, and Sports Wagering. All are detailed in this analysis.

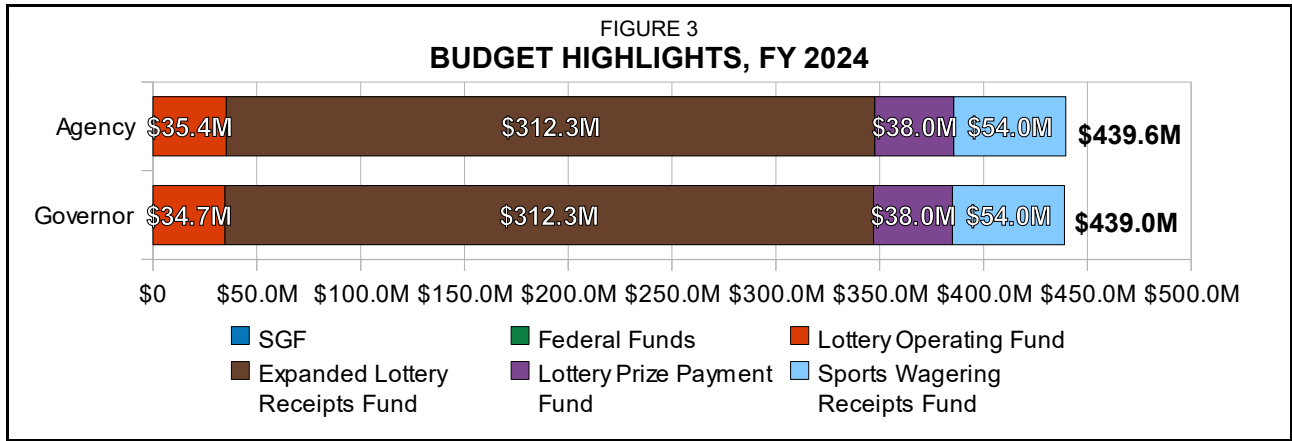
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$387.8 million, all from special revenue funds, for the Kansas Lottery in FY 2023. No adjustments have been made subsequently to that amount.



The **agency** submits a revised estimate of \$399.4 million, all from special revenue funds, in expenditures and 95.0 FTE positions in FY 2023. This is an increase of \$17.7 million, or 4.6 percent, above the FY 2023 approved amount. The majority of the increase is for the Sports Wagering Management Fee based on 90.0 percent of net sports wagering revenue (\$16.2 million). The agency added \$912,000 for adjusted consensus revenue estimates for the expanded lottery act revenues fund, and \$250,000 for a revised estimate for vendor fees for regular lottery ticket sales. The agency also made operating adjustments totaling \$314,196 for salaries and vehicle replacements.

The **Governor** recommends expenditures of \$399.0 million, all from special revenue funds, for FY 2023. This is a decrease of \$408,959, or less than 0.1 percent, below the agency's FY 2023 revised estimate. The decrease is entirely due to the decrease of salaries and wages and reduced funding for vacant positions to more accurately reflect the agency's actual expenditures. The recommendation includes 95.0 FTE positions, which is the same as the agency's FY 2023 revised estimate.



The **agency** requests \$439.6 million, all from special revenue funds, in expenditures and 95.0 FTE positions for FY 2024. This is an increase of \$40.2 million, or 10.1 percent, above the FY 2023 revised estimate. The majority of the increase is for the sports wagering management fees \$37.8 million and a revised expanded lottery gaming estimate (\$2.1 million). The request also makes operating adjustments totaling \$276,643; including \$239,823 for salaries and wages.

The **Governor** recommends expenditures of \$439.0 million, all from special revenue funds, in expenditures and 95.0 FTE positions for FY 2024. This is a decrease of \$660,891, or 0.2 percent, below the agency's FY 2024 revised estimate. The recommendation deletes a requested 3.0 percent salary adjustment (\$252,570), and reduces salaries to more accurately reflect filled positions (\$408,321). The recommendation includes 95.0 FTE positions, which is the same as the agency request for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4 BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024					
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 6,678,512	\$ 8,179,170	\$ 7,770,211	\$ 8,418,993	\$ 7,758,102
Contractual Services	321,112,737	339,780,900	339,780,900	379,684,900	379,684,900
Commodities	635,224	735,200	735,200	737,200	737,200
Capital Outlay	1,315,306	495,875	495,875	470,695	470,695
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 329,741,779</i>	<i>\$ 349,191,145</i>	<i>\$ 348,782,186</i>	<i>\$ 389,311,788</i>	<i>\$ 388,650,897</i>
Aid to Local Units	12,066,679	12,243,000	12,243,000	12,327,000	12,327,000
Other Assistance	39,884,008	38,000,000	38,000,000	38,000,000	38,000,000
<i>Subtotal—Operating</i>	<i>\$ 381,692,466</i>	<i>\$ 399,434,145</i>	<i>\$ 399,025,186</i>	<i>\$ 439,638,788</i>	<i>\$ 438,977,897</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 381,692,466	\$ 399,434,145	\$ 399,025,186	\$ 439,638,788	\$ 438,977,897
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Sports Wagering	-	16,200,000	16,200,000	54,000,000	54,000,000
Receipts Fund					
Lottery Operating	31,469,750	35,078,145	34,669,186	35,354,788	34,693,897
Fund					
Expanded Lottery	310,394,958	310,156,000	310,156,000	312,284,000	312,284,000
Receipts Fund					
Lottery Prize Payment	39,827,758	38,000,000	38,000,000	38,000,000	38,000,000
Fund					
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 381,692,466	\$ 399,434,145	\$ 399,025,186	\$ 439,638,788	\$ 438,977,897
FTE Positions	90.0	95.0	95.0	95.0	95.0

FY 2023 ANALYSIS

FIGURE 5
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 381,757,949	\$ 381,757,949	95.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 381,757,949</i>	<i>\$ 381,757,949</i>	<i>95.0</i>
Agency Revised Estimate:				
2. Sports Wagering Management Fees	\$ -	\$ 16,200,000	\$ 16,200,000	-
3. Expanded Lottery Revenue Estimate	-	912,000	912,000	-
4. Salaries and Wages Adjustments	-	287,821	287,821	-
5. Vehicles	-	28,375	28,375	-
6. Regular Lottery Vendor Fees	-	250,000	250,000	-
7. All Other Adjustments	-	(2,000)	(2,000)	-
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 399,434,145</i>	<i>\$ 399,434,145</i>	<i>95.0</i>
Governor's Recommendation:				
8. Salaries and Wages Adjustments	-	(408,959)	(408,959)	--
TOTAL	\$ -	\$ 399,025,186	\$ 399,025,186	95.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$381.8 million appropriated to the Kansas Lottery for FY 2023.

1. **NO CHANGES.** No adjustments were made to the \$381.8 million appropriated to the Kansas Lottery for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$399.4 million, all from special revenue funds, in expenditures and 95.0 FTE positions in FY 2023. This is an increase of \$17.7 million, or 4.6 percent, above the FY 2023 approved amount. The majority of the increase is for the Sports Wagering Management Fee based on 90.0 percent of net sports wagering revenue (\$16.2 million). The agency added \$912,000 for adjusted consensus revenue estimates for the expanded lottery act revenues fund, and \$250,000 for a revised estimate for vendor fees for regular lottery ticket sales. The agency also made operating adjustments totaling \$314,196 for salaries and vehicle replacements.

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

2. **SPORTS WAGERING MANAGEMENT FEES.** The revised estimate includes an additional \$16.2 million, all from the Sports Wagering Receipts Fund, in expenditures for management fees that are based on 90.0 percent of net sports wagering revenue in FY 2023.
3. **EXPANDED LOTTERY REVENUE ESTIMATE.** The agency request adds \$912,000 for gaming facility manager fees. The majority of the increase \$3.9 million is in the North East gaming zone (Hollywood Casino), partially offset by a \$3.0 million decrease in the South Central gaming zone (Kansas Star).

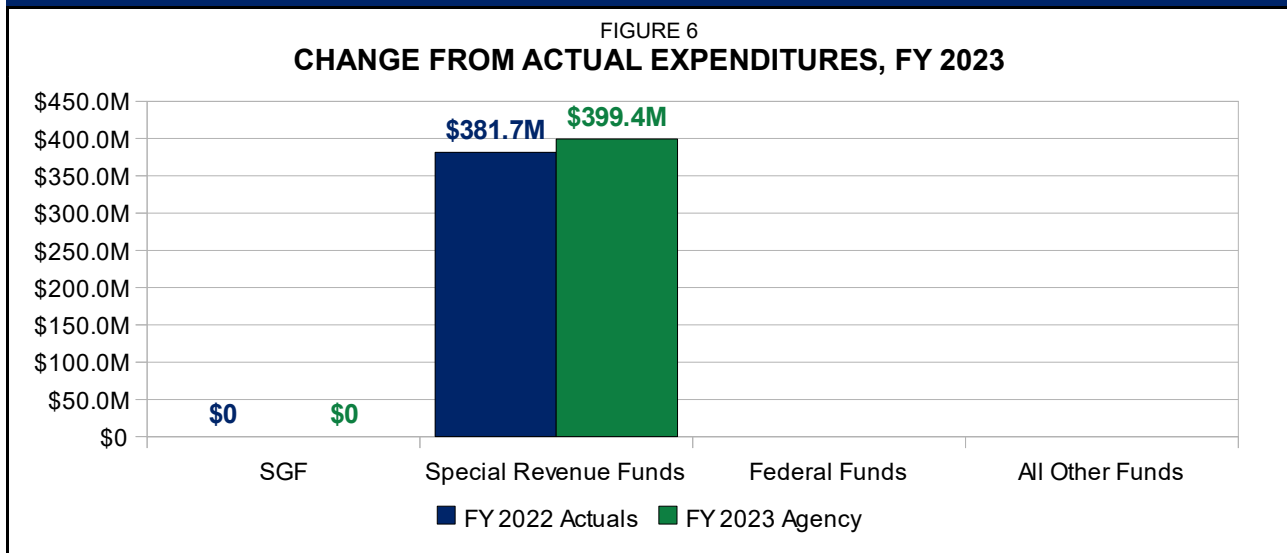
4. **SALARIES AND WAGES ADJUSTMENTS.** The revised estimate includes an additional \$287,821, all from the Lottery Operating Fund, in expenditures to fully fund all positions for the entire fiscal year.
5. **VEHICLES.** The revised estimate includes an additional \$28,375 in expenditures to replace vehicles in FY 2023. The agency plans on replacing six high-mileage vehicles for the sales department and expanded lottery. The total agency request is \$145,875 for vehicle replacement in FY 2023.
6. **REGULAR LOTTERY VENDOR COMMISSIONS.** The recommendation adds \$250,000 for regular lottery vendor commissions for the processing of regular lottery sales.
7. **OTHER ADJUSTMENTS.** The remaining adjustments delete \$2,000 for other various adjustments to operating expenditures.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$399.0 million, all from special revenue funds, in expenditures and 95.0 FTE positions in FY 2023. This is a decrease of \$408,959, or 0.1 percent, below the agency's FY 2023 revised estimate.

8. **SALARIES AND WAGES ADJUSTMENTS.** The Governor recommends a deletion of \$408,959 to decrease salaries and wages expenditures and reduce funding for vacant positions to more accurately reflect the agency's actual expenditures. This is due to the agency maintaining multiple vacant and funded positions over the last few fiscal years.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$399.4 million, all from special revenue funds, in FY 2023. This is an increase of \$17.7 million, or 4.6 percent, above the FY 2022 actual amount. This increase is primarily attributable to the increase in sports wagering management fees that are based on 90.0 percent of net sports wagering revenue. The agency also increased expenditures for salaries and wages by \$1.5 million, or 22.5 percent, above the FY 2022 actuals. The salaries increase is attributable to vacant positions and the 5.0 percent legislative salary adjustment.

FY 2024 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 399,434,145	\$ 399,434,145	95.0
Agency Request:				
1. Sports Wagering Management Fees	\$ -	\$ 37,800,000	\$ 37,800,000	-
2. Expanded Lottery Revenue Estimate	-	2,128,000	2,128,000	-
3. Salaries and Wages Adjustments	-	239,823	239,823	-
4. All Other Adjustments	-	36,820	36,820	-
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 439,638,788	\$ 439,638,788	95.0
Governor's Recommendation:				
5. Salaries and Wages Adjustments	\$ -	\$ (252,570)	\$ (252,570)	--
6. Vacancy Adjustments	-	(408,321)	(408,321)	--
TOTAL	<u>\$ -</u>	<u>\$ 438,977,897</u>	<u>\$ 438,977,897</u>	<u>95.0</u>

AGENCY REQUEST

The **agency** requests \$439.6 million, all from special revenue funds, in expenditures and 95.0 FTE positions for FY 2024. This is an increase of \$40.2 million, or 10.1 percent, above the FY 2023 revised estimate. The majority of the increase is for the sports wagering management fees \$37.8 million and a revised expanded lottery gaming estimate (\$2.1 million). The request also makes operating adjustments totaling \$276,643; including \$239,823 for salaries and wages.

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

- SPORTS WAGERING MANAGEMENT FEES.** The agency requests an increase of \$37.8 million, all from the Sports Wagering Receipts Fund, for management fees that are based on 90.0 percent of net sports wagering revenue for FY 2024.
- EXPANDED LOTTERY REVENUE ESTIMATE.** The agency requests an increase of \$2.1 million to implement the revised estimate for expanded lottery. The estimate adds \$1.4 million for the North East Gaming zone, and \$1.1 million for the South East gaming zone.
- SALARIES AND WAGES ADJUSTMENTS.** The agency request adds \$239,823 for salaries and wages for FY 2024.
- ALL OTHER ADJUSTMENTS.** The agency requests an additional \$36,820, all from special revenue funds, for adjustment to operating expenditures for FY 2024.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$439.0 million, all from special revenue funds, in expenditures and 95.0 FTE positions for FY 2024. This is a decrease of \$660,891, or 0.2 percent, below the agency's FY 2024 revised estimate. The recommendation deletes a requested 3.0 percent salary adjustment (\$252,570), and reduces salaries to more accurately reflect filled positions (\$408,321).

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

5. **SALARIES AND WAGES ADJUSTMENTS.** The Governor recommends \$252,570 less in expenditures to decrease salaries and wages expenditures for FY 2024. The recommendation deletes a planned 3.0 percent salary adjustment. The recommendation notes that merit-based increases should be implemented across all agencies by the Legislature.
6. **VACANCY ADJUSTMENTS.** The Governor recommends deletes \$408,321 less in salaries and wages to reduce funding for vacant positions to more accurately reflect the agency's actual expenditures. This is due to the agency maintaining multiple vacant and funded positions over the last few fiscal years.

SPECIAL TOPICS

TRADITIONAL LOTTERY REVENUES AND TRANSFERS

Lottery sales of instant tickets and draw games for FY 2022 were \$313.0 million. The agency notes it was the second highest sales total ever, trailing only the record \$326.0 million in the previous year. Actual cash transfers to designated beneficiaries (State Gaming Revenues Fund, veterans' programs, and mental health programs) for FY 2022 totaled \$80.15 million, which was the highest total ever. The agency's goals are to continue increasing sales even when not driven by large multi-state jackpots. The State crossed the \$300.0 million sales barrier for the first time in FY 2021 and again in FY 2022. Current sales goals are \$310.6 million in FY 2023 and \$313.6 million for FY 2024.

FY 2023

For FY 2023, the agency estimates total net sales of \$310.6 million, which is a decrease of \$2.4 million below the FY 2022 actual amount. 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;
- \$19.5 million to the SGF;
- \$1.3 million to the Kansas Commission on Veterans' Affairs Office; and
- \$100,000 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 \$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) in FY 2023.

FY 2024

For FY 2024, the agency estimates total net sales of \$313.6 million, which is an increase of \$3.0 million above the FY 2023 revised estimate. 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;
- \$20.0 million to the SGF;
- \$1.3 million to the Kansas Commission on Veterans' Affairs Office; and
- \$100,000 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 2024.

SPECIAL TOPICS

SPORTS WAGERING AND EXPANDED LOTTERY ACT REVENUES AND TRANSFERS

Sports Wagering

The 2022 Legislature passed House Sub. for Sub. for SB 84, which amended the Kansas Expanded Lottery Act (KELA) concerning the conducting of sports wagering operations by lottery gaming facilities. Additionally, the bill amended the Kansas Parimutuel Racing Act (KSA 74-8801 *et seq.*) and authorizes the operation of historical horse race machines.

FY 2023

The agency estimates revenues from sports wagering of \$18.0 million in FY 2023. Of this amount, the State will retain \$1.8 million in revenues while gaming facility managers will retain the remaining \$16.2 million. If revenue targets are achieved, the agency will make the following transfers:

- \$750,000 to the White Collar Crime Fund;
- \$21,000 to the Problem Gambling and Addictions Fund;
- \$840,000 to the Attracting Professional Sports Teams to Kansas Fund; and
- \$189,000 to State Gaming Revenues Fund.

FY 2024

The agency estimates revenues from sports wagering of \$60.0 million, which is an increase of \$42.0 million above the FY 2023 estimate. If revenue targets are achieved, the agency will make the following transfers in FY 2024:

- \$750,000 to the White Collar Crime Fund;
- \$105,000 to the Problem Gambling and Addictions Fund;
- \$4.2 million to the Attracting Professional Sports Teams to Kansas Fund; and
- \$945,000 to State Gaming Revenues Fund.

Expanded Lottery Act Revenues and Transfers

FY 2023

The agency estimates revenues from the four state-owned casinos of \$408.1 million in net gaming revenue in FY 2023. If revenue targets are achieved, the agency will make the following transfers in FY 2023:

- \$89.8 million to the Expanded Lottery Act Revenues Fund;
- \$8.2 million to the Problem Gambling and Addictions Grant Fund; and
- \$12.2 million to local cities and counties that host gaming facilities.
- \$297.9 million to the gaming facility managers

FY 2024

The agency estimates revenues from the four state-owned casinos of \$410.9 million, which is an increase of \$2.1 million above the FY 2023 revised estimate. If revenue targets are achieved, the agency will make the following transfers in FY 2024:

- \$90.4million to the Expanded Lottery Act Revenues Fund;
- \$8.2 million to the Problem Gambling and Addictions Grant Fund; and
- \$12.3 million to local cities and counties that host gaming facilities.
- \$300.0 million to the gaming facility managers.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

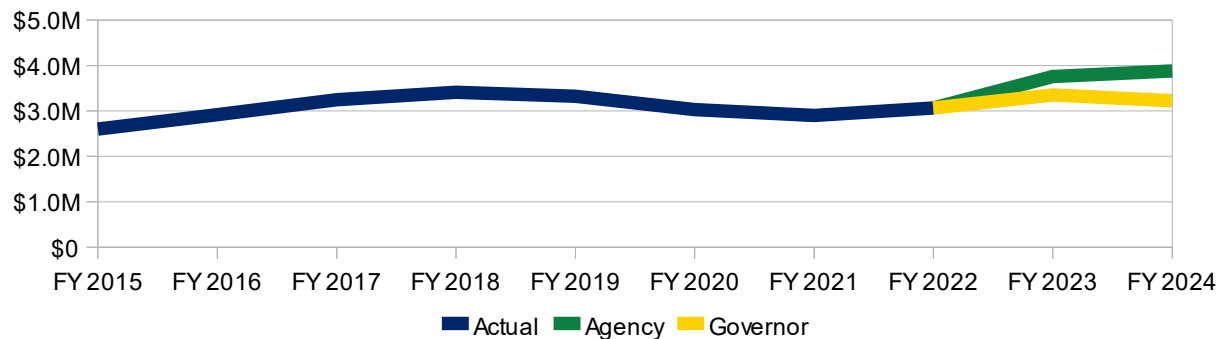
FIGURE 8 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 3,066,079	\$ 3,760,160	\$ 3,351,201	\$ 3,883,426	\$ 3,222,535
Information Technology	1,231,201	1,602,898	1,602,898	1,621,124	1,621,124
Sales	2,257,166	2,723,780	2,723,780	2,796,590	2,796,590
Security	468,371	603,181	603,181	618,509	618,509
Cost of Sales	53,630,517	53,095,000	53,095,000	53,095,000	53,095,000
Expanded Lottery Act	314,761,681	314,446,178	314,446,178	316,596,032	316,596,032
Marketing	6,277,451	6,622,011	6,622,011	6,638,716	6,638,716
Sports Wagering	-	16,580,937	16,580,937	54,389,391	54,389,391
TOTAL	\$ 381,692,466	\$ 399,434,145	\$ 399,025,186	\$ 439,638,788	\$ 438,977,897
FTE Positions:					
Administration	25.8	24.8	24.8	24.8	24.8
Information Technology	5.8	6.8	6.8	6.8	6.8
Sales	28.4	29.4	29.4	29.4	29.4
Security	5.8	5.8	5.8	5.8	5.8
Cost of Sales	-	-	-	-	-
Expanded Lottery Act	17.0	17.0	17.0	17.0	17.0
Marketing	7.4	6.4	6.4	6.4	6.4
Sports Wagering	-	5.0	5.0	5.0	5.0
TOTAL	90.0	95.0	95.0	95.0	95.0

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 9
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



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

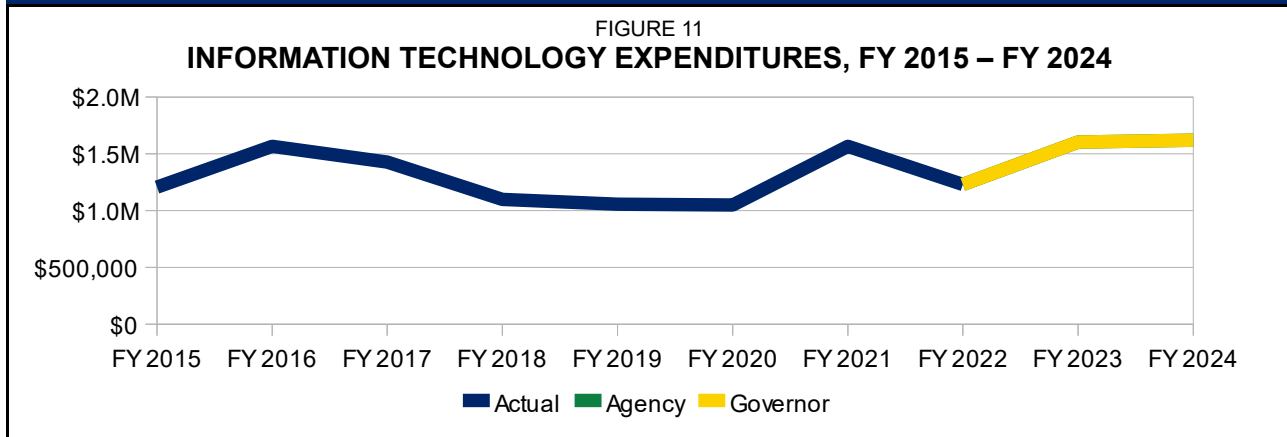
	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
There were no agency performance measures submitted for this program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	2,901,109	3,066,079		3,351,201	3,222,535
TOTAL	\$ 2,901,109	\$ 3,066,079		\$ 3,351,201	\$ 3,222,535
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(4.2) %	5.7 %		9.3 %	(3.8) %
FTE Positions	25.8	25.8		24.8	24.8

BUDGET ANALYSIS

The **agency** requests expenditures of \$3.9 million, all from special revenue funds, for the Administration program for FY 2024. This is an increase \$126,266, or 3.3 percent, above the agency's FY 2023 revised estimate. This increase is attributable to salaries and wages along with contractual services increases.

The **Governor** recommends \$3.2 million, all from special revenue funds, and 24.8 FTE positions for FY 2024. This is a decrease of \$660,891, or 17.0 percent below the agency's FY 2024 request. The decrease is due to the Governor not recommending the agency's merit-based increases (\$252,570 decrease) and not funding the agency's vacant FTE positions (\$408,321 decrease).

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 12
INFORMATION TECHNOLOGY, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
There were no agency performance measures submitted for this program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,565,628	1,231,201		1,602,898	1,621,124
TOTAL	\$ 1,565,628	\$ 1,231,201		\$ 1,602,898	\$ 1,621,124
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	10.0 %	(21.4) %		30.2 %	1.1 %
FTE Positions	4.6	5.8		6.8	6.8

BUDGET ANALYSIS

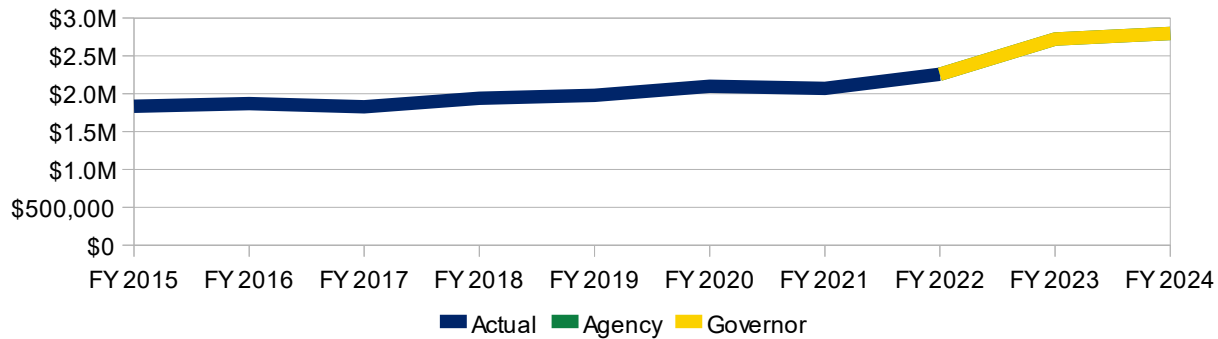
The **agency** requests \$1.6 million, all from special revenue funds, and 6.8 FTE positions for the Information Technology Program for FY 2024. This is an increase of \$18,226, or 1.1 percent, above the FY 2023 revised estimate. The increase is attributable to employee pay

(\$12,720) and employer contributions for fringe benefits such as group health insurance (\$4,997) and Medicare (\$971).

The **Governor** concurs with the agency's request for FY 2024.

SALES

FIGURE 13
SALES EXPENDITURES, FY 2015 – FY 2024



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 14
SALES, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Transfers to State Gaming Revenue Fund and SGF*	\$ 69,702,589	\$ 71,475,762	\$ 69,109,974	\$ 67,990,000	\$ 68,490,000
2. Transfers for Mental Health from Lottery Vending Machines*	\$ 5,563,671	\$ 7,418,897	\$ 4,899,595	\$ 8,000,000	\$ 8,000,000
3. Transfers to Veterans' Programs*	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000
4. Amounts Captured for Setoff Program*	\$ 347,149	\$ 333,795	\$ 291,092	\$ 250,000	\$ 250,000
5. State of Kansas Withholding*	\$ 1,022,928	\$ 946,085	\$ 888,902	\$ 1,000,000	\$ 1,000,000
6. Sales of Lottery Tickets	\$ 326,010,583	\$ 312,985,036	\$ 304,662,580	\$ 310,600,000	\$ 313,600,000
7. Lottery Vending Machines in Service*	204	196	192	260	330
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	2,070,552	2,257,166		2,723,780	2,796,590
TOTAL	\$ 2,070,552	\$ 2,257,166		\$ 2,723,780	\$ 2,796,590
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	9.0 %		20.7 %	2.7 %
FTE Positions	28.4	28.4		29.4	29.4

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

BUDGET ANALYSIS

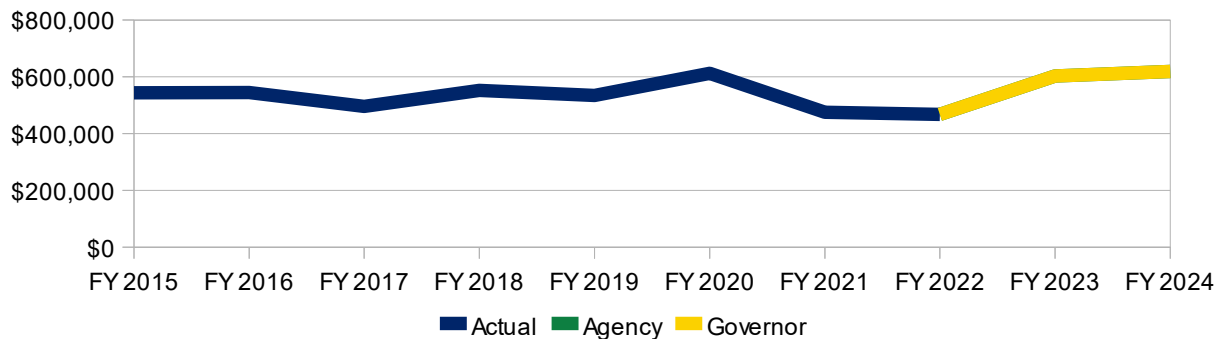
The **agency** requests \$2.8 million, all from special revenue funds, and 29.4 FTE positions for the Sales Program for FY 2024. This is an increase of \$72,810, or 2.7 percent, above the FY 2023 revised estimate. This increase is primarily attributable to expenditures for employee pay (\$43,702) and employer contributions for fringe benefits such as group

health insurance (\$24,318) and Medicare (\$3,350).

The **Governor** concurs with the agency's request for FY 2024.

SECURITY

FIGURE 15
SECURITY EXPENDITURES, FY 2015 – FY 2024



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 16
SECURITY, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
There were no performance measures submitted for this program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	475,487	468,371		603,181	618,509
TOTAL	\$ 475,487	\$ 468,371		\$ 603,181	\$ 618,509
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(22.4) %	(1.5) %		28.8 %	2.5 %
FTE Positions	5.8	5.8		5.8	5.8

BUDGET ANALYSIS

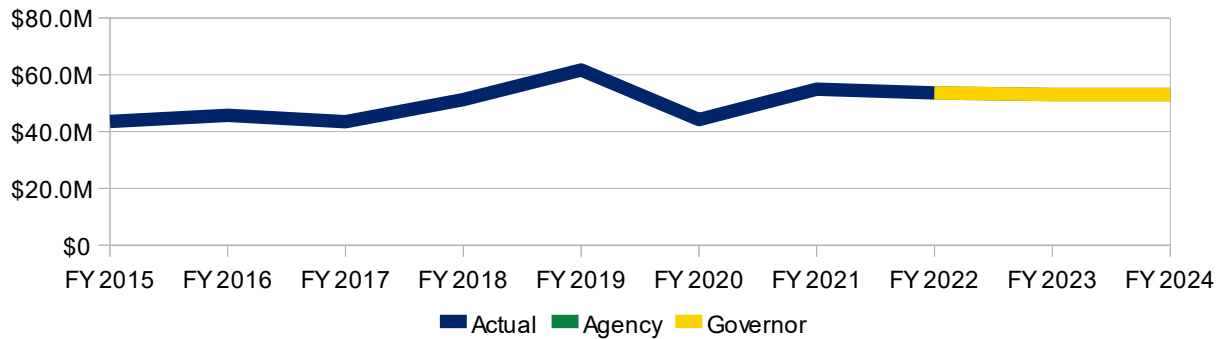
The **agency** requests \$618,509, all from special revenue funds, and 5.8 FTE positions for the Security program for FY 2024. This is an increase of \$15,328, or 2.5 percent, above the FY 2023 revised estimate. The increase is entirely attributable to spending on employee

pay (\$10,905) and employer contributions on fringe benefits (\$4,423).

The **Governor** concurs with the agency's request for FY 2024.

COST OF SALES

FIGURE 17
COST OF SALES EXPENDITURES, FY 2015 – FY 2024



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 18
COST OF SALES, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Output Measure:					
1. Traditional Lottery Ticket Prize Payments	\$ 200,187,234	\$ 191,473,867	\$ 186,062,771	\$ 191,089,500	\$ 193,084,500
2. Commissions Earned by Retailers from Traditional Lottery*	\$ 19,176,483	\$ 18,402,762	\$ 17,940,436	\$ 18,315,788	\$ 18,446,243
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds (Dollars in Millions)	54.1	53.6		53.1	53.1
TOTAL	\$ 54	\$ 54		\$ 53	\$ 53
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	22.4 %	(0.9) %		(0.9) %	-- %
FTE Positions	--	--		--	--

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

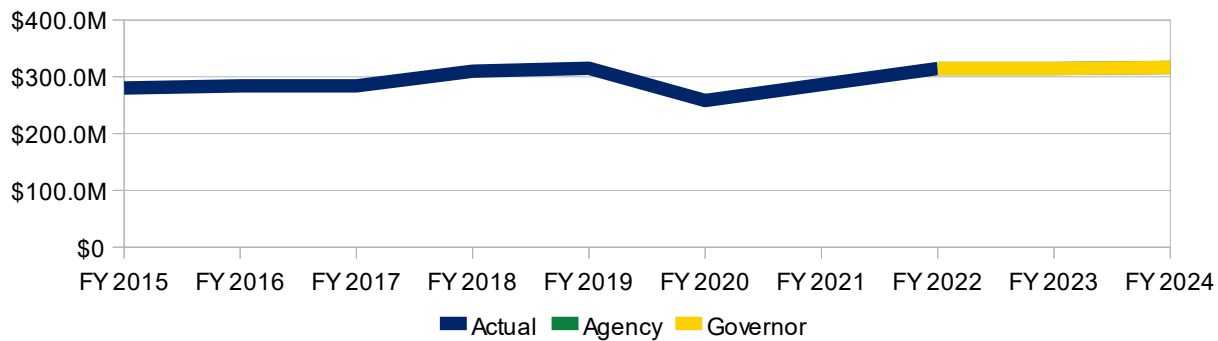
BUDGET ANALYSIS

The **agency** requests \$53.1 million, all from special revenue funds, and no FTE positions, for the Cost of Sales Program for FY 2024. This is same amount as the FY 2023 revised estimate.

The **Governor** concurs with the agency's request for FY 2024.

EXPANDED LOTTERY ACT

FIGURE 19
EXPANDED LOTTERY ACT EXPENDITURES, FY 2015 – FY 2024



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 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 20
EXPANDED LOTTERY ACT, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Transfers to the Expanded Lottery Act Revenues Fund*	\$ 82,422,361	\$ 88,214,021	\$ 81,419,561	\$ 89,518,000	\$ 89,650,000
2. Transfers to the Problem Gambling and Addictions Grant Fund*	\$ 7,492,942	\$ 8,019,456	\$ 7,397,879	\$ 8,138,000	\$ 8,150,000
3. Transfers to City and County*	\$ 11,239,412	\$ 12,029,183	\$ 11,096,818	\$ 12,207,000	\$ 12,225,000
4. Amounts captured for Setoff*	\$ 3,055,781	\$ 3,201,788	\$ --	\$ 3,000,000	\$ 3,000,000
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds (Dollars in Millions)	286.5	314.8		314.5	316.6
TOTAL	\$ 286.5	\$ 314.8		\$ 314.5	\$ 316.6
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	10.8 %	9.9 %		(0.1) %	0.7 %
FTE Positions	17.0	17.0		17.0	17.0

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

BUDGET ANALYSIS

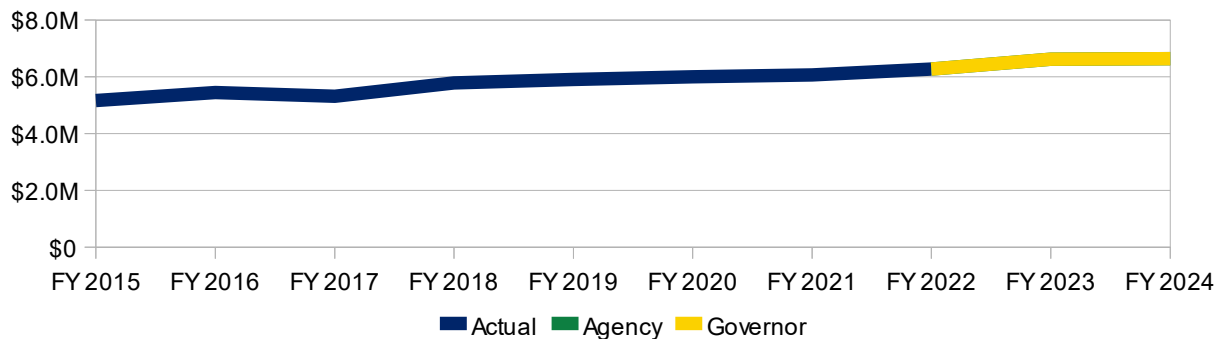
The **agency** requests \$316.6 million, all from special revenue funds, and 17.0 FTE positions, for the Expanded Lottery Act Program for FY 2024. This is an increase of \$2.1 million, or 0.7 percent, above the FY 2023 revised estimate. This increase is primarily attributable to additional \$2.0 million in contractual services expenditures due to increased revenue estimates made during the April consensus revenue estimating process. The remaining

increase includes an increase in expenditures for employee pay (\$33,462), employer contributions for fringe benefits (\$14,767), and state aid to locals (\$84,000).

The **Governor** concurs with the agency's request for FY 2024.

MARKETING

FIGURE 21
MARKETING EXPENDITURES, FY 2015 – FY 2024



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 22
MARKETING, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.PlayOn - Increase in members*	32.0 %	7.0 %	10.0 %	10.0 %	10.0 %
2.PlayOn - Increase in tickets entered*	35.0 %	1.0 %	14.0 %	5.0 %	5.0 %
3.PlayOn - Average monthly engagement*	24.0 %	24.0 %	24.0 %	25.0 %	25.0 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds (Dollars in Millions)	6.1	6.3		6.6	6.6
TOTAL (Dollars in Millions)	\$ 6.1	\$ 6.3		\$ 6.6	\$ 6.6
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	1.7 %	3.3 %		4.8 %	-- %
FTE Positions	7.4	6.4		6.4	6.4

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

BUDGET ANALYSIS

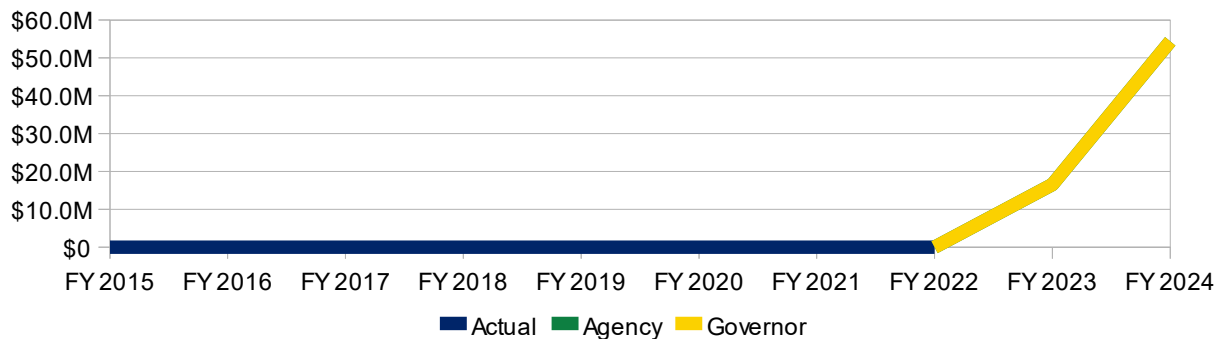
The **agency** requests \$6.6 million, all from the Lottery Operating Fund, in expenditures and 6.4 FTE positions for the Marketing Program for FY 2024. This is an increase of \$16,705, or 0.3 percent, above the FY 2023 revised estimate. The increase is entirely attributable to higher

expenditures for employee pay (\$10,459) and employer contributions for fringe benefits (\$6,246).

The **Governor** concurs with the agency's request for FY 2024.

SPORTS WAGERING

FIGURE 23
SPORTS WAGERING EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 74-8701 through 74-8794

PROGRAM GOALS: • There were no goals submitted for this program.

The Sports Wagering program facilitates provisions of the Kansas Lottery Act and the sports wagering in accordance with the Kansas Expanded Lottery Act.

FIGURE 24
SPORTS WAGERING, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
There were no performance measures submitted for this program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		16,580,937	54,389,391
TOTAL	\$ -	\$ -		\$ 16,580,937	\$ 54,389,391
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	-- %		-- %	228.0 %
FTE Positions	5.0	5.0		5.0	5.0

PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests \$54.4 million, including \$54.0 million from the Sports Wagering Receipts Fund, in expenditures and 5.0 FTE positions for the Sports Wagering Program for FY 2024. This is an increase of \$37.8 million, or 228.0 percent, above the FY 2023 revised estimate. The increase is attributable to sports wagering management fees that are based on

90.0 percent of net sports wagering revenue (\$37.8 million). The increase is also due to higher expenditures for employee pay (\$5,001) and employer contributions for fringe benefits (\$3,453).

The **Governor** concurs with the agency's request for FY 2024.

KANSAS RACING AND GAMING COMMISSION

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	7,996,833	11,147,595	10,261,985	11,745,712	10,376,819
<i>Subtotal</i>	<i>\$ 7,996,833</i>	<i>\$ 11,147,595</i>	<i>\$ 10,261,985</i>	<i>\$ 11,745,712</i>	<i>\$ 10,376,819</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	\$ 7,996,833	\$ 11,147,595	\$ 10,261,985	\$ 11,745,712	\$ 10,376,819
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	5.6 %	39.4 %	28.3 %	5.4 %	1.1 %
FTE Positions	99.5	120.5	107.5	120.5	107.5

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:

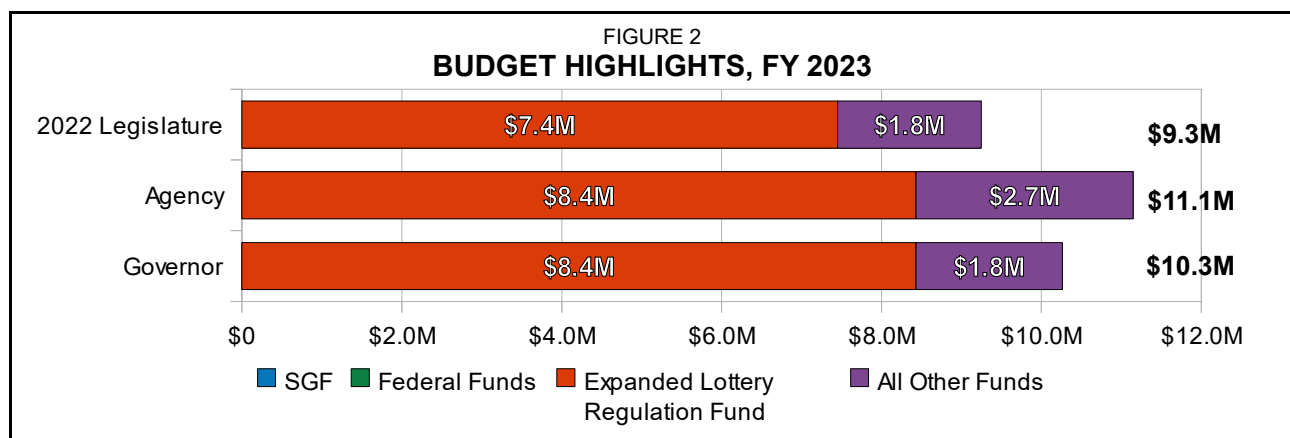
- **EXPANDED GAMING REGULATION PROGRAM.** The Kansas Racing and Gaming Commission regulates each gaming facility, including oversight of internal controls, security, and background checks and auditing gaming facility revenues. The Kansas Expanded Lottery Act requires lottery and racetrack gaming facility 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 KRGC regulations; and
- **ILLEGAL GAMING SUBPROGRAM.** The Illegal Gaming Subprogram focuses on the reduction and elimination of illegal gaming activity.
- **PARIMUTUEL GAMING PROGRAM.** KRGC 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 KRGC 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.

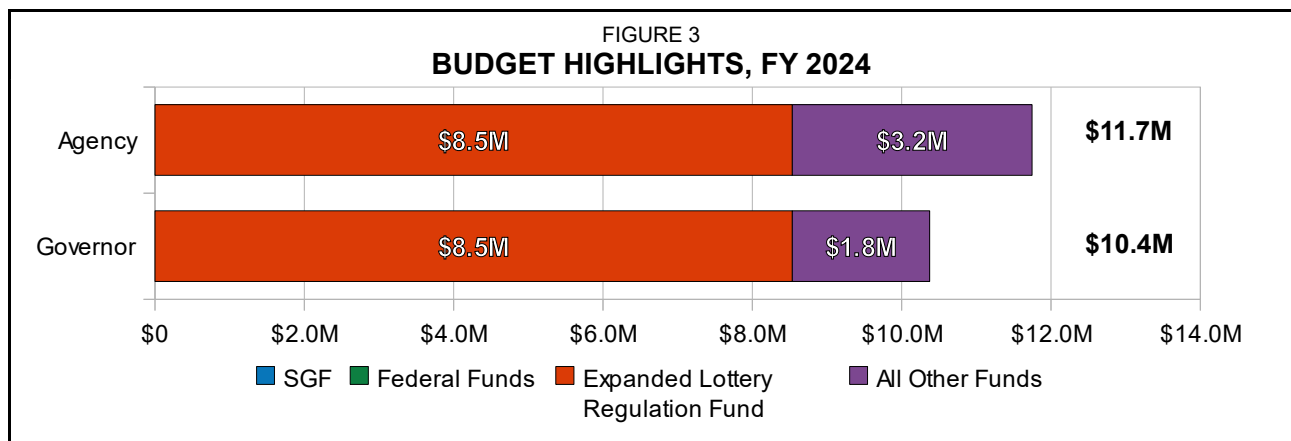
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$9.3 million, all from special revenue funds, for the Kansas Racing and Gaming Commission for FY 2023. No adjustments have been made subsequently to that amount.



The **agency** submits a revised estimate of \$11.1 million, all from special revenue funds, and 120.5 FTE positions in FY 2023. This is an increase of \$1.9 million, or 20.5 percent, above the FY 2023 approved amount. The increase is primarily attributable to the agency's supplemental request for the regulation of historical horse racing machines at a racetrack facility in Sedgwick County (\$885,610 and 13.0 FTE positions) and \$1.0 million to fund the 8.0 FTE positions approved by the 2022 Legislature for FY 2023 to regulate sports wagering and historical horse race machines. Of these positions, 2.0 FTE positions would be assigned to regulate sports wagering at tribal casinos if any tribe enters into a sports wagering compact with the State. These expenditures support the implementation of 2022 SB 84 concerning sports wagering.

The **Governor** recommends \$10.3 million, all from special revenue funds, and 107.5 FTE positions in FY 2023. This is a decrease of \$885,610, or 7.9 percent, and 13.0 FTE positions below the agency's FY 2023 revised estimate. The funding and FTE position decreases are due to the Governor not recommending the agency's historical horse racing supplemental request in FY 2023.



The **agency** requests \$11.7 million, all from special revenue funds, for FY 2024. This is an increase of \$598,117, or 5.4 percent, above the FY 2023 revised estimate. The increase is primarily attributable to the continued request for funding of 13.0 FTE positions to regulate historical horse racing machines (\$483,283). This amount includes expenditures for salaries and wages (\$415,283), contractual services (\$160,000), and commodities (\$8,000), and is partially offset by a decrease in capital outlay expenditures (\$100,000).

The **Governor** recommends \$10.4 million, all from special revenue funds, and 107.5 FTE positions in FY 2023. This is a decrease of \$1.4 million, or 11.7 percent, and 13.0 FTE positions below the agency's FY 2024 request. The funding and FTE position decreases are due to the Governor not recommending the agency's historical horse racing enhancement request for FY 2024.

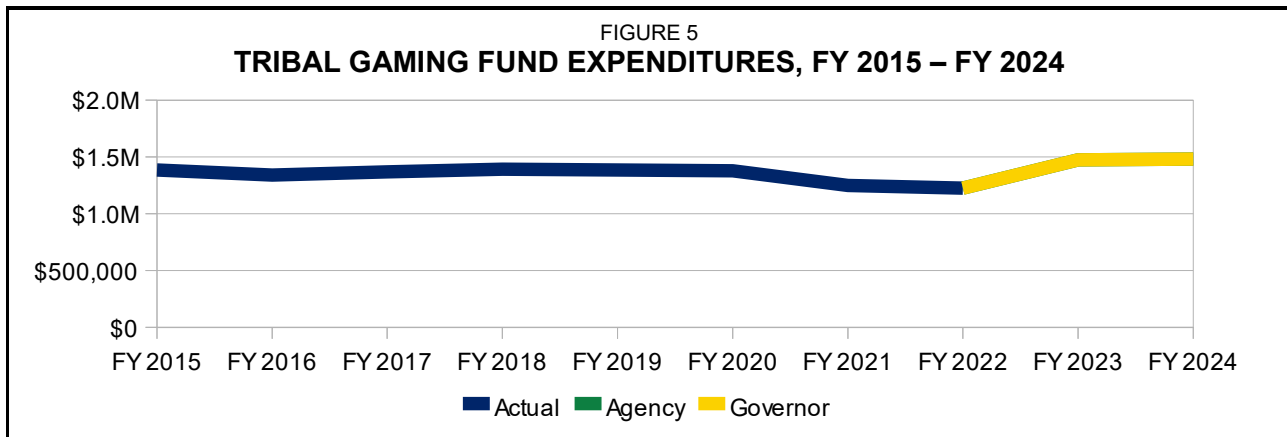
The Governor's recommendation includes the addition of language that would allow the Racing Operations Program to charge parimutuel licensees the initial start-up costs and regulation costs for this industry in the event that any parimutuel racetracks are reopened for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

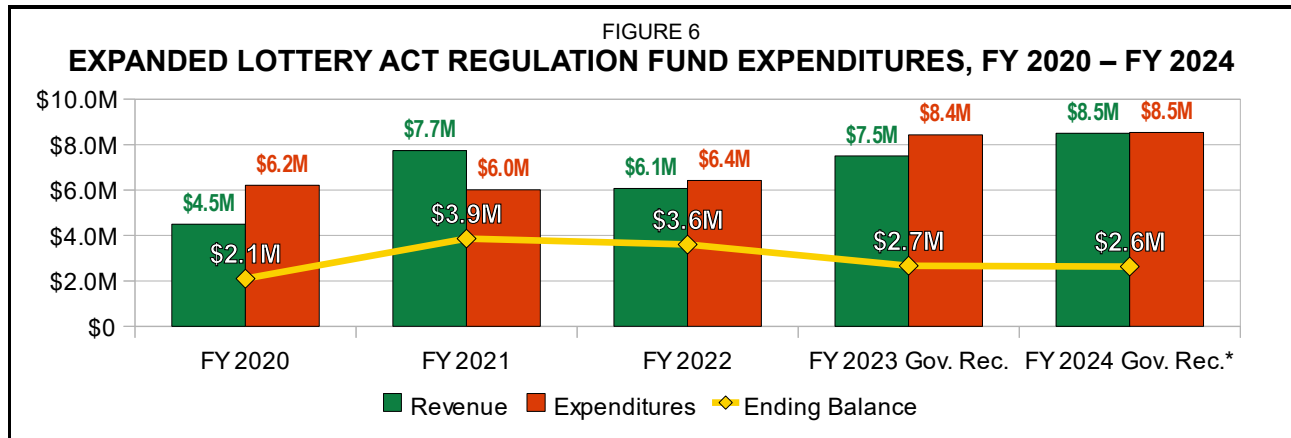
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 6,785,281	\$ 8,779,439	\$ 8,231,429	\$ 9,309,556	\$ 8,346,263
Contractual Services	996,932	1,741,286	1,581,286	1,956,286	1,636,286
Commodities	73,103	212,220	184,620	240,220	204,620
Capital Outlay	141,517	414,650	264,650	239,650	189,650
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 7,996,833</i>	<i>\$ 11,147,595</i>	<i>\$ 10,261,985</i>	<i>\$ 11,745,712</i>	<i>\$ 10,376,819</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 7,996,833</i>	<i>\$ 11,147,595</i>	<i>\$ 10,261,985</i>	<i>\$ 11,745,712</i>	<i>\$ 10,376,819</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 7,996,833	\$ 11,147,595	\$ 10,261,985	\$ 11,745,712	\$ 10,376,819
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Tribal Gaming Fund	1,226,584	1,473,092	1,473,092	1,481,267	1,481,267
Expanded Lottery	6,421,348	8,431,920	8,431,920	8,535,921	8,535,921
Regulation Fund					
Gaming Background	345,630	348,917	348,917	351,549	351,549
Enforcement Fund					
Illegal Gambling	-	4,200	4,200	4,200	4,200
Enforcement Fund					
State Racing Fund	3,271	889,466	3,856	1,372,775	3,882
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 7,996,833	\$ 11,147,595	\$ 10,261,985	\$ 11,745,712	\$ 10,376,819
FTE Positions	99.5	120.5	107.5	120.5	107.5

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 (SGF), 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 SGF cash advance is repaid within the same fiscal year.

EXPANDED LOTTERY ACT REGULATION FUND



* For FY 2024, the lowest month ending balance for the Expanded Lottery Act Regulation Fund will occur in April, with a balance of \$1.7 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 2023 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 9,250,384	\$ 9,250,384	107.5
1. No changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 9,250,384</i>	<i>\$ 9,250,384</i>	<i>107.5</i>
Agency Revised Estimate:				
2. Supplemental—Historical Horse Racing	\$ -	\$ 885,610	\$ 885,610	13.0
3. All Other Adjustments	-	1,011,601	1,011,601	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 11,147,595</i>	<i>\$ 11,147,595</i>	<i>120.5</i>
Governor's Recommendation:				
4. Supplemental—Historical Horse Racing – Not Recommended	-	(885,610)	(885,610)	(13.0)
TOTAL	\$ -	\$ 10,261,985	\$ 10,261,985	107.5

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, No adjustments were made to the \$9.3 million appropriated to the Kansas Racing and Gaming Commission for FY 2023.

1. **NO CHANGES.** No adjustments were made to the \$9.3 million appropriated for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$11.1 million, all from special revenue funds, and 12.5 FTE positions in FY 2023. This is an increase of \$1.9 million, or 20.5 percent, and 13.0 FTE positions above the FY 2023 approved amount.

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

2. **SUPPLEMENTAL—HISTORICAL HORSE RACING.** The agency requests \$885,610 in supplemental funding and an additional 13.0 FTE positions for the regulation of historical horse racing machines at a racetrack facility in Sedgwick County in FY 2023. This amount includes expenditures for salaries and wages (\$592,439); background database fees, communication, and travel expenditures (\$160,000); office supplies (\$27,600); and expenditures for database, firewalls, servers, computer stations, and a fingerprinting system (\$150,000).

The 13.0 FTE positions include nine on-site law enforcement officers, an attorney, a corporate background officer, an on-site licensing officer, and an auditor.

3. **ALL OTHER ADJUSTMENTS.** The FY 2023 revised estimate includes a \$1.0 million increase to fund personnel to regulate sports wagering and historical horse race machines in FY 2023. The 2022 Legislature approved 8.0 FTE positions but did not include a corresponding funding appropriation for the positions. Of these positions, 2.0 FTE positions would be assigned to regulate sports wagering at tribal casinos if any tribe enters into a sports wagering compact with the State. These expenditures support the implementation of 2022 SB 84 concerning sports wagering.

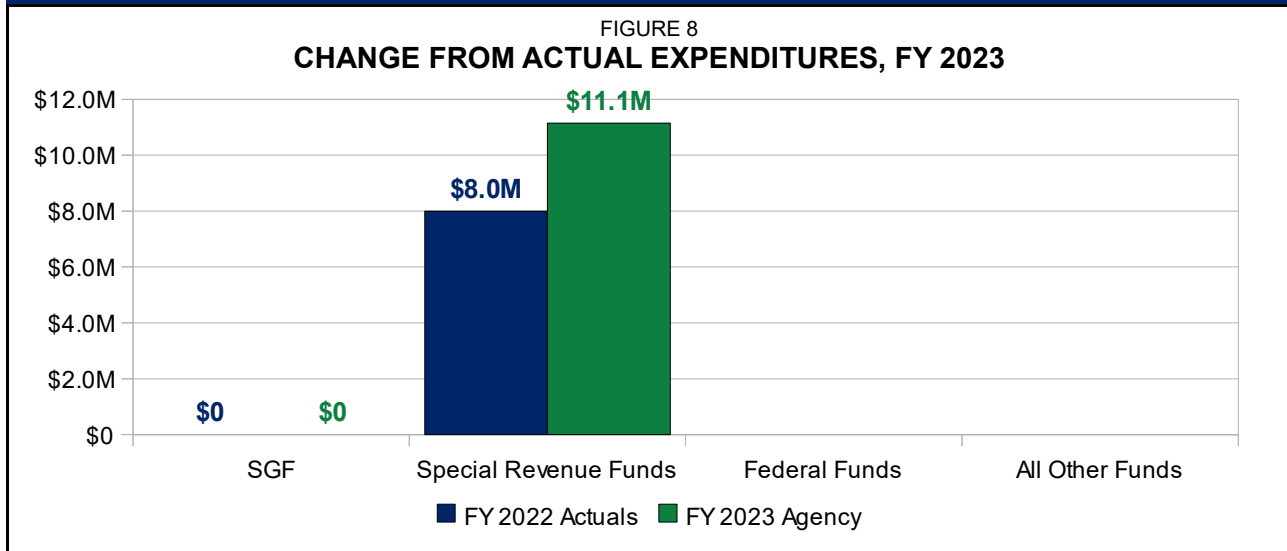
GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$10.3 million, all from special revenue funds, and 107.5 FTE positions in FY 2023. This is a decrease of \$885,610, or 7.9 percent, and 13.0 FTE positions below the agency's FY 2023 revised estimate.

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

4. **SUPPLEMENTAL–HISTORICAL HORSE RACING – NOT RECOMMENDED.** The Governor does not recommend adoption of the agency's supplemental request for \$885,610, all from special revenue funds, and 13.0 FTE positions for the regulation of historical horse racing machines at a racetrack facility in Sedgwick County in FY 2023 (Item 2).

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$11.1 million, all from special revenue funds, in FY 2023. This is an increase of \$3.2 million, or 39.4 percent, above the FY 2022 actual amount. This increase is primarily attributable to funding 8.0 FTE positions that were approved by the 2022 Legislature (6.0 FTE positions in Expanded Gaming Regulation Program, and 2.0 FTE positions in Tribal Gaming Regulation Program), to regulate sports wagering in the state and the 5.0 percent state employee pay plan increase in FY 2023. Additionally, the increase is also attributable to the agency request for supplemental funding for historical horse racing regulation (\$885,610) in FY 2023.

FY 2024 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 11,147,595	\$ 11,147,595	120.5
Agency Request:				
1. Enhancement–Historical Horse Racing	-	483,283	483,283	--
2. All Other Adjustments	-	114,834	114,834	--
<i>Subtotal–Agency Estimate</i>	<i>\$ -</i>	<i>\$ 11,745,712</i>	<i>\$ 11,745,712</i>	<i>120.5</i>
Governor’s Recommendation:				
3. Enhancement–Historical Horse Racing – Not Recommended	-	(1,368,893)	(1,368,893)	(13.0)
4. Add Language-Parimutuel Regulation Costs	-	-	-	--
TOTAL	\$ -	\$ 10,376,819	\$ 10,376,819	107.5

AGENCY REQUEST

The **agency** requests \$11.7 million, all from special revenue funds, and 120.5 FTE positions for FY 2024. This is an increase of \$598,117, or 5.4 percent, above the FY 2023 revised estimate.

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

1. **ENHANCEMENT–HISTORICAL HORSE RACING.** The agency requests an additional \$483,283 for continued funding of 13.0 FTE positions to regulate historical horse racing machines at a racetrack facility in Sedgwick County for FY 2024. This amount includes expenditures for salaries and wages (\$415,283), contractual services (\$160,000), and commodities (\$8,000), and is partially offset by a decrease in capital outlay expenditures (\$100,000).

The starting point for Figure 9 is the Agency Revised Estimate and includes the \$885,610 supplemental request for this program. The amount requested for the program in FY 2024 totals \$1.4 million and includes both the supplemental in the base and \$483,283 in the enhancement. Expenditures included are for salaries and wages (\$1.0 million); background database fees, communication, and travel expenditures (\$320,000); office supplies (\$35,000); and expenditures for databases, firewalls, servers, computer stations, and a fingerprinting system (\$50,000).

2. **ALL OTHER ADJUSTMENTS.** The agency request includes a \$114,834 increase in a variety of other expenditure categories, including employer contributions for group health insurance (\$94,545 increase).

GOVERNOR’S RECOMMENDATION

The **Governor** recommends \$10.4 million, all from special revenue funds, and 107.5 FTE positions in FY 2023. This is a decrease of \$1.4 million, or 11.7 percent, and 13.0 FTE positions below the agency's FY 2024 request.

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

3. **ENHANCEMENT–HISTORICAL HORSE RACING – NOT RECOMMENDED.** The Governor does not recommend adoption of the agency's enhancement request for \$1.4 million, all from special revenue funds, and 13.0 FTE positions for regulation of historical horse racing machines at a racetrack facility in Sedgwick County for FY 2024 (Item 1).
4. **ADD LANGUAGE–PARIMUTUEL REGULATION COSTS.** The Governor's recommendation adds language that would allow the Racing Operations Program to charge parimutuel licensees the initial start-up costs and regulation costs for this industry in the event that any parimutuel racetracks are reopened for FY 2024. The funding would be used to regulate historical horse race machines.

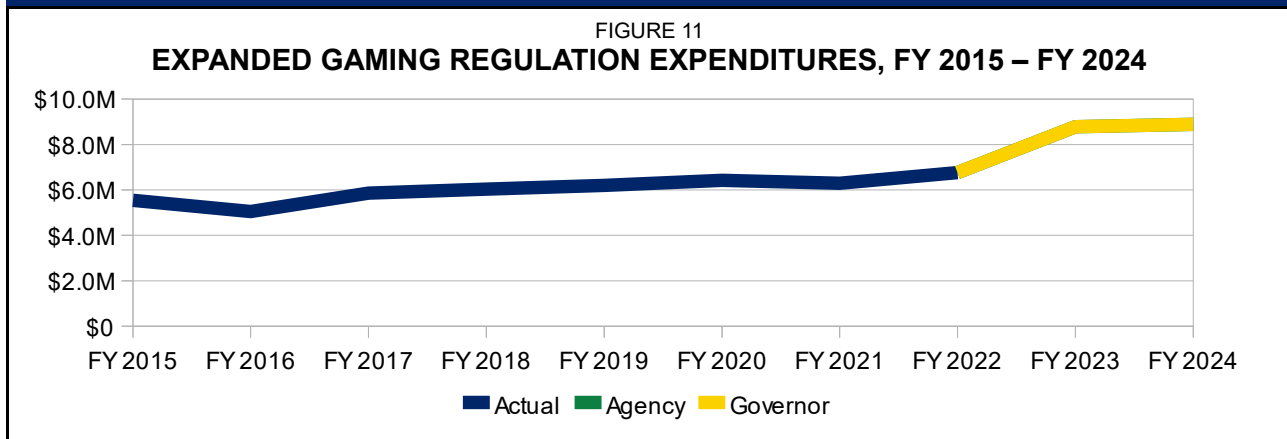
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Tribal Gaming	\$ 1,226,584	\$ 1,473,092	\$ 1,473,092	\$ 1,481,267	\$ 1,481,267
Gaming Regulation	6,766,978	8,785,037	8,785,037	8,891,670	8,891,670
Parimutuel Gaming	3,271	889,466	3,856	1,372,775	3,882
TOTAL	\$ 7,996,833	\$ 11,147,595	\$ 10,261,985	\$ 11,745,712	\$ 10,376,819
FTE Positions:					
Tribal Gaming	13.0	15.0	15.0	15.0	15.0
Gaming Regulation	86.4	92.4	92.4	92.4	92.4
Parimutuel Gaming	0.1	13.1	0.1	13.1	0.1
TOTAL	99.5	120.5	107.5	120.5	107.5

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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of Employee Licenses Denied by the Commission*	0.5 %	1.0 %	0.8 %	2.0 %	2.0 %
2. Number of Voluntary Exclusion Program (VEP) Enrollees Granted Access to Lottery Gaming*	99	80	88	95	95
3. Improper Gaming Outcomes Discovered After Complaint*	-	-	-	-	-
Output Measure:					
4. Number of Criminal Case Reports*	457	340	402	550	550
5. Number of Background Investigations Completed	606	1,247	927	1,260	1,260
6. Number of Slot Machine Inspections	108	204	229	300	300
7. Illegal Gaming Machines Seized*	6	10	18	25	25
8. Illegal Gambling Complaints Received*	145	121	136	157	160
9. Number of New VEP** Enrollments*	174	172	182	180	180
10. EGM Hardware/Software Components Tested and Approved*	1,706	1,626	2,005	2,300	2,400
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	6,275,022	6,766,978		8,785,037	8,891,670
TOTAL	<u>\$ 6,275,022</u>	<u>\$ 6,766,978</u>		<u>\$ 8,785,037</u>	<u>\$ 8,891,670</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(2.4) %	7.8 %		29.8 %	1.2 %
FTE Positions	86.5	86.5		92.4	92.4

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

** Voluntary Exclusion Program

BUDGET ANALYSIS

The **agency** requests \$8.9 million, all from special revenue funds, for the Expanded Gaming Regulation program for FY 2024. This is an increase of \$106,633, or 1.2 percent, above the FY 2023 revised estimate. The increase is attributable to an increase in salaries and wages expenditures, including employer contributions to fringe benefits to fund the additional 6.0 FTE positions approved by

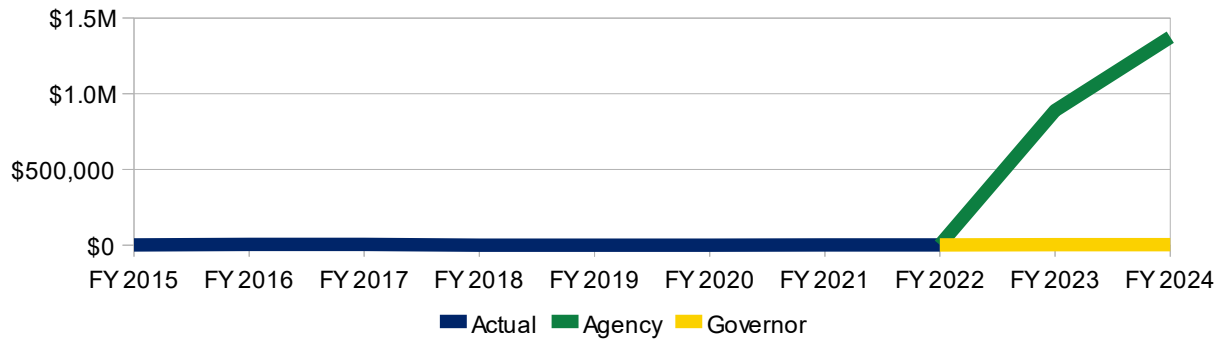
the 2022 Legislature. The program includes 92.5 FTE positions, which is the same number as the FY 2023 revised estimate.

The **Governor** concurs with the agency's request for the Expanded Gaming Regulation program for FY 2024.

PARIMUTUEL REGULATION

FIGURE 13

PARIMUTUEL REGULATION EXPENDITURES, FY 2015 – FY 2024



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, but the Kansas Parimutuel Racing Act was revised in 2022 to allow for historical horse racing machines to be utilized by a licensed parimutuel facility in Sedgwick

County. All funding for the program is supported by the State Racing Fund, which is currently being funded by horse registration fees. 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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
There were no performance measures submitted for this program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	2,826	3,271		3,856	3,882
TOTAL	\$ 2,826	\$ 3,271		\$ 3,856	\$ 3,882
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	103.6 %	15.7 %		17.9 %	0.7 %
FTE Positions	0.1	0.1		0.1	0.1

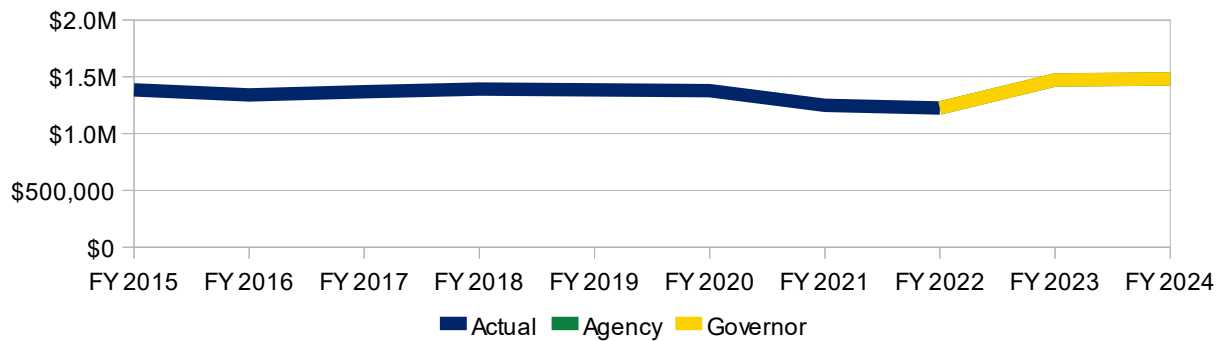
BUDGET ANALYSIS

The **agency** requests \$1.4 million, all from special revenue funds, for the Parimutuel Racing program for FY 2024. This is an increase of \$483,309 above the FY 2023 revised estimate. This increase is primarily attributable to agency's historical horse racing regulation enhancement request (\$483,283 increase). This program includes 13.1 FTE positions, which is the same number as the FY 2023 revised estimate.

The **Governor** recommends \$3,822 and 0.1 FTE positions for the Parimutuel Racing program for FY 2024. This is a decrease of \$1.4 million, or 99.7 percent, and 13.0 FTE positions below the agency's FY 2024 request. The decrease is due to the Governor not recommending the agency's historical horse racing regulation enhancement request.

TRIBAL GAMING

FIGURE 15
TRIBAL GAMING EXPENDITURES, FY 2015 – FY 2024



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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Average Days to Complete Background Investigations*	31	31	34	31	31
2.Average Days to Preliminary Suitability*	2.3	2	2	2	2
Output Measure:					
3.Number of Internal Control Inspections*	1,903	1,874	2,031	2,000	2,000
4.Number of Background Investigations	487	411	443	470	470
5.Number of Slot Machine Inspections	255	339	304	400	400
6.Number of Compliance Inspections*	183	190	277	200	200
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,249,657	1,226,508		1,473,092	1,481,267
TOTAL	<u>\$ 1,249,657</u>	<u>\$ 1,226,508</u>		<u>\$ 1,473,092</u>	<u>\$ 1,481,267</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(9.4) %	(1.9) %		20.1 %	0.6 %
FTE Positions	13.0	13.0		15.0	15.0

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

BUDGET ANALYSIS

The **agency** requests \$1.5 million, all from special revenue funds, for the Tribal Gaming program for FY 2024. This is an increase of \$8,175, or less than 0.1 percent, above the FY 2023 revised estimate. The increase is attributable to an increase in salaries and wages expenditures for employer contributions to fringe benefits including group health insurance for the 2.0 FTE positions assigned to regulate sports wagering at tribal casinos if any tribe enters into a sports wagering compact with the State, which were approved by the 2022 Legislature. This program includes 15.0 FTE positions, which is the same number as the FY 2023 revised estimate number.

The **Governor** concurs with the agency's request for the Tribal Gaming program for FY 2024.

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KANSAS DEPARTMENT OF REVENUE

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 14,774,330	\$ 15,412,798	\$ 15,412,798	\$ 16,018,235	\$ 16,018,235
Federal Funds	110,165	80,000	80,000	80,000	80,000
All Other Funds	95,114,712	98,552,006	98,552,006	122,782,197	110,157,197
<i>Subtotal</i>	<i>\$ 109,999,207</i>	<i>\$ 114,044,804</i>	<i>\$ 114,044,804</i>	<i>\$ 138,880,432</i>	<i>\$ 126,255,432</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	\$ 109,999,207	\$ 114,044,804	\$ 114,044,804	\$ 138,880,432	\$ 126,255,432
Percentage Change:					
State General Fund	(3.1) %	4.3 %	4.3 %	3.9 %	3.9 %
All Funds	0.8 %	3.7 %	3.7 %	21.8 %	10.7 %
FTE Positions	1,049.2	1,057.2	1,057.2	1,057.2	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.

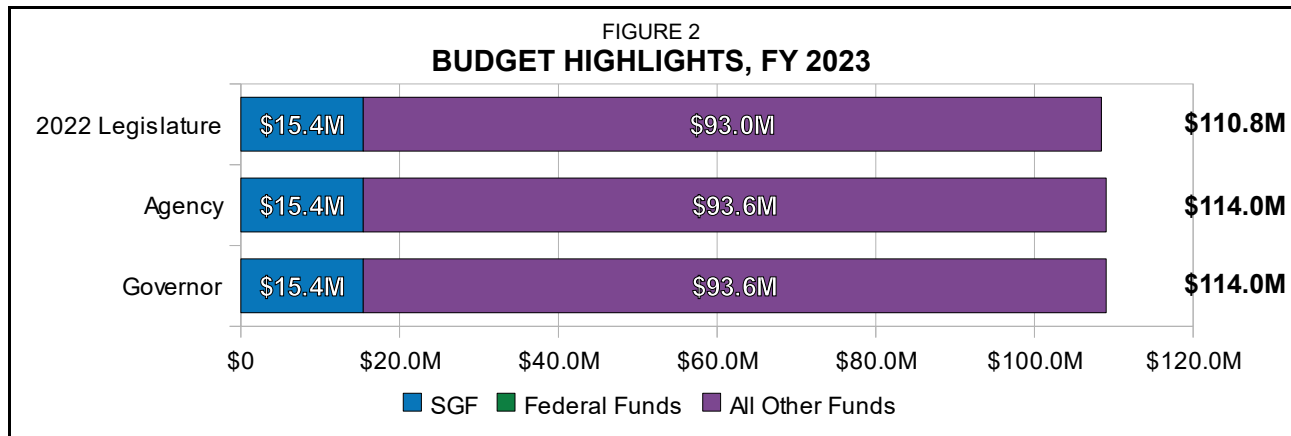
The Kansas Department of Revenue collects taxes and fees, administers Kansas tax laws, issues a variety of licenses, and provides assistance to Kansas citizens and units of government. The agency is divided into six major divisions, which reflect the four statutory programs the agency is charged with 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.
- Motor Vehicles issues titles, registers vehicles, and licenses drivers.
- Property Valuation appraises state property and exercises supervision over local appraisers.
- Tax Administration manages and enforces the major state taxes and conducts a program of audits to identify and substantiate under-reporting of Kansas taxes.

EXECUTIVE SUMMARY

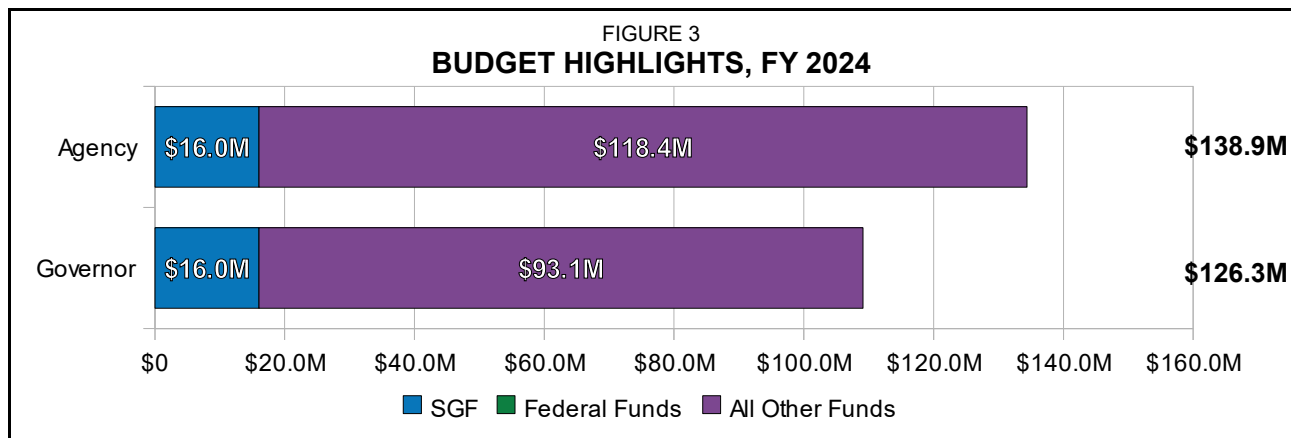
The 2022 Legislature approved a budget of \$110.8 million, including \$15.4 million from the State General Fund (SGF), for the Kansas Department of Revenue for FY 2023. An adjustment

has been made subsequently to that amount, which changes the current year approved amount without any legislative action required. The agency reappropriated \$25,738 SGF from FY 2022 into FY 2023.



The **agency** requests a revised estimate of \$114.0 million, including \$15.4 million SGF, in expenditures and 1,057.2 FTE positions in FY 2023. The revised estimate is an all funds increase of \$3.2 million, or 2.9 percent, above the FY 2023 approved amount. The increase is primarily attributable to an increase in state aid to local governments (\$2.6 million), including an increase in the transfer from the Special County Mineral Production Tax Fund (\$2.2 million).

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



The **agency** requests \$138.9 million, including \$16.0 million SGF, in expenditures and 1,057.2 FTE positions for FY 2024. This is an all funds increase of \$24.8 million, or 21.8 percent, including an SGF increase of \$605,437, or 3.9 percent, above the agency's FY 2023 revised estimate. The increase is attributable to an enhancement request for complete replacement of the standard license plate design (\$25.3 million).

The **Governor** recommends FY 2024 expenditures of \$126.3 million, including \$16.0 million SGF. This is an all funds decrease of \$12.7 million, or 9.1 percent, below the agency's FY 2024 request. This decrease is primarily attributable to not recommending the agency's enhancement request in full.

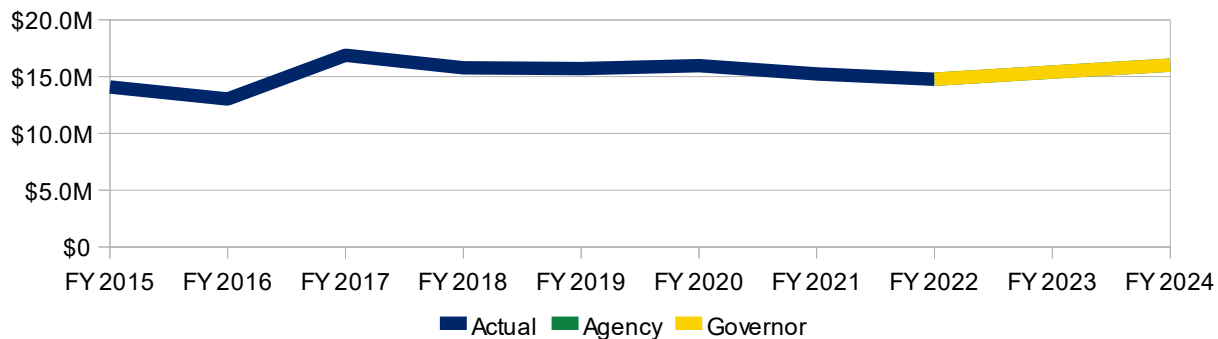
EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 64,519,266	\$ 70,715,768	\$ 70,715,768	\$ 71,357,646	\$ 71,357,646
Contractual Services	34,523,628	32,232,218	32,232,218	43,557,018	37,857,018
Commodities	5,005,634	3,984,554	3,984,554	17,834,554	10,909,554
Capital Outlay	1,422,454	1,006,554	1,006,554	524,504	524,504
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 105,470,982</i>	<i>\$ 107,939,094</i>	<i>\$ 107,939,094</i>	<i>\$ 133,273,722</i>	<i>\$ 120,648,722</i>
Aid to Local Units	4,394,844	6,105,710	6,105,710	5,606,710	5,606,710
Other Assistance	133,381	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 109,999,207</i>	<i>\$ 114,044,804</i>	<i>\$ 114,044,804</i>	<i>\$ 138,880,432</i>	<i>\$ 126,255,432</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 109,999,207	\$ 114,044,804	\$ 114,044,804	\$ 138,880,432	\$ 126,255,432
Financing:					
State General Fund	\$ 14,774,330	\$ 15,412,798	\$ 15,412,798	\$ 16,018,235	\$ 16,018,235
Federal Funds	110,165	80,000	80,000	80,000	80,000
All Other Funds	95,114,712	98,552,006	98,552,006	122,782,197	110,157,197
TOTAL	\$ 109,999,207	\$ 114,044,804	\$ 114,044,804	\$ 138,880,432	\$ 126,255,432
FTE Positions	1,049.2	1,057.2	1,057.2	1,057.2	1,057.2

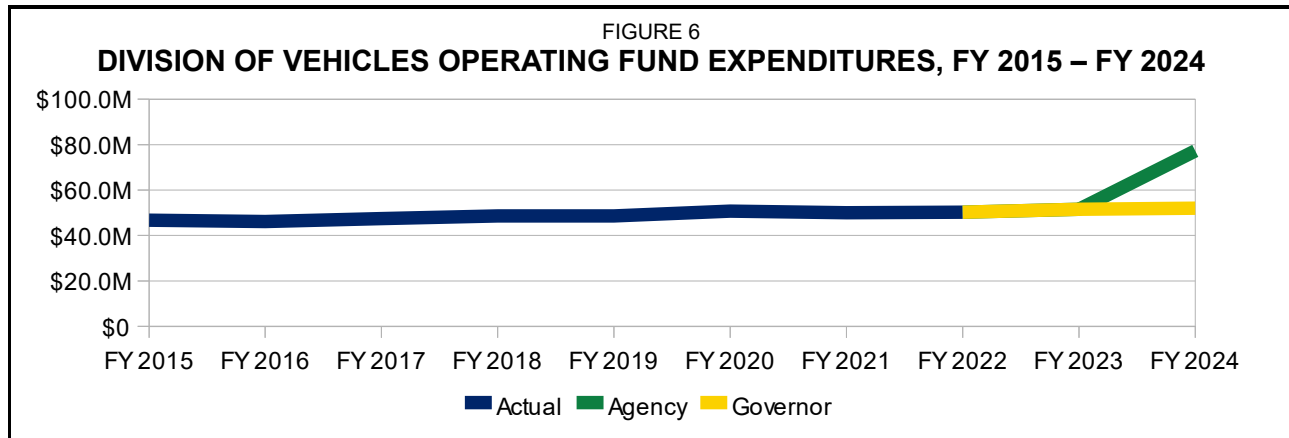
STATE GENERAL FUND

FIGURE 5
STATE GENERAL FUND EXPENDITURES, FY 2015 – FY 2024



For the Kansas Department of Revenue, SGF expenditures have averaged \$15.2 million per fiscal year from FY 2015 through FY 2022.

DIVISION OF VEHICLES OPERATING FUND

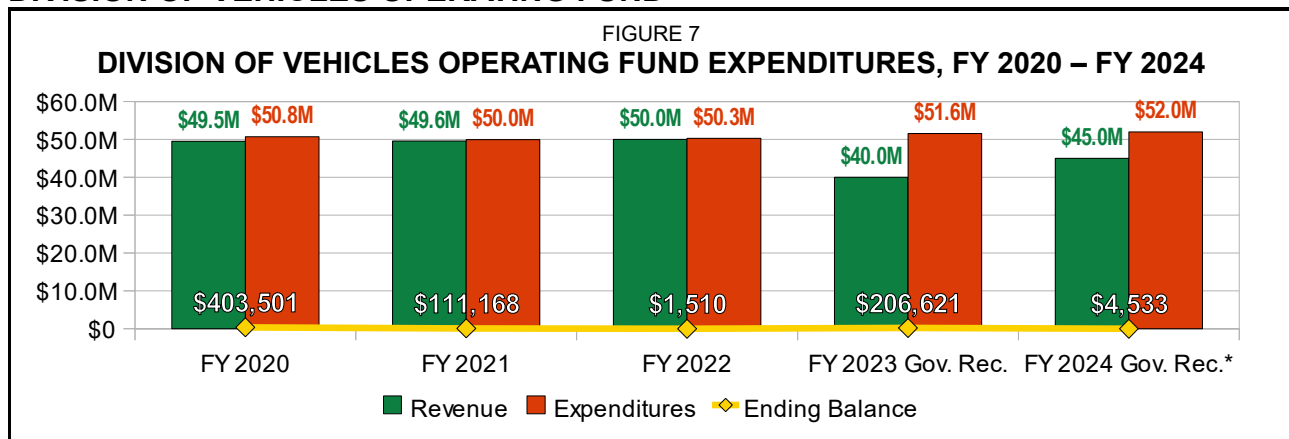


The Division of Vehicles Operating Fund's largest single source of revenue is from the State Highway Fund, which is made in quarterly transfers pursuant to the annual appropriation acts. Revenue is provided through charges assessed for copies, fines, penalties, and forfeitures.

On average, \$48.6 million has been expended annually from the Division of Vehicles Operating Fund from FY 2015 through FY 2022. The increase in FY 2024 is primarily attributable to the agency's enhancement request for license plate replacement costs. The Governor's recommendation includes a decrease in this fund, which is attributable to not approving the agency's enhancement request in full.

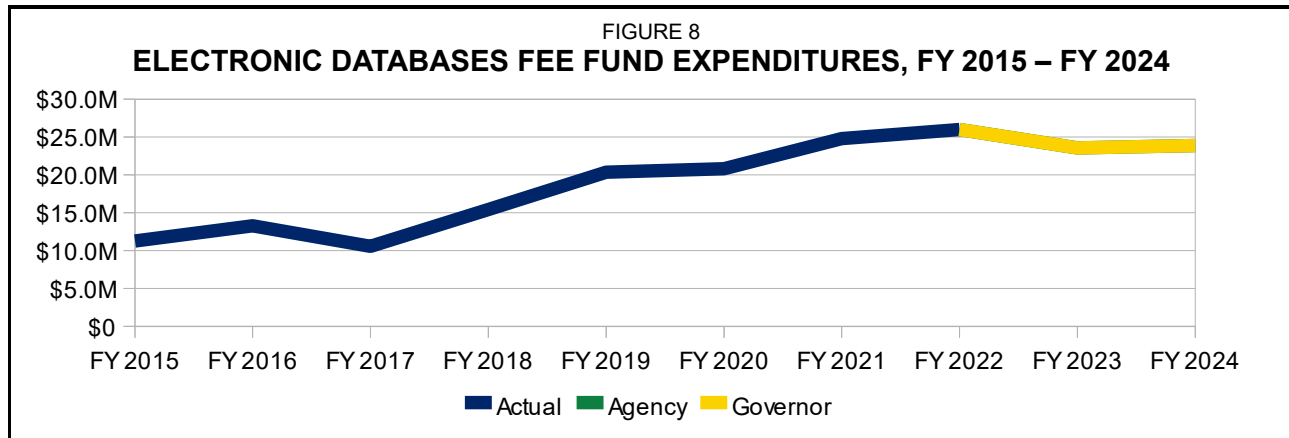
The Governor does not recommend the agency's enhancement request for \$25.3 million for a complete replacement of the standard Ad Astra license plate for FY 2024. The Governor recommends transferring \$12.6 million from the State Highway Fund to the agency for replacing all embossed licensed plates (not digitally produced). Additionally, the Governor recommends that American Rescue Plan Act (ARPA) funds be used, if available.

DIVISION OF VEHICLES OPERATING FUND



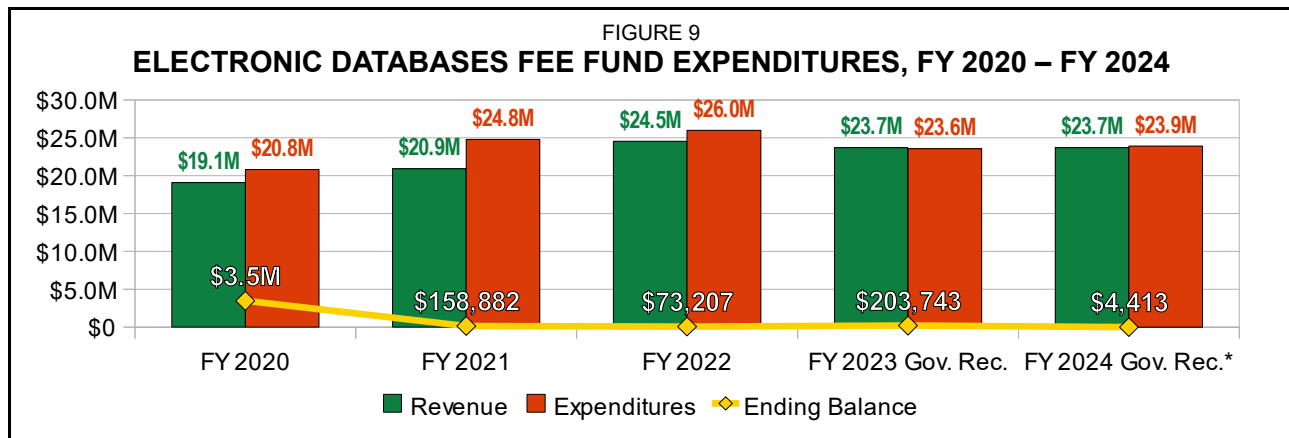
* For FY 2024, the lowest month ending balance for the Division of Vehicles Operating Fund will occur in September, with a balance of \$0.

ELECTRONIC DATABASES FEE FUND



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.

Expenditures from the Electronic Databases Fee Fund have increased from \$11.3 million in FY 2015 to \$26.0 million in FY 2022. The increase in expenditures is primarily attributable to increased costs for electronic database management and other information technology expenses. Electronic Databases Fee Fund



* For FY 2024, the lowest month ending balance for the Electronic Databases Fee Fund will occur in July, with a balance of \$0.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 15,387,060	\$ 95,422,662	\$ 110,809,722	1,049.2
1. SGF Reappropriation	25,738	-	25,738	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 15,412,798</i>	<i>\$ 95,422,662</i>	<i>\$ 110,835,460</i>	<i>1,049.2</i>
Agency Revised Estimate:				
2. Special County Mineral Production Tax Fund	-	2,614,500	2,614,500	--
3. Salaries and Wages Fringe Benefits	-	867,457	867,457	8.0
4. Tax Administration Software	-	482,085	482,085	--
5. Vehicle License Tag Resale	0-	(400,000)	(400,000)	--
6. Postage	-	(523,450)	(523,450)	--
7. All Other Adjustments	-	168,752	168,752	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 15,412,798</i>	<i>\$ 98,632,006</i>	<i>\$ 114,044,804</i>	<i>1,057.2</i>
Governor's Recommendation:				
8. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 15,412,798	\$ 98,632,006	\$ 114,044,804	1,057.2

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, an adjustment was made to the \$15,387,060 SGF appropriated to the Kansas Department of Revenue for FY 2023. This adjustment changes the current year approved amount without any legislative action required.

1. **SGF REAPPROPRIATION.** The agency reappropriated \$25,738 SGF from FY 2022 into FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$114.0 million, including \$15.4 million SGF, in FY 2023. The revised estimate is an all funds increase of \$3.2 million, or 2.9 percent, above the FY 2023 approved budget.

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

2. **SPECIAL COUNTY MINERAL PRODUCTION TAX FUND.** The agency requests the addition of \$2.6 million, all from the Special County Mineral Production Tax Fund, to adjust the transfer amount for the consensus revenue estimates. The moneys are expended as aid to local governments.
3. **SALARIES AND WAGES FRINGE BENEFITS.** The agency requests the addition of \$867,457 all from special revenue funds, for salaries and wages expenditures, including fringe benefits. This includes additional funding for unclassified employees, as well as temporary employees, 8.0 new FTE positions within the Division of Taxation, and employer contributions for group health insurance.
4. **DIVISION OF TAXATION SOFTWARE.** The agency requests the addition of \$482,085, all from special revenue funds, due to one-time expenditures for software in FY 2023.

Outdated software is being replaced with software that will assist with ensuring returns are processed correctly when tax laws change.

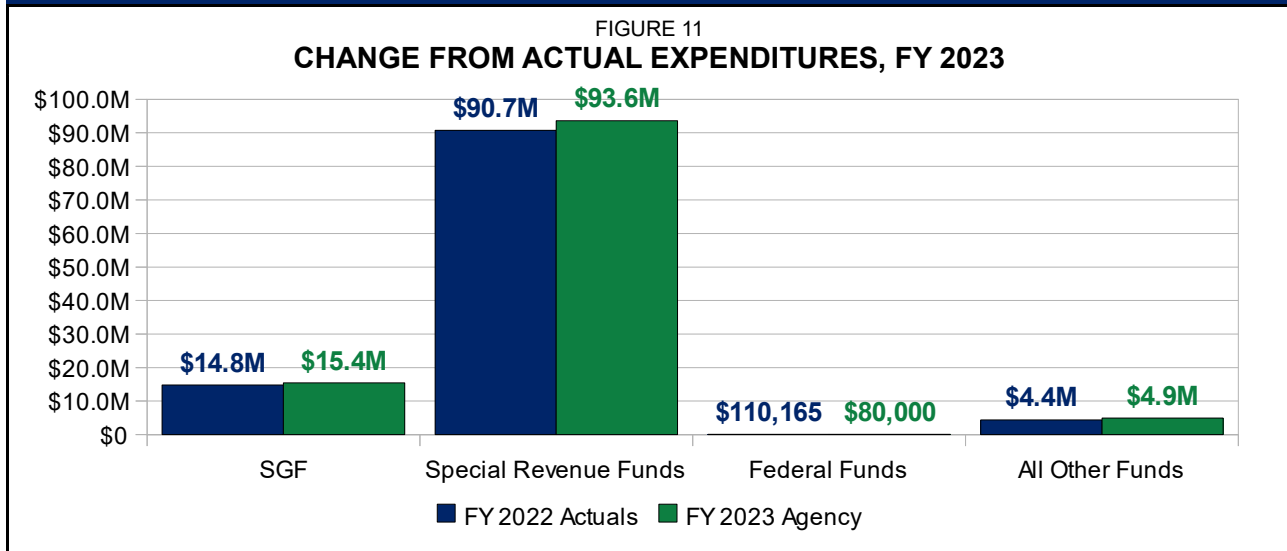
5. **VEHICLE LICENSE TAG RESALE.** The agency deletes \$400,000, all from special revenue funds, in license plate production expenditures. This decrease is in anticipation of the requested enhancement to produce the Ad Astra license plate for FY 2024.
6. **POSTAGE.** The agency deletes \$523,450, all from special revenue funds, in postage expenditures. This decrease is in anticipation of the requested enhancement to produce the Ad Astra license plate for FY 2024.
7. **ALL OTHER ADJUSTMENTS.** The agency requests the addition of \$168,752, all from special revenue funds, for other adjustments in FY 2023.

GOVERNOR'S RECOMMENDATION

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

8. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The Kansas Department of Revenue estimates revised expenditures of \$114.0 million, including \$15.4 million SGF, in FY 2023. This is an all funds increase of \$4.0 million, or 3.7 percent, including an SGF increase of \$639,468, or 4.1 percent, above FY 2022 actual expenditures. The increase is largely due to increased salaries and wages and employer contributions for fringe benefits (\$6.2 million), as well as \$1.2 million for taxpayer notification costs. The amount is partially offset by decreases in computer programming expenditures (\$390,396), information system consulting (\$407,073), postage (\$408,689), and computer software maintenance (\$592,209).

The SGF increase is primarily attributable to increased salaries and wages and employer contributions for fringe benefits for employees within the Tax Administration program.

FY 2024 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 15,412,798	\$ 98,632,006	\$ 114,044,804	1,057.2
Agency Request:				
1. Enhancement—License Plate Replacement Costs	\$ -	\$ 25,250,000	\$ 25,250,000	--
2. Special County Mineral Production Tax Fund	-	(499,000)	(499,000)	--
3. Salaries and Wages Fringe Benefits	605,437	36,441	641,878	--
4. Division of Taxation Software		(425,085)	(425,085)	--
5. All Other Adjustments	-	(132,165)	(132,165)	--
<i>Subtotal—Agency Estimate</i>	<u>\$ 16,018,235</u>	<u>\$ 122,862,197</u>	<u>\$ 138,880,432</u>	<u>1,057.2</u>
Governor's Recommendation:				
6. Enhancement—License Plate Replacement Costs	\$ -	\$ (12,625,000)	\$ (12,625,000)	--
TOTAL	<u>\$ 16,018,235</u>	<u>\$ 110,237,197</u>	<u>\$ 126,255,432</u>	<u>1,057.2</u>

AGENCY REQUEST

The **agency** requests \$138.9 million, including \$16.0 million SGF, for FY 2024. The request is an all funds increase of \$24.8 million, or 21.8 percent, including an SGF increase of \$605,437, or 3.9 percent, above the FY 2023 revised estimate.

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

- 1. ENHANCEMENT—LICENSE PLATE REPLACEMENT COSTS.** The agency requests \$25.3 million, all from special revenue funds, for a complete replacement of the standard Ad Astra license plate for FY 2024. The total amount requested includes \$13.9 million for production costs and \$11.4 million for mailing costs.
- 2. SPECIAL COUNTY MINERAL PRODUCTION TAX FUND.** The agency deletes \$499,000, all from the Special County Mineral Production Tax Fund, to adjust the transfer amount for the consensus revenue estimates.
- 3. SALARIES AND WAGES FRINGE BENEFITS.** The agency requests the addition of \$641,878, including \$605,437 SGF, for salaries and wages expenditures. The addition is primarily for employer contributions for group health insurance.
- 4. DIVISION OF TAXATION SOFTWARE.** The agency deletes \$425,085, all from special revenue funds, due to one-time expenditures for the new software that will assist in accurate returns in FY 2023. The remaining \$57,000 is expected to be included in the agency's request for ongoing maintenance.
- 5. ALL OTHER ADJUSTMENTS.** The agency deletes \$132,165, all from special revenue funds, for FY 2024.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends FY 2024 expenditures of \$126.3 million, including \$16.0 million SGF. This is an all funds decrease of \$12.7 million, or 9.1 percent, below the agency's FY 2024 request.

6. **ENHANCEMENT—LICENSE PLATE REPLACEMENT COSTS.** The Governor does not recommend the agency's enhancement request for \$25.3 million for a complete replacement of the standard Ad Astra license plate for FY 2024. The Governor recommends transferring \$12.6 million from the State Highway Fund to the agency for replacing all embossed licensed plates (not digitally produced). Additionally, the Governor recommends that federal American Rescue Plan Act (ARPA) funds be used, if available.

ENHANCEMENT REQUEST

REPLACEMENT OF STANDARD LICENSE PLATE

The agency requests an enhancement of \$25.3 million for a complete replacement of the standard Ad Astra license plate for FY 2024. This amount includes \$13.9 million for production costs and \$11.4 million for mailing costs.

The current Ad Astra plate design was issued in 2008. Pursuant to KSA 8-132, a new plate was to be issued in 2013, unless extended by the Director of Vehicles. The Director of Vehicles has extended the plate annually since 2013. In 2018, the Division switched to digital license plate production. This new method creates license plates on demand and replaced the mass production of embossed plates. Digitally produced plates are mailed to the owner's home, usually within 10-14 days of vehicle registration.

A replacement of the standard plate is being requested due to the diminishing readability of the Ad Astra plates. The reflectivity of sheeting decreases by 50.0 percent after five years, making the plates difficult to read, especially at night. The agency indicates such readability challenges are a safety concern for law enforcement.

STANDARD LICENSE PLATE REPLACEMENT		
Item	Agency Request	Governor Recommendation
Ad Astra License Plate Replacement	\$ 25,250,000	\$ 12,625,000
TOTAL	\$ 25,250,000	\$ 12,625,000

The Governor does not recommend complete adoption of this request. The Governor recommends transferring \$12.6 million from the State Highway Fund to the agency for replacing all embossed licensed plates (not digitally produced). Additionally, the Governor recommends that federal American Rescue Plan Act (ARPA) funds be used, if available.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

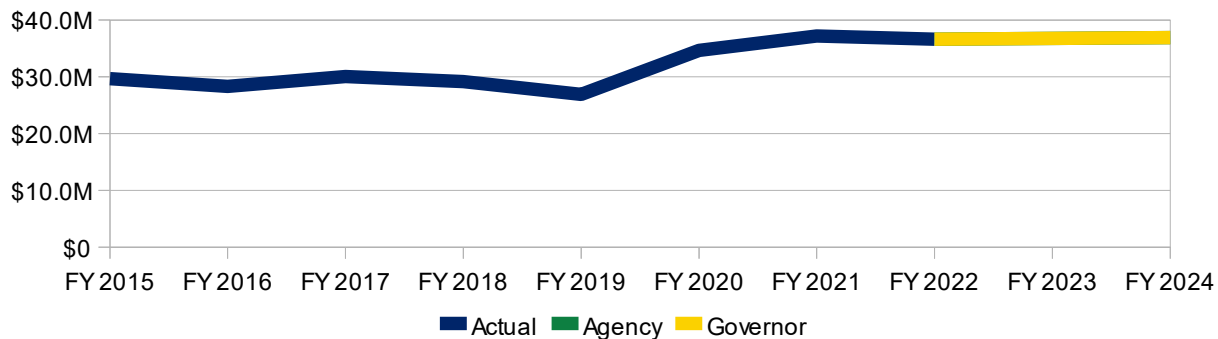
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 36,632,017	\$ 36,755,660	\$ 36,755,660	\$ 36,901,537	\$ 36,901,537
Aid to Local Units	4,394,844	6,105,710	6,105,710	5,606,710	5,606,710
Alcoholic Beverage Control	3,059,453	3,415,876	3,415,876	3,432,663	3,432,663
Motor Vehicles	34,905,314	34,715,820	34,715,820	60,187,274	47,562,274
Property Valuation	4,229,413	4,708,847	4,708,847	4,730,568	4,730,568
Tax Administration	26,778,166	28,342,891	28,342,891	28,021,680	28,021,680
TOTAL	\$ 109,999,207	\$ 114,044,804	\$ 114,044,804	\$ 138,880,432	\$ 126,255,432
FTE Positions:					
Administration	273.3	273.2	273.2	273.2	273.2
Aid to Locals	-	-	-	-	-
Alcoholic Beverage Control	38.8	36.8	36.8	36.8	36.8
Motor Vehicles	352.2	352.6	352.6	352.6	352.6
Property Valuation	35.1	35.1	35.1	35.1	35.1
Tax Administration	349.8	359.5	359.5	359.5	359.5
TOTAL	1,049.2	1,057.2	1,057.2	1,057.2	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

FIGURE 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



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, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of fiscal notes completed within five working days	80.0 %	89.0 %	83.0 %	80.0 %	80.0 %
2. Number of final fiscal notes completed	372	292	319	225	225
Output Measure:					
3. Administrative tax appeals docketed*	279	406	311.7	500	500
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 6,322,692	\$ 5,650,290		\$ 3,512,520	\$ 3,544,063
Federal Funds	140,519	-		-	-
All Other Funds	30,753,706	30,981,727		33,243,140	33,357,474
TOTAL	\$ 37,216,917	\$ 36,632,017		\$ 36,755,660	\$ 36,901,537
Percentage Change:					
SGF	(11.4) %	(10.6) %		(37.8) %	0.9 %
All Funds	4.6 %	(1.6) %		0.3 %	0.4 %
FTE Positions	273.2	273.2		273.2	273.2

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

BUDGET ANALYSIS

FY 2024 BUDGET

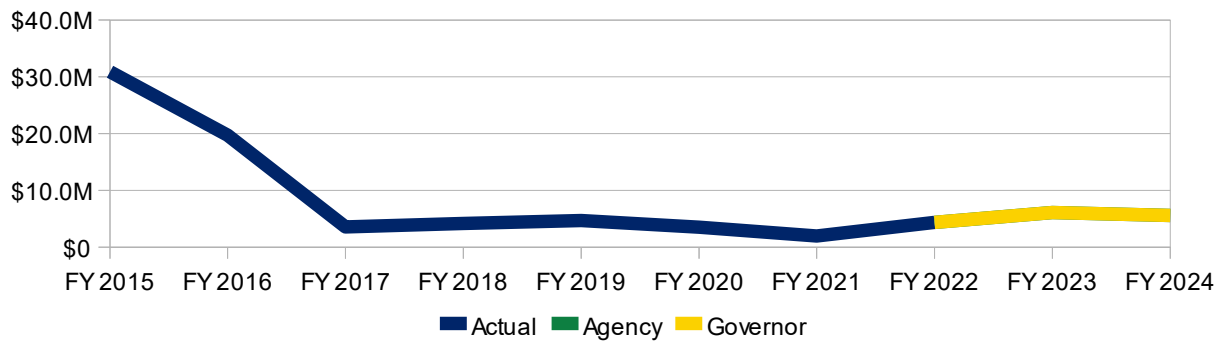
The agency requests Administration program expenditures of \$36.9 million, including \$3.5 million SGF, for FY 2024. The request is an all funds increase of \$145,877, or 0.4 percent, including an SGF increase of \$31,543, or 0.9 percent, above the FY 2023 revised estimate.

The increases are primarily for longevity pay and employer contributions for group health insurance.

The **Governor** concurs with the agency's FY 2024 request.

AID TO LOCAL UNITS

FIGURE 16
AID TO LOCAL UNITS EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 79-4427, 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 distribution dates.

The Aid to Local Units 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 LOCAL UNITS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of aid payments distributed on schedule	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,993,678	4,394,844		6,105,710	5,606,710
TOTAL	<u>\$ 1,993,678</u>	<u>\$ 4,394,844</u>		<u>\$ 6,105,710</u>	<u>\$ 5,606,710</u>
Percentage Change:					
SGF	-- %	--		--	--
All Funds	(44.0) %	120.4 %		38.9 %	(8.2) %
FTE Positions	--	--		--	--

BUDGET ANALYSIS

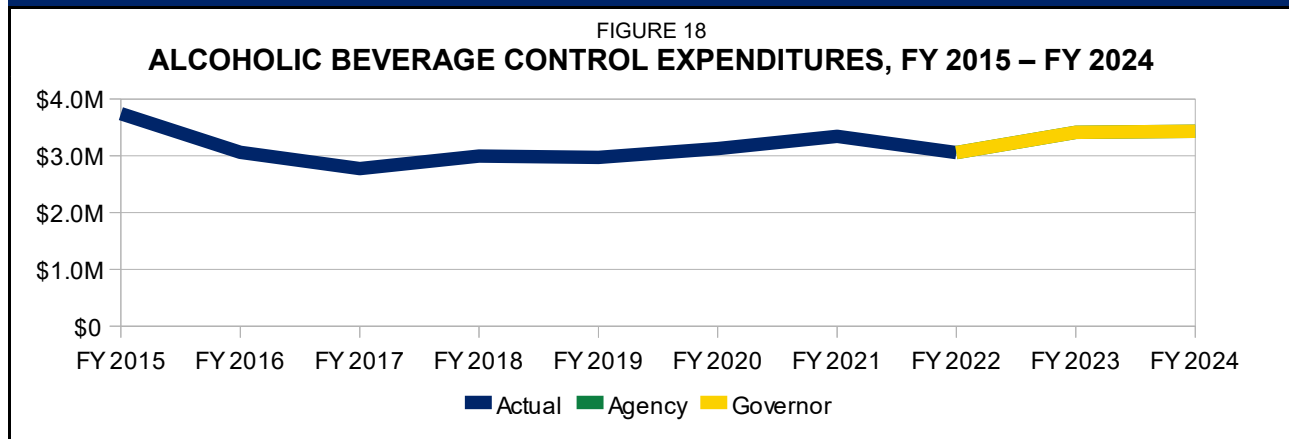
FY 2024 BUDGET

The agency requests Aid to Local Units program expenditures of \$5.6 million, all from special revenue funds, which is a decrease of \$499,000, or 8.2 percent, below the FY 2023 revised estimate. The decrease is attributable to

revised estimates for the Special County Mineral Production Tax Fund.

The **Governor** concurs with the agency's FY 2024 request.

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 resolving 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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of random controlled buys performed for the sale of alcohol to underage persons	291	922	539	950	950
2. Compliance rate for the controlled buys for the sale of alcohol to underage persons	84.0 %	83.0 %	84.0 %	85.0 %	85.0 %
3. ABC regulation cost per licensee*	\$ 545.47	\$ 455.68	\$ 506.02	\$ 509.83	\$ 512.34
Output Measure:					
4. Liquor enforcement tax violations*	24	30	24.7	30	30
5. Liquor drink tax violations*	119	203	142.3	200	200
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	12,047	53,738		50,000	50,000
All Other Funds	3,329,486	3,005,715		3,365,876	3,382,663
TOTAL	\$ 3,341,533	\$ 3,059,453		\$ 3,415,876	\$ 3,432,663
Percentage Change:					
SGF	-- %	--		--	--
All Funds	6.8 %	(8.4) %		11.6 %	0.5 %
FTE Positions	39.8	38.8		36.8	36.8

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

BUDGET ANALYSIS**FY 2024 BUDGET**

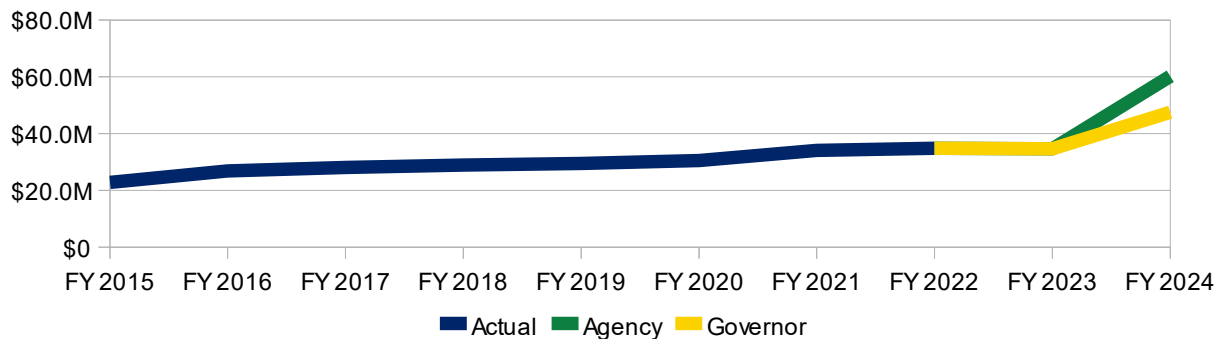
The agency requests Alcoholic Beverage Control expenditures of \$3.4 million, all from special revenue funds, which is an increase of \$16,787, or 0.5 percent, above the FY 2023 revised estimate. The increase is attributable to

employer contributions for group health insurance, partially offset by a decrease in KPERS employer contributions.

The **Governor** concurs with the agency's FY 2024 request.

MOTOR VEHICLES

FIGURE 20
MOTOR VEHICLES EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 75-5110

PROGRAM GOALS:

- Provide exceptional service to customers, business partners, and stakeholders. Ensure information is presented in a consistent, efficient matter. 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 3,000 new and used vehicle dealerships, 4,500 salespersons, and 300 manufacturers, distributors, converters, and manufactured home dealers for compliance with federal and state statutory requirements; processes liens 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, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Average wait time at ten largest driver's license offices	09 min. 15 sec.	07 min. 05 sec.	08 min. 56 sec.	09 min. 40 sec.	09 min. 30 sec.
2. Cost per registered vehicle*	\$ 3.33	\$ 2.98	\$ 3.30	\$ 3.45	\$ 11.68
3. Cost per active credential*	\$ 10.44	\$ 9.81	\$ 10.12	\$ 10.53	\$ 10.44
Output Measure:					
4. Number of licenses/ID cards processed*	613,500	625,000	596,566	\$ 638,000	\$ 640,000
5. Percentage of online/mobile app renewals process at county treasurers*	27.6 %	30.3 %	29.9 %	30.5 %	30.5 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	34,070,507	34,905,314		34,715,820	47,562,274
TOTAL	<u>\$34,070,507</u>	<u>\$34,905,314</u>		<u>\$34,715,820</u>	<u>\$47,562,274</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	11.3 %	2.5 %		(0.5) %	37.0 %
FTE Positions	349.0	352.2		352.6	352.6

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

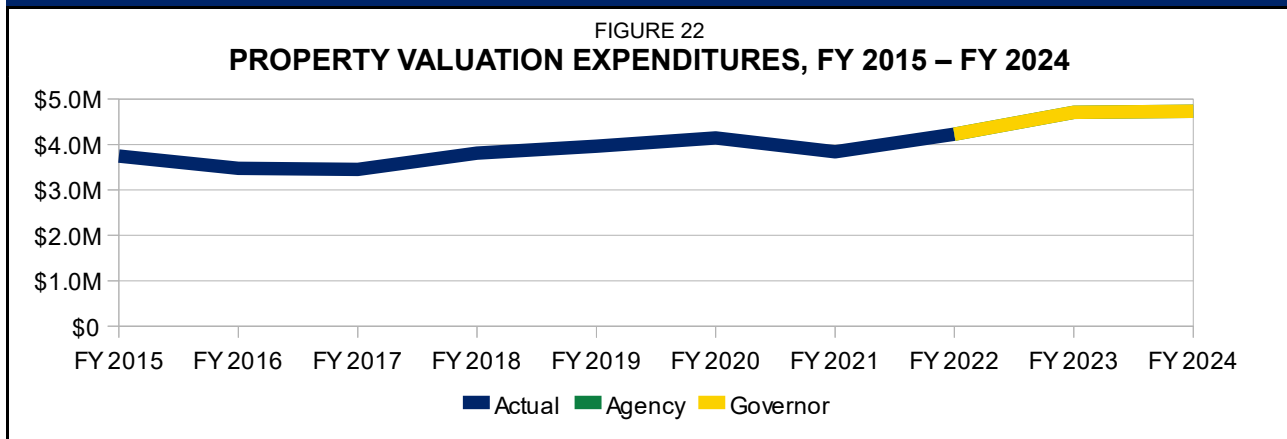
BUDGET ANALYSIS

FY 2024 BUDGET

The agency requests Motor Vehicles program expenditures totaling \$60.2 million, all from special revenue funds, which is an increase of \$25.5 million, or 73.4 percent, above the FY 2023 revised estimate. The increase is primarily attributable to the agency's enhancement request for complete replacement of the standard license plate.

The **Governor** recommends FY 2024 expenditures of \$47.6 million, all from special revenue funds, for the Motor Vehicles program. This is a decrease of \$12.6 million, or 21.0 percent, below the agency's FY 2024 request. This decrease is primarily attributable to the Governor not fully recommending the agency's enhancement request for replacement of the standard license plate in full.

PROPERTY VALUATION



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, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of residential valuations meeting state appraisal compliance standards*	99.0 %	92.0 %	96.7 %	90.0 %	99.0 %
2. Percent of commercial valuations meeting state appraisal compliance standards	80.0 %	53.0 %	76.7 %	50.0 %	95.0 %

FIGURE 23

PROPERTY VALUATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
3. Tax dollars generated from distribution to counties based on assessed value (in millions)*	\$ 654.2	\$ 680.4	\$ 652.5	\$ 707.6	\$ 735.9
Output Measure:					
4. Number of counties with qualified appraisers	98	103	102	105	105
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 612,817	\$ 606,766		\$ 1,278,430	\$ 1,523,594
Federal Funds	-	-		-	-
All Other Funds	3,227,482	3,622,647		3,430,417	3,206,974
TOTAL	<u>\$ 3,840,299</u>	<u>\$ 4,229,413</u>		<u>\$ 4,708,847</u>	<u>\$ 4,730,568</u>
Percentage Change:					
SGF	(50.7) %	(1.0) %		110.7 %	19.2 %
All Funds	(7.4) %	10.1 %		11.3 %	0.5 %
FTE Positions	35.1	35.1		35.1	35.1

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

BUDGET ANALYSIS**FY 2024 BUDGET**

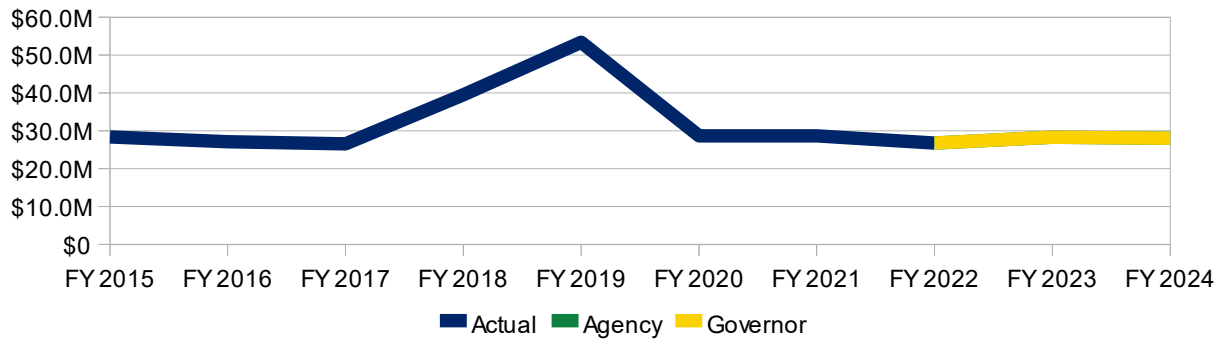
The agency requests Property Valuation program expenditures of \$4.7 million, including \$1.5 million SGF, for FY 2024. The request includes an all funds increase of \$21,721, or 0.5 percent, including an SGF increase of \$245,164, or 19.2 percent, above the FY 2023 revised estimate. The all funds increase is attributable to increased employer contributions for group health insurance. The SGF increase is

related to the exhaustion of the available balance in the Vehicle Information Processing System (VIPS)/CAMA Fee Fund for FY 2024.

The **Governor** concurs with the agency's FY 2024 request.

TAX ADMINISTRATION

TAX ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



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 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 division has the largest operating budget for a division within the agency. The Division of Tax 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, 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 24
TAX ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of written correspondence resolved within 30 days*	97.0 %	81.0 %	88.3 %	85.0 %	85.0 %
2. Compliance rate for random controlled buys for the sale of cigarette/tobacco products to minors	93.0 %	93.0 %	93.7 %	90.0 %	90.0 %
3. Delinquent tax collections (in millions)	\$ 206.9	\$ 213.6	\$ 194.4	\$ 210.0	\$ 210.0
4. Delinquent tax accounts receivable turnover ratio*	0.78	0.70	0.61	0.75	0.75
Output Measure:					
5. Individual income tax returns filed*	1,819,361	1,595,337	1,636,397	1,650,000	1,650,000
6. Sales and use tax returns filed*	802,944	791,012	775,769	795,000	795,000
7. Percentage of electronically filed individual income tax return refunds issued within 14 days of receipt*	94.0 %	97.0 %	95.0 %	97.0 %	97.0 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 8,312,786	\$ 8,517,274		\$ 10,621,848	\$ 10,950,578
Federal Funds	47,335	56,428		30,000	30,000
All Other Funds	20,359,540	18,204,898		17,691,043	17,041,102
TOTAL	\$28,719,661	\$26,778,600		\$28,342,891	\$28,021,680
Percentage Change:					
SGF	12.2 %	2.5 %		24.7 %	3.1 %
All Funds	4.9 %	(6.8) %		5.8 %	(1.1) %
FTE Positions	353.0	349.8		359.5	359.5

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

BUDGET ANALYSIS

The agency requests Tax Administration program expenditures of \$28.0 million, including \$11.0 million SGF, for FY 2024. The request is an all funds decrease of \$321,211, or 1.1 percent, below the FY 2023 revised estimate.

This includes an SGF increase of \$328,730, or 3.1 percent, above the FY 2023 revised estimate.

This change is attributable to increased salaries and wages fringe benefits expenditures, partially offset by reductions in

building space and software expenditures. Outdated software is being replaced with software that will assist with ensuring returns are processed correctly when tax laws change.

The **Governor** concurs with the agency's FY 2024 request.

BOARD OF TAX APPEALS

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 696,328	\$ 993,259	\$ 1,583,259	\$ 1,019,036	\$ 1,019,036
Federal Funds	-	-	-	-	-
All Other Funds	1,014,344	1,169,398	1,169,398	1,154,634	1,154,634
<i>Subtotal</i>	<i>\$ 1,710,672</i>	<i>\$ 2,162,657</i>	<i>\$ 2,752,657</i>	<i>\$ 2,173,670</i>	<i>\$ 2,173,670</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	\$ 1,710,672	\$ 2,162,657	\$ 2,752,657	\$ 2,173,670	\$ 2,173,670
Percentage Change:					
State General Fund	20.8 %	42.6 %	127.4 %	2.6 %	(35.6) %
All Funds	18.6 %	26.4 %	60.9 %	0.5 %	(21.0) %
FTE Positions	16.0	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.

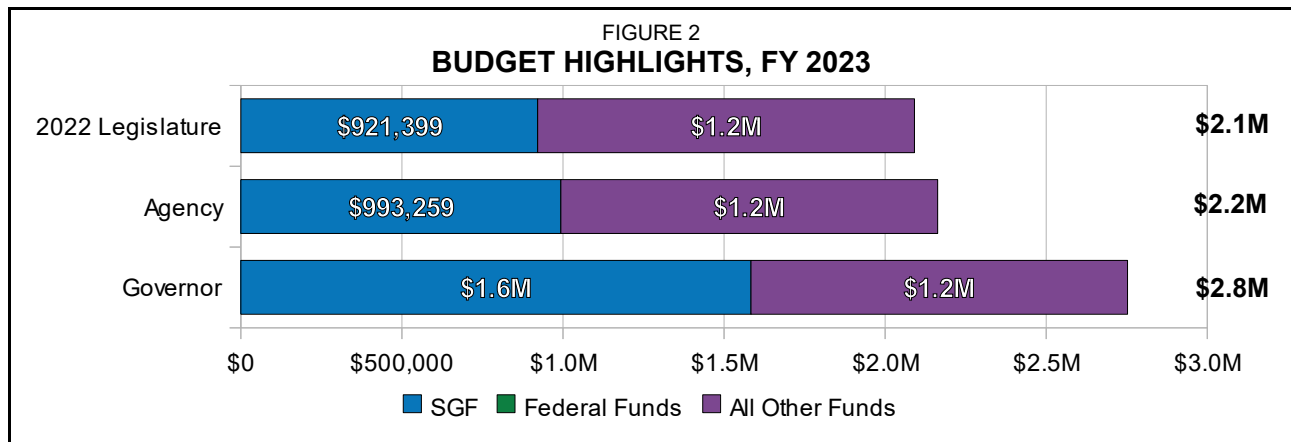
The mission of the Board of Tax Appeals is to resolve disputes between taxpayers and taxing authorities promptly and impartially and to help maintain public confidence in the state and local tax system. The Board is the highest administrative tribunal to hear cases involving *ad valorem* (property), 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'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.

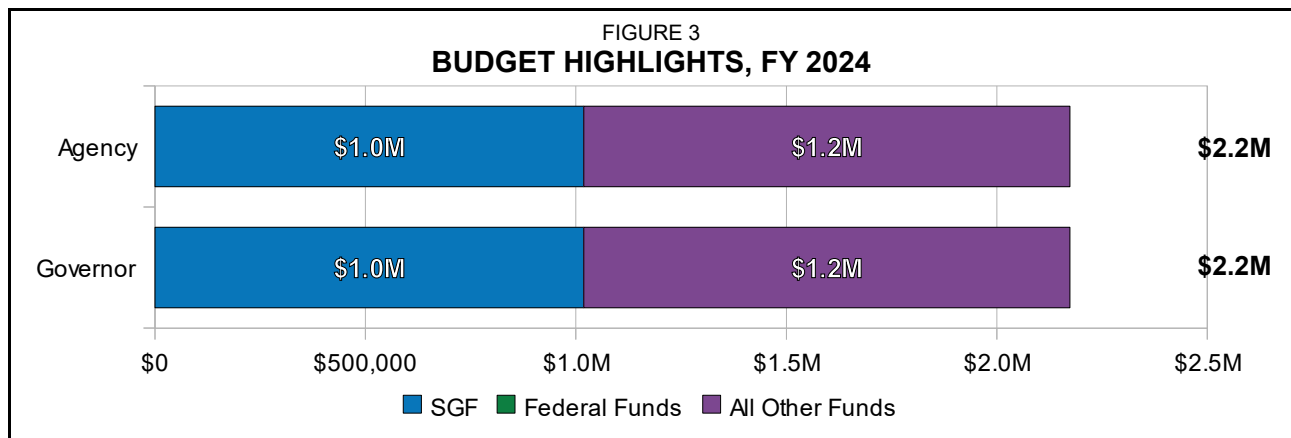
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$2,075,715, including \$906,317 from the State General Fund (SGF), for the Board of Tax Appeals for FY 2023. Subsequent to the 2022 Session, the agency reappropriated \$15,082 in unspent SGF moneys into FY 2023. This adjustment changes the current year approved amount to \$2,090,797 from all funds, including \$921,399 SGF, without any legislative action required.



The **agency** requests a revised estimate of \$2.2 million, including \$993,259 SGF, in expenditures and 16.0 FTE positions in FY 2023. This is an all funds increase of \$71,860, or 3.4 percent. The increase is entirely SGF, which is an increase of 7.8 percent above the agency's FY 2023 approved SGF amount. This increase is primarily attributable to two supplemental requests to upgrade computer equipment (\$27,800) and migrate applications to a cloud-based storage environment (\$44,060).

The **Governor** recommends revised expenditures of \$2.8 million, including \$1.6 million SGF, in FY 2023. This is an SGF increase of \$590,000, or 27.3 percent, above the FY 2023 revised estimate. The increase is attributable to the agency's IT modernization initiative, submitted to the SPARK Taskforce. The initiative would upgrade the hearing room to offer a remote hearing option, upgrade the agency website, offer electronic form and fee payment options, and make other updates to the filing and case management system. The Governor recommends adding language to lapse \$590,000 SGF if moneys from the federal ARPA Fund are available in FY 2023.



The **agency** requests \$2.2 million, including \$1.0 million SGF, in expenditures and 16.0 FTE positions for FY 2024. This is an all funds increase of \$11,013, or 0.5 percent, and an SGF increase of \$25,777, or 2.6 percent, above the agency's FY 2023 revised estimate. This increase is primarily attributable to employer contributions for group health insurance and slightly offset by decreased expenditures for recruitment services.

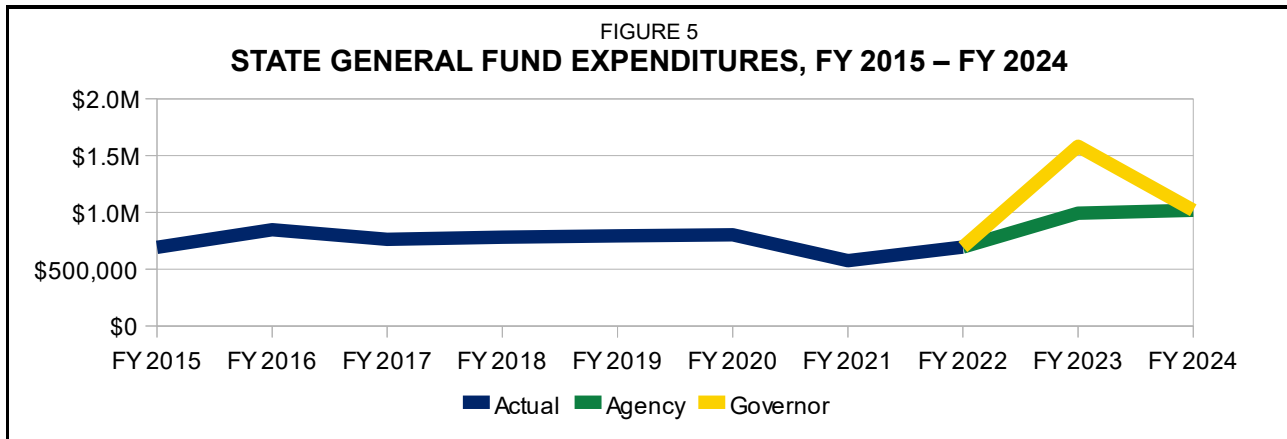
The **Governor** concurs with the agency's FY 2024 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 1,325,127	\$ 1,736,237	\$ 1,736,237	\$ 1,754,072	\$ 1,754,072
Contractual Services	379,053	420,397	1,010,397	408,554	408,554
Commodities	6,009	6,023	6,023	8,344	8,344
Capital Outlay	483	-	-	2,700	2,700
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 1,710,672</i>	<i>\$ 2,162,657</i>	<i>\$ 2,752,657</i>	<i>\$ 2,173,670</i>	<i>\$ 2,173,670</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 1,710,672</i>	<i>\$ 2,162,657</i>	<i>\$ 2,752,657</i>	<i>\$ 2,173,670</i>	<i>\$ 2,173,670</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 1,710,672	\$ 2,162,657	\$ 2,752,657	\$ 2,173,670	\$ 2,173,670
Financing:					
State General Fund	\$ 696,328	\$ 993,259	\$ 1,583,259	\$ 1,019,036	\$ 1,019,036
Federal Funds	-	-	-	-	-
All Other Funds	1,014,344	1,169,398	1,169,398	1,154,634	1,154,634
TOTAL	\$ 1,710,672	\$ 2,162,657	\$ 2,752,657	\$ 2,173,670	\$ 2,173,670
FTE Positions	16.0	16.0	--	16.0	--

STATE GENERAL FUND

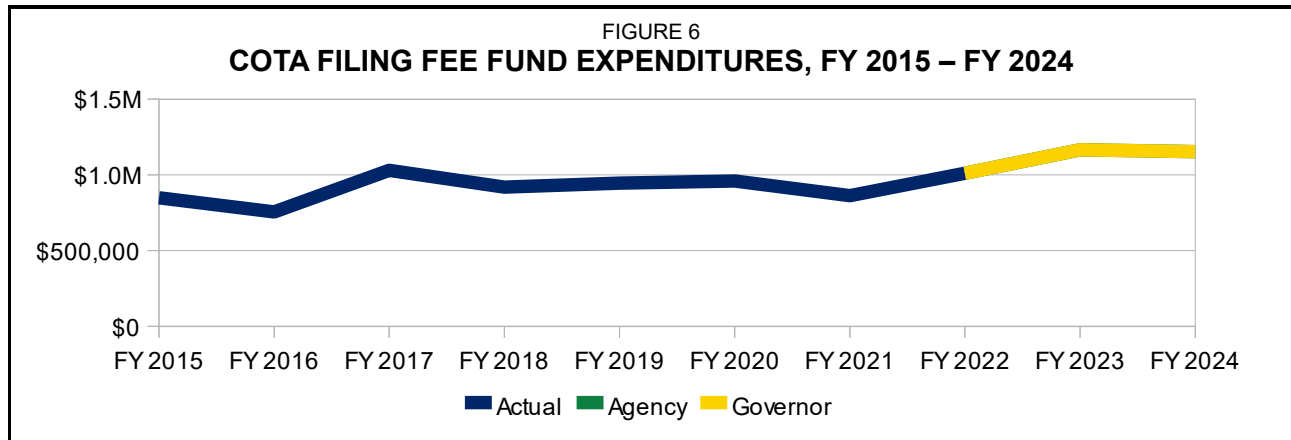


For the Board of Tax Appeals, SGF expenditures decreased from FY 2020 to FY 2021 due to the elimination of the Application Developer position (1.0 FTE position), and seven months of vacant board member positions.

In FY 2022, SGF expenditures increased 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 and wages to employ 1.0 FTE Information Technology (IT) manager position. This position also impacted the FY 2023 amount.

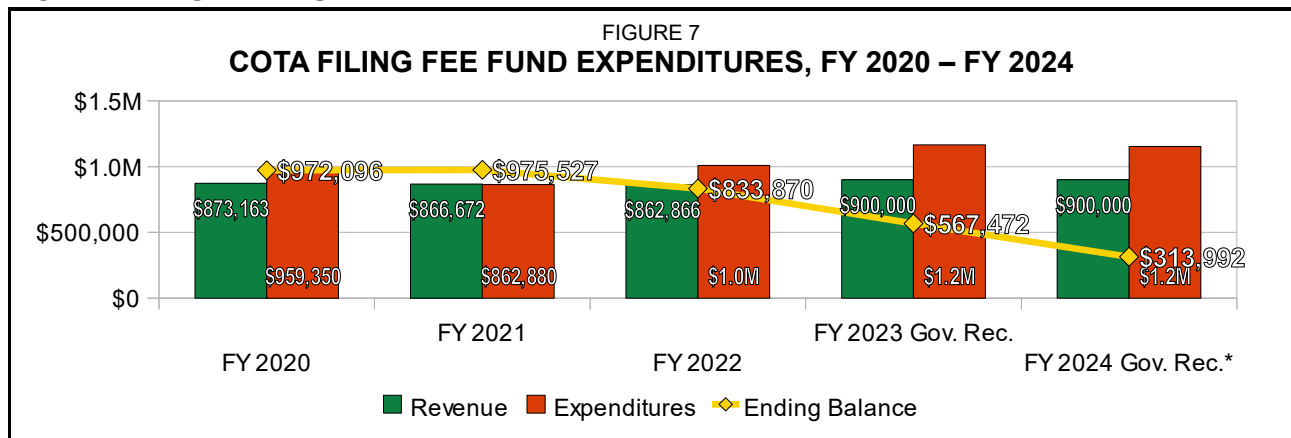
For FY 2023 and FY 2024, SGF increases are attributable to two supplemental requests to upgrade computer equipment (\$27,800) and to migrate applications to a cloud-based storage environment (\$44,060). The Governor's recommendation includes a \$590,000 SGF increase for the modernization initiative.

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.

COTA FILING FEE FUND



* For FY 2024, the lowest month ending balance for the COTA Filing Fee Fund will occur in June, with a balance of \$482,122.

The COTA Filing Fee Fund is expected to be completely depleted by mid-May 2026. 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 ending balances for FY 2023 and FY 2024 are expected to decrease. This is due to significantly increased expenditures compared to FY 2022 actual expenditures. Generally, the receipts have increased while expenditures have been consistent, causing the ending balance to decrease.

**FIGURE 8
FILING FEES, FY 2023**

Action	Current Fee
Regular Division	
<u>Valuation Appeals: Equalization & Protests (Real and Personal Property)</u>	
<i>Real Property</i>	
Single-family residential property & farmsteads	\$ 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</i>	
Single-family residential mobile or manufactured home	\$ 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</u>	
Homestead Property Tax & Food Sales Tax Refunds	\$ Exempt
\$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 & economic development less than \$1,000,000	\$ 500
Industrial revenue bond & economic development more than \$1,000,000	1,000
Oil leases or 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

**FIGURE 8
FILING FEES, FY 2023**

Action	Current Fee
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
Any municipality, political subdivision of the State, or school appeals	Exempt
Small Claims and Expedited Hearings Division	
<u>Equalization & Protests</u>	
Not-for-profit organization valued less than \$100,000	\$ Exempt
Single-family residential property, farmstead, or mobile/manufactured home	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</u>	
Homestead property tax & food sales tax refund	\$ Exempt
\$500 or less	Exempt
\$501 to \$10,000	50
\$10,001 to \$14,999	150

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 906,317	\$ 1,169,398	\$ 2,075,715	16.0
1. SGF Reappropriation	15,082	-	15,082	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 921,399</i>	<i>\$ 1,169,398</i>	<i>\$ 2,090,797</i>	<i>16.0</i>
Agency Revised Estimate:				
2. Supplemental—Migration of Applications to Cloud-based Storage	\$ 44,060	\$ -	\$ 44,060	--
3. Supplemental—Computer Equipment Upgrades	27,800	-	27,800	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 993,259</i>	<i>\$ 1,169,398</i>	<i>\$ 2,162,657</i>	<i>16.0</i>
Governor's Recommendation:				
4. Modernization Initiative	\$ 590,000	\$ -	\$ 590,000	--
TOTAL	\$ 1,583,259	\$ 1,169,398	\$ 2,752,657	16.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, one adjustment was made to the \$2.1 million appropriated to the Board of Tax Appeals for FY 2023. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** The agency carried over \$15,082 in unspent SGF moneys in FY 2022 for general operating expenditures.

AGENCY ESTIMATE

The **agency** submits revised FY 2023 expenditures of \$1.2 million, including \$993,259 SGF. This is an all funds increase of \$71,860, or 3.4 percent. The increase is entirely SGF, which is an increase of 7.8 percent above the agency's FY 2023 approved SGF amount.

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

2. **SUPPLEMENTAL—CLOUD-BASED STORAGE.** The agency is migrating all of its applications, including the case management and document repository systems, from a physical server to a cloud-based environment. This also includes hosting fees for the new environment.
3. **SUPPLEMENTAL—COMPUTER UPGRADES.** The State's new master lease agreement requires the upgrade of computer equipment such as monitors and docking stations. These upgrades are on a three-year rotation.

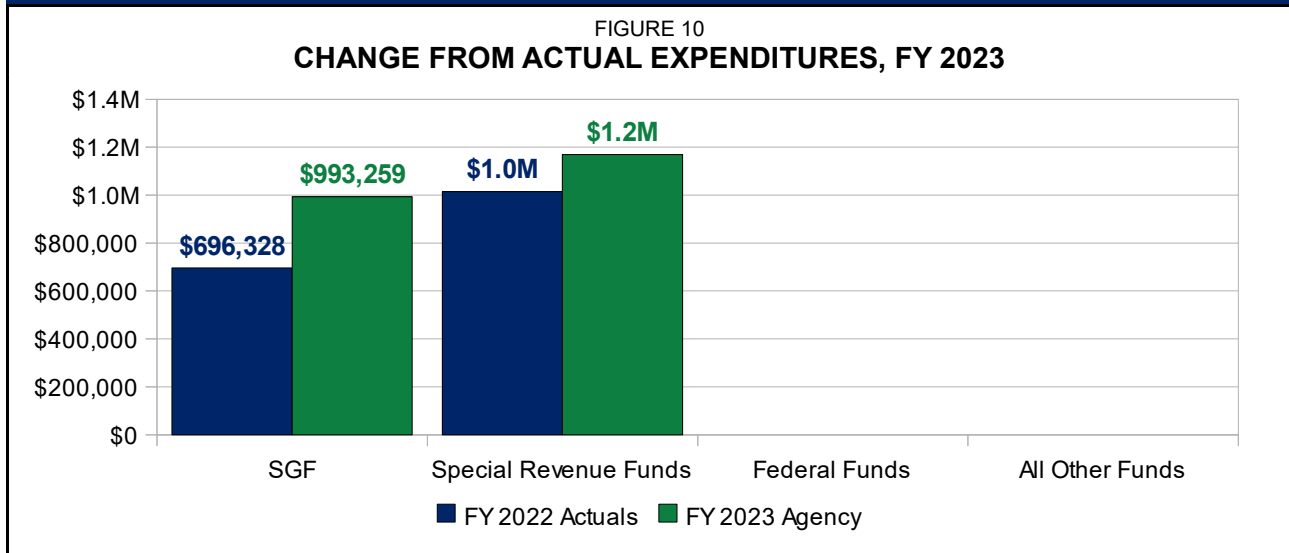
GOVERNOR'S RECOMMENDATION

The **Governor** recommends revised expenditures of \$2.8 million, including \$1.6 million SGF, in FY 2023. This is an SGF increase of \$590,000, or 27.3 percent, above the FY 2023 revised estimate. The Governor recommends 16.0 FTE positions, which is the same as the agency's FY 2023 revised estimate.

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

4. **MODERNIZATION INITIATIVE.** The Governor recommends an increase of \$590,000 for the agency's IT modernization initiative to upgrade the hearing room to offer a remote hearing option, upgrade the agency website, offer electronic form and fee payment options, and make other updates to the filing and case management system.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$2.2 million, including \$993,259 SGF, in FY 2023. This is an increase of \$451,985, or 26.4 percent, above FY 2022 actual expenditures. This increase is primarily attributable to the Legislative pay plan increase of 5.0 percent, as well as the agency filling an information technology position.

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 993,259	\$ 1,169,398	\$ 2,162,657	16.0
Agency Request:				
1. Enhancement—Computer Equipment Upgrades	\$ -	\$ -	\$ -	--
2. Enhancement—Migration of Applications to Cloud-based Storage	-	-	-	--
3. All Other Adjustments	25,777	(14,764)	11,013	--
<i>Subtotal—Agency Estimate</i>	<u>\$ 1,019,036</u>	<u>\$ 1,154,634</u>	<u>\$ 2,173,670</u>	<u>16.0</u>
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ 1,019,036</u>	<u>\$ 1,154,634</u>	<u>\$ 2,173,670</u>	<u>16.0</u>

AGENCY REQUEST

The **agency** requests \$2.2 million, including \$1.0 million SGF, for FY 2024. This is an all funds increase of \$11,013, or 0.5 percent, including an SGF increase of \$25,777, or 2.6 percent, above the FY 2023 revised estimate.

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

- 1. ENHANCEMENT—COMPUTER UPGRADES.** The State's new master lease agreement requires the upgrade of computer equipment such as monitors and docking stations. These upgrades are on a three-year rotation. The funding for this enhancement was included as a supplemental in FY 2023 and will not show as an increase above the FY 2023 revised estimate.
- 2. ENHANCEMENT—CLOUD-BASED STORAGE.** The agency is migrating all of its applications, including the case management and document repository systems, from a physical server to a cloud-based environment. This also includes hosting fees for the new environment. The funding for this enhancement was included as a supplemental in FY 2023 and will not show as an increase above the FY 2023 revised estimate.
- 3. ALL OTHER ADJUSTMENTS.** The agency request includes an increase for employer contributions for group health insurance, which is slightly offset by decreased expenditures for recruitment services.

GOVERNOR'S RECOMMENDATION

- 4. NO CHANGES.** The **Governor** concurs with the agency's FY 2024 revised estimate.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

Supplemental Requests		
Item	Agency Request	Governor's Recommendation
Computer Upgrades	\$ 27,800	\$ 27,800
Cloud-based Storage	44,060	44,060
Modernization Initiative	-	590,000
TOTAL	\$ 71,860	\$ 661,860

The agency's FY 2023 revised estimate reflects the agency's request to increase funding for computer upgrades. These upgrades are on a three-year rotation and include equipment such as monitors and docking stations. The revised estimate also includes increased funding to migrate case management and document repository systems from a physical server to a cloud-based environment.

The Governor recommends adoption of this request. The Governor also recommends adding \$590,000 for the agency's modernization initiative to upgrade the hearing room to offer a remote hearing option, upgrade the agency website, offer electronic form and fee payment options, and make other updates to the filing and case management system.

Enhancement Requests		
Item	Agency Request	Governor's Recommendation
Computer Upgrades	\$ 27,800	\$ 27,800
Cloud-based Storage	44,060	44,060
TOTAL	\$ 71,860	\$ 71,860

The agency's FY 2024 request reflects the agency's request to increase funding for computer upgrades. These upgrades are on a three-year rotation and include equipment such as monitors and docking stations. The revised estimate also includes increased funding to migrate case management and document repository systems from a physical server to a cloud-based environment.

The Governor recommends adoption of this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

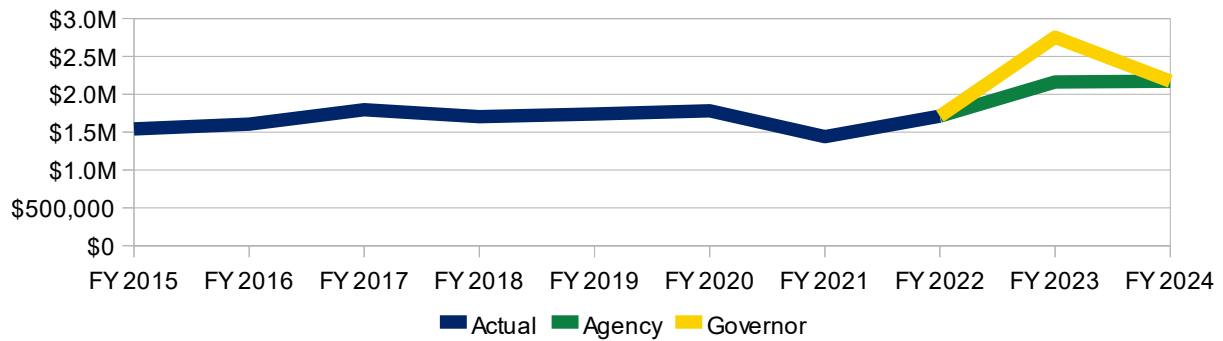
FIGURE 12 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 1,710,672	\$ 2,162,657	\$ 2,752,657	\$ 2,173,670	\$ 2,173,670
FTE Positions:					
Administration	16.0	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 2015 – FY 2024**



STATUTORY BASIS: • KSA 74-2433

PROGRAM GOALS:

- Resolves 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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Valuation Cases Filed*	2,589	2,152	2,342	2,675	2,675
2. Valuation Cases Closed*	1,655	2,980	1,440	2,675	2,675
3. Average Cost to Resolve Each Case*	\$ 499	\$ 798	\$ 686	\$ 600	\$ 600
Output Measure:					
4. Number of Cases Heard*	522	637	489	600	600
5. Percent of 14-Day Summary Decisions Issued Timely	93.00%	91.0%	94.7%	100.0%	100.0%
6. Percent of Full Opinions Issued Timely*	100.00%	100.0%	99.3%	100.00%	100.00%
7. Number of Days to Close a Residential Appeal	285	265	243	180	180
8. Number of Days to Close a Commercial Appeal	384	483	407	365	365
9. Average Number of Days Between Appeal Hearing and Decision in Small Claims Proceedings	60	53	25	54	54
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 576,235	\$ 696,328		\$ 1,583,259	\$ 1,019,036
Federal Funds	-	-		-	-
All Other Funds	865,598	1,014,344		1,169,398	1,154,634
TOTAL	<u>\$ 1,441,833</u>	<u>\$ 1,710,672</u>		<u>\$ 2,752,657</u>	<u>\$ 2,173,670</u>
Percentage Change:					
SGF	(28.4) %	20.8 %		127.4 %	(35.6) %
All Funds	(19.2) %	18.6 %		60.9 %	(21.0) %
FTE Positions	15.0	16.0		16.0	16.0
*Performance measure not evaluated by the Office of Governor.					

KANSAS DEPARTMENT OF COMMERCE

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 1,640,000	\$ 24,901,607	\$ 24,901,607	\$ 126,616	\$ 26,376,616
Federal Funds	72,110,602	123,633,227	123,633,227	93,518,465	93,518,465
All Other Funds	53,174,617	84,617,290	84,617,290	60,768,506	58,199,506
<i>Subtotal</i>	<u>\$ 126,925,219</u>	<u>\$ 233,152,124</u>	<u>\$ 233,152,124</u>	<u>\$ 154,413,587</u>	<u>\$ 178,094,587</u>
Capital Improvements:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	8,100	8,100	8,100	8,100
All Other Funds	130,000	100,000	100,000	230,000	230,000
<i>Subtotal</i>	<u>\$ 130,000</u>	<u>\$ 108,100</u>	<u>\$ 108,100</u>	<u>\$ 238,100</u>	<u>\$ 238,100</u>
TOTAL	<u>\$ 127,055,219</u>	<u>\$ 233,260,224</u>	<u>\$ 233,260,224</u>	<u>\$ 154,651,687</u>	<u>\$ 178,332,687</u>
Percentage Change:					
State General Fund	(59.1) %	1,418.4 %	1,418.4 %	(99.5) %	5.9 %
All Funds	(54.4) %	83.6 %	83.6 %	(33.7) %	(23.5) %
FTE Positions	313.0	313.0	313.0	322.0	319.0

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** seeks to grow 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 Program Fund (JCPF);
- Sales Tax and 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.

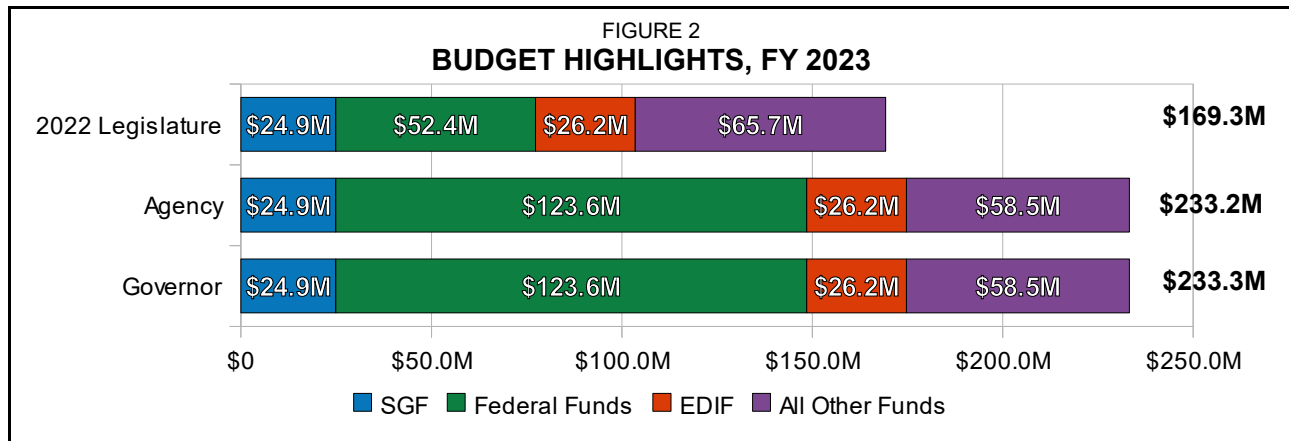
The **Community Development Division** provides technical assistance and professional staff to communities for community development related opportunities. The division director provides direction, oversight, and coordination among the programs and services for maximum effectiveness, and additional staff 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. According to the agency, 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.

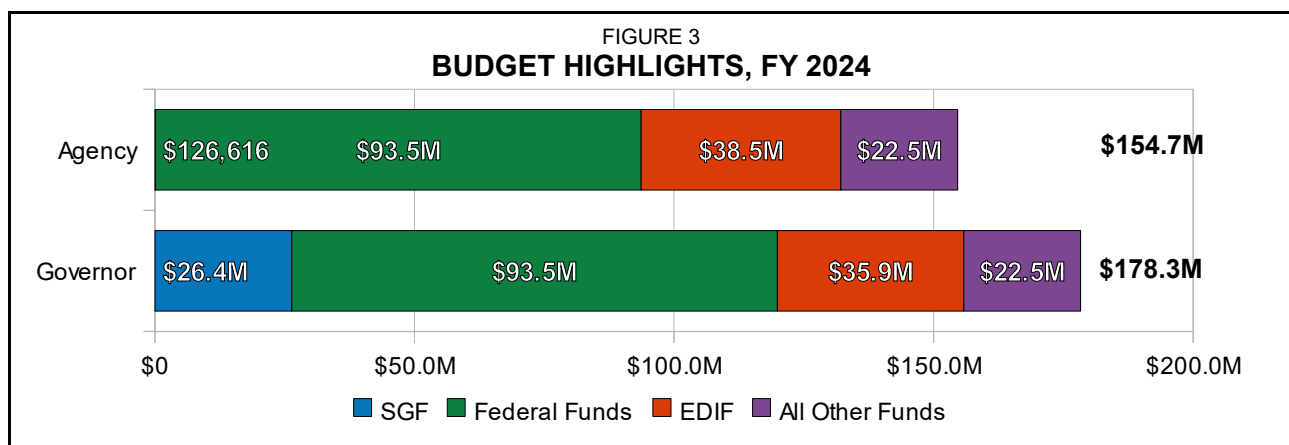
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$142,744,167 for the Kansas Department of Commerce for FY 2023. An adjustment of \$26,510,598, including \$24,943,987 SGF, in reappropriation was subsequently made to that amount, which changes the current year approved amount without any legislative action required.



The **agency** submits a revised FY 2023 estimate of \$233.3 million, including \$24.9 million SGF, and 313.0 FTE positions. This is an all funds increase of \$64.0 million, or 50.4 percent, above the FY 2023 approved amount. The increase is primarily attributable to an increase of \$71.2 million in federal funds, which includes \$45.4 million in federal American Rescue Plan Act (ARPA) funds and \$21.0 million from the federal State Small Business Credit Initiative.

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



The **agency** requests \$154.7 million, including \$126,616 SGF, and 322.0 FTE positions for FY 2024. This is a decrease of \$73.6 million, or 32.2 percent, including a decrease of \$24.8 million SGF, or 99.5 percent, below the FY 2023 revised estimate. This decrease is primarily attributable to the elimination of the federal State Small Business Credit Initiative funds (\$21.0 million), the final payment of the Investments in Major Projects and Comprehensive Training (IMPACT) program bonds, and reductions in the Job Creation Program Fund (\$16.3 million). This is partially offset by 13 enhancement requests, totaling \$14.0 million and the addition of 11.0 FTE positions.

The **Governor** recommends FY 2024 expenditures of \$178.3 million, including \$26.4 million SGF, and 319.0 FTE positions for FY 2024. This is an increase of \$23.7 million, or 15.3 percent, including an increase of \$26.3 million SGF, above the agency's FY 2023 revised estimate. The increase is primarily attributable to expenditures for the Housing Revolving Loan Program (\$20.0 million) through the Kansas Housing Resources Corporation, which in addition to funding approved for rural housing last year, will be available to assist with workforce housing needs throughout the state and for the APEX Program (\$6.3 million). The increase is partially offset by the Governor's recommendation to not approve five of the agency's enhancement requests (\$3.6 million).

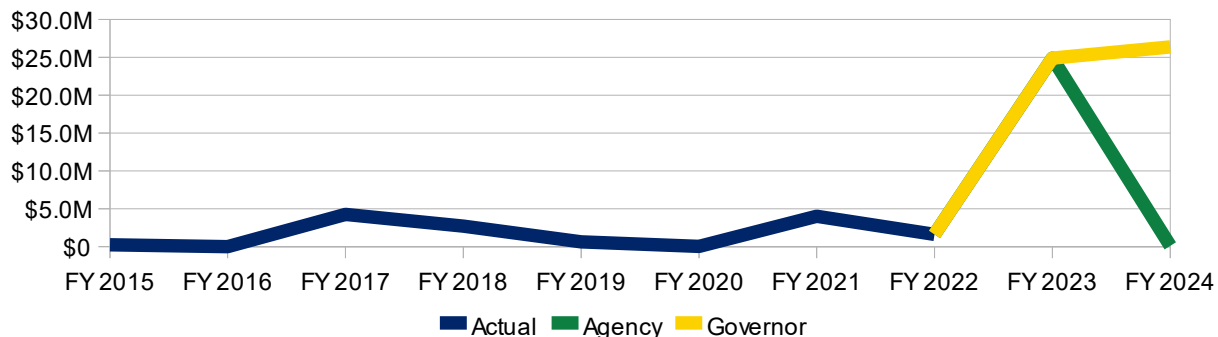
EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 19,638,200	\$ 23,878,470	\$ 23,878,470	\$ 26,700,049	\$ 25,211,549
Contractual Services	15,868,895	18,487,725	18,487,725	21,575,721	21,169,721
Commodities	196,928	196,838	196,838	191,323	191,323
Capital Outlay	826,061	662,446	662,446	639,901	589,901
Debt Service Interest	3,231	-	-	-	-
<i>Subtotal</i>	<i>\$ 36,533,315</i>	<i>\$ 43,225,479</i>	<i>\$ 43,225,479</i>	<i>\$ 49,106,994</i>	<i>\$ 47,162,494</i>
Aid to Local Units	24,907,330	21,760,000	21,760,000	15,510,000	15,510,000
Other Assistance	65,484,574	168,166,645	168,166,645	89,796,593	115,422,093
<i>Subtotal—Operating</i>	<i>\$ 126,925,219</i>	<i>\$ 233,152,124</i>	<i>\$ 233,152,124</i>	<i>\$ 154,413,587</i>	<i>\$ 178,094,587</i>
Capital Improvements	-	108,100	108,100	238,100	238,100
Debt Service Principal	130,000	-	-	-	-
TOTAL	\$ 127,055,219	\$ 233,260,224	\$ 233,260,224	\$ 154,651,687	\$ 178,332,687
Financing:					
State General Fund	\$ 1,640,000	\$ 24,901,607	\$ 24,901,607	\$ 126,616	\$ 26,376,616
EDIF	16,183,248	26,217,922	26,217,922	38,499,812	35,930,812
Federal Funds	72,110,602	123,641,327	123,641,327	93,526,565	93,526,565
All Other Funds	37,121,369	58,499,368	58,499,368	22,498,694	22,498,694
TOTAL	\$ 127,055,219	\$ 233,260,224	\$ 233,260,224	\$ 154,651,687	\$ 178,332,687
FTE Positions	313.0	313.0	313.0	322.0	319.0

STATE GENERAL FUND

FIGURE 5
STATE GENERAL FUND EXPENDITURES, FY 2015 – FY 2024



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. A total of \$20.0 million SGF was reappropriated into FY 2023 for moderate-income housing projects because agreements were not finalized by the end of FY 2022.

The Governor's recommendation includes an increase for the Housing Revolving Loan Program (\$20.0 million) through the Kansas Housing Resources Corporation, which in addition to funding approved for rural housing last year, will be available for workforce housing throughout the state and for the APEX Program (\$6.3 million).

FY 2023 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ (42,380)	\$ 142,786,547	\$ 142,744,167	336.0
1. SGF Reappropriations	24,943,987	-	24,943,987	--
2. EDIF Reappropriations	-	1,566,611	1,566,611	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 24,901,607</i>	<i>\$ 144,353,158</i>	<i>\$ 169,254,765</i>	<i>336.0</i>
Agency Revised Estimate:				
3. Economic Development Structure	\$ -	\$ 45,351,951	\$ 45,351,951	3.0
4. State Small Business Credit Initiative	-	21,043,157	21,043,157	--
5. Travel and Tourism Grants	-	3,475,701	3,475,701	--
6. Job Creation Program Fund	-	(10,026,264)	(10,026,264)	--
7. Reimbursement and Recovery Fund	-	2,416,409	2,416,409	--
8. Workforce Innovation and Opportunity Act	-	1,608,597	1,608,597	--
9. All Other Adjustments	-	135,908	135,908	(26.0)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 24,901,607</i>	<i>\$ 208,358,617</i>	<i>\$ 233,260,224</i>	<i>313.0</i>
Governor's Recommendation:				
10. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ 24,901,607	\$ 208,358,617	\$ 233,260,224	313.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, several adjustments were made to the \$142.7 million appropriated to the Kansas Department of Commerce for FY 2023. These adjustments change the current year approved amount without any legislative action required and include the following:

1. **SGF REAPPROPRIATIONS.** A total of \$24.9 million SGF was added for reappropriated SGF moneys. These funds are derived from moderate-income housing projects (\$20.0 million) because agreements were not finalized by the end of FY 2022 and from unused funding for KBA grant commitments (\$4.9 million).
2. **EDIF REAPPROPRIATIONS.** A total of \$1.6 million, all EDIF, was added for reappropriations of unspent funds from FY 2022 into FY 2023.

AGENCY ESTIMATE

The **agency** estimates \$228.3 million, including \$24.9 million SGF, in expenditures in FY 2023. The revised estimate is an all funds increase of \$59.0 million, or 34.9 percent, above the FY 2023 approved budget.

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

3. **ECONOMIC DEVELOPMENT STRUCTURE.** This item adds \$40.4 million, all from federal funds, for Building a Stronger Economy (BASE) grants. BASE is designed to support infrastructure development to address economic development opportunities statewide with the goal of expanding the state's base of businesses and residents. This item also add \$5.0 million designated for a rural housing grant.

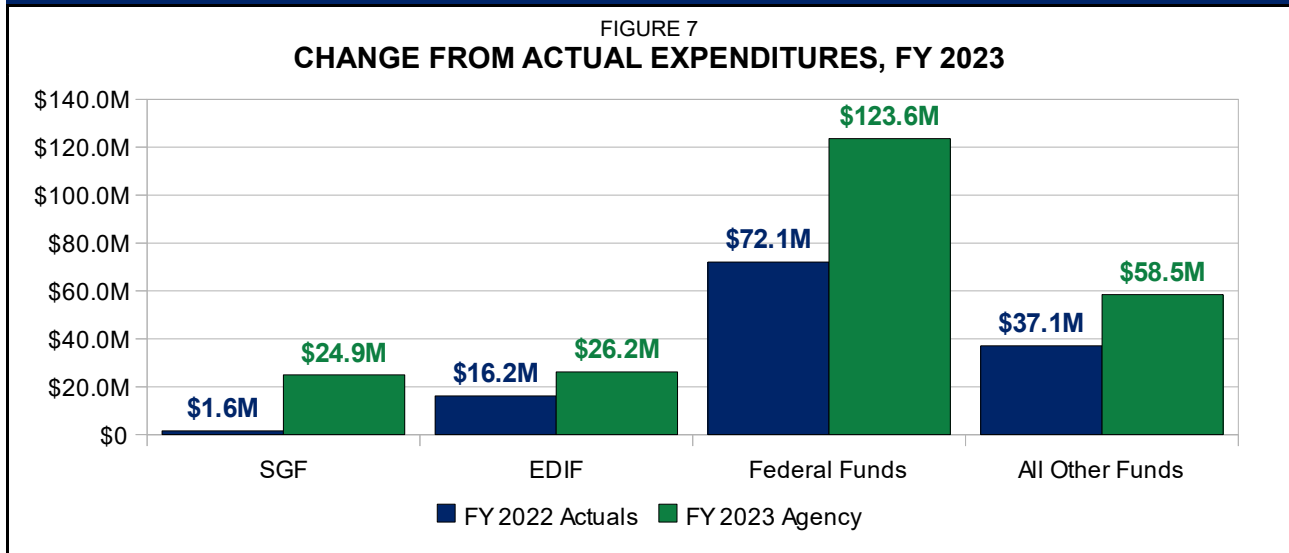
4. **STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI).** This item adds \$21.0 million, all from federal funds, for SSBCI. This federal program is intended to strengthen programs of eligible jurisdictions that support private financing to small businesses. The funds are designed to focus on underserved geographies (rural/urban-distressed/statewide), underserved populations (minority/women/economically disadvantaged) and business types (target sector). The SSBCI provides matching loans up to \$100,000 for businesses who have funding from a financial institution for start-up costs, equipment, inventory, and other aspects, as well as capital support for various businesses who provide a match with private capital.
5. **TRAVEL AND TOURISM GRANTS.** This item adds \$3.1 million, all from federal funds, for the Tourism Attraction Sub-grants for Kansas (TASK) initiative. The total amount for this grant is \$3.5 million provided in federal American Rescue Plan Act Fund moneys through the U.S. Economic Development Administration's Travel, Tourism, and Outdoor Recreation state grant program. Of the \$3.5 million total, \$1.5 million will be used for the TASK sub-grants to local tourist attractions, \$1.3 million for a statewide spring marketing campaign, \$500,000 for regional video and photography, and \$250,000 for Kansas state parks.
6. **JOB CREATION PROGRAM FUND (JCPF).** This item deletes \$10.0 million in expenditures, all from the JCPF. The agency was appropriated SGF moneys to replace JCPF moneys.
7. **REIMBURSEMENT AND RECOVERY FUND.** This item adds \$2.4 million in expenditures, all from the Reimbursement and Recovery Fund.
8. **WORKFORCE INNOVATION AND OPPORTUNITY ACT.** This item adds \$1.6 million in federal funds to assist Kansas in training programs and preparation for interviews and employment.
9. **ALL OTHER ADJUSTMENTS.** This item deletes \$135,908, all from special revenue funds and federal funds, for various other adjustments and revised estimates in federal programs.

GOVERNOR'S RECOMMENDATION

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

10. **NO CHANGES.** The **Governor** does not recommend any changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised FY 2023 expenditures of \$228.3 million, including \$24.9 million SGF. This is an all funds increase of \$101.2 million, or 59.8 percent, above FY 2022 actual expenditures. The increase is primarily attributable to federal ARPA funds that the agency was awarded for Building a Stronger Economy (BASE) grant funding (\$40.3 million), \$21.0 million for the federal State Small Business Credit Initiative, \$24.6 million for Job Creation Program Fund, and additional Economic Development Initiative Fund expenditures (\$10.0 million).

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 24,901,607	\$ 208,358,617	\$ 233,260,224	313.0
Agency Request:				
1. Enhancement – Salary Increase	\$ -	\$ 1,200,000	\$ 1,200,000	--
2. Enhancement – Returning Kansans Home Marketing Campaign	-	3,000,000	3,000,000	--
3. Enhancement – Research Division	-	279,500	279,500	2.0
4. Enhancement – Office of Rural Prosperity (ORP)	-	2,300,000	2,300,000	--
5. Enhancement – Salesforce Data Development	-	500,000	500,000	2.0
6. Enhancement – Registered Apprenticeship	-	500,000	500,000	1.0
7. Enhancement – Film and Television Industry Program Manager	-	100,000	100,000	1.0
8. Enhancement – International Division	-	1,200,000	1,200,000	3.0
9. Enhancement – Tourism Division	-	2,200,000	2,200,000	--
10. Enhancement – Kansas Creative Arts Industries Commission	-	500,000	500,000	--
11. Enhancement – APEX Incentive Program Manager	-	94,500	94,500	1.0
12. Enhancement – Small Business Office	-	1,474,500	1,474,500	1.0
13. Enhancement – Rural Remote Worker Pilot	-	700,000	700,000	--
14. Capital Improvements	-	130,000	130,000	--
15. Moderate Income Housing	(19,998,384)	-	(19,998,384)	--
16. KBA Grant Commitments	(4,703,107)	-	(4,703,107)	--
17. Kansas Commission for the United States Semiquincentennial	(73,500)	-	(73,500)	--
18. State Small Business Credit Initiative	-	(21,043,157)	(21,043,157)	--
19. KDFA IMPACT Bonds	-	(18,696,750)	(18,696,750)	--
20. Job Creation Program Fund	-	(16,499,522)	(16,499,522)	--
21. Rural Housing Grant	-	(5,000,000)	(5,000,000)	--
22. Travel and Tourism Grants	-	(3,100,000)	(3,100,000)	--
23. Advertising and Marketing Agencies	-	(1,670,327)	(1,670,327)	--
24. Community Development Block Grants	-	(1,250,000)	(1,250,000)	--
25. All Other Adjustments	-	(752,290)	(752,290)	(2.0)
Subtotal–Agency Estimate	\$ 126,616	\$ 154,525,071	\$ 154,651,687	322.0
Governor's Recommendation:				
26. Enhancement– Market Rate Salary Increase – Not Recommended	\$ -	\$ (1,200,000)	\$ (1,200,000)	--
27. Enhancement - Film and Television Industry Program Manager – Not Recommended	-	(100,000)	(100,000)	(1.0)
28. Enhancement - APEX Incentive Program Manager – Not Recommended	-	(94,500)	(94,500)	(1.0)
29. Enhancement - Small Business Office – Not Recommended	-	(1,474,500)	(1,474,500)	(1.0)
30. Enhancement - Rural Remote Worker Pilot Program – Not Recommended	-	(700,000)	(700,000)	--
31. Housing Revolving Loan Program	20,000,000	-	20,000,000	--
32. APEX Program	6,250,000	-	6,250,000	--
33. Early Childhood Education & Care Initiative	-	1,000,000	1,000,000	--
TOTAL	\$ 26,376,616	\$ 151,956,071	\$ 178,332,687	319.0

AGENCY REQUEST

The **agency** requests \$154.7 million, including \$126,616 SGF, and 324.0 FTE positions for FY 2024. This is an all funds decrease of \$78.6 million, or 33.7 percent, including an SGF decrease of \$24.8 million, or 99.5 percent, below the FY 2023 revised estimate.

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

1. **ENHANCEMENT REQUEST – SALARY ADJUSTMENT.** This item adds \$1.2 million, all from the EDIF, in salaries and wages expenditures to address the wage gap and disparities between private and public sector employers.
2. **ENHANCEMENT REQUEST – RETURNING KANSANS HOME MARKETING CAMPAIGN.** This item adds \$3.0 million, all from the EDIF, to create a marketing campaign that would focus on recruitment of Kansans back home to live and work in Kansas.
3. **ENHANCEMENT REQUEST – RESEARCH DIVISION.** This item adds \$279,500, all from the EDIF, and 2.0 FTE positions to create a research division within the agency.
4. **ENHANCEMENT REQUEST – OFFICE OF RURAL PROSPERITY.** This item adds \$2.3 million, all from the EDIF, to fund four rural community development projects.
5. **ENHANCEMENT REQUEST – SALESFORCE DATA DEVELOPMENT.** This item adds \$500,000, all from the EDIF, and 2.0 FTE positions to complete integration of data into the Salesforce platform.
6. **ENHANCEMENT REQUEST – REGISTERED APPRENTICESHIP.** This item adds \$500,000, all from the EDIF, and 1.0 FTE position, for the Office of Registered Apprenticeship.
7. **ENHANCEMENT REQUEST – FILM AND TELEVISION INDUSTRY PROGRAM MANAGER.** This item adds \$100,000, all from the EDIF, and 1.0 FTE position, to build a program focused on the recruitment of film and television production companies.
8. **ENHANCEMENT REQUEST – INTERNATIONAL DIVISION.** This item adds \$1.2 million, all from the EDIF, and 3.0 FTE positions, to expand the International Division.
9. **ENHANCEMENT REQUEST – TOURISM DIVISION.** This item adds \$2.2 million, all from the EDIF, to create a marketing campaign and fund the Attraction Development Grant Program (ADGP).
10. **ENHANCEMENT REQUEST – KANSAS CREATIVE ARTS INDUSTRIES COMMISSION.** This item adds \$500,000, all from the EDIF, to expand workforce development and entrepreneurship efforts in the creative sector.
11. **ENHANCEMENT REQUEST – APEX INCENTIVE PROGRAM MANAGER.** This item adds \$94,500, all from the EDIF, and 1.0 FTE position, for the APEX Incentive Program.
12. **ENHANCEMENT REQUEST – SMALL BUSINESS OFFICE.** This item adds \$1.5 million, all from the EDIF, and 1.0 FTE position, to create a Small Business Office.

13. **ENHANCEMENT REQUEST – RURAL REMOTE WORKER PILOT PROGRAM.** This item adds \$700,000, all from the EDIF, to create a pilot program to encourage new and expanding businesses to hire rural remote workers.
14. **CAPITAL IMPROVEMENTS.** This item adds \$130,000, all from the Reimbursement and Recovery Fund, for capital improvement projects at the Topeka Workforce Center.
15. **MODERATE-INCOME HOUSING.** This item deletes \$20.0 million SGF that will be fully expended in FY 2023. This was one-time grant funding not expected to reoccur in FY 2024.
16. **KBA GRANT COMMITMENTS.** This item deletes \$4.7 million, all SGF, that will be expended for KBA grant commitments in FY 2023 and not expected to reoccur in FY 2024.
17. **KANSAS COMMISSION FOR THE UNITED STATES SEMIQUINCENTENNIAL.** This item deletes \$73,500 SGF for the Kansas Commission for the United States Semiquincentennial. This is one-time funding that is not expected to reoccur in FY 2024.
18. **STATE SMALL BUSINESS CREDIT INITIATIVE.** This item deletes \$21.0 million, all from federal funds, that will be fully expended in FY 2023.
19. **KDFA IMPACT BONDS.** This item deletes \$18.7 million, all from special revenue funds, due to paying off the IMPACT bonds in FY 2023.
20. **JOB CREATION PROGRAM FUND (JCPF).** This item deletes \$16.5 million, all from the JCPF. The agency was appropriated SGF moneys to replace JCPF funds.
21. **RURAL HOUSING GRANT.** This item deletes \$5.0 million, all from federal funds, for rural housing grant funding that will be fully expended in FY 2023.
22. **TRAVEL AND TOURISM GRANTS.** This item deletes \$3.1 million, all from federal funds, for one-time Travel and Tourism Grants that will be fully expended in FY 2023.
23. **ADVERTISING AND MARKETING AGENCIES.** This item deletes \$1.7 million, all from special revenue funds, based on current contracts with advertising and marketing agencies ending in FY 2023.
24. **COMMUNITY DEVELOPMENT BLOCK GRANTS.** This item deletes \$1.3 million, all from federal funds, for a decrease in the amount of grants the agency expects to receive for FY 2024.
25. **ALL OTHER ADJUSTMENTS.** This item deletes \$752,290, all from special revenue and federal funds, for various other adjustments and revised estimates in federal programs.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends FY 2024 expenditures of \$178.3 million, including \$26.4 million SGF, and 319.0 FTE positions for FY 2024. This is an increase of \$23.7 million, or 15.3 percent, including an increase of \$26.3 million SGF, above the agency's FY 2023 revised estimate. This increase is primarily attributable to expenditures for the Housing Revolving Loan Program (\$20.0

million) through the Kansas Housing Resources Corporation, which in addition to funding approved for rural housing last year, will be available to address workforce housing needs throughout the state, for the APEX Program (\$6.3 million), and for an early childhood education and care initiative (\$1.0 million). The increase is partially offset by the Governor's recommendation to not approve five of the agency's enhancement request (\$3.6 million).

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

26. **ENHANCEMENT – SALARY ADJUSTMENT – NOT RECOMMENDED.** Delete \$1.2 million, all from the EDIF, in salaries and wages expenditures to not address the wage gap and disparities between private and public sector employers (Item 1).
27. **ENHANCEMENT – FILM AND TELEVISION INDUSTRY PROGRAM MANAGER – NOT RECOMMENDED.** Delete \$100,000, all from the EDIF, and 1.0 FTE position, to not build a program focused on the recruitment of film and television production companies (Item 7).
28. **ENHANCEMENT – APEX INCENTIVE PROGRAM MANAGER – NOT RECOMMENDED.** Delete \$94,500, all from the EDIF, and 1.0 FTE position, to not recommend the APEX Incentive Program Manager position (Item 11).
29. **ENHANCEMENT – SMALL BUSINESS OFFICE – NOT RECOMMENDED.** Delete \$1.5 million, all from the EDIF, and 1.0 FTE position, to not create a Small Business Office (Item 12).
30. **ENHANCEMENT – RURAL REMOTE WORKER PILOT PROGRAM – NOT RECOMMENDED.** Delete \$700,000, all from the EDIF, to not create a pilot program to encourage new and expanding businesses to hire rural remote workers (Item 13).
31. **HOUSING REVOLVING LOAN PROGRAM.** Add \$20.0 million SGF for the Housing Revolving Loan Program. In addition to funding approved for rural housing, funds will also be available for workforce housing throughout the state.
32. **APEX PROGRAM.** Add \$6.3 million SGF for the APEX program.
33. **EARLY CHILDHOOD EDUCATION AND CARE INITIATIVE.** Add \$1.0 million for an early childhood education and care initiative to allow Kansas communities to implement or expand options to help address issues currently affecting the workforce.

ENHANCEMENT REQUESTS

The agency submits 13 enhancement requests, totaling \$14.0 million and 11.0 FTE positions for FY 2024.

ENHANCEMENTS				
Item	Agency Request	Agency Request (FTE)	Governor's Recommendation	Governor's Recommendation (FTE)
1. Salary Increase	\$ 1,200,000	--	\$ -	\$ --
2. Returning Kansans Home Marketing Campaign*	3,000,000	--	3,000,000	--
3. Research Division	279,500	2.0	279,500	2.0
4. Office of Rural Prosperity	2,300,000	--	2,300,000	--
5. Salesforce Data Development	500,000	2.0	500,000	2.0
6. Registered Apprenticeship	500,000	1.0	500,000	1.0
7. Film and Television Industry Program Manager	100,000	1.0	-	--
8. International Division	1,200,000	3.0	1,200,000	3.0
9. Tourism Division	2,200,000	--	2,200,000	--
10. Kansas Creative Arts Industries Commission	500,000	--	500,000	--
11. APEX Incentive Program Manager	94,500	1.0	-	--
12. Small Business Office	1,474,500	1.0	-	--
13. Rural Remote Worker Pilot Program	700,000	--	-	--
TOTAL	\$ 14,048,500	11.0	\$ 10,479,500	\$ 8.0

*Staff Note: The funding amount for this enhancement request remained the same, but the parameters recommended by the Governor have changed.

- 1. ENHANCEMENT REQUEST – SALARY INCREASE.** This item adds \$1.2 million, all from the EDIF, in salaries and wages expenditures to address the wage gap and disparities between private and public sector employers and to offer competitive wages in order to attract talent.

The Governor does not recommend adoption of this request.

- 2. ENHANCEMENT REQUEST – RETURNING KANSANS HOME MARKETING CAMPAIGN.** This item adds \$3.0 million, all from the EDIF, to create a marketing campaign that would focus on recruiting Kansans back home to live and work in Kansas. The agency would contract with public relations firms to conduct research, create strategies, and implement the campaign.

The Governor recommends adoption of this request but recommends a broader focus to build the state workforce.

- 3. ENHANCEMENT REQUEST – RESEARCH DIVISION.** This item adds \$279,500, all from the EDIF, and 2.0 FTE positions to create a research division to grow the agency capacity for handling information requests and address a current backlog of work, as well as use a data-driven, strategic approach to economic development.

The Governor recommends adoption of this request.

4. **ENHANCEMENT REQUEST – OFFICE OF RURAL PROSPERITY.** This item adds \$2.3 million, all from the EDIF, to fund four projects.
- \$1.5 million for the Historic Economic Asset Lifeline (HEAL) program, which provides grants to help communities in their downtown and community development efforts by addressing gaps in the cost of building improvement projects;
 - \$500,000 for Emergency HEAL programs, which provides as-needed grants to help save buildings that are at a high risk of loss should the community have a fire, heavy rain, heavy snow, or windstorm;
 - \$150,000 for Rural Champions program, which provides small grants to support the rural development projects. The program supports a network of individuals who address critical community projects and identify needs integral for rural prosperity. These funds are a match for the Patterson Family Foundation Grant; and
 - \$150,000 for Murals and Public Art Initiative to provide additional funding to grow the number of murals in rural communities.

The Governor recommends adoption of this request.

5. **ENHANCEMENT REQUEST – SALESFORCE DATA DEVELOPMENT.** This item adds \$500,000, all from the EDIF, and 2.0 FTE positions to complete integration of data into the Salesforce platform. The agency utilizes Salesforce for grant management, economic development projects, contact list management, incentive programs, and application portals.

A Marketing Cloud Administrator would work closely with the Office of Rural Prosperity for integration and be responsible for building customer experiences within Salesforce while optimizing automation tools. The Salesforce Developer will make scalable Salesforce applications to allow the agency to meet the changing needs of the agency.

The Governor recommends adoption of this request.

6. **ENHANCEMENT REQUEST – REGISTERED APPRENTICESHIP.** This item adds \$500,000, all from the EDIF, and 1.0 FTE position for the newly established Office of Registered Apprenticeship. The request will support expansion of efforts to create pilot projects and allow for significant growth across the state, allowing the office and Kansas Apprenticeship Council to execute its strategic plan.

The Governor recommends adoption of this request.

7. **ENHANCEMENT REQUEST – FILM AND TELEVISION INDUSTRY PROGRAM MANAGER.** This item adds \$100,000, all from the EDIF, and 1.0 FTE position to build a program focused on the recruitment of film and television production companies. This position would focus on developing a film and local media ecosystem in the state, develop a workforce to support the film and television industry, and manage the Film Tax Credit program.

The Governor does not recommend adoption of this request.

8. **ENHANCEMENT REQUEST – INTERNATIONAL BUSINESS DIVISION.** This item adds \$1.2 million, all from the EDIF, and 3.0 FTE positions to allow the agency to hire new staff, cover general operating expenses, and continue to recruit additional foreign direct investment and market Kansas internationally. This enhancement includes international travel (\$200,000) and establishment of a Japan office.

The Governor recommends adoption of this request.

9. **ENHANCEMENT REQUEST – TOURISM DIVISION.** This item adds \$2.2 million, all from the EDIF, to create a marketing campaign and fund the Attraction Development Grant Program (ADGP). Additional marketing funding will allow the division to expand its efforts to new markets, increase visibility, and allow for greater advertising frequency. ADGP is designed to assist in the development of experiences that will influence travel decisions and create economic impact through job creation, capital investment, revenue, and visitation in Kansas. The grant is intended to assist in developing new or enhancing existing tourism attractions and requires a 40.0 percent local match.

The Governor recommends adoption of this request.

10. **ENHANCEMENT REQUEST – KANSAS CREATIVE ARTS INDUSTRIES COMMISSION (KCAIC).** This item adds \$500,000, all from the EDIF, to expand workforce development and entrepreneurship in the creative sector. The agency indicates these activities are currently restricted under National Endowment for the Arts (NEA) regulations.

The Governor recommends adoption of this request.

11. **ENHANCEMENT REQUEST – APEX INCENTIVE PROGRAM MANAGER.** This item adds \$94,500, all from the EDIF, and 1.0 FTE position dedicated to overseeing this incentive program. The agency indicates this position would be similar to program manager positions that oversee the High Performance Incentive Program (HPIP), Promoting Employment Across Kansas (PEAK) program, and the Kansas Industrial Training and Kansas Industrial Retraining (KITKIR).

The Governor does not recommend adoption of this request.

12. **ENHANCEMENT REQUEST – SMALL BUSINESS OFFICE.** This item adds \$1.5 million, all from the EDIF, and 1.0 FTE position to create a Small Business Office to assist in coordination of current small business service providers, create a central portal for registering small businesses, and assist in the success of small businesses.

The Governor does not recommend adoption of this request.

13. **ENHANCEMENT REQUEST – RURAL REMOTE WORKER PILOT PROGRAM.** This item adds \$700,000, all from the EDIF, to create an incentive program to encourage new and expanding businesses to hire rural remote workers. Eligible companies must create a minimum of five net new rural remote jobs in Kansas. The cash incentive is \$4,000 per net new rural remote job and is awarded after one year of maintaining the full-time permanent position in rural Kansas. Rural Remote Worker Employment Program awards may be in addition to other incentive awards.

The Governor does not recommend adoption of this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

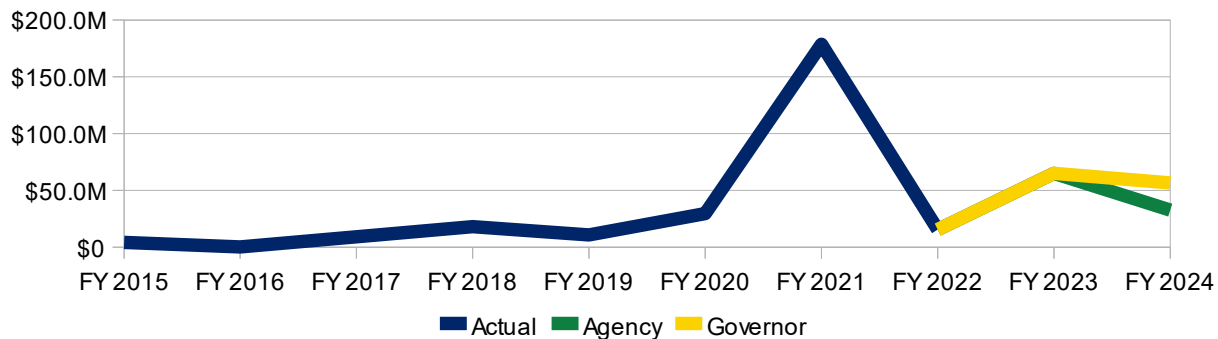
FIGURE 9 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 15,998,866	\$ 65,064,855	\$ 65,064,855	\$ 32,693,998	\$ 56,569,498
Business	6,978,795	35,909,013	35,909,013	14,710,760	14,616,260
Development					
Workforce Services	67,940,658	50,228,965	50,228,965	32,042,899	32,042,899
Community	29,722,524	21,338,066	21,338,066	20,134,304	20,034,304
Development					
International Business	1,035,553	1,233,374	1,233,374	2,271,611	2,271,611
Tourism	5,189,873	9,025,900	9,025,900	7,206,461	7,206,461
Economic	55,719	50,351,951	50,351,951	45,353,554	45,353,554
Development					
Structure					
Debt Service	133,231	-	-	-	-
Capital Improvements	-	108,100	108,100	238,100	238,100
TOTAL	\$ 127,055,219	\$ 233,260,224	\$ 233,260,224	\$ 154,651,687	\$ 178,332,687
FTE Positions:					
Administration	101.0	98.0	98.0	103.0	102.0
Business	27.0	27.0	27.0	27.0	26.0
Development					
Workforce Services	149.0	149.0	149.0	150.0	150.0
Community	16.0	16.0	16.0	17.0	16.0
Development					
International Business	6.0	6.0	6.0	9.0	9.0
Tourism	14.0	14.0	14.0	13.0	13.0
Economic	-	3.0	3.0	3.0	3.0
Development					
Structure					
Debt Service	-	-	-	-	-
Capital Improvements	-	-	-	-	-
TOTAL	313.0	313.0	313.0	322.0	319.0

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 2015 – FY 2024



STATUTORY BASIS: • KSA 74-5002y, KSA 74-50, 183, IKE Transportation Plan 2020 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 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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. AJLA - Number of states using JobLink software*	9	9	9	9	9
2. Athletic Commission - Number of events sanctioned	39	51	49	65	70
3. Workforce AID - Number of new projects with schools, companies*	1	2	2	8	10
Output Measure:					
4. AJLA - Average webpage views (thousands)*	-	18.8	--	18.8	18.8
5. Athletic Commission - Number of fighters, promoters, referees, judges, and doctors certified	324	530	447	560	580
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 10,000	\$ -		\$ 20,125,000	\$ 26,376,616
Federal Funds	171,893,663	1,793,552		22,530,965	1,492,458
All Other Funds	6,797,437	14,205,314		22,408,890	28,700,424
TOTAL	\$ 178,701,100	\$ 15,998,866		\$ 65,064,855	\$ 56,569,498
Percentage Change:					
SGF	(60.0) %	(100.0) %		-- %	31.1 %
All Funds	542.9 %	(91.0) %		306.7 %	(13.1) %
FTE Positions	96.5	101.0		98.0	102.0

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

BUDGET ANALYSIS

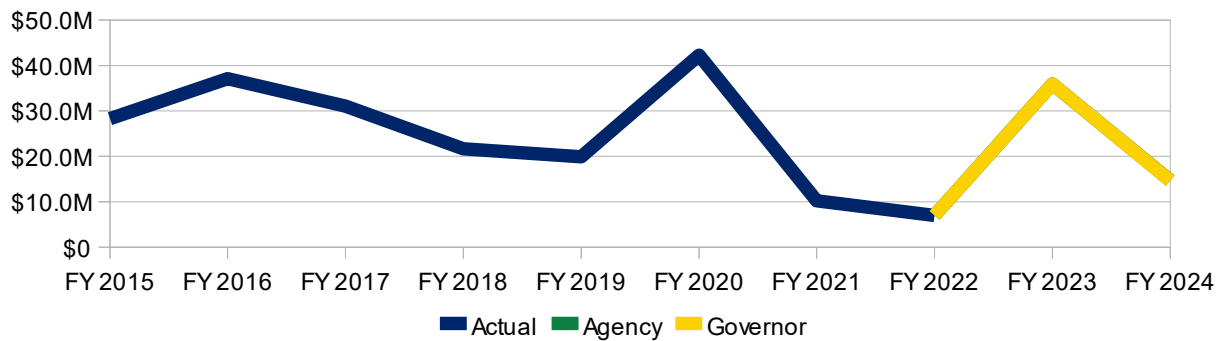
The agency requests FY 2024 Administration Program expenditures of \$32.7 million, which is a decrease of \$32.4 million, or 49.8 percent, below the FY 2023 revised estimate. The decrease is attributable to one-time funds for moderate-income housing (\$20.0 million) and a federal State Small Business Credit Initiative (\$21.0 million) being expended in FY 2023 that do not reoccur in FY 2024. This is partially offset by increased EDIF funding for seven enhancement requests (\$9.5 million).

The **Governor** recommends FY 2024 Administration Program expenditures of \$56.6 million, which is an increase of \$23.9 million, or 73.0 percent, above the agency's FY 2024

request. This increase is primarily attributable to expenditures for the Housing Revolving Loan Program (\$20.0 million) through the Kansas Housing Resources Corporation, which in addition to funding approved for rural housing last year, will be available to address workforce housing needs throughout the state, for the APEX Program (\$6.3 million), and for an early childhood education and care initiative (\$1.0 million). The increase is partially offset by the Governor's recommendation to not adopt the agency's enhancement requests for market rate salary increases (\$1.2 million), the small business office (\$1.5 million), and the rural remote worker pilot program (\$700,00).

BUSINESS DEVELOPMENT

FIGURE 12
BUSINESS DEVELOPMENT EXPENDITURES, FY 2015 – FY 2024



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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of jobs created or retained through business development efforts	17,241	8,521	13,407	10,850	10,850
2. Private capital investment (in billions) in Kansas through Commerce programs*	\$ 4.3	\$ 2.6	\$ 2.8	\$ 5.0	\$ 4.0
3. Number of jobs created or retained through business development recruitment efforts*	7,397	3,336	4,540	4,620	4,620
4. Number of jobs created or retained through retention/expansion efforts*	9,844	5,185	8,718	6,230	6,230
Output Measure:					
5. Number of projects opened by business development staff	519	403	415	423	444
6. Number of business recruitment projects opened*	149	126	138	160	175
7. Percent of business recruitment projects won*	15.0%	19.0%	16.0%	20.0%	20.0%
8. Number of projects being finalized at fiscal year end*	N/A	21	--	25	25
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 4,001,013	\$ 1,630,000		\$ 4,703,107	\$ -
Federal Funds	(140,583)	715		800	800
All Other Funds	6,374,403	5,348,080		31,205,106	14,615,460
TOTAL	\$ 10,234,833	\$ 6,978,795		\$ 35,909,013	\$ 14,616,260
Percentage Change:					
SGF	100.0 %	(59.3) %		188.5 %	(100.0) %
All Funds	(75.8) %	(31.8) %		414.5 %	(59.3) %
FTE Positions	25.6	27.0		27.0	26.0

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

BUDGET ANALYSIS

FY 2024 BUDGET

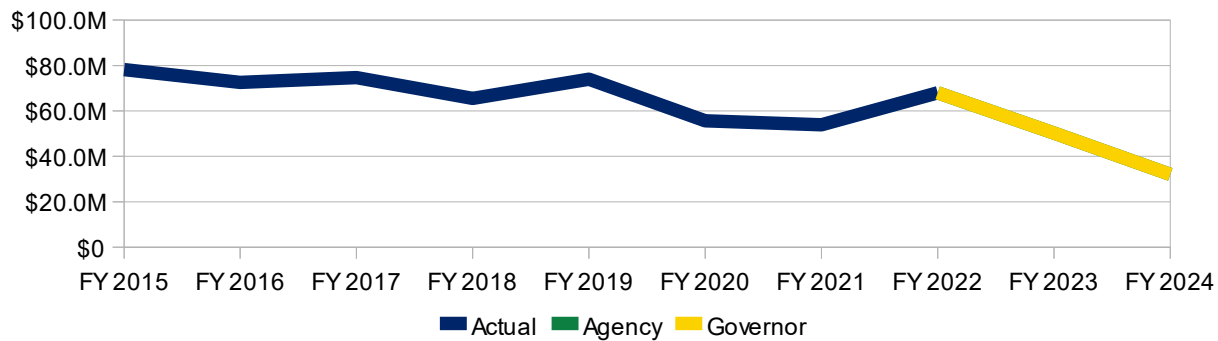
The agency requests FY 2024 Business Development Division expenditures of \$14.7 million, which is a decrease of \$21.2 million, or 59.0 percent, below the FY 2023 revised estimate. This decrease is attributable to a reduction of \$4.7 million for KBA commitments that are anticipated to be completed in FY 2023, as well as a reduction of \$16.5 million in decreased expenditures for the Job Creation Program Fund. This is partially offset by an

enhancement request for an APEX Incentive Program Manager (\$94,500).

The **Governor** recommends FY 2024 Business Development expenditures of \$14.6 million, which is a decrease of \$94,500, or 0.6 percent, below the agency's FY 2024 request. This decrease is attributable to the Governor not recommending adoption of the APEX Incentive Program Manager enhancement request.

WORKFORCE SERVICES

FIGURE 14
WORKFORCE SERVICES EXPENDITURES, FY 2015 – FY 2024



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 (LWDBs) 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.

BUDGET ANALYSIS

FY 2024 BUDGET

The agency requests FY 2024 Workforce Services Division expenditures of \$32.0 million, which is a decrease of \$18.2 million, or 36.2 percent, below the FY 2023 revised estimate. This decrease reflects paying off the Investments in Major Projects and Comprehensive Training (IMPACT) Program

bonds (\$18.6 million) in FY 2023. This is partially offset by an enhancement request for the Office of Registered Apprenticeship (\$500,000).

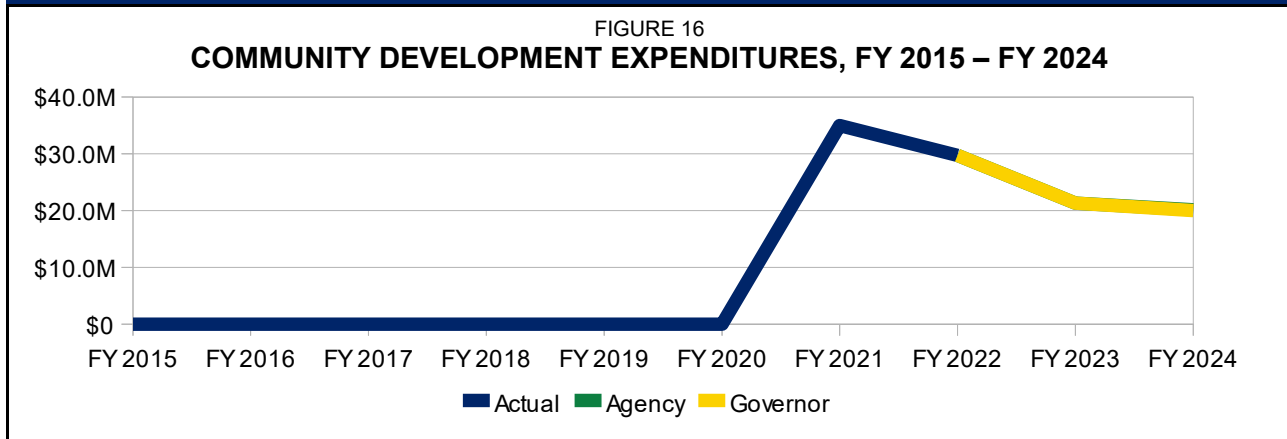
The **Governor** concurs with the agency's FY 2024 budget request.

FIGURE 15
WORKFORCE SERVICES, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Customer Service Survey Responses*	5,037	2,414	6,688	2,462	2,512
2. Number of jobs created or retained	10,941	17,535	13,608	17,886	18,243
3. Number of participants trained*	3,765	1,668	4,447	1,701	1,735
4. Percentage entered employment (Adult) 2 nd quarter after exit*	72.4%	75.2%	74.4%	76.7%	78.2%
Output Measure:					
5. Number of participants served with core services	19,143	21,318	27,728	21,744	22,179
6. Number of Job Orders*	318,342	71,215	186,615	72,639	74,092
7. Number of job seeker resumes*	35,630	8,691	17,039	8,865	9,042
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	28,842,493	43,034,212		28,975,018	29,011,566
All Other Funds	25,050,618	24,906,446		21,253,947	3,031,333
TOTAL	\$ 53,893,111	\$ 67,940,658		\$ 50,228,965	\$ 32,042,899
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(3.2) %	26.1 %		(26.1) %	(36.2) %
FTE Positions	169.0	149.0		149.0	150.0

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

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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of grant applications received by Community Development programs*	296	582	--	320	330
2. Total amount of community leverage through Community Development programs*	\$ 63,496,000	\$ 38,035,037	--	\$ 34,906,177	\$ 34,372,650
Output Measure:					
3. Number of housing units rehabilitated*	N/A	80	--	120	130
4. Number of community development projects/activities completed*	N/A	229	--	275	300
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	32,273,741	25,992,589		18,456,093	17,441,687
All Other Funds	2,697,877	3,729,935		2,881,973	2,592,617
TOTAL	\$ 34,971,618	\$ 29,722,524		\$ 21,338,066	\$ 20,034,304
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	100.0%	(15.0) %		(28.2) %	(6.1) %
FTE Positions	15.0	16.0		16.0	16.0

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

BUDGET ANALYSIS

FY 2024 BUDGET

The agency requests FY 2024 Community Development Division expenditures of \$20.1 million, which is a decrease of \$1.2 million, or 5.6 percent, below the FY 2023 revised estimate. This decrease is primarily attributable to a decrease in community block grants expected to be received from the federal government (\$1.0 million) as well as state community development funds (\$400,000). This is partially offset by two enhancement requests within the Community Development program, which include a Film and Television Industry

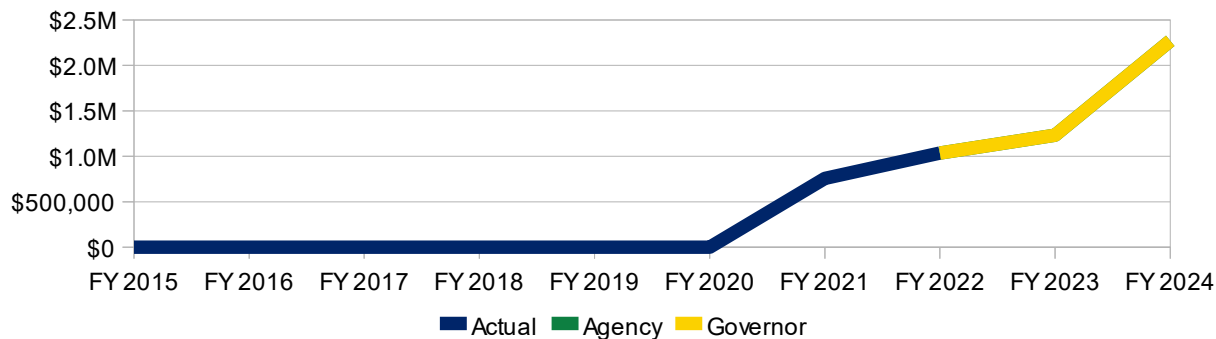
Program Manager (\$100,000) and expansion of the Kansas Creative Arts Industries Commission (\$500,000).

The **Governor** recommends FY 2024 Community Development Division expenditures of \$20.0 million, which is a decrease of \$100,000, or 0.5 percent, below the agency's FY 2024 request. This decrease is attributable to the Governor not recommending adoption of the Film and Television Industry Program Manager enhancement request.

INTERNATIONAL BUSINESS

FIGURE 18

INTERNATIONAL BUSINESS EXPENDITURES, FY 2015 – FY 2024



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.

Prior to FY 2021, 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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Capital Investments (in Millions)*	\$ -	\$ 144	--	\$ 65	\$ 80
2.Successful projects*	-	4	--	4	6
3.Jobs created*	-	300	--	200	325
Output Measure:					
4.Number of webinars*	-	7	--	10	10
5.Number of webinar attendees*	-	385	--	350	400
6.Number of trade missions*	-	1	--	3	4
7.Number of investment projects opened*	-	32	--	30	40
8.Number of business visits*	-	120	--	175	225
9.Percent of investment projects approved*	-	12.5%	--	25.0 %	25.0 %

	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	13,300	177,798		226,500	226,500
All Other Funds	743,839	857,755		1,006,874	2,045,111
TOTAL	<u>\$ 757,139</u>	<u>\$ 1,035,553</u>		<u>\$ 1,233,374</u>	<u>\$ 2,271,611</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	36.8 %		19.1 %	84.2 %
FTE Positions	5.4	6.0		6.0	9.0

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

BUDGET ANALYSIS

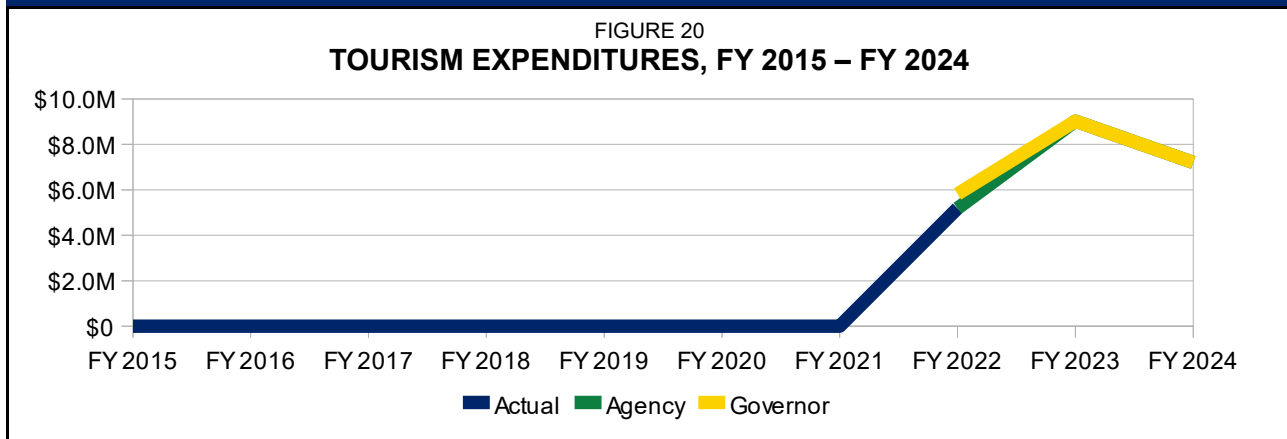
FY 2024 BUDGET

The agency requests FY 2024 International Business Division expenditures of \$2.3 million, which is an increase of \$1.0 million, or 84.2 percent, above the FY 2023 revised estimate. This increase is primarily attributable to the enhancement request for this program to

expand international business affairs (\$1.2 million).

The **Governor** concurs with the agency's FY 2024 request.

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. According to the agency, 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 and opportunities.

The Tourism Division also produces KANSAS! magazine, a lifestyle publication 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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of visitors to Kansas	31,400,000	33,700,000	33,866,667	34,000,000	35,500,000
2. Amount of statewide Transient Guest Tax collections	\$ 32,662,414	\$ 51,430,093	\$ 41,652,726	\$ 57,000,000	\$ 60,000,000
3. Visitor spending in the state (in Billions)	\$ 5.4	\$ 7.0	\$ 6.6	\$ 7.5	\$ 7.5
Output Measure:					
4. Number of registered Agritourism businesses in Kansas*	395	428	389	435	440
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ 10,000		\$ 73,500	\$ -
Federal Funds	-	1,056,017		3,100,000	-
All Other Funds	-	4,123,856		5,852,400	7,206,461
TOTAL	\$ -	\$ 5,189,873		\$ 9,025,900	\$ 7,206,461
Percentage Change:					
SGF	-- %	-- %		635.0 %	(100.0) %
All Funds	-- %	100.0 %		73.9 %	(20.2) %
FTE Positions	12.0	14.0		14.0	13.0

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

BUDGET ANALYSIS

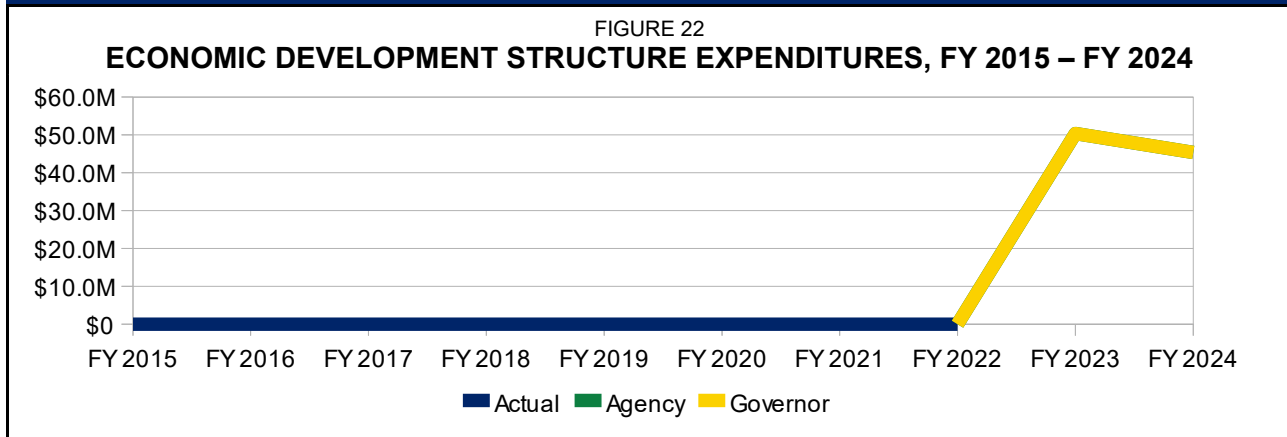
FY 2024 BUDGET

The agency requests FY 2024 Tourism Division expenditures of \$7.2 million, which is a decrease of \$1.8 million, or 20.2 percent, below the FY 2023 revised estimate. This decrease is primarily attributable to a decrease in contracts with advertising and marketing agencies (\$1.7 million) as well as one-time travel and tourism grant funding for local units of government

being expended (\$1.5 million). This is partially offset by the enhancement request for the Tourism Division to create a marketing campaign and fund the Attraction Development Grant Program (ADGP).

The **Governor** concurs with the agency's FY 2024 budget.

ECONOMIC DEVELOPMENT STRUCTURE



STATUTORY BASIS: • N/A

PROGRAM GOALS: • N/A

The Economic Development Structure encompasses all of the American Rescue Plan Act state relief that the Department of Commerce has or is expected to receive. This

includes funding for Building a Stronger Economy (BASE) grants to support building development and modernization of business facilities in Kansas communities.

FIGURE 23
ECONOMIC DEVELOPMENT STRUCTURE, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
There were no performance measures submitted for this program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	55,719		50,351,951	45,353,554
All Other Funds	-	-		-	-
TOTAL	\$ -	\$ 55,719		\$ 50,351,951	\$ 45,353,554
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	-- %	-- %		90,267.7 %	(9.9) %
FTE Positions	-	-		3.0	3.0

PERFORMANCE AND BUDGET ANALYSIS

FY 2024 BUDGET

The agency requests FY 2024 Economic Development Structure expenditures of \$45.4 million, which is an increase of \$1,603, or less than 0.1 percent, above the FY 2023 revised estimate.

The **Governor** concurs with the agency's FY 2024 request.

CAPITAL IMPROVEMENTS

The Kansas Department of Commerce has capital improvement expenditures for the 25 Workforce Centers in Kansas.

FIGURE 24
CAPITAL IMPROVEMENTS, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Capital Projects:					
Topeka WFC - Plumbing	\$ -	\$ 108,100	\$ 108,100	\$ -	\$ -
Topeka WFC - Elevator	-	-	-	238,100	238,100
<i>Subtotal—Projects</i>	<i>\$ -</i>	<i>\$ 108,100</i>	<i>\$ 108,100</i>	<i>\$ 238,100</i>	<i>\$ 238,100</i>
Debt Service Principal:					
Workforce Services Center	\$ 130,000	\$ -	\$ -	\$ -	\$ -
<i>Subtotal—Debt</i>	<i>\$ 130,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 130,000	\$ 108,100	\$ 108,100	\$ 238,100	\$ 238,100
Financing:					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	8,100	8,100	8,100	8,100
All Other Funds	130,000	100,000	100,000	230,000	230,000
TOTAL	\$ 130,000	\$ 108,100	\$ 108,100	\$ 238,100	\$ 238,100

FY 2023 CAPITAL IMPROVEMENTS

The **agency** submits capital improvement expenditures totaling \$108,100 in the FY 2023 revised estimate. This funding will be for a plumbing project at the Topeka Workforce Center to update restroom fixtures, install

automatic flush valves, and inspect and repair all waste lines.

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

FY 2024 CAPITAL IMPROVEMENTS

The **agency** requests capital improvement expenditures totaling \$238,100 for FY 2024. This funding will be used to modernize one elevator at the Topeka Workforce Center.

The **Governor** concurs with the agency's FY 2024 request.

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KANSAS CORPORATION COMMISSION

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,854,895	6,328,756	6,328,756	13,670,685	13,670,685
All Other Funds	21,745,990	28,764,482	28,764,482	32,641,594	32,641,594
<i>Subtotal</i>	<i>\$ 23,600,885</i>	<i>\$ 35,093,238</i>	<i>\$ 35,093,238</i>	<i>\$ 46,312,279</i>	<i>\$ 46,312,279</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	\$ 23,600,885	\$ 35,093,238	\$ 35,093,238	\$ 46,312,279	\$ 46,312,279
Percentage Change:					
State General Fund	--	--	--	--	--
All Funds	11.8 %	48.7 %	48.7 %	32.0 %	32.0 %
FTE Positions	206.3	204.3	204.3	204.3	204.3

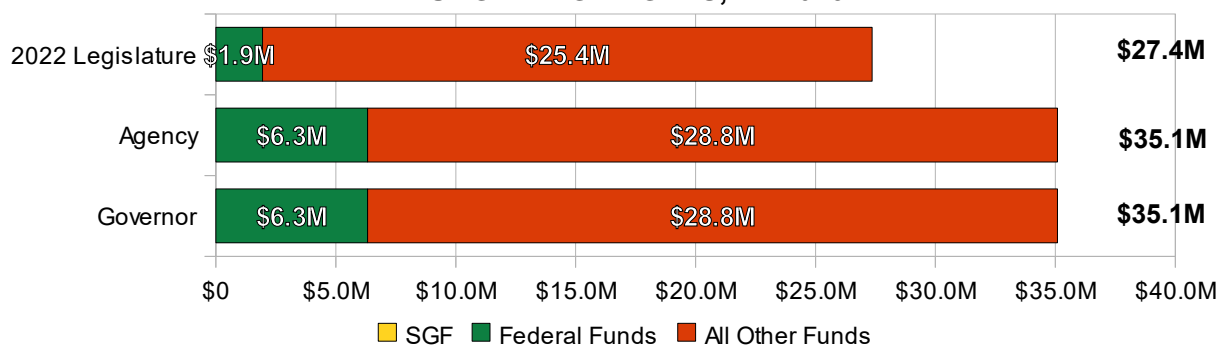
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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 2022 Legislature approved a budget of \$27.4 million, all from special revenue funds, for the Kansas Corporation Commission for FY 2023.

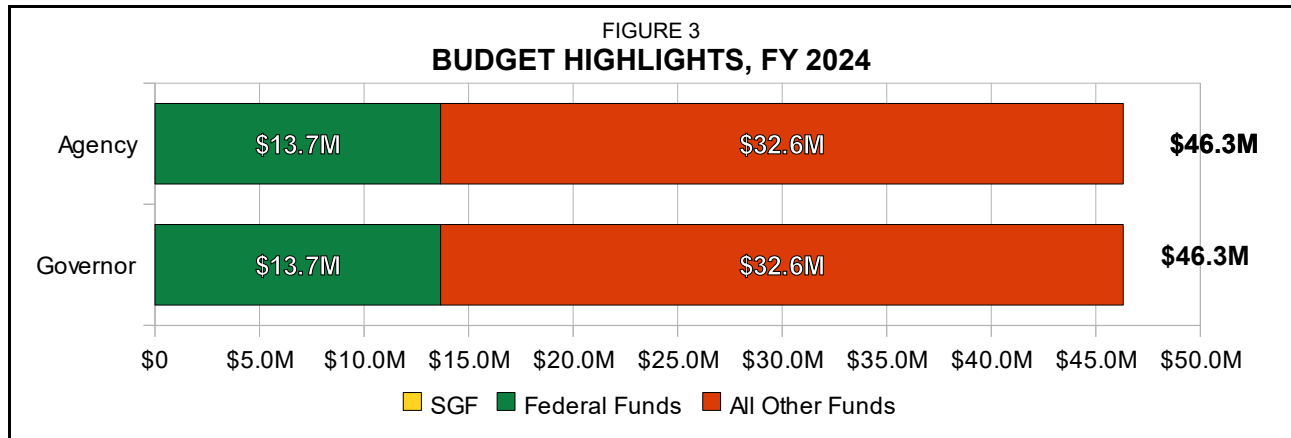
FIGURE 2
BUDGET HIGHLIGHTS, FY 2023



The **agency** submits a revised estimate of \$35.1 million, all from special revenue funds, and 204.25 FTE positions in FY 2023. This is an increase of \$7.7 million, or 28.2 percent, above the agency's approved amount for FY 2023. The largest increase in the agency's revised estimate is

for contractual services, totaling \$7.3 million, all from special revenue funds, which are mostly located in the agency's Conservation Program. This increase is in large part due to planned expenditures totaling \$5.0 million from the Energy Community Revitalization Federal Grant Fund to plug abandoned natural gas and oil wells.

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



The **agency** requests \$46.3 million, all from special revenue funds, for FY 2024. This is an increase of \$11.2 million, or 32.0 percent, above the FY 2023 revised estimate. The largest increase above the FY 2023 revised estimate is in contractual services. Specifically, the agency requests \$9.9 million more in contractual services expenditures in FY 2024 when compared to FY 2023. Most of those increases are found in the agency's Conservation Program.

Like in FY 2023, the increase is in large part due to increasing planned expenditures totaling \$12.0 million from the Energy Community Revitalization Federal Grant Fund. This is an increase of \$7.0 million, or 140.0 percent, above the agency's revised FY 2023 estimate.

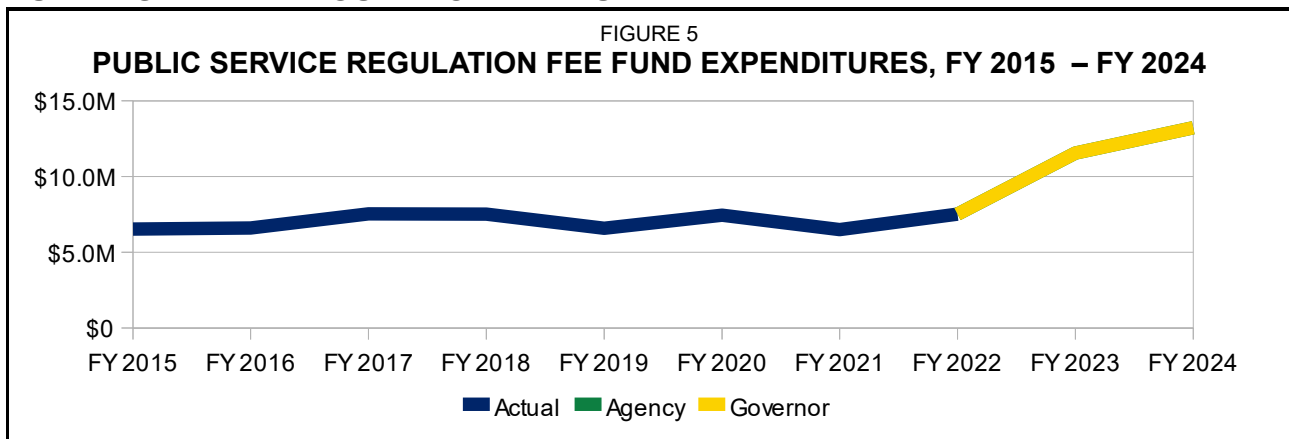
The **Governor** concurs with the agency's FY 2024 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

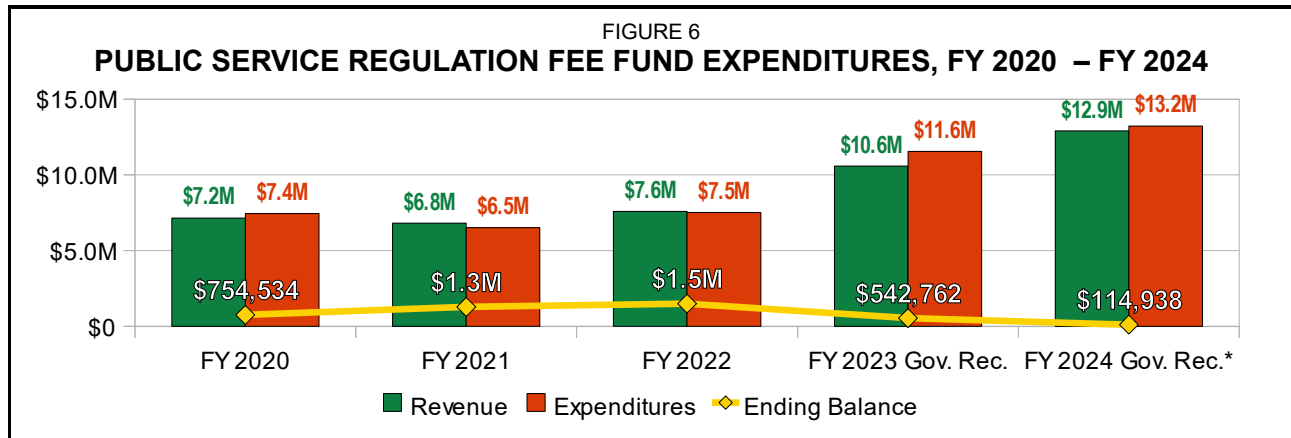
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 13,759,754	\$ 16,734,626	\$ 16,734,626	\$ 17,183,965	\$ 17,183,965
Contractual Services	8,536,710	15,138,738	15,138,738	25,065,700	25,065,700
Commodities	387,793	351,925	351,925	360,173	360,173
Capital Outlay	906,628	2,867,949	2,867,949	3,702,441	3,702,441
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 23,590,885</i>	<i>\$ 35,093,238</i>	<i>\$ 35,093,238</i>	<i>\$ 46,312,279</i>	<i>\$ 46,312,279</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	10,000	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 23,600,885</i>	<i>\$ 35,093,238</i>	<i>\$ 35,093,238</i>	<i>\$ 46,312,279</i>	<i>\$ 46,312,279</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 23,600,885	\$ 35,093,238	\$ 35,093,238	\$ 46,312,279	\$ 46,312,279
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Public Service	7,524,926	11,552,500	11,552,500	13,227,448	13,227,448
Regulation Fund					
Conservation Fee	8,093,017	11,082,525	11,082,525	12,251,371	12,251,371
Fund					
Abandoned Oil and	2,856,055	2,027,410	2,027,410	2,177,192	2,177,192
Gas Well Fund					
Federal Funds	1,854,895	6,328,756	6,328,756	13,670,685	13,670,685
All Other Funds	3,271,992	4,102,047	4,102,047	4,985,583	4,985,583
TOTAL	\$ 23,600,885	\$ 35,093,238	\$ 35,093,238	\$ 46,312,279	\$ 46,312,279
FTE Positions	206.3	204.3	204.3	204.3	204.3

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.

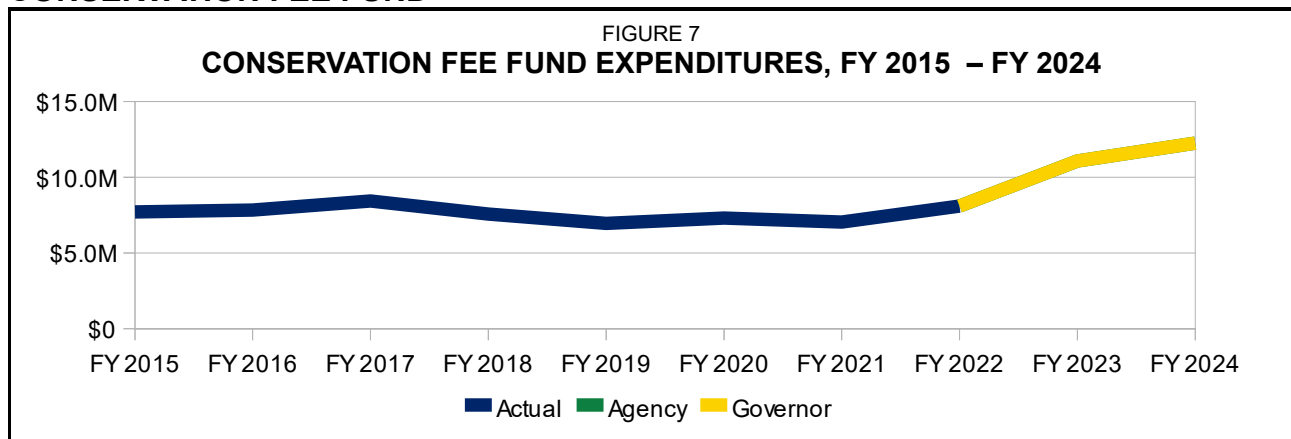
PUBLIC SERVICE REGULATION FEE FUND



* For FY 2024, the lowest month ending balance for the Public Service Regulation Fee Fund will occur in June, with a balance of \$114,938.

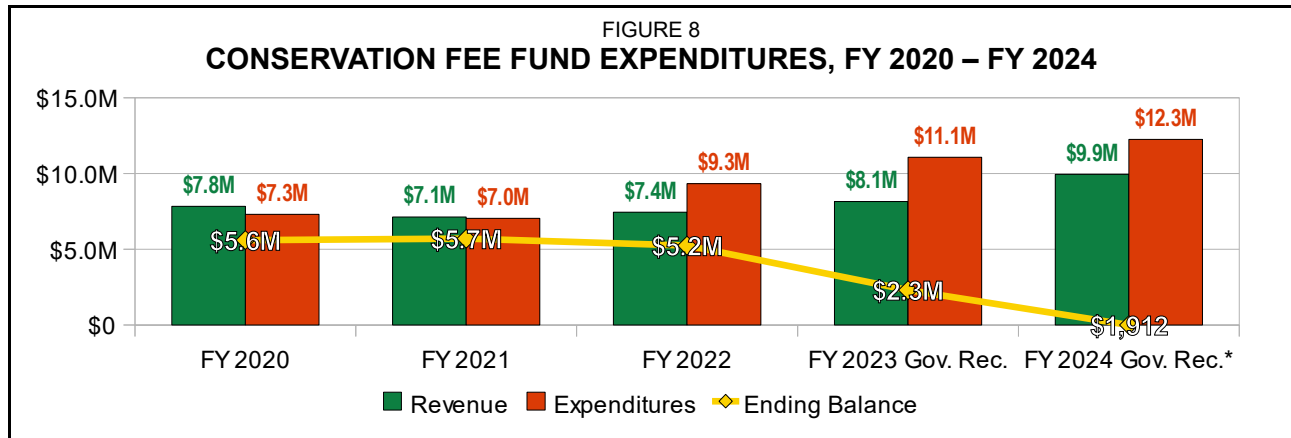
The agency estimates increased expenditures from the Public Service Regulation Fee Fund in FY 2023 and for FY 2024 as compared to FY 2022. Notably, the 2022 Legislature approved expenditures totaling \$10.2 million from the Public Service Regulation Fee Fund for FY 2023. The agency's revised estimate for FY 2023 expenditures totals \$11.6 million, which is \$1.3 million, or 12.9 percent, more than the agency's previously approved budget. The increase is attributable to the agency estimating \$1.7 million in expenditures to overhaul the agency's docket system and \$675,000 for consulting services in FY 2023.

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



* For FY 2024, the lowest month ending balance for the Conservation Fee Fund will occur in June, with a balance of \$1,912.

The agency estimates increased expenditures from the Conservation Fee Fund in FY 2023 and for FY 2024 as compared to FY 2022. The agency estimates increasing expenditures in the Conservation Division totaling \$6.8 million when compared to FY 2023.

This increase is a result of federal action taken regarding the Orphaned Well Site Plugging, Remediation, and Restoration Program (Orphaned Well Program). While the agency has secured federal funding totaling \$5.0 million, the agency also estimates increasing expenditures from the Conservation Fee Fund. Overall, the agency estimates increasing expenditures from the Conservation Fee Fund by \$1.3 million, or 13.1 percent, above the previously approved amount.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 27,365,155	\$ 27,365,155	205.3
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	\$ -	\$ -	\$ -	205.3
Agency Revised Estimate:				
2. Orphaned Well Program	-	5,000,000	5,000,000	--
3. Overhaul Docket System	-	1,735,420	1,735,420	--
4. Consulting Fees	-	675,000	675,000	--
5. FTE Position Decrease	-	-	-	(1.0)
6. All Other Adjustments	-	317,663	317,663	--
<i>Subtotal—Agency Revised Estimate</i>	\$ -	\$ 7,728,083	\$ 7,728,083	204.3
Governor's Recommendation:				
7. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 35,093,238	\$ 35,093,238	204.3

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$24.2 million, all from special revenue funds, approved for the Kansas Corporation Commission in FY 2023.

AGENCY ESTIMATE

The **agency** estimates revised FY 2023 expenditures of \$35.1 million, all from special revenue funds. This is an increase of \$7.7 million, or 28.2 percent, above the FY 2023 approved amount.

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

2. **ORPHANED WELL PROGRAM.** The agency is responsible for administering the Orphaned Well Site Plugging, Remediation, and Restoration Program (Orphaned Well Program). The program was created by the federal government in November of 2021. As a part of the program, Kansas was awarded \$25.0 million over three years to plug prioritized abandoned wells across the state. For FY 2023, the agency's revised request includes \$5.0 million, all from special revenue funds, for the Orphaned Well Program.
3. **OVERHAUL DOCKET SYSTEM.** The agency estimates \$1.7 million in expenditures, all from special revenue funds, to overhaul the agency's docket system. The agency indicates the overhaul was delayed in part due to the recent COVID-19 public health emergency. The agency also indicates it is taking a more methodical approach to overhauling the system.
4. **CONSULTING FEES.** The 2021 Legislature passed the Kansas Utility Financing and Securitization Act, 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 Act also requires the agency to determine that a securitization would provide quantifiable benefits to customers. The Act also grants to KCC the authority to designate a representative from KCC staff, who may be advised by legal counsel and financial

advisers, 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 ongoing obligations.

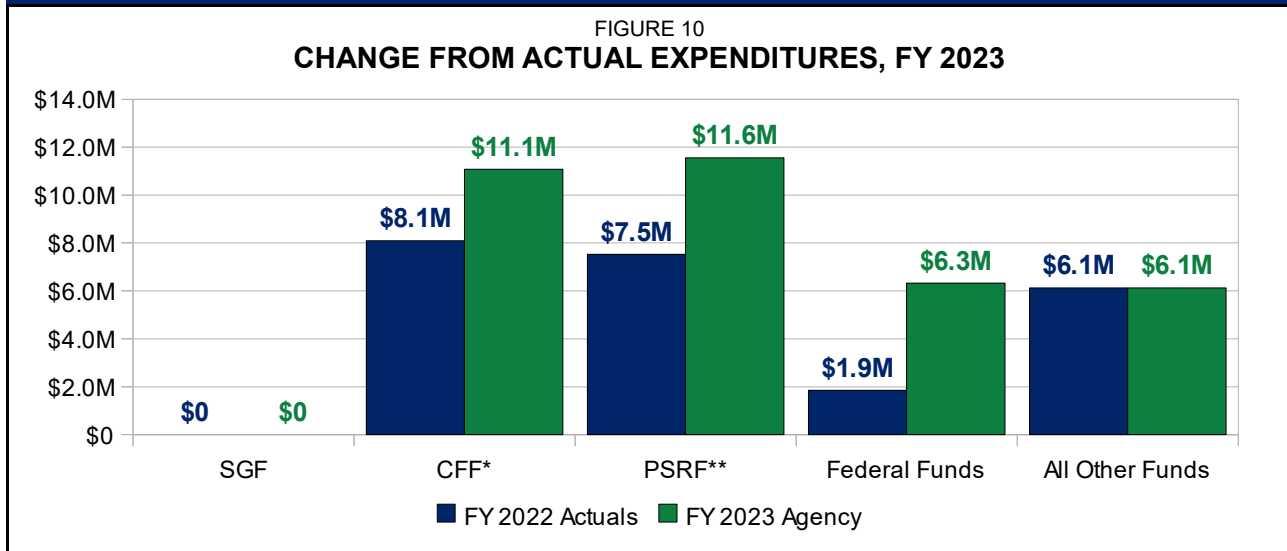
5. **FTE POSITION DECREASE.** The agency's request includes a reduction of 1.0 FTE position in the Utilities Program.
6. **ALL OTHER ADJUSTMENTS.** Other adjustments made by the agency total an increase of \$317,663. These adjustments cross all program and expenditure areas. Included in other adjustments is \$429,018 for vehicle purchases, partially offset by reductions in other capital outlay categories and reduced expenditure estimates for salaries and wages as compared to the agency's approved FY 2023 budget.

GOVERNOR'S RECOMMENDATION

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

7. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



*Conservation Fee Fund

**Public Service Regulation Fee Fund

The **agency** estimates revised expenditures of \$35.1 million, all from special revenue funds, in FY 2023. This is an increase of \$11.5 million, or 48.7 percent, above FY 2022 actual expenditures. The increase is primarily attributable to the following:

- Increases in expenditures in the agency's Conservation Program are estimated to be \$6.3 million above actual expenditures in FY 2022. The agency indicates this is because of new federal moneys becoming available for the Orphaned Well Program.
- Increases in the Utilities Program for FY 2023 total \$2.4 million, all from special revenue funds, above actual expenditures for FY 2022. The agency estimates expenditure increases for consultants totaling \$446,052. This increase is related to various dockets heard by the agency. In addition to this expenditure, the agency notes it does not currently have the expertise to fulfill duties related to the Kansas Utility Financing and Securitization Act and must contract with consultants to complete this statutory obligation. The Kansas Utility Financing and Securitization Act requires the agency to observe all facets of the securitization bond letting process.
- Increases in the Administration Program for FY 2023 total \$2.7 million above FY 2022 expenditures. The increase is primarily attributable to the agency overhauling the docket management system, which is estimated to be an increase of \$1.7 million.

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 35,093,238	\$ 35,093,238	204.3
Agency Request:				
1. Orphaned Well Program	\$ -	\$ 7,000,000	\$ 7,000,000	--
2. Other Contractual Services	-	2,926,962	2,926,962	--
3. New Docket Software	-	915,083	915,083	--
4. All Other Adjustments	-	376,996	376,996	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 46,312,279	\$ 46,312,279	204.3
Governor's Recommendation:				
5. No Changes	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 46,312,279</u>	<u>\$ 46,312,279</u>	<u>204.3</u>

AGENCY REQUEST

The **agency** requests FY 2024 expenditures of \$46.3 million, all from special revenue funds. This is an increase of \$11.2 million, or 32.0 percent, above the FY 2023 revised amount.

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

- ORPHANED WELL PROGRAM.** The agency's FY 2024 request includes an increase of \$7.0 million, all from special revenue funds, for the Orphaned Well Program in FY 2024 when compared to the FY 2023 revised estimate. Overall, the agency estimates receiving \$12.0 million as a result of the federal Orphaned Well Site Plugging, Remediation, and Restoration Program in FY 2024.
- OTHER CONTRACTUAL SERVICES.** Overall, the agency's FY 2024 request for contractual services is \$9.9 million more than the agency's FY 2023 revised amount. \$7.0 million of that amount is for the Orphaned Well Program. The remaining increase, \$2.9 million, represents increases to all other contractual services. The increases in other contractual services are primarily attributable to contracts relating to the agency's new docket system being implemented in FY 2024.
- NEW DOCKET SOFTWARE.** The agency's FY 2024 request includes additional expenditures of \$915,083 for software when compared to the agency's FY 2023 revised amount. This increase is attributable to new software that will be purchased and implemented by the agency for the new docket system being implemented in FY 2023.
- ALL OTHER ADJUSTMENTS.** All other adjustments made by the agency total an increase of \$376,996, all from special revenue funds. This is primarily attributable to changes in employer contributions to group health insurance and expenditures relating to maintenance of agency vehicles.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

- NO CHANGES.** The Governor recommends no changes to the agency's FY 2024 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

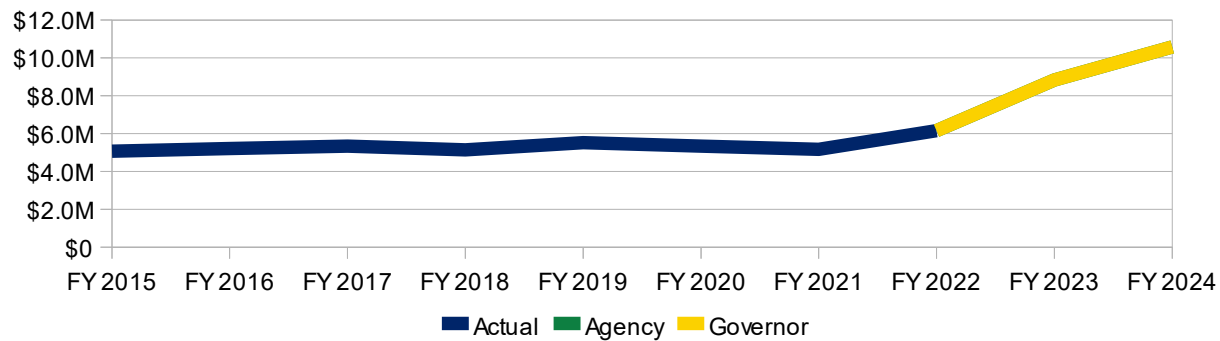
FIGURE 12 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 6,153,304	\$ 8,835,481	\$ 8,835,481	\$ 10,583,373	\$ 10,583,373
Conservation	10,299,594	16,559,364	16,559,364	24,306,938	24,306,938
Transportation	1,710,687	2,076,064	2,076,064	2,495,936	2,495,936
Utilities	4,356,957	6,730,651	6,730,651	7,978,200	7,978,200
Energy	1,080,343	891,678	891,678	947,832	947,832
TOTAL	\$ 23,600,885	\$ 35,093,238	\$ 35,093,238	\$ 46,312,279	\$ 46,312,279
FTE Positions:					
Administration	58.0	58.0	58.0	58.0	58.0
Conservation	88.8	87.8	87.8	87.8	87.8
Transportation	17.0	17.0	17.0	17.0	17.0
Utilities	39.5	38.5	38.5	38.5	38.5
Energy	3.0	3.0	3.0	3.0	3.0
TOTAL	206.3	204.3	204.3	204.3	204.3

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 2015 – FY 2024



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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Orders Issued*	711	3,413	2,293	2,300	2,300
2. Number of Hours Litigation Attorneys Spent on Rate Cases*	685	1,105	859	1,200	1,200
3. Number of Hours Litigation Attorneys Spent on FERC and SPP (New Metric in 2020)*	638	762	618	700	700
4. Number of Dockets Opened*	1,075	1,138	1,057	1,300	1,300
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2025
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	40,116	-		-	-
All Other Funds	5,127,591	8,835,481		8,835,481	10,583,373
TOTAL	\$ 5,167,707	\$ 8,835,481		\$ 8,835,481	\$ 10,583,373
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(2.5) %	71.0 %		-- %	19.8 %
FTE Positions	42.0	58.0		58.0	58.0

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

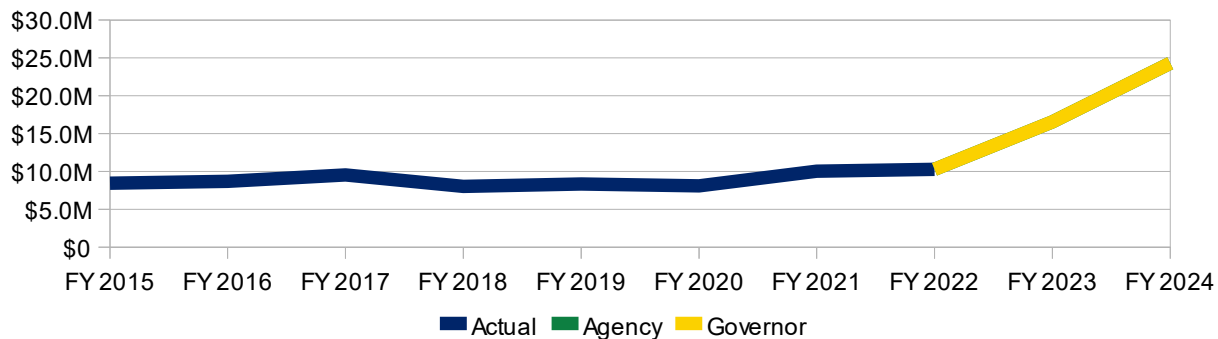
PERFORMANCE AND BUDGET ANALYSIS

The Administration Division requests FY 2024 expenditures of \$10.6 million, all from special revenue funds. This is an increase of \$779,200, or 19.8 percent, above the FY 2023 revised estimate. This increase is primarily attributable to replacing the agency's docket management system.

The **Governor** concurs with the agency's FY 2024 Administration Division request.

CONSERVATION

FIGURE 15
CONSERVATION EXPENDITURES, FY 2015 – FY 2024



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 2021	Actual FY 2022	Actual 3-year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Median Response Time in Days to Single Well Project Priority 1A Abandoned Wells*	44.5	1.0	16.0	--	30.0
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)*	84.0 %	91.0 %	88.0 %	90.0 %	90.0 %
Output Measure:					
3. Number of Priority 1A Wells*	25	3	19	N/A	N/A
4. Mechanical Integrity Test Failures (UIC** Program Measures are Tracked on Federal Fiscal Years, FY 2022 is Based on Data Through June 1, 2022)*	174	374	291	250	250
5. Oil and Gas Facility Inspections	4,540	4,652	4,392	4,000	4,000
6. Wells Plugged in the Course of Regulatory Enforcement	727	903	782	600	600

Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	245,250	206,666		5,000,000	12,000,000
All Other Funds	9,795,160	10,092,928		11,559,364	12,306,938
TOTAL	\$ 10,040,410	\$ 10,299,594		\$ 16,559,364	\$ 24,306,938
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	23.7 %	2.6 %		60.8 %	46.8 %
FTE Positions	71.0	87.8		87.8	87.8

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

** Underground Injection Control

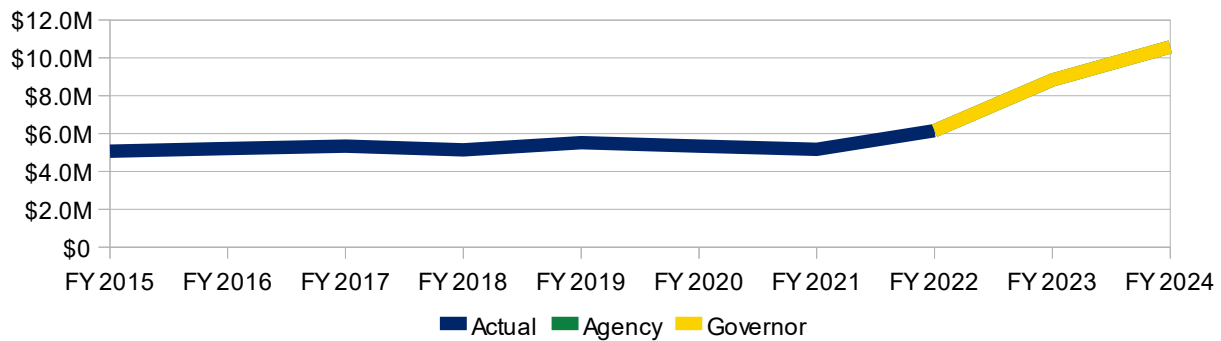
PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests FY 2024 Conservation Division expenditures of \$24.3 million, all from special revenue funds. This is an increase of \$7.7 million, or 46.8 percent, above the FY 2023 revised estimate. This increase is primarily due to federal funding from the Orphaned Well Program.

The **Governor** concurs with the agency's FY 2024 Conservation Division request.

TRANSPORTATION

FIGURE 17
TRANSPORTATION EXPENDITURES, FY 2015 – FY 2024



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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Kansas-based Motor carriers in compliance with Unified Carrier Registration	97.5%	96.0%	97.9 %	99.5 %	99.5 %
Output Measure:					
5. Conducted Compliance Reviews	113	86	133	170	170
6. Conducted Training Seminars*	47	42	59	90	90
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,492,908	1,710,687		2,076,064	2,495,936
TOTAL	\$ 1,492,908	\$ 1,710,687		\$ 2,076,064	\$ 2,495,936
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	1.0 %	14.6 %		21.4 %	20.2 %
FTE Positions	16.0	17.0		17.0	17.0

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

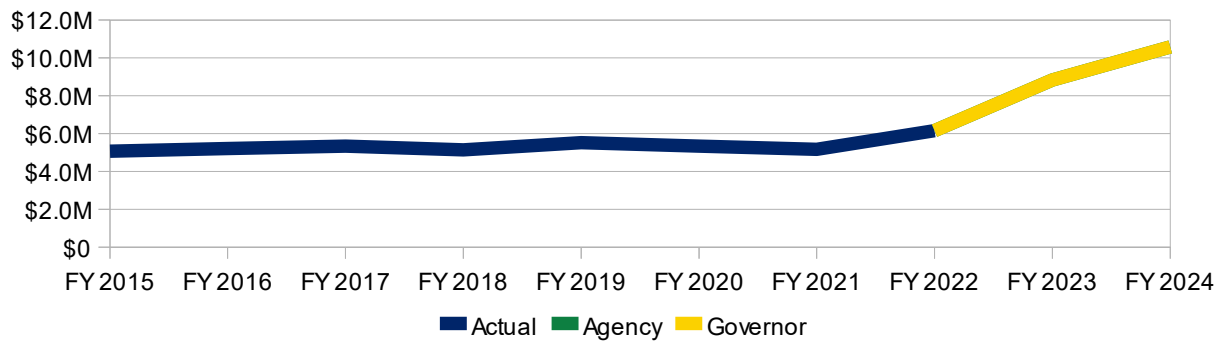
PERFORMANCE AND BUDGET ANALYSIS

The **agency** requests FY 2024 Transportation Division expenditures of \$2.5 million, all from special revenue funds. This is an increase of \$419,872, or 20.2 percent, above the FY 2023 revised estimate. The increase is primarily attributable to software maintenance fees and other fees.

The **Governor** concurs with the agency's FY 2024 Transportation Division request.

UTILITIES

FIGURE 19
UTILITIES EXPENDITURES, FY 2015 – FY 2024



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 nondiscriminatory 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 regulation 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 2021	Actual FY 2022	Actual 3-Year Avg.	Governor FY 2023	Governor FY 2024
Outcome Measure:					
1. Percent of Applications Granted by KCC*	86.0 %	94.0 %	90.0 %	90.0 %	90.0 %
2. Highest Number of Hours for Rate Case(s) During Fiscal Year*	5,786	3,048	4,195	3,750	3,750
3. Highest Cost for Rate Case During the Fiscal Year*	\$ 69,974	\$ 268,329	\$ 179,434	\$ 350,000	\$ 350,000
Output Measure:					
5. Percent of Filed Rate Case Applications Reviewed within 240 Day Statutory Deadline	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
6. Percent of Applications Completed in Less than 180 Days	86.0 %	89.0 %	85.0 %	90.0 %	90.0 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2025
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	709,102	736,811		732,035	1,095,801
All Other Funds	3,126,334	3,620,146		5,998,616	6,882,399
TOTAL	\$ 3,835,436	\$ 4,356,957		\$ 6,730,651	\$ 7,978,200
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(17.0) %	13.6 %		54.5 %	18.5 %
FTE Positions	42.0	39.5		38.5	38.5

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

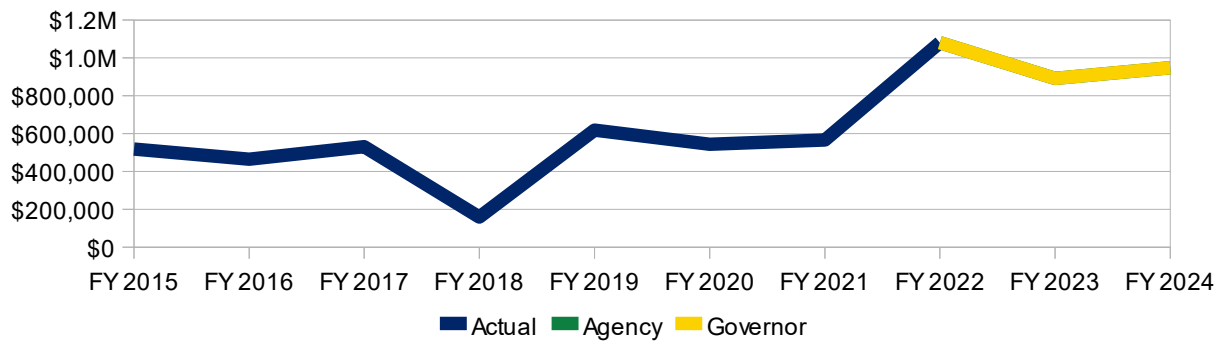
PERFORMANCE AND BUDGET ANALYSIS

The Utilities Division requests FY 2024 expenditures of \$8.0 million, all from special revenue funds. This is an increase of \$1.2 million, or 18.5 percent, above the FY 2023 revised estimate. This increase is primarily attributable to replacing the agency's docket management system.

The **Governor** concurs with the agency's FY 2024 Utilities Division request.

ENERGY

FIGURE 21
ENERGY EXPENDITURES, FY 2015 – FY 2024



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 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Presentations about Facility Conservation Improvement Program (FCIP)*	3	3	4	2	3
2. Number of Public Entities Supported Through Energy Performance Contracting*	3	3	3	2	2
3. kWh Energy Savings Identified Through Small Business Energy Assessments	1,995,081	867,225	1,460,410	500,000	500,000
4. Energy Assessments/Audits Completed for Small Rural Businesses	20	21	21	20	20
5. Number of Energy Efficiency Presentations*	38	65	45	35	40
6. Number of K-12 School Districts Participating in Energy Benchmarking*	7	7	7	7	7
7. K-12 Building Square Footage Being Tracked in Energy Star Portfolio*	2,172,617	2,857,066	--	2,600,000	2,600,000
8. Number of Students Participating in KidWind Challenge*	91	196	143	200	200
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2025
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	566,488	910,338		596,721	574,884
All Other Funds	-	170,005		294,957	372,948
TOTAL	\$ 566,488	\$ 1,080,343		\$ 891,678	\$ 947,832
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	4.2 %	90.7 %		(17.5) %	6.3 %
FTE Positions	3.0	3.0		3.0	3.0

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

PERFORMANCE AND BUDGET ANALYSIS

The Energy Division requests FY 2024 expenditures of \$947,832, all from special revenue funds. This is an increase of \$56,154, or 6.3 percent, above the FY 2023 revised estimate. This increase is primarily attributable to estimated increases in other contractual services.

The **Governor** concurs with the agency's FY 2024 Energy Division request.

CITIZENS' UTILITY RATEPAYER BOARD

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	870,384	1,372,074	1,372,074	1,238,441	1,238,441
<i>Subtotal</i>	<i>\$ 870,384</i>	<i>\$ 1,372,074</i>	<i>\$ 1,372,074</i>	<i>\$ 1,238,441</i>	<i>\$ 1,238,441</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	\$ 870,384	\$ 1,372,074	\$ 1,372,074	\$ 1,238,441	\$ 1,238,441
Percentage Change:					
State General Fund	--%	--%	--%	--%	--%
All Funds	(4.2) %	57.6 %	57.6 %	(9.7) %	(9.7) %
FTE Positions	7.0	9.0	9.0	9.0	9.0

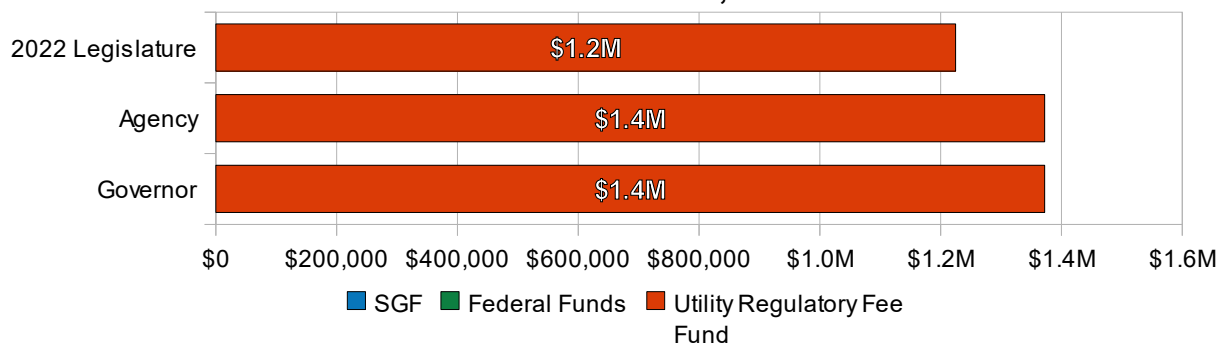
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Citizens' Utility Ratepayer Board (CURB) acts as an advocate for residential and small commercial utility ratepayers in Kansas in order to protect their interests. CURB's mission is to provide ratepayers in Kansas with competent and quality legal representation before the Kansas Corporation Commission, the various courts, and the Kansas Legislature. CURB is funded by assessments levied against the public utilities in whose cases CURB can intervene.

EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$1,224,634, all from the Utility Regulatory Fee Fund, in expenditures and 9.0 FTE positions, for the Citizens' Utility Ratepayer Board for FY 2023.

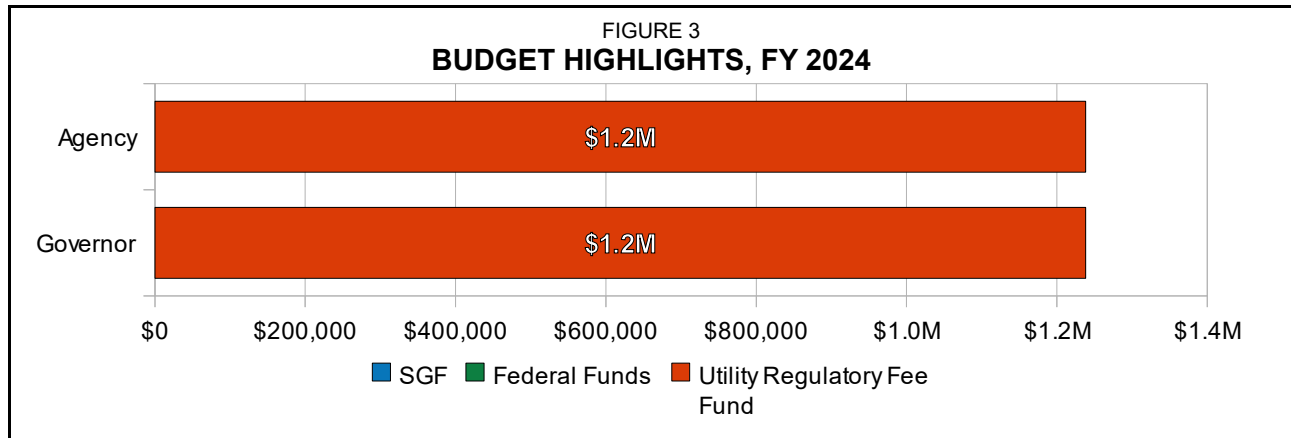
FIGURE 2
BUDGET HIGHLIGHTS, FY 2023



The **agency** submits a revised estimate of \$1.4 million, all from the Utility Regulatory Fee Fund, and 9.0 FTE positions in FY 2023. This is an increase of \$147,440, or 12.0 percent, above the

amount approved by the 2022 Legislature. 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 had a balance of \$147,440 in unspent money budgeted for professional services in FY 2022 that will be carried over into FY 2023.

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



The **agency** requests \$1.2 million, all from the Utility Regulatory Fee Fund, and 9.0 FTE positions for FY 2024. This is a decrease of \$133,633, or 9.7 percent, below the agency's FY 2023 revised estimate. The decrease is due primarily to an expected decrease in expenditures for contractual services, primarily consulting services.

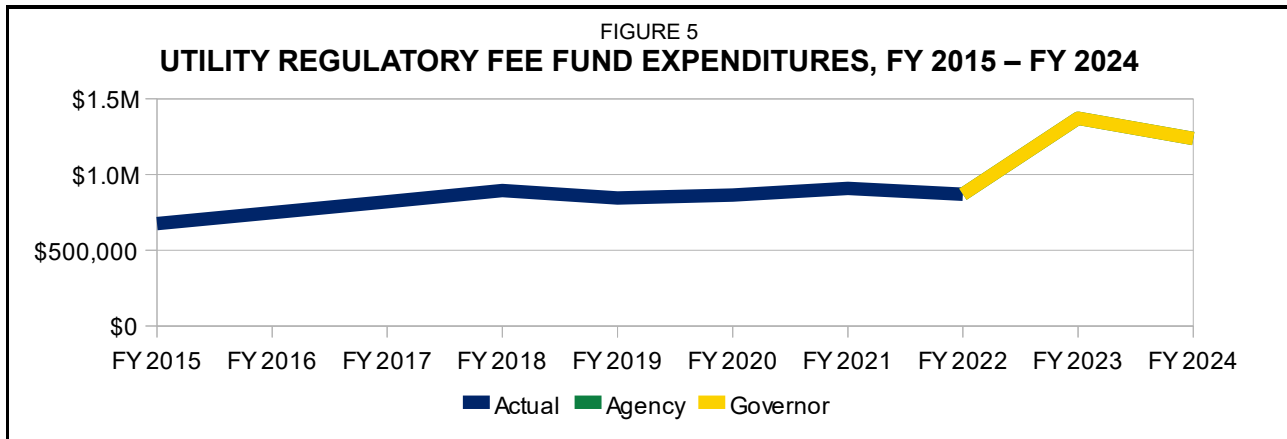
The **Governor** concurs with the agency's FY 2024 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Category of Expenditure:					
Salaries and Wages	\$ 622,849	\$ 841,010	\$ 841,010	\$ 847,474	\$ 847,474
Contractual Services	232,032	507,204	507,204	367,965	367,965
Commodities	2,516	6,270	6,270	6,802	6,802
Capital Outlay	12,987	17,590	17,590	16,200	16,200
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 870,384</i>	<i>\$ 1,372,074</i>	<i>\$ 1,372,074</i>	<i>\$ 1,238,441</i>	<i>\$ 1,238,441</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 870,384</i>	<i>\$ 1,372,074</i>	<i>\$ 1,372,074</i>	<i>\$ 1,238,441</i>	<i>\$ 1,238,441</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 870,384	\$ 1,372,074	\$ 1,372,074	\$ 1,238,441	\$ 1,238,441
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	870,384	1,372,074	1,372,074	1,238,441	1,238,441
TOTAL	\$ 870,384	\$ 1,372,074	\$ 1,372,074	\$ 1,238,441	\$ 1,238,441
FTE Positions	7.0	9.0	9.0	9.0	9.0

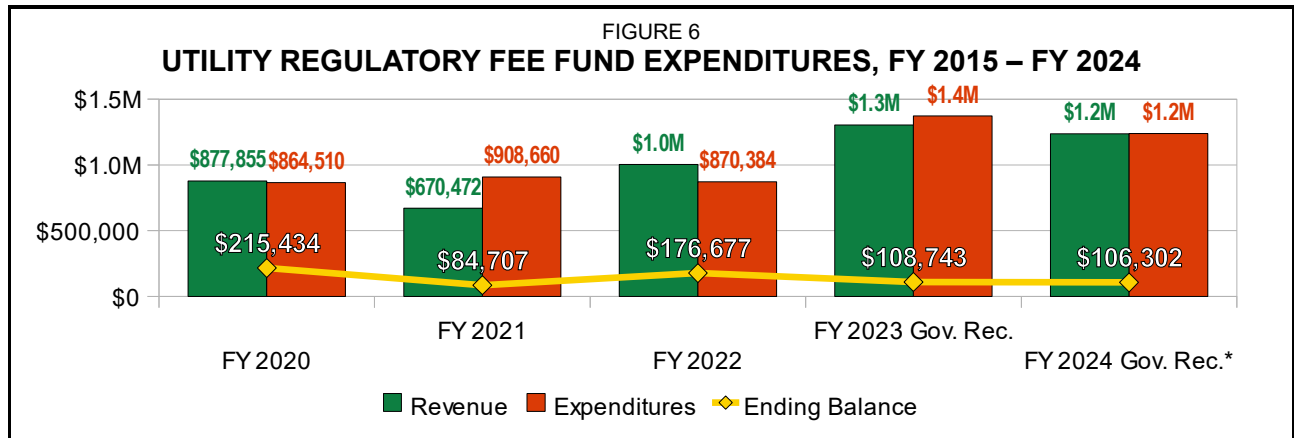
UTILITY REGULATORY FEE FUND



The Citizens' Utility Ratepayer Board is a fee-funded agency. The only source of funds for the agency is the Utility Regulatory Fee Fund, 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 2024, the lowest month ending balance for the Utility Regulatory Fee Fund will occur in June, with a balance of \$106,302.

The ending balance of the Utility Regulatory Fee Fund decreased by \$130,727, or 60.7 percent, from FY 2020 to FY 2021. Although the ending balance in FY 2022 increased by \$91,970, or 108.6 percent, above the ending balance in FY 2021, the agency estimates the ending balance will decrease in both FY 2023 and FY 2024. Those decreases are mainly attributable to increased expenditures requested by the agency.

While the agency estimates higher year over year revenues, those increases in revenue are offset by higher expenditures.

FY 2023 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 1,224,634	\$ 1,224,634	9.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 1,224,634</i>	<i>\$ 1,224,634</i>	<i>9.0</i>
Agency Revised Estimate:				
2. Contractual Services (Carry-over Funds)	\$ -	\$ 148,426	\$ 148,426	--
3. All Other Adjustments	-	(986)	(986)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 1,372,074</i>	<i>\$ 1,372,074</i>	<i>9.0</i>
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 1,372,074	\$ 1,372,074	9.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$1,224,634 appropriated to the Citizens' Utility Ratepayer Board in FY 2023 by the 2022 Legislature.

1. **NO CHANGES.** No adjustments were made to the \$1.2 million, all from the Utility Regulatory Fee Fund, appropriated to the Citizens' Utility Ratepayer Board by the 2022 Legislature.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$1.4 million, all from the Utility Regulatory Fee Fund, in FY 2023. This is an increase of \$147,440, or 12.0 percent, above the amount approved by the 2022 Legislature.

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

2. **CONTRACTUAL SERVICES.** 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 Kansas Corporation Commission (KCC). Consultants include engineers, economists, and technical experts. In FY 2022, \$147,440 was unspent and will be carried over into FY 2023.
3. **ALL OTHER ADJUSTMENTS.** The agency's request includes other adjustments resulting in a net decrease of expenditures across all other expenditure categories. Specifically, the agency's estimated expenditures for capital outlay decreased.

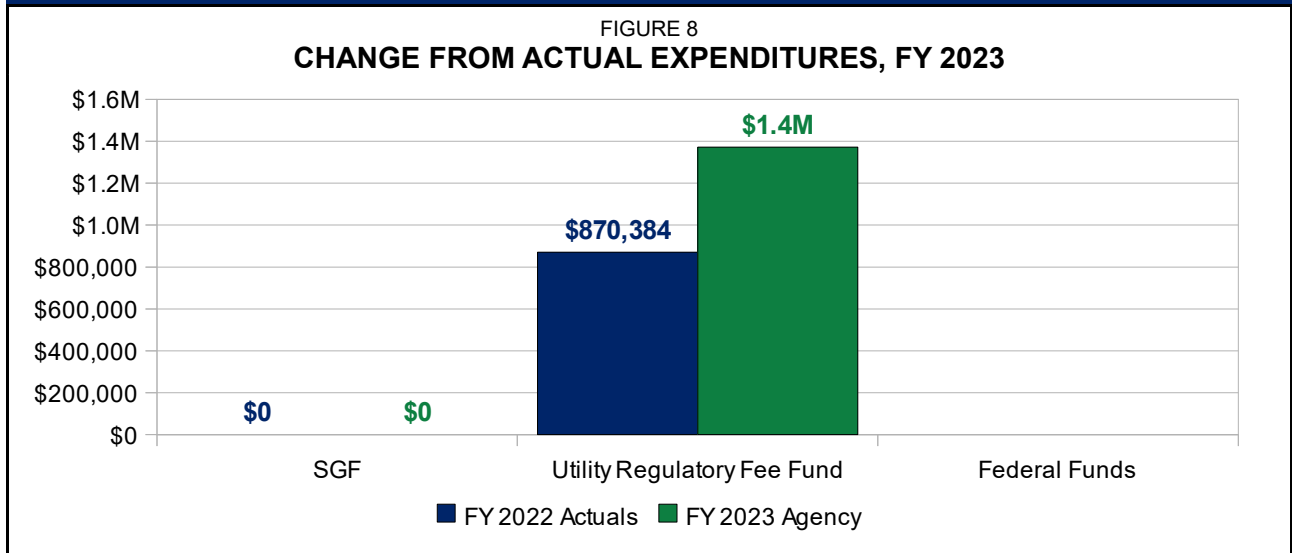
The **agency** request also includes a revised estimate of 9.0 FTE positions, the same number of positions as approved by the 2022 Legislature.

GOVERNOR'S RECOMMENDATION

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

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$1.4 million, all from the Utility Regulatory Fee Fund, in FY 2023. This is an increase of \$501,690, or 57.6 percent, above the FY 2022 actual expenditures. The increase is partly attributable to \$147,440 carried over for consultant services from FY 2022 into FY 2023. The remaining changes are attributable to base salary increases approved by the Legislature, changes to employer contributions to fringe benefits, and the agency regularly budgeting above estimated expenditures to ensure adequate funds are available in the occurrence of increased case filings.

FY 2024 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 1,372,074	\$ 1,372,074	9.0
Agency Request:				
1. Contractual Services	\$ -	\$ (139,239)	\$ (139,239)	--
2. All Other Adjustments	-	5,606	5,606	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 1,238,441	\$ 1,238,441	9.0
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ -</u>	<u>\$ 1,238,441</u>	<u>\$ 1,238,441</u>	<u>9.0</u>

AGENCY REQUEST

The **agency** requests \$1.2 million, all from the Utility Regulatory Fee Fund, for FY 2024. This is a decrease of \$133,633, or 9.7 percent, below the FY 2023 revised estimate.

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

1. **CONTRACTUAL SERVICES.** The agency is authorized in the appropriations bill to carry over unspent consultant services funds. In FY 2023, \$147,440 was carried over from FY 2022. Currently, there are no carry-over funds budgeted for FY 2024, creating a decrease in contractual services expenditures included in the budget request.
2. **ALL OTHER ADJUSTMENTS.** The remaining changes are attributable to increases in employer contributions to fringe benefits.

The **agency** request also includes 9.0 FTE positions, which is the same number of positions as estimated in the agency's FY 2023 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2024 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 870,384	\$ 1,372,074	\$ 1,372,074	\$ 1,238,441	\$ 1,238,441
FTE Positions:					
Administration	7.0	9.0	9.0	9.0	9.0

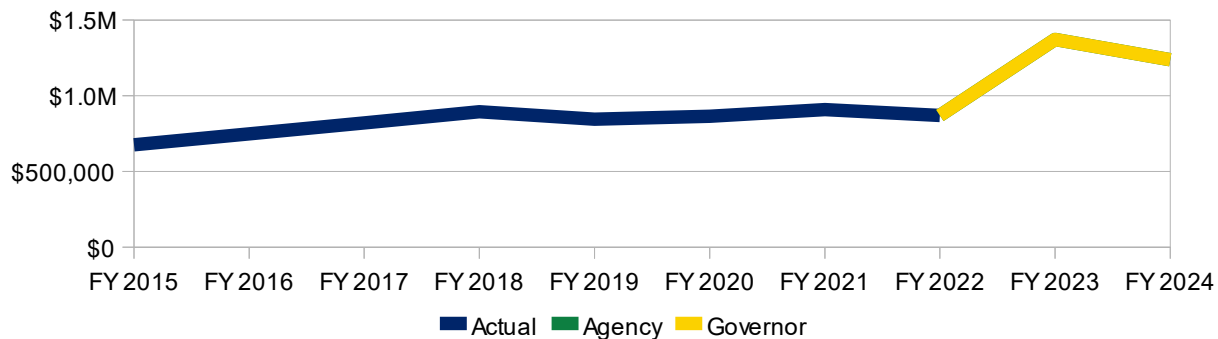
PERFORMANCE MEASURES

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 PROGRAM

FIGURE 11

ADMINISTRATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 66-1223.

PROGRAM GOALS:

- Represent CURB constituents in Kansas Corporation Commission cases to keep rates reasonably low.
- Intervene in Kansas Corporation Commission cases where necessary to protect CURB constituents from unreasonable utility business practices.
- Represent CURB constituents before the Kansas Legislature to provide input on and to analyze proposed legislation.
- Represent CURB constituents in complaint cases filed with the Kansas Corporation Commission.
- Research, develop, and articulate policies and/or best practices intended to provide benefit to CURB's constituents.

The Administration Program is the agency's only budgetary program; however, the program has four areas of focus which could be considered sub-programs: (1) KCC rate cases, (2) KCC non-rate cases, (3) legislative work, and (4) outreach work.

FIGURE 12

ADMINISTRATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of Total Filed Rate Cases in which CURB Intervened	100.0%	100.0%	100.0%	100.0%	100.0%
2. Percent of Rate Reduction in Utility Rate Cases*	0.00%	116.00%	72.50%	75.00%	75.00%
3. Rate Savings less Rate Expenses (in millions)	\$0	\$24	\$35	\$35	\$35
4. Percent of Total Filed Utility Practices / Programs Cases in which Curb Analyzed/Intervened	100.00%	100.00%	98.00%	95.00%	95.00%
5. Annual Savings from CURB Analysis/Involvement in Utility Practices/Programs Cases v. Cost of Outsourcing Representation*	\$531,000	\$1,100,000	\$493,250	\$500,000	\$500,000
6. Percent of Legislative Bills Decided in Line with Comments and/or Proposals by CURB*	62.5%	13.3%	40.2%	35.0%	35.0%

FIGURE 12

ADMINISTRATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Output Measure:					
7. Number of Constituents who Contacted CURB regarding Questions or Complaints*	57	33	43	40	40
8. Total Number of Filed Rate Cases in which CURB Intervened*	3	2	3	3	3
9. Total Number of Filed Utility Practices/Programs Cases in which CURB Intervened*	54	29	39	35	35
10. Total Number of Utility-Related Legislative Bills Analyzed and/or Presented to Kansas Legislature*	16	15	12	10	10
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	908,660	870,384		1,372,074	1,238,441
TOTAL	\$ 908,660	\$ 870,384		\$ 1,372,074	\$ 1,238,441
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	5.1 %	(4.2) %		57.6 %	(9.7) %
FTE Positions	7.0	7.0		9.0	9.0

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

PERFORMANCE ANALYSIS**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 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	19,575	-	-	-	-
All Other Funds	1,372,115	1,718,067	1,718,067	1,732,860	1,699,945
<i>Subtotal</i>	<i>\$ 1,391,690</i>	<i>\$ 1,718,067</i>	<i>\$ 1,718,067</i>	<i>\$ 1,732,860</i>	<i>\$ 1,699,945</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	\$ 1,391,690	\$ 1,718,067	\$ 1,718,067	\$ 1,732,860	\$ 1,699,945
Percentage Change:					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	12.7 %	23.5 %	23.5 %	0.9 %	(1.1) %
FTE Positions	12.0	14.0	14.0	14.0	14.0

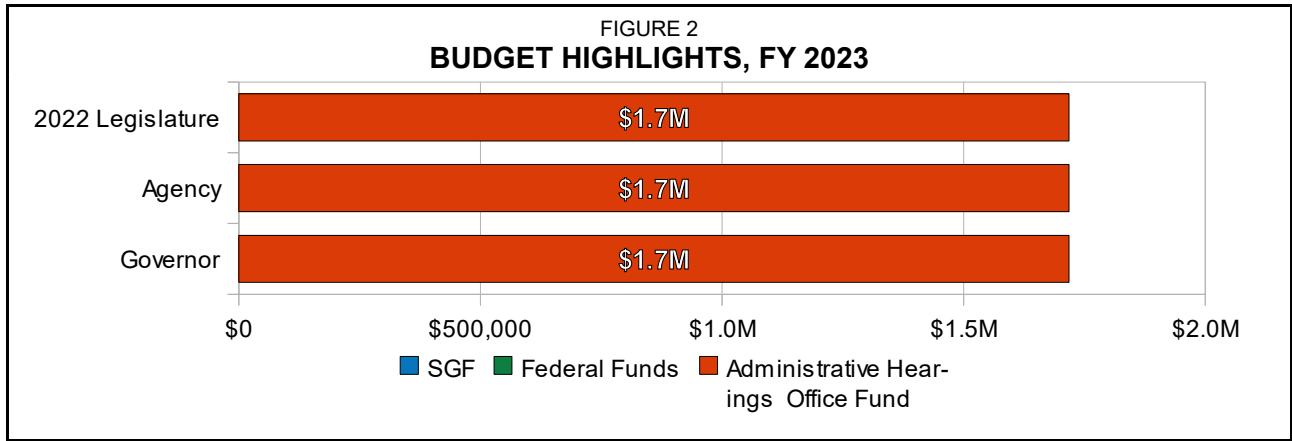
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The 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. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another.

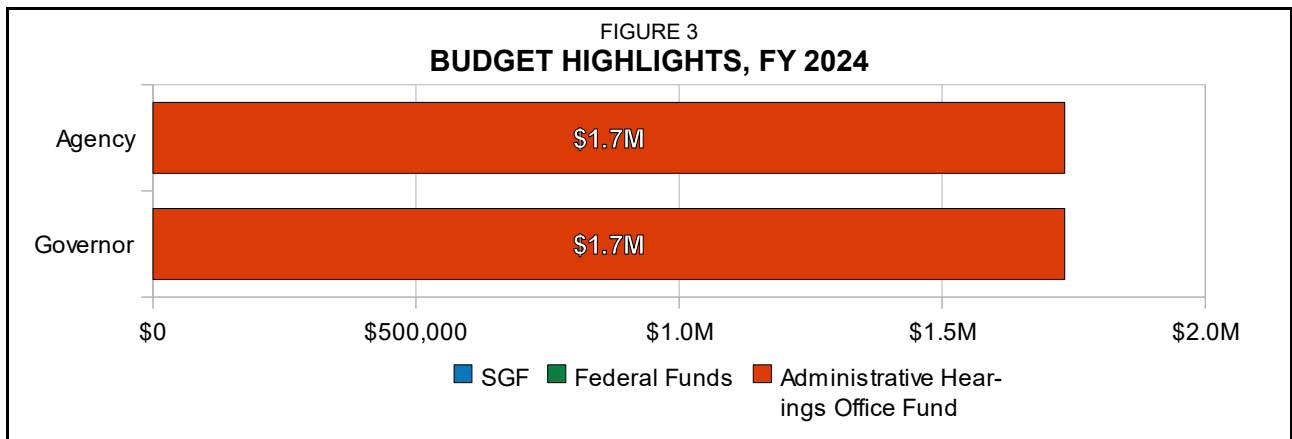
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$1.7 million, all from the Administrative Hearings Office Fund, for the Office of Administrative Hearings for FY 2023. No adjustments have been made subsequently to that amount.



The **agency** submits a revised estimate of \$1.7 million, all from the Administrative Hearings Office Fund, in expenditures and 14.0 FTE positions in FY 2023. This is the same as the amount approved by the 2022 Legislature.

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



The **agency** requests \$1.7 million, all from the Administrative Hearings Office Fund, in expenditures and 14.0 FTE positions for FY 2024. This is an increase of \$14,793, or 0.9 percent, above the FY 2023 revised estimate. This is primarily attributable to the agency's enhancement request for a 5.0 percent salary increase for Administrative Law Judges (\$32,915). According to the agency, this increase would increase the recruitment and retention of highly qualified Administrative Law Judges, and continue efficient, fair, and impartial hearings. The increase is partially offset by reductions for postage, communications, and job-related training.

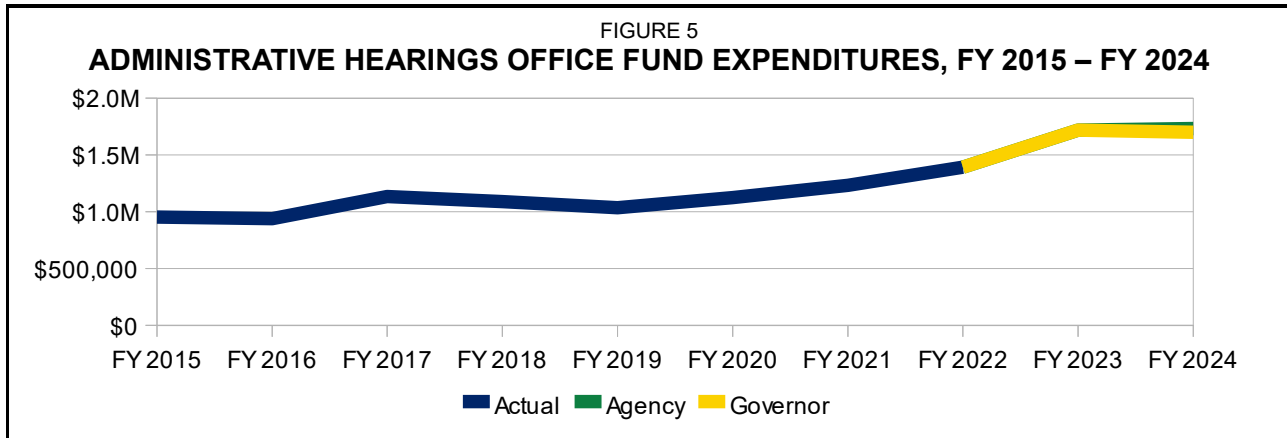
The **Governor** recommends expenditures of \$1.7 million, all from the Administrative Office Hearings Fund, and 14.0 FTE positions for FY 2024. This is a decrease of \$32,915, or 1.1 percent, below the agency's FY 2024 revised estimate. The decrease is due to the Governor not recommending the agency's enhancement request for a salary increase for Administrative Law Judges for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 1,044,382	\$ 1,346,284	\$ 1,346,284	\$ 1,375,429	\$ 1,342,514
Contractual Services	325,484	346,425	346,425	334,077	334,077
Commodities	5,405	13,505	13,505	12,039	12,039
Capital Outlay	16,419	11,853	11,853	11,315	11,315
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 1,391,690</i>	<i>\$ 1,718,067</i>	<i>\$ 1,718,067</i>	<i>\$ 1,732,860</i>	<i>\$ 1,699,945</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	-	-	-	-	-
<i>Subtotal—Operating</i>	<i>\$ 1,391,690</i>	<i>\$ 1,718,067</i>	<i>\$ 1,718,067</i>	<i>\$ 1,732,860</i>	<i>\$ 1,699,945</i>
Capital Improvements	-	-	-	-	-
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 1,391,690	\$ 1,718,067	\$ 1,718,067	\$ 1,732,860	\$ 1,699,945
Financing:					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Hearing Office Fund	1,372,115	1,718,067	1,718,067	1,732,860	1,699,945
Federal Funds	19,575	-	-	-	-
All Other Funds	-	-	-	-	-
TOTAL	\$ 1,391,690	\$ 1,718,067	\$ 1,718,067	\$ 1,732,860	\$ 1,699,945
FTE Positions	12.0	14.0	14.0	14.0	14.0

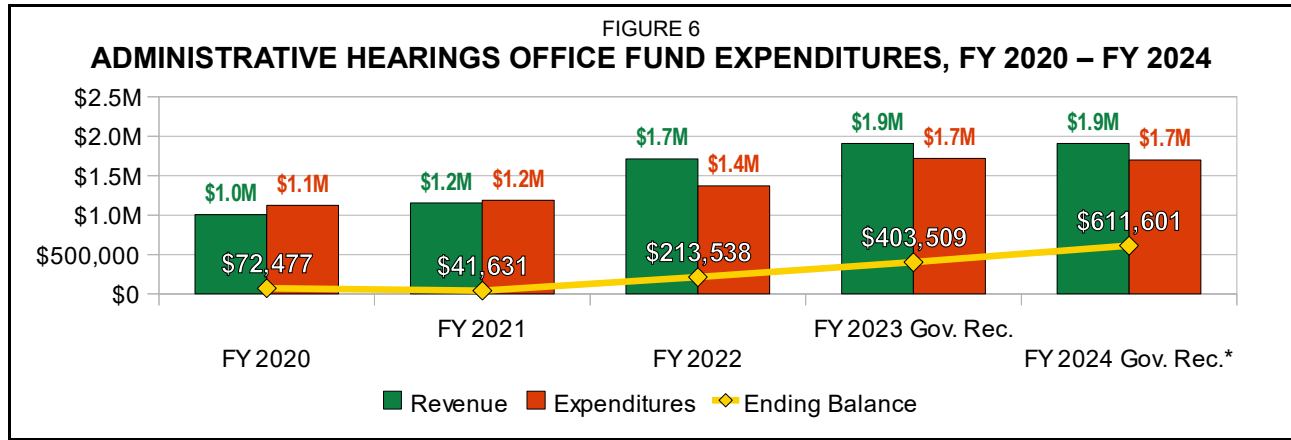
ADMINISTRATIVE HEARINGS OFFICE FUND



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.

Fees are based on a three-year average of past agency usage among the six state agencies that utilize the agency's services the most: the Kansas Department for Children and Families; Kansas Department of Health and Environment, Division of Health Care Finance; Kansas Department of Labor; Kansas Department of Health and Environment; Kansas Department for Aging and Disability Services; and the Kansas Civil Service Board.

The agency fee is divided by four, and each agency makes a quarterly payment, or retainer, to OAH. These six agencies pay a set fee for hearing services during the fiscal year. The six agencies also pay direct hearing costs, which include expenditures for court reporters, interpreters, translators, and travel expenses for administrative law judges. The quarterly payments fully fund OAH's budget and provide adequate cash flow to meet OAH's monthly fiscal obligations. Other state agencies or governmental entities pay an hourly rate, plus direct hearing costs.



* For FY 2024, the lowest month ending balance for the Administrative Hearings Office Fund will occur in September, with a balance of \$313,162.

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.

FY 2023 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 1,718,067	\$ 1,718,067	14.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 1,718,067</i>	<i>\$ 1,718,067</i>	<i>14.0</i>
Agency Revised Estimate:				
2. No Changes	-	-	-	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 1,718,067</i>	<i>\$ 1,718,067</i>	<i>14.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 1,718,067	\$ 1,718,067	14.0

LEGISLATIVE APPROVED

The 2022 Legislature approved a budget of \$1.7 million, all from the Administrative Hearings Office Fund, for the for FY 2023.

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$1.7 million appropriated to the Office of Administrative Hearings for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$1.7 million, all from the Administrative Hearings Office Fund, in FY 2023. This is the same as the amount approved by the 2022 Legislature. The **agency** estimate also includes 14.0 FTE positions, which is the same as the FY 2023 approved number.

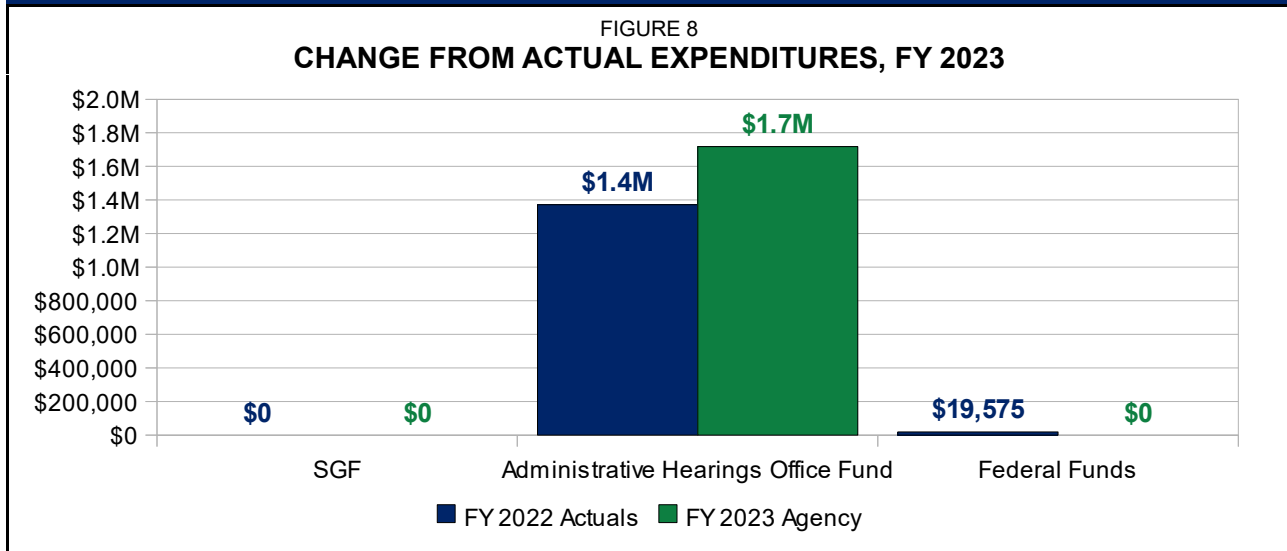
2. **NO CHANGES.** The agency requests no changes to the amount appropriated by the 2022 Legislature.

GOVERNOR'S RECOMMENDATION

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

3. **NO CHANGES.** The Governor concurs with the agency's revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$1.7 million, all from the Administrative Hearings Office Fund, in FY 2023. This is an increase of \$326,337, or 23.5 percent, above FY 2022 actual expenditures. The increase is primarily attributable to salaries and wages (\$301,902), including the additional funding for an Administrative Law Judge and Administrative Assistant position (\$132,974) added by the 2022 Legislature. Additionally, there was an increase of job-related training and conference registrations (\$48,839) in FY 2023. Administrative Law Judges have resumed receiving in-person training from the National Judicial College.

FY 2024 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ -	\$ 1,718,067	\$ 1,718,067	14.0
Agency Request:				
1. Enhancement—Salary Increase for Administrative Law Judges	\$ -	\$ 32,915	\$ 32,915	--
2. All Other Adjustments	-	(18,122)	(18,122)	--
<i>Subtotal—Agency Estimate</i>	\$ -	\$ 1,732,860	\$ 1,732,860	14.0
Governor's Recommendation:				
3. Enhancement—Salary Increase for Administrative Law Judges – Not Recommended	-	(32,915)	(32,915)	--
TOTAL	<u>\$ -</u>	<u>\$ 1,699,945</u>	<u>\$ 1,699,945</u>	<u>14.0</u>

AGENCY REQUEST

The **agency** requests operating expenditures of \$1.7 million, all from the Administrative Office Hearings Fund, for FY 2024. This is an increase of \$14,793, or 0.9 percent, above the FY 2023 revised agency estimate. The request includes 14.0 FTE positions, which is the same as the FY 2023 revised estimate number.

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

- 1. ENHANCEMENT—SALARY INCREASE FOR ADMINISTRATIVE LAW JUDGES.** The agency requests an additional \$32,915, all from the Administrative Hearings Office Fund, for a 5.0 percent compensation increase for Administrative Law Judges. The agency notes that Administrative Law Judges (ALJs) earn a starting salary of \$85,000. According to the agency, this is significantly less than comparable state employees, including state agency chief and general counsels. Therefore, the agency argues that compensation increases are necessary to recruit and retain qualified ALJs and other staff. The agency has indicated that the compensation gap hinders the ability to recruit and retain qualified employees. The agency's proposed compensation increases will enable recruitment and retention of highly qualified ALJs, and continue to conduct efficient, fair, and impartial hearings.
- 2. ALL OTHER ADJUSTMENTS.** This decrease includes expenditures for job-related training and conference registration (\$3,678), postage (\$2,100), and intergovernmental communication services charges (\$5,551).

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$1.7 million, all from the Administrative Office Hearings Fund, and 14.0 FTE positions for FY 2024. This is a decrease of \$32,915, or 1.1 percent, below the agency's FY 2024 revised estimate.

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

- 3. ENHANCEMENT—SALARY INCREASE FOR ADMINISTRATIVE LAW JUDGES – NOT RECOMMENDED.** The Governor's recommendation deletes \$32,915, all from the Administrative Hearings Office Fund, to not implement a 5.0 percent pay increase for the agency's six Administrative Law Judges (Item 1).

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

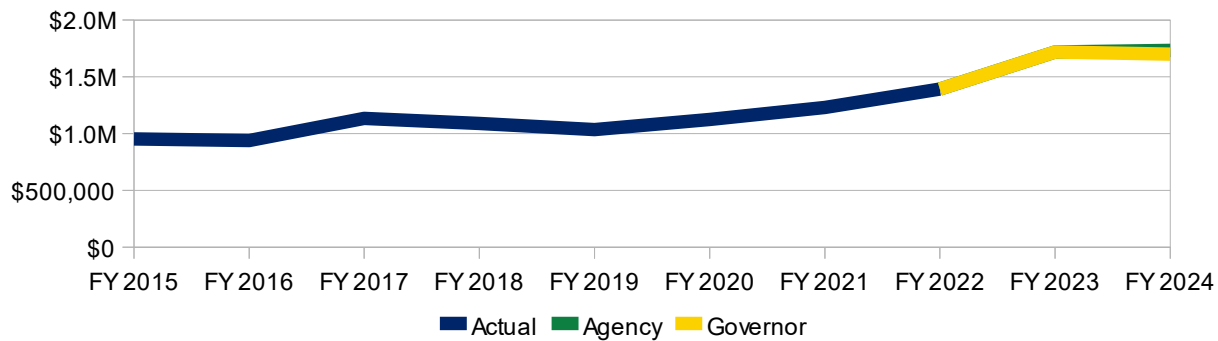
FIGURE 10 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024					
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 1,391,690	\$ 1,718,067	\$ 1,718,067	\$ 1,732,860	\$ 1,699,945
FTE Positions:					
Administration	12.0	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 11
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 75-37,121, KSA 77-561, KSA 77-562, KSA 59-29a26

PROGRAM GOALS: • Deliver administrative due process for cases within time frames specified by applicable law.
• Deliver administrative due process for parties efficiently and economically.

FIGURE 12
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Rank OAH cost per case vs other states*	7th lowest cost	not available	not available	not available	not available
2. Average days per decision	87	84	85	90 or less	90 or less
3. Average cases per judge	656	504	688	607	627
Volume, completion, and status of fiscal year cases:					
4. Number of appeals filed	1,855	1,826	2,134	2,938	3,251
5. Number of appeals closed*	2,614	2,121	2,798	2,751	3,100
6. Pending FY carryover appeals*	522	692	662	701	510
7. OAH Cost per case	\$ 527	\$ 508	\$ 451	\$ 472	\$ 472
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	44,203	19,575		-	-
All Other Funds	1,187,769	1,372,115		1,718,067	1,699,945
TOTAL	\$ 1,231,972	\$ 1,391,690		\$ 1,718,067	\$ 1,699,945
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	9.5 %	13.0 %		23.5 %	(1.1) %
FTE Positions	13.0	12.0		14.0	14.0

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

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ABSTRACTERS' BOARD OF EXAMINERS

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	21,665	25,717	25,717	25,711	25,711	25,723	25,723
<i>Subtotal</i>	<i>\$ 21,665</i>	<i>\$ 25,717</i>	<i>\$ 25,717</i>	<i>\$ 25,711</i>	<i>\$ 25,711</i>	<i>\$ 25,723</i>	<i>\$ 25,723</i>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 21,665	\$ 25,717	\$ 25,717	\$ 25,711	\$ 25,711	\$ 25,723	\$ 25,723
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	99.0 %	18.7 %	18.7 %	-- %	(0.0) %	-- %	-- %
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0

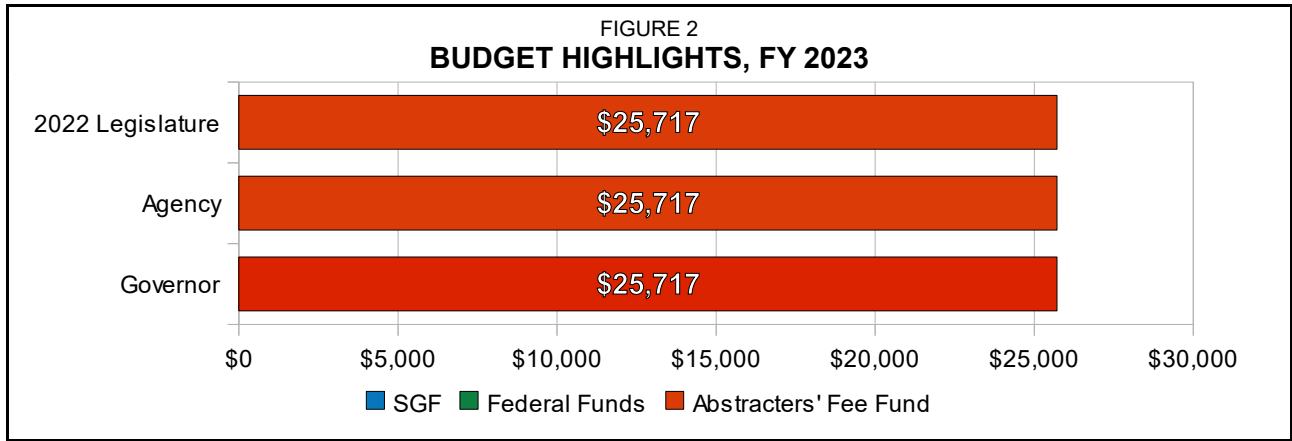
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Abstracters' Board of Examiners is composed of three individuals who are appointed by the Governor and who are tasked with licensing and regulating individuals and firms that compile and sell abstracts of Kansas real estate. Abstracters search county and court records for all transactions and legal issues involving the legal description of a property in order to verify whether the title to the property is free and clear of all restrictions and encumbrances. In order to obtain a license to sell land abstracts, individuals and businesses must pass an examination that is prepared and administered by the agency. In addition to passing the examination, licensees must file a bond with the agency to protect against the loss or destruction of public records, as well as file a policy of errors and omissions insurance.

The stated mission of the Abstracters' Board of Examiners is to protect the citizens of Kansas against fraudulent and improper land title transfers by ensuring that practicing abstracters are professional and reliable in their work products.

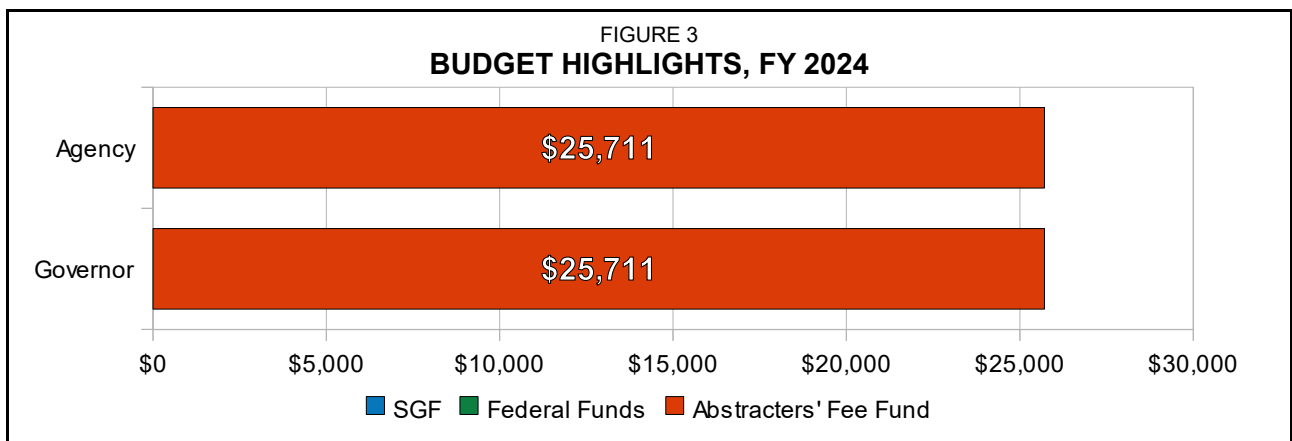
EXECUTIVE SUMMARY

The 2022 Kansas Legislature approved a budget of \$25,717, all from the Abstracters' Fee Fund, for the Abstracters' Board of Examiners in FY 2023.



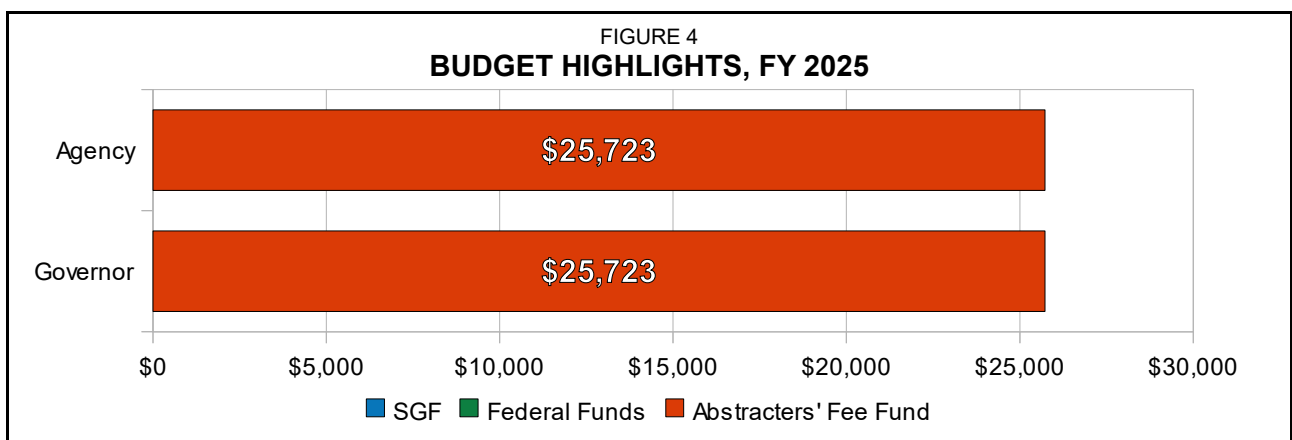
The **agency** submits a revised estimate of \$25,717, all from the Abstracters' Fee Fund, in expenditures in FY 2023. This is the same as the amount approved by the 2022 Legislature.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$25,711, all from the Abstracters' Fee Fund, in expenditures for FY 2024. This is a decrease of \$6, or less than 0.1 percent, below the revised estimate for FY 2023.

The **Governor** concurs with the agency's request for FY 2024.



The **agency** requests \$25,723, all from the Abstracters' Fee Fund, in expenditures for FY 2025. This is an increase of \$12, or less than 0.1 percent, above the amount requested for FY 2024.

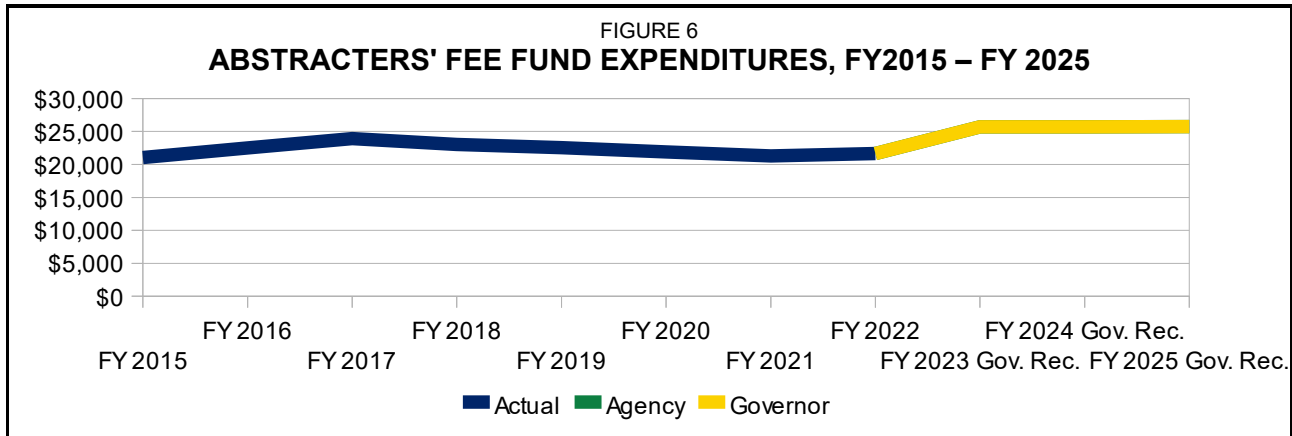
The **Governor** concurs with the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 21,107	\$ 21,438	\$ 21,438	\$ 21,432	\$ 21,432	\$ 21,444	\$ 21,444
Contractual Services	510	3,980	3,980	3,980	3,980	3,980	3,980
Commodities	48	299	299	299	299	299	299
Capital Outlay	-	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 21,665	\$ 25,717	\$ 25,717	\$ 25,711	\$ 25,711	\$ 25,723	\$ 25,723
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 21,665	\$ 25,717	\$ 25,717	\$ 25,711	\$ 25,711	\$ 25,723	\$ 25,723
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 21,665	\$ 25,717	\$ 25,717	\$ 25,711	\$ 25,711	\$ 25,723	\$ 25,723
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	21,665	25,717	25,717	25,711	25,711	25,723	25,723
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 21,665	\$ 25,717	\$ 25,717	\$ 25,711	\$ 25,711	\$ 25,723	\$ 25,723
FTE Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ABSTRACTERS' FEE FUND

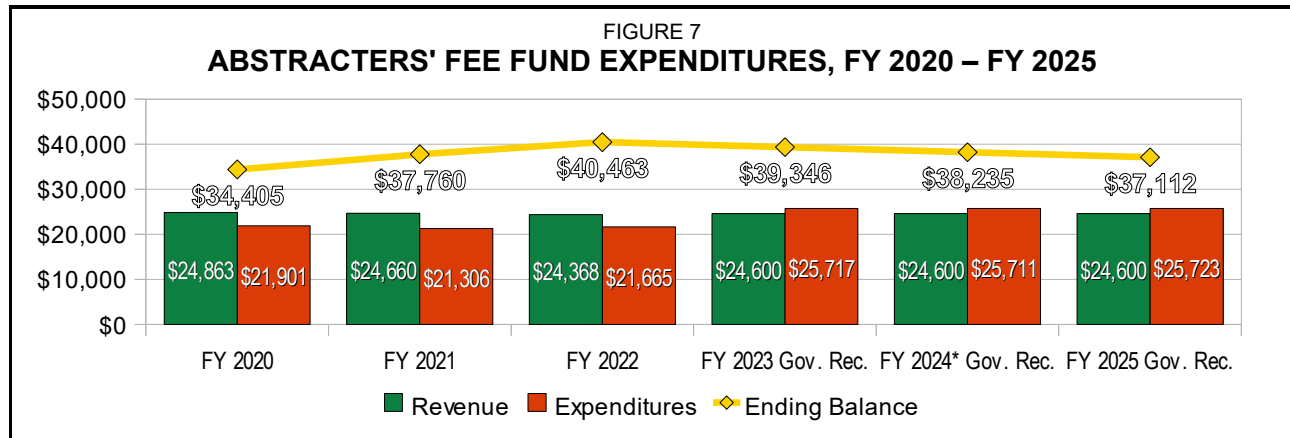


The Abstracters' Board of Examiners is a fee-funded agency. The only source of funds for the agency is the Abstracters' Fee Fund. The revenue deposited into the fee fund provides financing for all agency operations. The agency generates revenue from three sources of fees:

- Annual license fees: \$75 per license (KSA 58-2801);
- Examination fees for first-time examinees: \$75 per exam (KSA 58-2805); and
- Examination fees for repeat examinees: \$50 per retake (KSA 58-2805).

Per KSA 75-3170a, 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are remitted to, or deposited into, the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund.

ABSTRACTERS' FEE FUND



* For FY 2024, the lowest month ending balance for the Abstracters' Fee Fund will occur in June, with a balance of \$38,235.

Abstracters' Fee Fund expenditures decreased slightly in FY 2020 and FY 2021 due to the COVID-19 pandemic. However, the agency's expenditures in FY 2023 increased by \$4,052, or 18.7 percent, above the agency's actual expenditures in FY 2022. This is primarily due to increased travel by board members in order to attend meetings and examinations within the state. The agency does not anticipate that the amount spent on contractual services of this type, which accounts for approximately 15.5 percent of the agency's budget each year, will change for FY 2024 or FY 2025. Additionally, the agency expects expenditures for salaries and wages, which account for approximately 83.3 percent of the agency's budget each year, to remain relatively unchanged for FY 2024 and FY 2025.

The agency expends approximately \$72.04 per licensee. The agency anticipates that the number of licensees in FY 2023, 357, will remain the same for FY 2024 and FY 2025. The agency collects a fee of \$75 for individual licenses and for operational licenses. Likewise, the agency charges a registration fee of \$75 for the initial examination, and a fee of \$50 for each additional examination. As such, the agency has been able to maintain an ending balance that is more than expenditures for the past several years, and this trend is anticipated to continue.

FIGURE 8
LICENSURE FEES, FY 2023

License	Current Fee	Statutory Limit	Authority
Employee License Fee	\$ 75	\$ 75	KSA 58-2801
Business/Operative License Fee	75	75	KSA 58-2801
Employee License Fee (renewal)	75	75	KSA 58-2801
Business/Operative License Fee (renewal)	75	75	KSA 58-2801
Examination Fee (first-time examinee)	75	*	KSA 58-2805(a)
Examination Fee (non-first-time examinee)	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 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 25,717	\$ 25,717	0.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 25,717</i>	<i>\$ 25,717</i>	<i>0.0</i>
Agency Revised Estimate:				
2. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 25,717</i>	<i>\$ 25,717</i>	<i>0.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 25,717	\$ 25,717	0.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$25,717 approved by the 2022 Legislature for the Abstracters' Board of Examiners for FY 2023.

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$25,717 approved for the Abstracters' Board of Examiners in FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$25,717, all from the Abstracters' Fee Fund, in expenditures for FY 2023. This is the same amount approved by the 2022 Legislature.

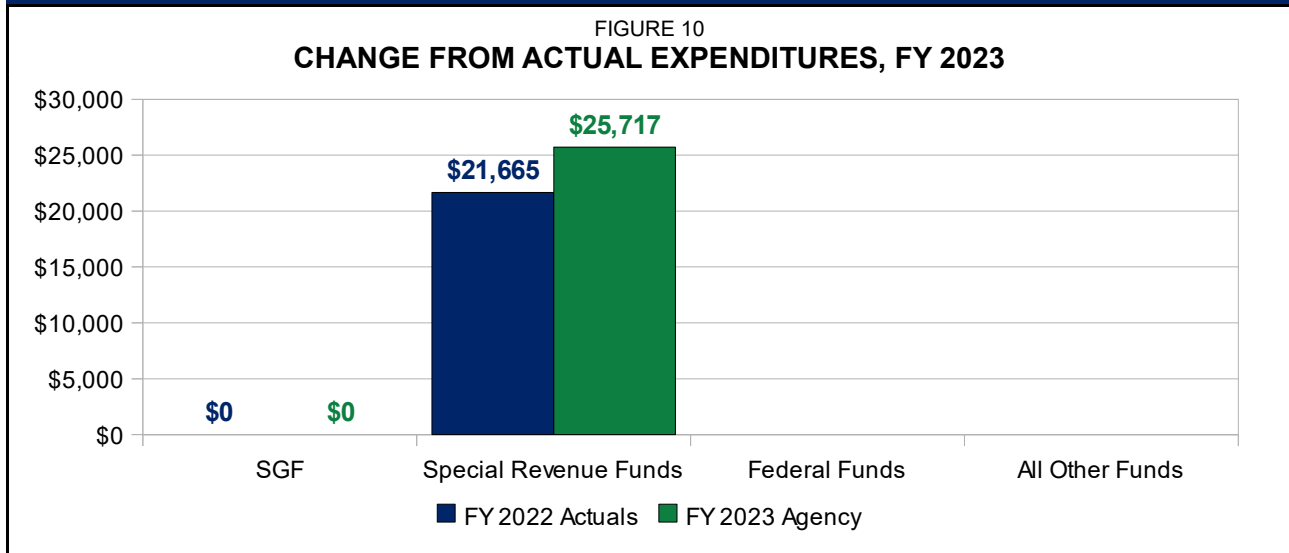
2. **NO CHANGES.** The agency estimates revised expenditures of \$25,717, all from the Abstracters' Fee Fund, in FY 2023. This is the same amount approved by the 2022 Legislature. Notable adjustments include an increase of \$21 for contractual services, which is offset by a decrease of \$21 in other expenditure categories.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate of \$25,717 in FY 2023.

3. **NO CHANGES.** The **Governor** concurs with the agency's revised estimate of \$25,717 in FY 2023.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates expenditures of \$25,717, all from the Abstracters' Fee Fund, in FY 2023. This is an increase of \$4,052, or 18.7 percent, above the agency's actual expenditures for FY 2022. The increase from FY 2022 to FY 2023 is primarily due to increased contractual services expenditures caused by Board members traveling more often to attend meetings and license examinations following the COVID-19 pandemic.

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

		SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:		\$ -	\$ 25,717	\$ 25,717	0.0
Agency Request:					
1. Salaries and Wages	1	\$ -	\$ (6)	\$ (6)	0.0
<i>Subtotal—Agency Request</i>		\$ -	\$ 25,711	\$ 25,711	0.0
Governor's Recommendation:					
2. No Changes		-	-	-	--
TOTAL		<u>\$ -</u>	<u>\$ 25,711</u>	<u>\$ 25,711</u>	<u>0.0</u>

AGENCY REQUEST

The **agency** requests \$25,711, all from the Abstracters' Fee Fund, in expenditures for FY 2024. This is a decrease of \$6, or less than 0.1 percent, below the FY 2023 revised estimate.

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

1. **SALARIES AND WAGES.** For FY 2024, the agency estimates that salaries and wages expenditures will decrease by \$6, or less than 0.1 percent, for a total of \$21,432. This is due to changes in employer contributions for fringe benefits, such as workers' compensation.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request of \$25,711 for FY 2024.

2. **NO CHANGES.** The **Governor** concurs with the agency's request of \$25,711 for FY 2024.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

		SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:		\$ -	\$ 25,711	\$ 25,711	0.0
Agency Request:					
1. Salaries and Wages	1	\$ -	\$ 12	\$ 12	0.0
<i>Subtotal—Agency Request</i>		\$ -	\$ 25,723	\$ 25,723	0.0
Governor's Recommendation:					
2. No Changes		-	-	-	--
TOTAL		<u>\$ -</u>	<u>\$ 25,723</u>	<u>\$ 25,723</u>	<u>--</u>

AGENCY REQUEST

The **agency** requests \$25,723, all from the Abstracters' Fee Fund, in expenditures for FY 2025. This is an increase of \$12, or less than 0.1 percent, above the amount requested for FY 2024.

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

1. **SALARIES AND WAGES.** For FY 2025, the agency estimates salaries and wages expenditures will increase by \$12, or less than 0.1 percent, above the FY 2024 request, for a total of \$21,444. This is due to changes in employer contributions for fringe benefits, including unemployment compensation.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request of \$25,723 for FY 2025.

2. **NO CHANGES.** The **Governor** concurs with the agency's request of \$25,723 for FY 2025.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

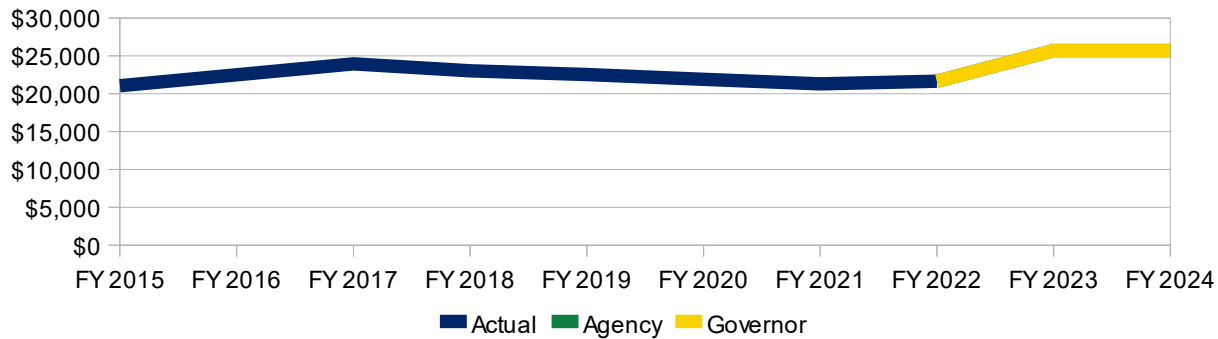
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 21,665	\$ 25,717	\$ 25,717	\$ 25,711	\$ 25,711	\$ 25,723	\$ 25,723
FTE Positions:							
Administration	0.0	0.0	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 PROGRAM

FIGURE 14
ADMINISTRATION PROGRAM EXPENDITURES, FY 2015– FY 2024



STATUTORY BASIS: • KSA 58-2801, *et seq.*; KSA 74-3901, *et seq.*

PROGRAM GOALS: • Continue to keep the active businesses licensed.
• Promote getting new individuals licensed as Abstracters in Kansas.
• Improve awareness of the value of an Abstract.

FIGURE 15
ADMINISTRATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Employee Licenses Issued	196	181	190	185	185
2. Number of Business Licenses Issued	172	172	174	172	172
3. Cost per Employee/Business License	\$ 58.53	\$ 61.37	\$ 60.02	\$ 72.04	\$ 72.02
Output Measure:					
4. Employee License Revenue*	\$ 14,700	\$ 13,575	\$ 14,225	\$ 13,875	\$ 13,875
5. Business License Revenue*	\$ 12,900	\$ 12,900	\$ 13,050	\$ 12,900	\$ 12,900
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	25,703	25,716		25,717	25,711
TOTAL	\$ 25,703	\$ 25,716		\$ 25,717	\$ 25,711
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(87.1) %	0.1 %		0.0 %	(0.0) %
FTE Positions	0.0	0.0		0.0	0.0

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

PERFORMANCE AND BUDGET ANALYSIS

The Abstracters' Board of Examiners is a single-program agency. All of its expenditures are located in its Administration Program and are paid for entirely by the Abstracters' Fee Fund. The Board itself is composed of three members, none of whom receive a per diem

compensation. The agency employs one part-time position, the Executive Secretary, who is appointed by the Board.

The board members administer between five and ten licensing examinations per year.

Additionally, both individuals and firms must pay a fee of \$75 annually in order to renew their licenses. Prior to the issuance of a license, each applicant must file with the Executive Secretary proof of errors and omissions insurance.

The Board anticipates that it will issue 357 abstracter licenses in FY 2023, and it expects that this number will not change for FY 2024 or FY 2025. As such, the agency's revenue will likely remain stationary at \$24,600 per fiscal year.

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BOARD OF ACCOUNTANCY

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	366,793	453,894	453,894	482,372	482,372	426,097	426,097
<i>Subtotal</i>	<u>\$ 366,793</u>	<u>\$ 453,894</u>	<u>\$ 453,894</u>	<u>\$ 482,372</u>	<u>\$ 482,372</u>	<u>\$ 426,097</u>	<u>\$ 426,097</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 366,793</u>	<u>\$ 453,894</u>	<u>\$ 453,894</u>	<u>\$ 482,372</u>	<u>\$ 482,372</u>	<u>\$ 426,097</u>	<u>\$ 426,097</u>
Percentage Change:							
State General Fund	--	--	--	--	--	--	--
All Funds	(8.0) %	23.7 %	23.7 %	6.3 %	6.3 %	(11.7) %	(11.7) %
FTE Positions	3.0	3.0	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.

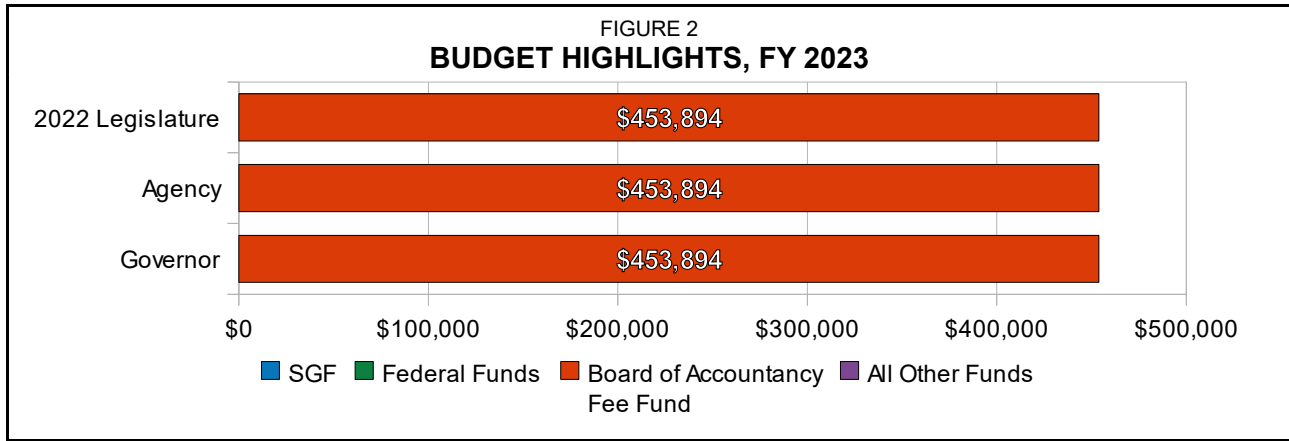
The Board of Accountancy provides for the certification of and regulation of Certified Public Accountants (CPAs) within the State of Kansas. The Board itself is composed of seven individuals, all of whom must be residents of Kansas. Five of the individuals must be CPAs licensed to practice in Kansas; the other two individuals must represent the general public, though they must have an understanding of generally accepted accountancy principles. Board members are appointed to three-year terms.

The Board may adopt and amend rules and regulations that govern the practice of accountancy, such as the educational qualifications of licensees and the professional ethics by which accountants must abide. To ensure that CPAs in Kansas act with “independence, integrity, and objectivity” in their responsibilities, the Board has the power to investigate whether a firm or an individual violated ethical standards and/or rules and regulations imposed by either the Board of Accountancy or the American Institute of Certified Public Accountants. If probable cause of a violation is found, the Board may refer the matter for prosecution or disciplinary action. In an effort to preempt violations, the Board may require accounting firms to submit peer reviews that attest to a firm’s compliance with generally accepted accounting principles and auditing standards.

According to the agency, the Board of Accountancy strives to ensure that every CPA serves not only their clients’ interests, but also the public’s interest, by acting with professional integrity.

EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$453,894, all from the Board of Accountancy Fee Fund, in expenditures and 3.0 FTE positions for the Board of Accountancy in FY 2023.

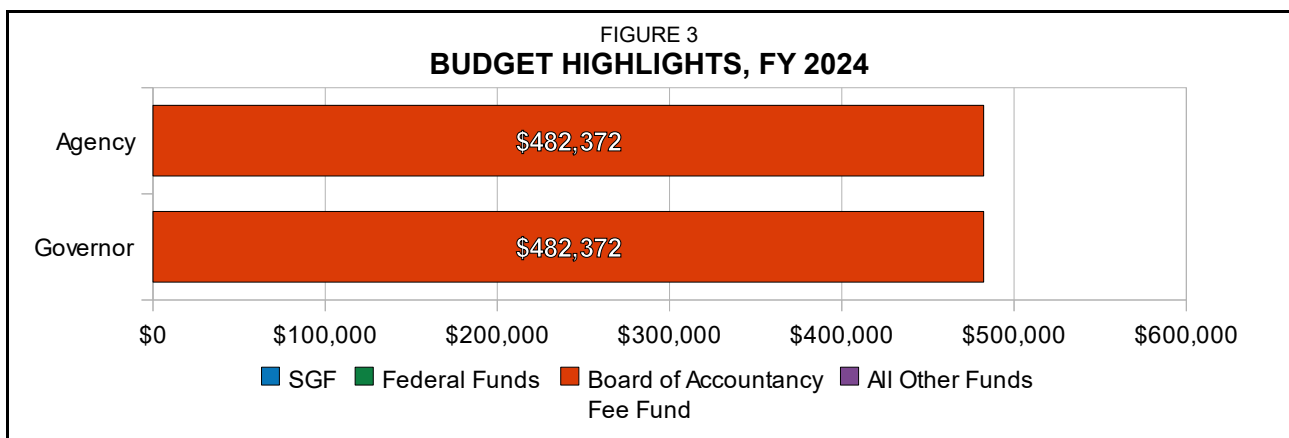


The **agency** submits a revised estimate of \$453,894, all from the Board of Accountancy Fee Fund, in FY 2023. This is the same as the amount approved by the 2022 Legislature. Notable adjustments include:

- **SALARIES AND WAGES.** The agency's revised estimate includes \$252,010 for salaries and wages in FY 2023. This is the amount to maintain existing staff and train an incoming Executive Director prior to the retirement of the current Executive Director.
- **CONTRACTUAL SERVICES.** The agency's revised estimate includes \$196,859 for contractual services in FY 2023. This amount is for the rollout of the new licensure database system, as well as the amount needed to maintain existing service levels.
- **COMMODITIES.** The agency's revised estimate includes \$5,025 for commodities in FY 2023 to purchase necessary items such as data processors, stationery, and other professional materials.

The estimate includes 3.0 FTE positions, which is the same as the FY 2023 approved number.

The **Governor** concurs with the agency's revised estimate in FY 2023.

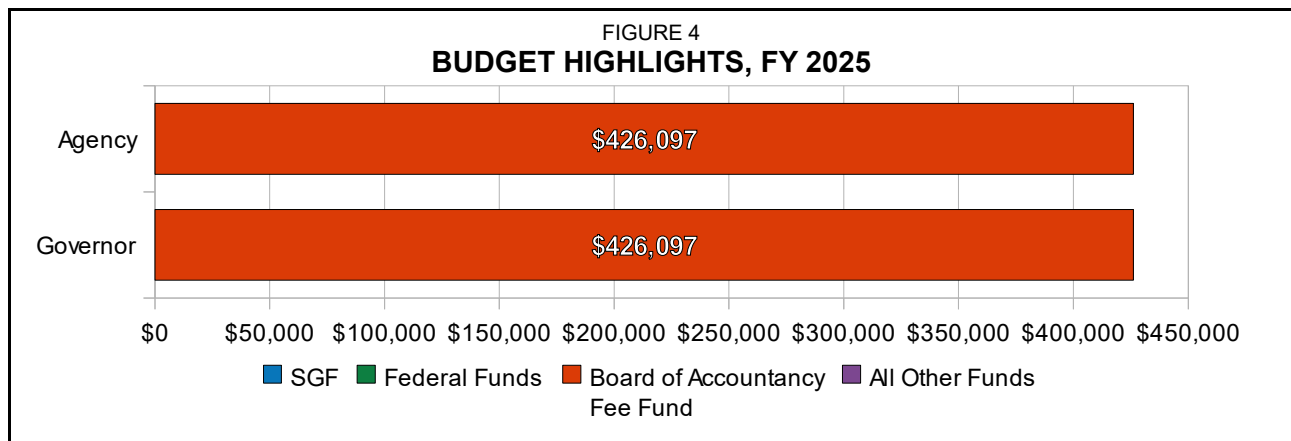


The **agency** requests \$482,372, all from the Board of Accountancy Fee Fund, for FY 2024. This is an increase of \$28,478, or 6.3 percent, above the revised estimate for FY 2023. Notable adjustments include:

- **SALARIES AND WAGES.** The agency's request includes \$291,060 for salaries and wages for FY 2024. This is an increase of \$39,050, or approximately 15.5 percent, above the FY 2023 amount, which is primarily due to training a new Executive Director prior to the retirement of the current Executive Director.
- **CONTRACTUAL SERVICES.** The agency's request includes \$186,287 for contractual services for FY 2024. This is a decrease of \$10,572, or approximately 5.4 percent, below the FY 2023 amount, which is primarily due to the agency's belief that the rollout of the new licensure database system will be complete.

The request includes 3.0 FTE positions, which is the same as the approved number for FY 2024.

The **Governor** concurs with the agency's request for FY 2024.



The **agency** requests \$426,097, all from the Board of Accountancy Fee Fund, for FY 2025. This is a decrease of \$56,275, or 11.67 percent, below the requested amount for FY 2024. Notable adjustments include:

- **SALARIES AND WAGES.** The agency's request includes \$240,996 for salaries and wages for FY 2025. This is a decrease of \$50,064, or approximately 17.2 percent, below the FY 2024 requested amount, which is due to the expected completed transition of Executive Directors as the current Executive Director plans to retire by the end of calendar year 2023.
- **CONTRACTUAL SERVICES.** The agency's request includes \$180,076 for contractual services for FY 2025. This is a decrease of \$6,211, or approximately 3.33 percent, below the requested amount for FY 2024, which is primarily due to the agency's completed rollout of the new licensure database system and reduced expenditures for job-related training.

The request includes 3.0 FTE positions, which is the same as the requested number for FY 2024.

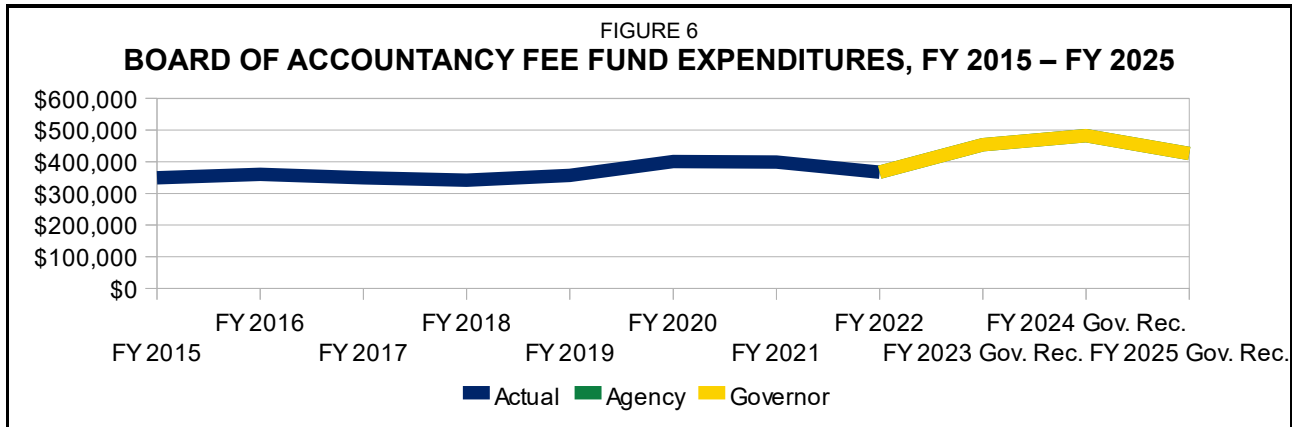
The **Governor** concurs with the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 205,611	\$ 252,010	\$ 252,010	\$ 291,060	\$ 291,060	\$ 240,996	\$ 240,996
Contractual Services	156,193	196,859	196,859	186,287	186,287	180,076	180,076
Commodities	4,917	5,025	5,025	5,025	5,025	5,025	5,025
Capital Outlay	72	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 366,793	\$ 453,894	\$ 453,894	\$ 482,372	\$ 482,372	\$ 426,097	\$ 426,097
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 366,793	\$ 453,894	\$ 453,894	\$ 482,372	\$ 482,372	\$ 426,097	\$ 426,097
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 366,793	\$ 453,894	\$ 453,894	\$ 482,372	\$ 482,372	\$ 426,097	\$ 426,097
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	366,793	453,894	453,894	482,372	482,372	426,097	426,097
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 366,793	\$ 453,894	\$ 453,894	\$ 482,372	\$ 482,372	\$ 426,097	\$ 426,097
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

BOARD OF ACCOUNTANCY FEE FUND

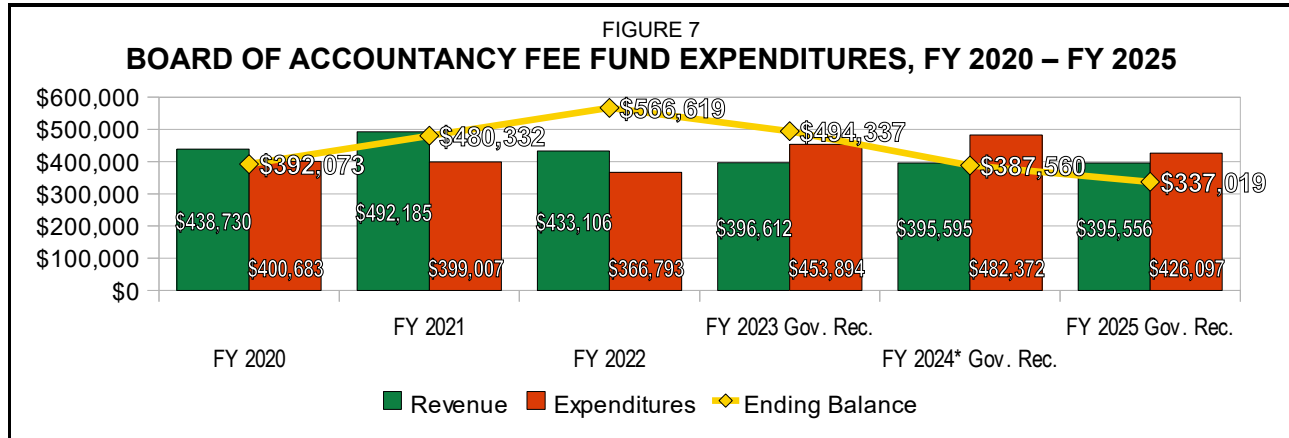


The Board of Accountancy Fee Fund is a statutory fee fund that is the only source of funds for the Board of Accountancy. The revenue deposited into the fee fund provides financing for agency operations. The agency generates revenue from four sources of fees: (1) CPA certificates; (2) permits to practice; (3) firm registrations; and (4) fines.¹

Certificates are issued to those who (1) pass the CPA licensing examination, and (2) wish to be initially licensed in Kansas, or wish to be licensed in Kansas after being initially licensed in a different state. Permits to practice are issued to licensed CPAs who plan to practice in Kansas; those who plan to continue their practice must renew their permit on a biennial basis. Likewise, CPA firms located in the state, as well as out-of-state firms that employ CPAs licensed to practice in Kansas, must register with the Board on an annual basis. Finally, the Board may impose and collect fines on those who violate ethical standards and/or rules and regulations imposed by either the Board of Accountancy or the American Institute of Certified Public Accountants.

¹ See Figure 8, page 5, for the current fee amounts and the statutory limits of fees.

BOARD OF ACCOUNTANCY FEE FUND



* For FY 2024, the lowest month ending balance for the Board of Accountancy Fee Fund will occur in June, with a balance of \$387,560.

The Board of Accountancy Fee Fund will likely maintain a significant ending balance in FY 2023 through FY 2025. From FY 2020 through FY 2022, the amount of revenue deposited into the fund was greater than the expenditures taken out of the fund. However, this is expected to change by FY 2024 when the ending balance will potentially be less than the revenue earned for the first time since FY 2020. This trend is expected to continue through FY 2025.

The agency estimates that expenditures will increase in FY 2023 through FY 2025 while the transition between Executive Directors takes place. In contrast, the agency estimates that revenue will decrease from FY 2022 to FY 2023, before remaining relatively steady for FY 2024 through FY 2025. The amount of revenue the agency earns depends in part on the number of people who pass the CPA licensing examination and on the number of persons and firms who wish to continue practicing in the State of Kansas. As many of the current permit-holders reach retirement age, they will likely not renew their permits. Per KSA 75-3170a, 90.0 percent of incoming revenues are retained by the agency and 10.0 percent are remitted to, or deposited into, the State General Fund (SGF), up to a maximum of \$100,000 per fiscal year per fund.

FIGURE 8
LICENSURE FEES, FY 2023

License	Current Fee	Statutory Limit	Authority
Initial CPA Certification	\$ 50.00	\$ 50.00	KSA 1-301(b)(1)
CPA Certification (duplicate)	50.00	50.00	KSA 1-301(b)(1)
CPA Certification by Reciprocity	250.00	350.00	KSA 1-301(b)(2)
Initial Permit to Practice (more than one year)	165.00	350.00	KSA 1-301(b)(3)
Initial Permit to Practice (one year or less)	82.50	350.00	KSA 1-301(b)(3)
Renewal of Permit to Practice	165.00	350.00	KSA 1-301(b)(3)
Renewal of Permit to Practice (late)	247.50	350.00	KSA 1-301(b)(4)
Permit to Practice (duplicate)	25.00	50.00	KSA 1-301(b)(5)
Reinstated Permit to Practice (more than one year)	247.50	350.00	KSA 1-301(b)(6)
Reinstated Permit to Practice (one year or less)	\$ 123.75	175.00	KSA 1-301(b)(6)
Initial Firm Registration	100.00	300.00	KSA 1-301(b)(8)
Firm Registration Renewal	100.00	300.00	KSA 1-301(b)(8)
Firm Registration Renewal (late)	150.00	300.00	KSA 1-301(b)(9)

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 453,894	\$ 453,894	3.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 453,894</i>	<i>\$ 453,894</i>	<i>3.0</i>
Agency Revised Estimate:				
2. Salaries and Wages	\$ -	\$ (12,237)	\$ (12,237)	--
3. Contractual Services	-	10,412	10,412	--
4. Commodities	-	1,825	1,825	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 453,894</i>	<i>\$ 453,894</i>	<i>3.0</i>
Governor's Recommendation:				
5. No Changes	-	-	-	--
TOTAL	\$ -	\$ 453,894	\$ 453,894	3.0

LEGISLATIVE APPROVED

The 2022 Legislature approved \$453,894 for the Board of Accountancy for FY 2023.

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$453,894, appropriated to the Board of Accountancy for FY 2023.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$453,894, all from the Board of Accountancy Fee Fund, for FY 2023. This is the same amount approved by the 2022 Legislature.

2. **SALARIES AND WAGES.** The agency's revised estimate includes \$252,010 for salaries and wages in FY 2023. This decrease of \$12,237, or 4.6 percent, below the approved amount represents the amount needed to maintain existing staff, as well as to train an incoming Executive Director. The current Executive Director plans to retire before the end of the 2023 calendar year, though she expects to spend several months prior to her retirement training the individual who will take her place. The expected decrease in expenditures in this category is partially offset by increased employer contributions for unemployment compensation and group health insurance.
3. **CONTRACTUAL SERVICES.** The agency's revised estimate includes \$196,859 for contractual services in FY 2023. The increase of \$10,412, or 5.6 percent, above the approved amount is due primarily to a new licensure database system, though it also represents the amount needed to maintain existing service levels, including official hospitality.
4. **COMMODITIES.** The agency's revised estimate includes \$5,025 for commodities in FY 2023. This is an increase of \$1,825, or 57.0 percent, above the approved amount. The increased amount is for the purchase of necessary items such as data processors, stationery, and other professional materials.

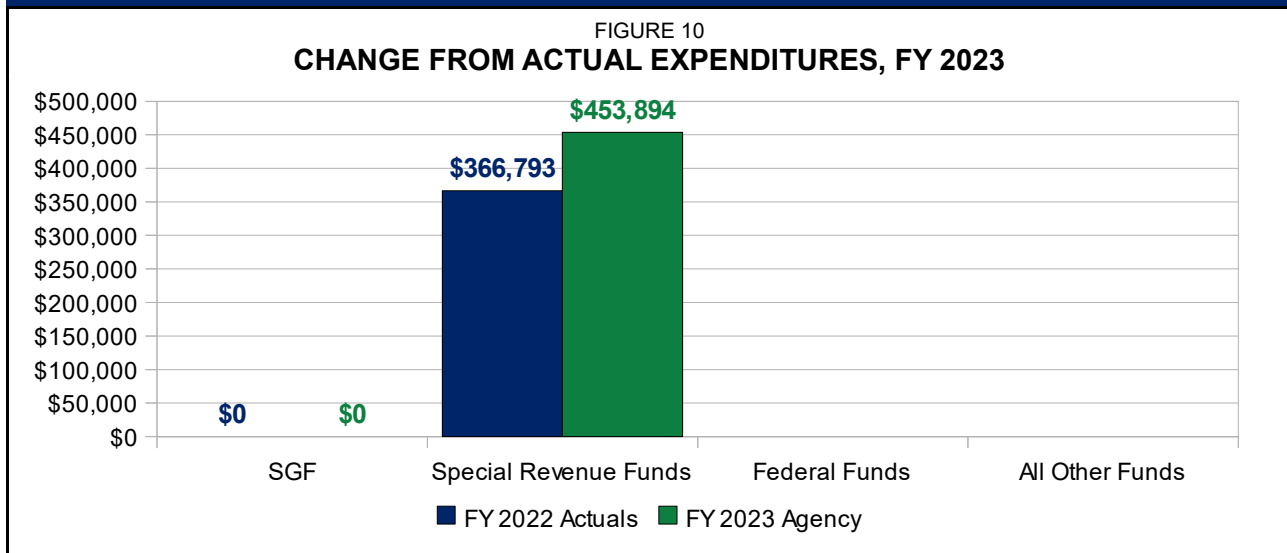
The agency estimate also includes 3.0 FTE positions, which is the same as the number of positions approved by the 2022 Legislature.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate and recommends a budget of \$453,894, all from the Board of Accountancy Fee Fund, in FY 2023. The Governor's recommendation also includes 3.0 FTE positions, which is the same as the number approved by the 2022 Legislature.

5. **NO CHANGES.** The Governor concurs with the agency's revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$453,894, all from the Board of Accountancy Fee Fund, in FY 2023. This is an increase of \$87,101, or 23.7 percent, above the agency's actual expenditures of \$366,793 in FY 2022. The change between FY 2022 and FY 2023 is due to increased expenditures in salaries and wages, commodities, and contractual services.

- SALARIES AND WAGES.** The agency estimate includes \$252,010 in salaries and wages expenditures in FY 2023. The increase of \$46,399, or 22.6 percent, above the FY 2022 actual amount of \$205,611 is primarily due to an expected change in agency leadership. The current Executive Director plans to retire by the end of calendar year 2023. Prior to retirement, the current Executive Director will spend several months training the incoming Executive Director to ensure a smooth transition of roles. The increased expenditures for salaries and wages will allow both the current Executive Director and the incoming Executive Director to be paid a salary for the months when both are leading the Board of Accountancy.
- CONTRACTUAL SERVICES.** The agency estimate includes \$196,859 in contractual services expenditures in FY 2023. The increase of \$40,666, or 26.04 percent, above the FY 2022 actual amount of \$156,193 is primarily due to additional technology services, as well as job-related trainings and travel. Technology-related expenditures increased from FY 2022 to FY 2023 because the agency is utilizing two different computer programming and data processing systems as it transitions to a new licensure database system. Additionally, following the COVID-19 pandemic, job-related training and travel expenditures increased due to the rise in the number of conferences for which employees of the agency were able to register and attend. The requested amount also represents the amount needed to maintain existing service levels, including official hospitality.
- COMMODITIES.** The agency estimate includes \$5,025 in commodities expenditures in FY 2023. The increase of \$108, or 2.19 percent, above the FY 2022 actual amount of \$4,917 is primarily due to increased expenditures for data processing supplies, as well as stationery and office supplies. However, this slight increase is partially offset by an expected decrease in capital outlay expenditures. The agency estimate includes no capital outlay expenditures in FY 2023, which is a decrease of \$72, or 100.0 percent, below the FY 2022 actual amount of \$72.

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 453,894	\$ 453,894	3.0
Agency Request:				
1. Salaries and Wages	\$ -	\$ 39,050	\$ 39,050	--
2. Contractual Services	-	(10,572)	(10,572)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 482,372	\$ 482,372	3.0
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 482,372</u>	<u>\$ 482,372</u>	<u>3.0</u>

AGENCY REQUEST

The **agency** requests \$482,372, all from the Board of Accountancy Fee Fund, for FY 2024. This is an increase of \$28,478, or 6.3 percent, above the agency's revised estimate of \$453,894 for FY 2023. The expected increase in expenditures is due primarily to the hiring, and subsequent training, of a new Executive Director.

1. **SALARIES AND WAGES.** The agency request includes \$291,060 in salaries and wages expenditures for FY 2024. The increase of \$39,050, or 15.5 percent, above the FY 2023 revised estimate of \$252,010 is primarily due to an expected change in agency leadership. The current Executive Director plans to retire by the end of calendar year 2023. Prior to her retirement, she will spend several months training the incoming Executive Director in order to ensure a smooth transition of roles. The increased expenditures for salaries and wages represent the four months of salary when both the current Executive Director and the incoming Executive Director are leading the Board of Accountancy.
2. **CONTRACTUAL SERVICES.** The agency request includes \$186,287 in contractual services expenditures for FY 2024. The decrease of \$10,572, or 5.4 percent, below the FY 2023 revised estimate of \$196,859 is primarily due to the expected completion of the transition from the current licensure database system to a new licensure database system. However, the decrease in contractual services expenditures is partially offset by increases in job-related training and travel expenditures as employees of the agency plan to register for and attend various conferences. The requested amount also represents the amount needed to maintain existing service levels, including official hospitality.

The estimate includes 3.0 FTE positions, which is the same as the approved number of positions for FY 2023.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request and recommends a budget of \$482,372, all from the Board of Accountancy Fee Fund, for FY 2024. The Governor's recommendation also includes 3.0 FTE positions, which is the same as the agency's requested number of positions.

3. **NO CHANGES.** The Governor concurs with the agency's request.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 482,372	\$ 482,372	3.0
Agency Request:				
1. Salaries and Wages	\$ -	\$ (50,064)	\$ (50,064)	--
2. Contractual Services	-	(6,211)	(6,211)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 426,097	\$ 426,097	3.0
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 426,097</u>	<u>\$ 426,097</u>	<u>3.0</u>

AGENCY REQUEST

The **agency** requests \$426,097, all from the Board of Accountancy Fee Fund, for FY 2025. This is a decrease of \$56,275, or 11.7 percent, below the requested amount of \$482,372 for FY 2024.

- SALARIES AND WAGES.** The agency request includes \$240,996 in salaries and wages expenditures for FY 2025. The decrease of \$50,064, or 17.2 percent, below the FY 2024 requested amount of \$291,060 is primarily due to the expected transition of Executive Directors. The current Executive Director plans to have retired, and thus have finished training an incoming Executive Director, by the end of calendar year 2023.
- CONTRACTUAL SERVICES.** The agency request includes \$180,076 in contractual services expenditures for FY 2025. The decrease of \$6,211, or 3.3 percent, below the FY 2024 requested amount of \$186,287 is primarily due to the expected completion of the transition from the current licensure database system to the new licensure database system hosted by the Kansas State Board of Healing Arts. Additionally, job-related training expenditures are estimated to decrease following the expected transition of Executive Directors by the end of calendar year 2023. The requested amount also represents the amount needed to maintain existing service levels, including official hospitality.

The request also includes 3.0 FTE positions, which is the same as the requested number of positions for FY 2024.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request and recommends a budget of \$426,097, all from the Board of Accountancy Fee Fund, for FY 2025. The Governor's recommendation also includes 3.0 FTE positions, which is the same as the agency's requested number of positions.

- NO CHANGES.** The Governor concurs with the agency's request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 366,793	\$ 453,894	\$ 453,894	\$ 482,372	\$ 482,372	\$ 426,097	\$ 426,097
FTE Positions:							
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0

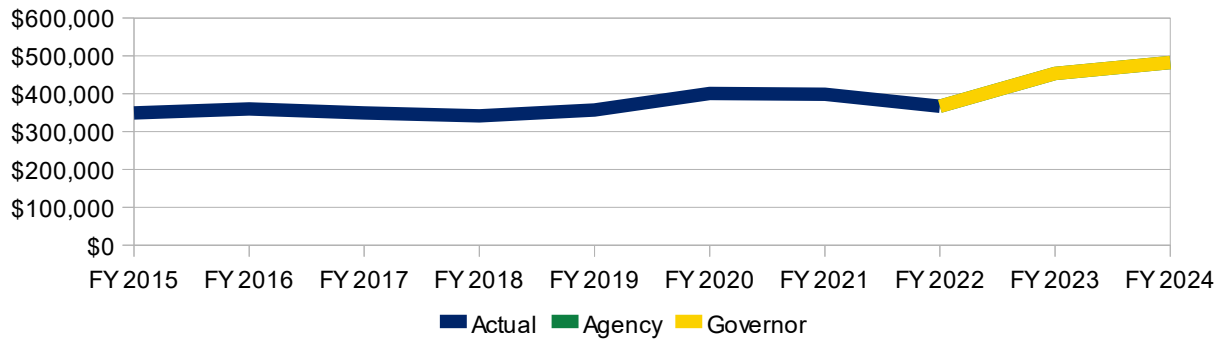
PERFORMANCE MEASURES

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.

BOARD OF ACCOUNTANCY – ADMINISTRATION

FIGURE 14

BOARD OF ACCOUNTANCY – ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



- STATUTORY BASIS:**
- KSA 1-201, 1-202, 1-204, 1-205, 1-206.
 - KSA 1-302, 1-302a, 1-307, 1-308, 1-310, 1-311, 1-312, 1-315, 1-316, 1-318, 1-319.
 - KSA 1-401.
 - KSA 1-501.

- PROGRAM GOALS:**
- Approve applications for certificates by exam and certificates by reciprocity to those who meet the minimum qualifying requirements.
 - Approve applications for permits to practice to those who meet an experience requirement, and to reinstate permits to practice to those who meet certain continuing education requirements.
 - Register in-state and out-of-state CPA firms practicing in the state of Kansas.
 - Regulate CPAs and the services provided relating to the practice of certified public accountancy.

The Board of Accountancy is a single-program agency. All of its expenditures are located in its Administration Program and are paid for by the Board of Accountancy Fee Fund. The agency's mission is to instill in the public a high degree of confidence in those holding themselves out to be CPAs in Kansas. The Administration Program attempts to achieve this goal by regulating the profession in numerous ways, including by issuing CPA certificates and licensure permits to individuals, registering CPA firms, and investigating complaints.

FIGURE 15

BOARD OF ACCOUNTANCY – ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Total number of Certificates	13,059	13,205	13,066	13,331	13,451
2.Total number of Permit Holders	3,841	3,812	3,822	3,741	3,611
3.Total number of CPA Firms	828	836	836	842	843
4.Total number of Complaints Filed	95	95	96	95	95
Output Measure:					
5.Total number of New Certificate Holders *	141	146	134	126	120
6.Total number of New Permits *	126	150	134	126	120
7.Total number of New CPA Firms *	47	49	51	47	45
8.Total number of Hearings Held *	64	48	59	65	65

Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	399,007	366,793		453,894	482,372
TOTAL	\$ 399,007	\$ 366,793		\$ 453,894	\$ 482,372
Percentage Change:					
SGF	--	--		--	--
All Funds	(8.0) %	(8.1) %		23.7 %	6.3 %
FTE Positions	3.0	3.0		3.0	3.0

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

PERFORMANCE AND BUDGET ANALYSIS

FY 2023 REQUEST

The **agency** estimates revised expenditures of \$453,894, all from the Board of Accounting Fee Fund, for the Administration Program in FY 2023. This is the same as the 2022 approved amount.

The **Governor** concurs with the agency's revised estimate in FY 2023.

FY 2024 REQUEST

The **agency** requests \$482,372, all from the Board of Accounting Fee Fund, for the Administration Program for FY 2024. This increase of \$28,478, or 6.3 percent, above the revised estimate for FY 2023, is primarily due to the period of time in which both the current Executive Director and the incoming Executive Director are receiving a salary.

The **Governor** concurs with the agency's request for FY 2024.

FY 2025 REQUEST

The **agency** requests \$426,097, all from the Board of Accounting Fee Fund, for the Administration Program for FY 2025. This decrease of \$56,275, or 11.67 percent, below the requested amount for FY 2024 is primarily due to the expected completed transition of Executive Directors.

The **Governor** concurs with the agency's request for FY 2025.

LICENSURE REVENUE

The agency holds several licensing examinations each year. Since FY 2020, the number of individuals who have received their CPA Certification (either initial or reciprocal) and

the number of new individuals who have received their Permit to Practice have increased. Likewise, the total number of certificate-holders in Kansas has increased since FY 2020, whereas the total number of permit-holders in Kansas has remained relatively the same. However, since FY 2020, the number of new CPA firms and the total number of CPA firms have both decreased.

It is likely that more people are taking the licensing exam, and passing the licensing exam, than in recent years because of the COVID-19 pandemic. Essentially, not as many examinations were offered in FY 2020. This resulted in a greater number of persons than usual taking the examination in FY 2021 and FY 2022. However, the agency does not expect that the trend to continue through FY 2023.

The agency does not expect the number of new permits issued will continue to increase. In fact, it expects that the number of total permit holders in Kansas will decrease from 3,812 in FY 2022 (previously 3,813 in FY 2020) to 3,611 in FY 2024. According to the agency, many of the current CPA permit holders are age 65 or older, and it is likely that many of these permit holders will retire and not renew their permits.

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OFFICE OF THE STATE BANK COMMISSIONER

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumer Education	107,150	150,000	150,000	150,000	150,000	150,000	150,000
Settlement Fund							
All Other Funds	10,833,856	12,813,709	12,554,267	12,878,873	12,809,736	12,788,789	12,720,158
Subtotal	\$ 10,941,006	\$ 12,963,709	\$ 12,704,267	\$ 13,028,873	\$ 12,959,736	\$ 12,938,789	\$ 12,870,158
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 10,941,006	\$ 12,963,709	\$ 12,704,267	\$ 13,028,873	\$ 12,959,736	\$ 12,938,789	\$ 12,870,158
Percentage Change:							
State General Fund	-- %	--	-- %	-- %	-- %	-- %	-- %
All Funds	3.7 %	18.5 %	16.1 %	0.5 %	2.0 %	(0.7) %	(0.7) %
FTE Positions	110.0	112.0	112.0	112.0	112.0	112.0	112.0

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 five divisions, the Banking and Trust Division, the Consumer and Mortgage Lending Division, the Information Technologies Division, the Legal Department, and the Administrative Department.

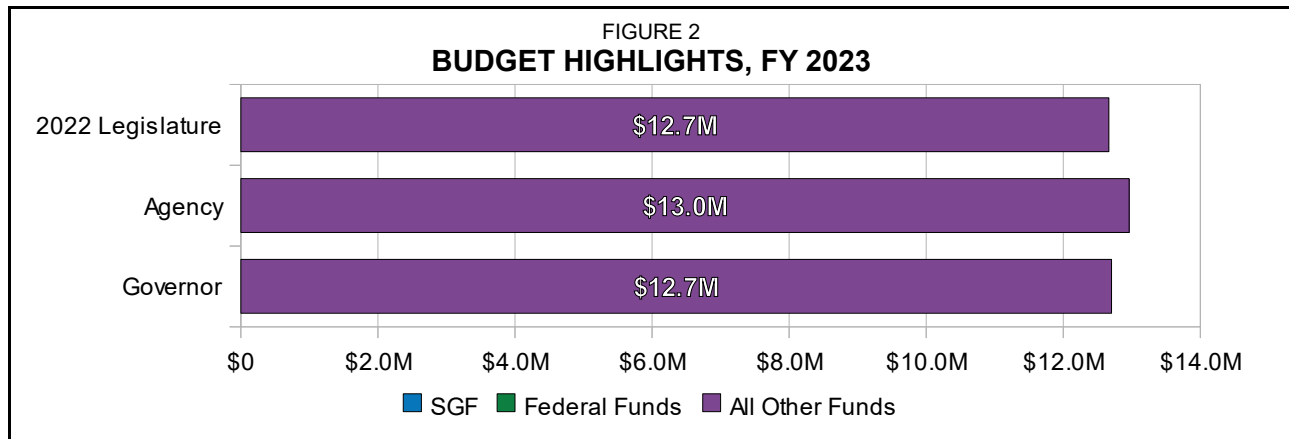
The Banking and Trust Division is responsible for the supervision of state-chartered banks, trust companies/departments, and technology-enabled fiduciary financial institutions (TEFFIs). The agency also preserves the dual banking system through the chartering of new state banks, maintenance of existing 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 non-depository mortgage lenders, mortgage loan originators, consumer credit providers, money transmitters, and credit service organizations. The Information Technology Division regulates cybersecurity and data risk vulnerabilities of all regulated entities. The Administrative and Legal Departments provide support for the work and internal functions of the agency itself.

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 2022 Legislature approved a budget of \$12,664,448, all from special revenue funds, and 110.0 FTE positions for the Office of the State Bank Commissioner in FY 2023.



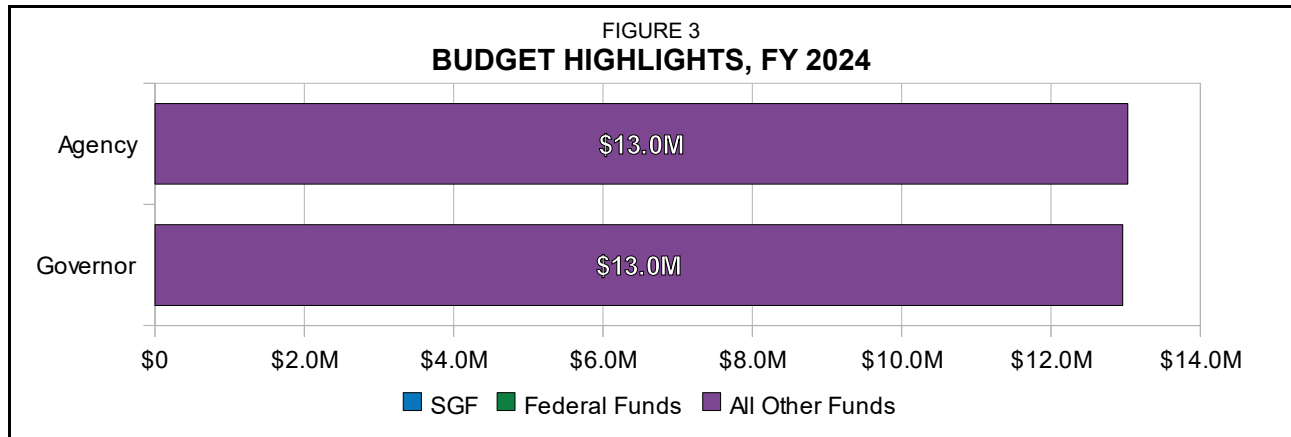
The **agency** requests a revised estimate of \$13.0 million, all from special revenue funds, in FY 2023. This is an increase of \$299,261, or 2.7 percent, above the FY 2023 approved amount. Significant increases in the revised estimate include the following:

- **SUPPLEMENTAL - BOARD MEMBER PER DIEM INCREASES.** The revised estimate includes a supplemental request to increase the board member per diem rates. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate.
- **SUPPLEMENTAL - STAFF SALARY INCREASES.** The revised estimate includes a supplemental request to 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 as well as adjoining states and federal counterparts.
- **SUPPLEMENTAL - TWO ADDITIONAL STAFF.** A third supplemental request is for two additional specialized examiners. The 2.0 FTE positions would be Information Technology (IT) Examiners and would conduct IT exams for banks to check for risks and exposures in cybersecurity.
- **TRAVEL-RELATED EXPENDITURES INCREASES.** The revised estimate also includes several increases for travel-related expenditures. This is for training of the agency's staff in all areas of expertise as well as in-person examinations of state-owned banks. During the COVID-19 pandemic, the training schools, conferences, and programs moved to virtual events. Resumption of in-person training and in-person portions of examinations are included in the revised estimate.

The **agency** requests 112.0 FTE positions in FY 2023. This is an increase of 2.0 FTE positions above the approved number for the purposes of adding two IT Examiners, as explained above.

The **Governor** recommends \$12.7 million, all from special revenue funds, in FY 2023. This is an overall decrease of \$259,442, or 2.0 percent, below the agency's FY 2023 revised estimate. The Governor's recommendation does not include the agency's supplemental requests for board member per diem increases or staff salary increases. The Governor recommends \$39,819, all from special revenue funds, to provide partial year funding for 2.0 FTE IT examiner positions.

The **Governor's** recommendation includes 112.0 FTE positions, which is the same as the agency's revised estimate in FY 2023.



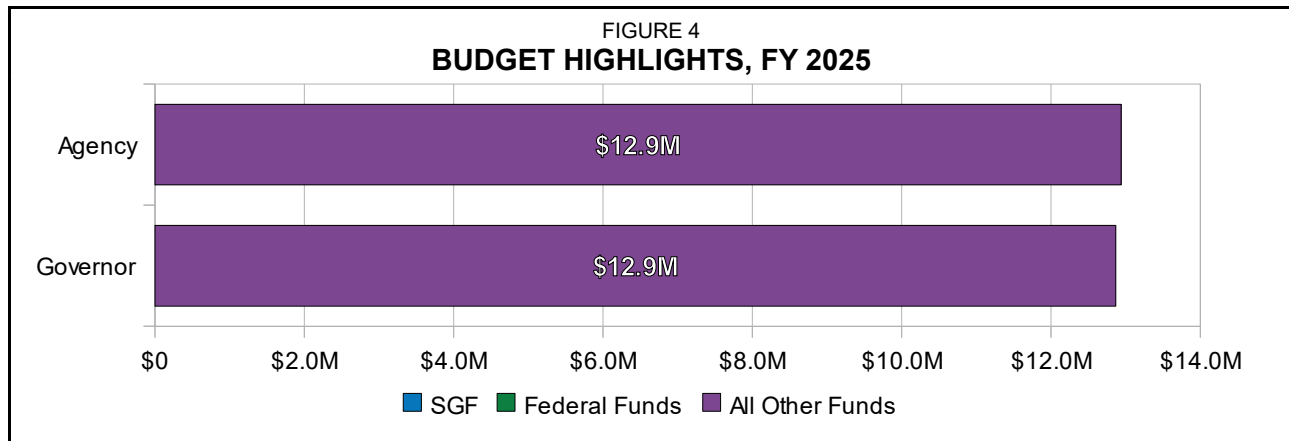
The **agency** requests \$13.0 million, all from special revenue funds, for FY 2024. This is an increase of \$65,164, or 0.5 percent, above the FY 2023 revised estimate. Notable items in the agency request include the following:

- **ENHANCEMENT - BOARD MEMBER PER DIEM.** The request includes an enhancement request to maintain the supplemental request from FY 2023 for increased board member per diem rates. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate.
- **ENHANCEMENT - STAFF SALARY INCREASES.** The request includes an enhancement request to continue to provide merit-based staff salary increases requested in the FY 2023 revised estimate. The agency has historically reported having issues retaining staff due in part to wage competition with the private sector as well as adjoining states and federal counterparts.
- **ENHANCEMENT - TWO ADDITIONAL STAFF.** This request also continues the 2.0 additional FTE positions requested in FY 2023. The two IT Examiners would conduct IT exams for banks to check for risks and exposures in cybersecurity.

The **agency** requests 112.0 FTE positions for FY 2024. This is the same number as the revised estimate for FY 2023.

The **Governor** recommends \$13.0 million, all from special revenue funds, for FY 2024. This is a decrease of \$69,137, or 0.5 percent, below the agency's request for FY 2024. The Governor's recommendation does not include the enhancement requests for board member per diem increases or staff salary increases. The Governor's recommendation does include \$158,527, all from special revenue funds, for 2.0 FTE IT examiner positions.

The **Governor's** recommendation includes 112.0 FTE positions, which is the same as the agency's request for FY 2024.



The **agency** requests \$12.9 million, all from special revenue funds, for FY 2025. This is a decrease of \$90,084, or 0.7 percent, below the FY 2024 request. Significant items in the agency request include the following:

- **ENHANCEMENT - BOARD MEMBER PER DIEM.** The request includes an enhancement request to maintain the increased board member per diem rates as requested in the revised estimate in FY 2023 and FY 2024. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate.
- **ENHANCEMENT - STAFF SALARY INCREASES.** The request includes an enhancement request to continue to provide merit-based staff salary increases requested in the revised estimate in FY 2023 and FY 2024. The agency has historically reported having issues retaining staff due in part to wage competition with the private sector as well as adjoining states and federal counterparts.
- **ENHANCEMENT - TWO ADDITIONAL STAFF.** This request is to continue the additional 2.0 FTE positions requested in FY 2023 and FY 2024. The two IT Examiners would conduct IT exams for banks to check for risks and exposures in cybersecurity.
- **OTHER ADJUSTMENTS.** There is an anticipated decrease in employer contributions for group health insurance of \$135,214, or 1.3 percent, below the FY 2024 request. There is also an increase in contractual services expenditures of \$40,390, or 1.8 percent, above the FY 2024 request, mainly for additional travel-related expenses (\$14,000) and other contractual services (\$18,502).

The **agency** requests 112.0 FTE positions for FY 2025, which is the same as the FY 2024 number.

The **Governor** recommends \$12.9 million, all from special revenue funds, for FY 2025. This is a decrease of \$68,631, or 0.5 percent, below the agency's request for FY 2025. The Governor's recommendation does not include the enhancement requests for board member per diem increases or staff salary increases. The Governor's recommendation does include \$157,110, all from special revenue funds, for 2.0 FTE IT examiner positions.

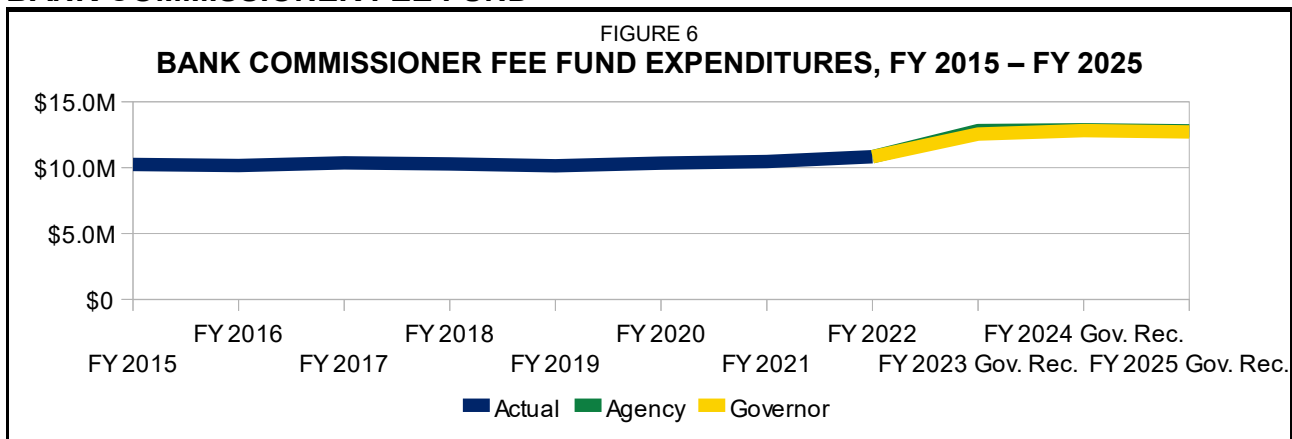
The **Governor's** recommendation includes 112.0 FTE positions, which is the same as the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

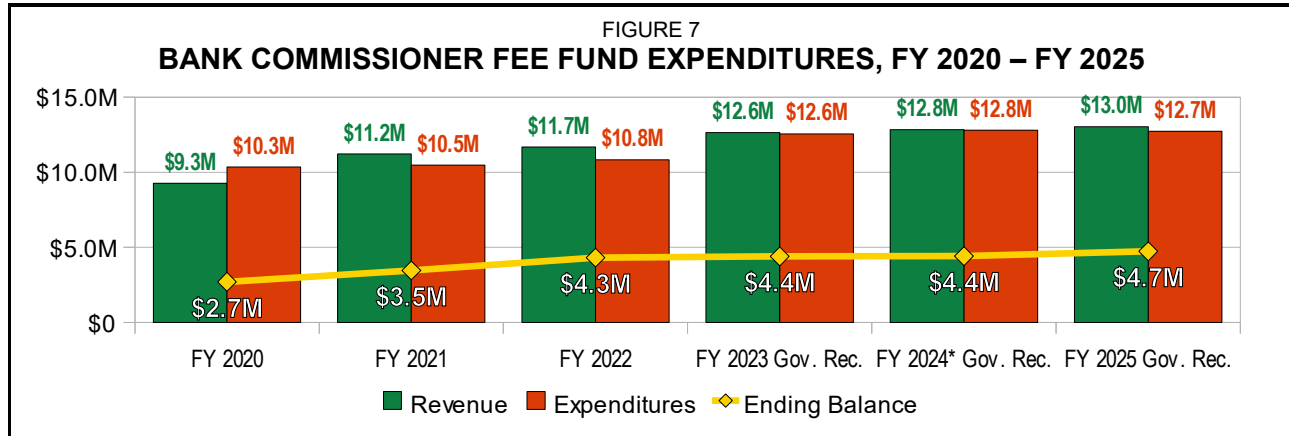
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 9,451,774	\$ 10,360,283	\$ 10,171,485	\$ 10,406,459	\$ 10,337,322	\$ 10,271,245	\$ 10,202,614
Contractual Services	1,228,752	2,189,076	2,118,432	2,203,064	2,203,064	2,243,454	2,243,454
Commodities	25,871	44,300	44,300	46,850	46,850	46,500	46,500
Capital Outlay	127,458	220,050	220,050	222,500	222,500	227,590	227,590
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 10,833,855	\$ 12,813,709	\$ 12,554,267	\$ 12,878,873	\$ 12,809,736	\$ 12,788,789	\$ 12,720,158
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	107,151	150,000	150,000	150,000	150,000	150,000	150,000
Subtotal—Operating	\$ 10,941,006	\$ 12,963,709	\$ 12,704,267	\$ 13,028,873	\$ 12,959,736	\$ 12,938,789	\$ 12,870,158
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 10,941,006	\$ 12,963,709	\$ 12,704,267	\$ 13,028,873	\$ 12,959,736	\$ 12,938,789	\$ 12,870,158
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Commissioner Fee Fund	10,833,856	12,813,709	12,554,267	12,878,873	12,809,736	12,788,789	12,720,158
Consumer Education Settlement Fund	107,150	150,000	150,000	150,000	150,000	150,000	150,000
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 10,941,006	\$ 12,963,709	\$ 12,704,267	\$ 13,028,873	\$ 12,959,736	\$ 12,938,789	\$ 12,870,158
FTE Positions	110.0	112.0	112.0	112.0	112.0	112.0	112.0

BANK COMMISSIONER FEE FUND



The Office of the State Bank Commissioner is a fee-funded agency, with a majority of its expenditures utilizing the Bank Commissioner Fee Fund. In FY 2022, actual expenditures from the Bank Commissioner Fee Fund were \$10.8 million. The agency's revised estimate in FY 2023 includes \$12.8 million in expenditures from this fund, which is an increase of \$2.0 million, or 18.3 percent, above the FY 2022 expenditures. The increase is primarily related to the enhancements requested, including merit-based salary increases, board member per diem increases, and 2.0 additional FTE positions.

BANK COMMISSIONER FEE FUND



* For FY 2024, the lowest month ending balance for the Bank Commissioner Fee Fund will occur in June, with a balance of \$4.4 million.

The Bank Commissioner Fee Fund is funded in part by assessments on state-chartered banks, trust entities, and Technology-enabled Financial Fiduciary Institutions (TEFFIs). 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 tiered 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 IN TOTAL ASSETS), FY 2023**

Bank Total Assets	Current Fee	Statutory Limit	Authority
Less than \$500,000	0.160	N/A	KSA 9-1703
Greater than \$500,000 up to \$1,000,000	0.135	N/A	KSA 9-1703
Greater than \$1,000,000 up to \$5,000,000	0.110	N/A	KSA 9-1703
Greater than \$5,000,000	0.090	N/A	KSA 9-1703

FIGURE 9
**BANK AND TRUST DIVISION
TRUST ASSESSMENT RATES (PER MILLION), FY 2023**

Trust Total Assets	Current Fee	Statutory Limit	Authority
Inactive Trusts	\$ 100	N/A	KSA 9-1703
Trusts less than or equal to \$10,000,000	\$ 2,500	N/A	KSA 9-1703
Greater than \$10,000,000 to \$100,000,000	\$ 4,000	N/A	KSA 9-1703
Greater than \$100,000,000 to \$1,000,000,000	\$ 5,800	N/A	KSA 9-1703
Greater than \$1,000,000,000 to \$5,000,000,000	\$ 14,500	N/A	KSA 9-1703
Greater than \$500,000,000 to \$25,000,000,000	\$ 22,000	N/A	KSA 9-1703

FIGURE 10
**CONSUMER AND MORTGAGE LICENSING DIVISION
LICENSING FEES, FY 2023**

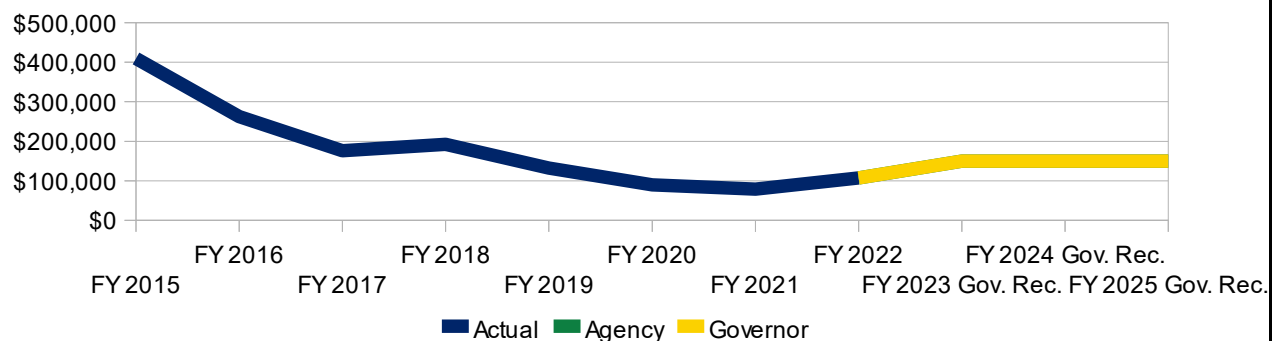
Bank Total Assets	Current Fee	Statutory Limit	Authority
Company new or renewal license for principal place of business*	\$ 400	\$ N/A	KSA 9-1726
Company new or renewal license for branch office	\$ 100	N/A	KSA 9-1726
Loan originator new license	\$ 100	N/A	KSA 9-1726
Loan originator renewal license	\$ 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 transaction.

CONSUMER EDUCATION SETTLEMENT FUND

FIGURE 11
CONSUMER EDUCATION SETTLEMENT FUND EXPENDITURES, FY 2015 – FY 2025



The Consumer Education Settlement Fund is funded from fines incurred on banks due to consumer complaints. In FY 2022, actual expenditures from the Consumer Education Settlement Fund were \$107,150. The agency's revised estimate in FY 2023 includes \$150,000 in expenditures from this fund. The fund supports financial educational initiatives by providing grants to fund certain activities conducted by educators, nonprofit organizations, and other entities throughout Kansas. In FY 2022, the agency increased the grant funding from \$75,000 to \$103,150.

Four grants have been approved for FY 2023, and others are pending receipt of additional information. The grant recipients approved as of September 2022 are USD 350 - St. John Junior and Senior High School, Kansas Bankers Educational Foundation, Jobs for America's Graduates - Kansas (JAG-K), and the Pando Initiative.

FY 2023 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 12,664,448	\$ 12,664,448	110.0
1. No Changes	-	-	-	-
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 12,664,448</i>	<i>\$ 12,664,448</i>	<i>110.0</i>
Agency Revised Estimate:				
2. Supplemental - Salary Increases	\$ -	\$ 56,968	\$ 56,968	--
3. Supplemental - Board Member Per Diem	-	12,420	12,420	--
4. Supplemental - Additional Staff	-	159,229	159,229	2.0
5. All Other Adjustments	-	70,644	70,644	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 12,963,709</i>	<i>\$ 12,963,709</i>	<i>112.0</i>
Governor's Recommendation:				
6. Supplemental - Salary Increases – Not Recommended	\$ -	\$ (56,968)	\$ (56,968)	--
7. Supplemental - Board Member Wages – Not Recommended	-	(12,420)	(12,420)	--
8. Supplemental - Additional Staff (Partial)	-	(119,410)	(119,410)	--
9. Decrease Contractual Services	-	(70,644)	(70,644)	--
TOTAL	\$ -	\$ 12,704,267	\$ 12,704,267	112.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** The 2022 Legislature approved a budget of \$12,664,448, all from special revenue funds, and 110.0 FTE positions for the Office of the State Bank Commissioner in FY 2023. Subsequent to the 2023 Session, no adjustments have been made to the approved amount.

AGENCY ESTIMATE

The **agency** submits an FY 2023 revised estimate of \$13.0 million, all from special revenue funds. This is an increase of \$299,261, or 2.4 percent, above the FY 2023 approved amount. The agency's revised estimate includes the following adjustments:

2. **SUPPLEMENTAL - STAFF SALARY INCREASES.** The FY 2023 revised estimate includes a supplemental request to 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 as well as adjoining states and federal counterparts. The supplemental request includes an addition of \$56,968 to allow for merit-based staff salary increases.
3. **SUPPLEMENTAL - BOARD MEMBER PER DIEM INCREASES.** The FY 2023 revised estimate includes a supplemental request to increase the board member per diem rates. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate. This supplemental request is for an additional \$12,420. The per diem has not changed since 1974. The agency's per diem is currently \$35 per meeting attended, and the supplemental request is for \$150 per meeting attended. *Staff Note:* For more information on per diem compensation, please see Special Topic 1.

4. **SUPPLEMENTAL - TWO ADDITIONAL STAFF.** A third supplemental request in FY 2023 is for two additional specialized examiners. The 2.0 FTE positions would be IT Examiners and would conduct IT exams for banks to check for risks and exposures in cybersecurity. The agency requests \$159,229 to fund these two positions.
5. **ALL OTHER ADJUSTMENTS.** The FY 2023 revised estimate also includes several increases for travel-related expenditures. This is for training of the agency's staff in all areas of expertise as well as in-person examinations of state-owned banks. During the COVID-19 pandemic, the training schools, conferences, and programs moved to virtual events. Resumption of in-person training and in-person portions of examinations are included in the revised estimate.

The **agency** requests 112.0 FTE positions in FY 2023. This is an increase of 2.0 FTE positions above the approved number for the purposes of adding two IT Examiners, as explained above.

GOVERNOR'S RECOMMENDATION

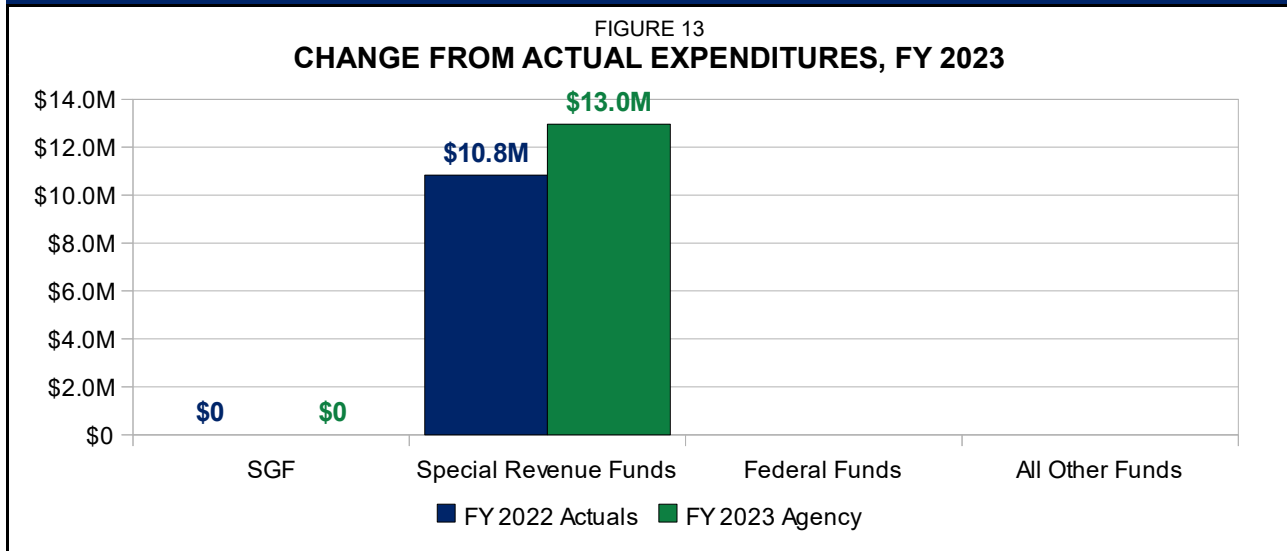
The **Governor** recommends \$12.7 million, all from special revenue funds, in FY 2023.

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

6. **SUPPLEMENTAL - STAFF SALARY ADJUSTMENTS.** The Governor does not recommend the agency's request to provide funding for merit-based salary increases (Item 1).
7. **SUPPLEMENTAL - BOARD MEMBER PER DIEM INCREASES.** The Governor does not recommend the agency's request to increase the Board Member per diem rate (Item 2).
8. **SUPPLEMENTAL - TWO ADDITIONAL STAFF.** The Governor recommends partial adoption of this request, with an increase of \$39,819, or 0.3 percent, above the approved amount for FY 2023 resulting in partial year funding for an additional 2.0 FTE IT Examiners in FY 2023. This is a decrease of \$119,410, or 0.9 percent, below the agency's request (Item 3).
9. **DECREASE CONTRACTUAL SERVICES.** The Governor recommends a decrease of \$70,644 in contractual services. This is a decrease of 3.2 percent below the agency's request.

The **Governor's** recommendation also includes 112.0 FTE positions, which is the same as the agency's FY 2023 revised estimate number.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$13.0 million, all from special revenue funds, in FY 2023. This is an increase of \$2.0 million, or 18.5 percent, above FY 2022 actual expenditures. This increase is mostly due to the supplemental requests for additional employees, merit-based salary increases for staff, and an increase in per diem for board members.

- **SUPPLEMENTAL - BOARD MEMBER PER DIEM INCREASES.** The revised estimate includes a supplemental request to increase the board member per diem rates. This supplemental request is for an additional \$12,420 in FY 2023. The agency's per diem is currently \$35 per meeting attended, and the supplemental request is for \$150 per meeting attended.
- **SUPPLEMENTAL - STAFFING ISSUES.** The revised estimate includes two supplemental requests regarding staffing: a request to provide merit-based staff salary increases and a request for two additional staff positions to conduct IT exams to check for risks and exposures in cybersecurity within banks. The supplemental requests includes an addition of \$56,968 to allow for merit-based staff salary increases and \$159,229 for 2.0 FTE positions to add two IT Examiners.
- **TRAVEL-RELATED EXPENDITURES INCREASES.** The revised estimate also includes several increases for travel-related expenditures. This is for training of the agency's staff in all areas of expertise as well as in-person examinations of state-owned banks. During the COVID-19 pandemic, the training schools, conferences, and programs moved to virtual events. Resumption of in-person training and in-person portions of examinations are included in the revised estimate.

FY 2024 ANALYSIS

FIGURE 14
SUMMARY OF BUDGET REQUEST, FY 2024

		SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:		\$ -	\$ 12,963,709	\$ 12,963,709	112.0
Agency Request:					
1. Enhancement - Salary Increases	1	\$ -	\$ (251)	\$ (251)	--
2. Enhancement - Board Member Per Diem		-	-	-	--
3. Enhancement - Additional Staff		-	(702)	(702)	--
4. All Other Adjustments		-	66,117	66,117	--
<i>Subtotal—Agency Request</i>		\$ -	\$ 13,028,873	\$ 13,028,873	112.0
Governor's Recommendation:					
5. Enhancement - Salary Increases – Not Recommended		\$ -	\$ (56,717)	\$ (56,717)	--
6. Enhancement - Board Member Per Diem – Not Recommended		-	(12,420)	(12,420)	--
7. Enhancement - Additional Staff		-	-	-	--
TOTAL		\$ -	\$ 12,959,736	\$ 12,959,736	112.0

AGENCY REQUEST

The **agency** requests \$13.0 million, all from special revenue funds for FY 2024. This is an increase of \$65,164, or 0.5 percent, above the FY 2023 revised estimate. This includes the following:

- 1. ENHANCEMENT - STAFF SALARY INCREASES.** The request includes an enhancement request to continue to provide merit-based staff salary increases requested in the FY 2023 revised estimate. The agency has historically reported having issues retaining staff due in part to wage competition with the private sector as well as adjoining states and federal counterparts. The enhancement request for FY 2024 includes a decrease of \$251 below the FY 2023 supplemental request, or 0.4 percent, for a total FY 2024 enhancement request of \$56,717 to allow for merit-based staff salary increases.
- 2. ENHANCEMENT - BOARD MEMBER PER DIEM.** The request includes an enhancement request to continue the supplemental request from FY 2023 to increase the board member per diem rates. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate. For FY 2024, the agency does not request any additional money above the FY 2023 request of \$12,420. The per diem has not changed since 1974. The agency's per diem enhancement request is for \$150 per meeting attended.
- 3. ENHANCEMENT - TWO ADDITIONAL STAFF.** This request is to continue the addition of 2.0 FTE positions requested in FY 2023. The two IT Examiners would conduct IT exams for banks to check for risks and exposures in cybersecurity. The request for FY 2024 is a decrease of \$702 below the FY 2023 supplemental request, or 0.4 percent, for a total FY 2024 enhancement request of \$158,527 to fund these two positions.
- 4. ALL OTHER ADJUSTMENTS.** The FY 2024 request also includes an increase of \$66,117, all in special revenue funds. The increase is mainly attributable to increases in salaries and wages (\$47,129) and contractual services (\$13,988).

- **SALARIES AND WAGES.** The increase of \$47,129, or 0.5 percent, above the agency's revised FY 2023 estimate is mainly attributable to an increase in group health insurance (\$89,463), offset by a decrease in employer contributions to KPERs (\$42,090).
- **CONTRACTUAL SERVICES.** The increase of \$13,988, or 0.6 percent, above the agency's revised FY 2023 estimate is mainly attributable to increases in other contractual services (\$17,963); job related training and conference registration (\$12,000); dues, memberships and subscriptions in the agency's name (\$8,000); and software rental (\$5,800); offset by a decrease in subsistence (\$28,000).

The **agency** requests 112.0 FTE positions for FY 2024. This is the same number as the FY 2023 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$13.0 million, all from special revenue funds, for FY 2024. This is a decrease of \$69,137, or 0.5 percent, below the agency's FY 2024 request.

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

5. **ENHANCEMENT - STAFF SALARY INCREASES.** The Governor does not recommend the agency's request to provide funding for merit-based salary increases (Item 1).
6. **ENHANCEMENT - BOARD MEMBER PER DIEM INCREASES.** The Governor does not recommend the agency's request to increase the Board Member per diem rate (Item 2).
7. **ENHANCEMENT - TWO ADDITIONAL STAFF.** The Governor recommends the agency's request for an additional 2.0 FTE IT Examiner positions. The request totals \$158,527, all from special revenue funds (Item 3).

The **Governor's** recommendation also includes 112.0 FTE positions, which is the same as the agency's request for FY 2024.

FY 2025 ANALYSIS

FIGURE 15
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 13,028,873	\$ 13,028,873	112.0
Agency Request:				
1. Enhancement - Salary Increases	-	(506)	(506)	--
2. Enhancement - Board Member Per Diem	-	-	-	--
3. Enhancement - Additional Staff	-	(1,417)	(1,417)	--
4. All Other Adjustments	-	(88,161)	(88,161)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 12,938,789	\$ 12,938,789	112.0
Governor's Recommendation:				
5. Enhancement - Salary Increases – Not Recommended	\$ -	(56,211)	(56,211)	--
6. Enhancement - Board Member Per Diem – Not Recommended	-	(12,420)	(12,420)	--
7. Enhancement - Additional Staff	-	-	-	--
TOTAL	\$ -	\$ 12,870,158	\$ 12,870,158	112.0

AGENCY REQUEST

The **agency** requests \$12.9 million, all from special revenue funds, for FY 2025. This is a decrease of \$90,084, or 0.7 percent, below the FY 2024 estimate. This request includes the following:

- 1. ENHANCEMENT - STAFF SALARY INCREASES.** The FY 2025 request includes an enhancement request to continue to provide merit-based staff salary increases included in FY 2023 and FY 2024. The agency has historically reported having issues retaining staff due in part to wage competition with the private sector as well as adjoining states and federal counterparts. The enhancement request for FY 2025 includes a decrease of \$506, or 0.9 percent, from the FY 2024 enhancement request for a total FY 2025 enhancement request of \$56,211 to allow for merit-based staff salary increases.
- 2. ENHANCEMENT - BOARD MEMBER PER DIEM.** This request is to maintain the request from FY 2023 and FY 2024 to increase the board member per diem rates. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate. For FY 2025, the agency does not request any additional money above the FY 2024 enhancement request of \$12,420. The per diem has not changed since 1974. The agency's per diem enhancement request is for \$150 per meeting attended.
- 3. ENHANCEMENT - TWO ADDITIONAL STAFF.** This enhancement request is to continue the additional 2.0 FTE positions requested in FY 2023 and FY 2024. The two IT Examiners would conduct IT exams for banks to check for risks and exposures in cybersecurity. The request for FY 2025 is a decrease of \$1,417, or 0.9 percent, below the FY 2024 enhancement request, for a total FY 2025 request of \$157,110 for these two positions.
- 4. ALL OTHER ADJUSTMENTS.** The FY 2025 request includes a decrease of \$88,161 below FY 2024's request. This decrease is mainly attributable to decrease in salaries and wages (\$133,291) offset by increases in contractual services (\$40,390) and capital outlay (\$5,090).

- **SALARIES AND WAGES.** The decrease of \$133,291, or 1.3 percent, below the agency's revised FY 2024 estimate is mainly attributable to a decrease in employer contributions for fringe health benefits (\$93,799), and in employer contributions to other fringe benefits (\$42,910).
- **CONTRACTUAL SERVICES.** The increase of \$40,390, or 1.8 percent, above the agency's revised FY 2024 estimate is mainly attributable to an increase in other contractual services (\$18,502); job related training and conference registration (\$5,000); subsistence (5,000); tickets for out-of-state travel (\$4,500); and dues, memberships, and subscriptions in the agency's name (\$4,000).
- **CAPITAL OUTLAY.** The increase of \$5,090, or 2.3 percent, above the agency's revised FY 2024 estimate is mainly attributable to an increase in non-capital information processing equipment (\$7,000) and other furniture and expenses (\$3,090), offset by a decrease in non-capital computer hardware and support equipment (\$5,000).

The **agency** requests 112.0 FTE positions for FY 2025. This is the same number as the FY 2024 request.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$12.9 million, all from special revenue funds, for FY 2025. This is a decrease of \$68,631, or 0.5 percent, below the agency's request.

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

5. **ENHANCEMENT - STAFF SALARY INCREASES.** The Governor does not recommend the agency's request to provide funding for merit-based salary increases (Item 1).
6. **ENHANCEMENT - BOARD MEMBER PER DIEM INCREASES.** The Governor does not recommend the agency's request to increase the Board Member per diem rate (Item 2).
7. **ENHANCEMENT - TWO ADDITIONAL STAFF.** The Governor recommends the agency's request for an additional 2.0 FTE IT Examiner positions. The request totals \$157,110, all from special revenue funds (Item 3).

The **Governor's** recommendation also includes 112.0 FTE positions, which is the same as the agency's request for FY 2025.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

SUPPLEMENTAL REQUEST FY 2023

The agency requests \$228,617, all from special revenue funds, for three salaries and wages related supplemental requests in FY 2023. The requests are for merit-based salary increases, an increase in State Banking Board per diem rates, and additional FTE positions.

Item	Supplemental Requests			
	Agency Recommendation		Governor Recommendation	
	SGF	Special Revenue Fund	SGF	Special Revenue Fund
Merit-based Salary Adjustments	\$ -	\$ 56,968	\$ -	-
Board Member Per Diem Increase	-	12,420	-	-
Additional FTE positions	-	159,229	-	38,819
TOTAL	\$ -	\$ 228,617	\$ -	\$ 38,819

FUNDING FOR MERIT-BASED SALARY INCREASES. The agency's FY 2023 revised estimate includes \$56,968, all from special revenue funds, to 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 as well as adjoining states and federal counterparts, 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 FY 2023 revised estimate includes \$12,420, all from special revenue funds, to increase the State Banking Board member per diem rates. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate. The per diem has not changed since 1974, when KSA 75-3223 was enacted. The agency's per diem is currently \$35 per meeting attended, and the supplemental request is for \$150 per day of actual attendance of any board meeting. *Staff Note:* For more information on per diem compensation, please see Special Topic 1.

The Governor does not recommend the adoption of this request.

ADDITIONAL STAFF. The agency's FY 2023 revised estimate include \$159,229, all from special revenue funds, to add two additional specialized examiners. These 2.0 FTE positions would be IT Examiners and would conduct IT exams for banks to check for risks and exposures in cybersecurity.

The Governor recommends the partial adoption of this request. The Governor recommends the addition of \$38,819 in salaries and wages for partial year funding for 2.0 FTE positions.

ENHANCEMENT REQUEST FY 2024

The agency requests \$227,664, all from special revenue funds, for three salaries and wages related enhancement requests for FY 2024. The requests are for merit-based salary increases, an increase in State Banking Board per diem rates, and additional FTE positions.

Item	Enhancement Request			
	Agency Recommendation		Governor Recommendation	
	SGF	Special Revenue Fund	SGF	Special Revenue Fund
Merit-Based Salary Adjustments	\$ -	\$ 56,717	\$ -	-
Board Member Per Diem Increase	-	12,420	-	-
Additional FTE positions	-	158,527	-	158,527
TOTAL	\$ -	\$ 227,664	\$ -	\$ 158,527

FUNDING FOR MERIT-BASED SALARY INCREASES. The agency's FY 2024 request includes \$56,717, all from special revenue funds, to 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 as well as adjoining states and federal counterparts, 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 FY 2024 request includes \$12,420, all from special revenue funds, to continue the per diem rate increase requested in FY 2023. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate. The per diem has not changed since 1974, when KSA 75-3223 was enacted. The agency's per diem is currently \$35 per meeting attended, and the supplemental request is for \$150 per day of actual attendance of any board meeting. *Staff note:* For more information on per diem compensation, please see Special Topic 1.

The Governor does not recommend the adoption of this request.

ADDITIONAL STAFF. The agency's FY 2024 request include \$158,527, all from special revenue funds, to continue the addition of 2.0 FTE positions requested in FY 2023. The two Information Technology (IT) Examiners would conduct IT exams for banks to check for risks and exposures in cybersecurity.

The Governor recommends the adoption of this request.

ENHANCEMENT REQUEST FY 2025

The agency requests \$225,741, all from special revenue funds, for three salaries and wages related enhancements for FY 2025. The requests are for merit-based salary increases, an increase in State Banking Board per diem rates, and additional FTE positions.

Item	Enhancement Request			
	Agency Recommendation		Governor Recommendation	
	SGF	Special Revenue Fund	SGF	Special Revenue Fund
Merit-based Salary Adjustments	\$ -	\$ 56,211	\$ -	-
Board Member Per Diem Increase	-	12,420	-	-
Additional Headcount	-	157,110	-	157,110
TOTAL	\$ -	\$ 225,741	\$ -	\$ 157,110

FUNDING FOR MERIT-BASED SALARY INCREASES. The agency's FY 2025 request includes \$56,211, all from special revenue funds, to 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 as well as adjoining states and federal counterparts, 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 FY 2025 request includes \$12,420, all from special revenue funds, to continue the per diem rate increase requested in FY 2023 and FY 2024. The agency has historically reported having issues recruiting for the State Banking Board due in large part to the low per diem rate. The per diem has not changed since 1974, when KSA 75-3223 was enacted. The agency's per diem is currently \$35 per meeting attended, and the supplemental request is for \$150 per day of actual attendance of any board meeting. *Staff Note:* For more information on per diem compensation, please see Special Topic 1.

The Governor does not recommend the adoption of this request.

ADDITIONAL STAFF. The agency's FY 2025 request include \$157,110, all from special revenue funds, to continue the addition of 2.0 FTE positions requested in FY 2023 and FY 2024. The two IT Examiners would conduct IT exams for banks to check for risks and exposures in cybersecurity.

The Governor recommends the adoption of this request.

SPECIAL TOPICS

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 generally refer back to a statute outlining the established rates of pay for per diem compensation, as well as allowances for subsistence, mileage, and other actual expenses. As an example, KSA 74-7008(b), the specific statute for the Board of Technical Professions, states:

Members of the state board of technical professions 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 including 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 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 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), those members shall receive subsistence allowances, mileage, and expenses, but not the \$35 per diem compensation. Boards that invoke this section are generally 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 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.

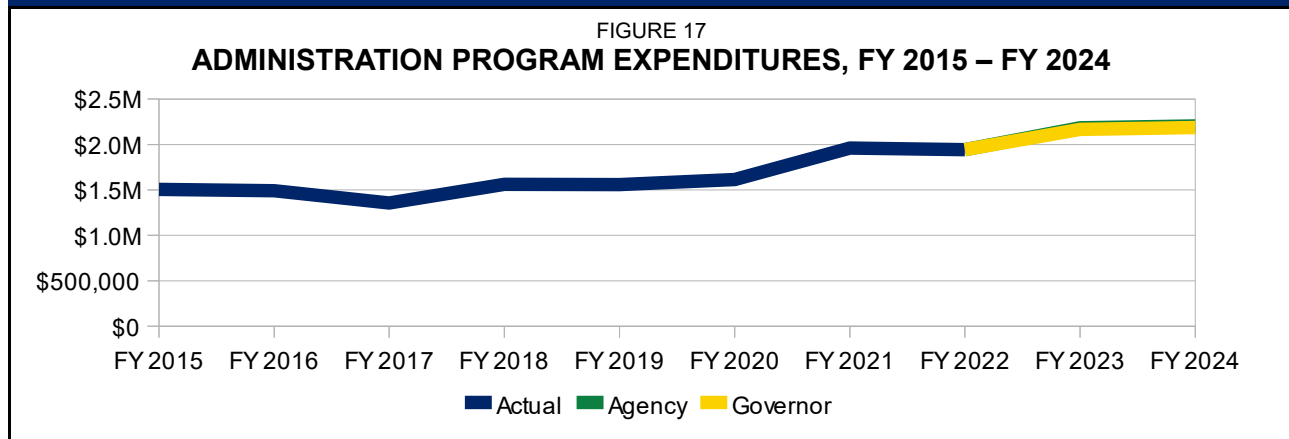
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 16 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 1,941,960	\$ 2,182,785	\$ 2,165,308	\$ 2,204,356	\$ 2,186,959	\$ 2,221,887	\$ 2,204,642
Bank Regulation	5,818,602	7,144,209	6,920,086	7,189,764	7,155,791	7,064,091	7,030,310
Consumer Mortgage Regulation	3,180,444	3,636,715	3,618,873	3,634,753	3,616,989	3,652,811	3,635,206
TOTAL	\$ 10,941,006	\$ 12,963,709	\$ 12,704,267	\$ 13,028,873	\$ 12,959,739	\$ 12,938,789	\$ 12,870,158
FTE Positions:							
Administration	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Bank Regulation	60.0	62.0	62.0	62.0	62.0	62.0	62.0
Consumer Mortgage Regulation	34.0	34.0	34.0	34.0	34.0	34.0	34.0
TOTAL	110.0	112.0	112.0	112.0	112.0	112.0	112.0

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.

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 handling cash requirements for transfers to the State General Fund (SGF).

FIGURE 18
ADMINISTRATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Performance Measures:					
	There are no performance measures for this program.				
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
Financing					
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	236	-		-	-
All Other Funds	1,960,909	1,941,960		2,165,308	2,186,956
TOTAL	\$ 1,961,145	\$ 1,941,960		\$ 2,165,308	\$ 2,186,956
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	14.1 %	(1.0) %		11.5 %	1.0 %
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 **agency** requests \$2.2 million, all from special revenue funds, for the Administration Program in FY 2023. This is an increase of \$101,014, or 5.2 percent, above the FY 2023 approved amount. The increases are mainly in salaries and wages (\$91,294) and contractual

services (\$31,333), with partially offsetting decreases in commodities (\$10,928) and capital outlay (\$10,685).

The **Governor** recommends \$2.2 million, all from special revenue funds, for the Administration Program in FY 2023. This is a decrease of \$17,477, or 0.8 percent, below the agency's revised FY 2023 estimate. The decrease is in salaries and wages (\$17,477).

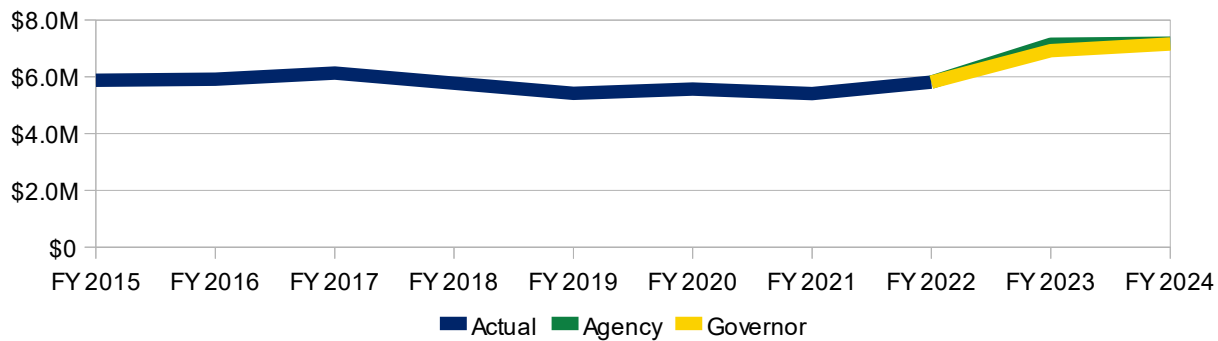
The **agency** requests \$2.2 million, all from special revenue funds, for the Administration Program for FY 2024. This is an increase of

\$21,571, or 1.0 percent, above the FY 2023 revised estimate. The increases are mainly in contractual services (\$10,350), salaries and wages (\$7,425), and capital outlay (\$3,681).

The **Governor** recommends \$2.2 million, all from special revenue funds, for the Administration Program for FY 2024. This is a decrease of \$17,500, or 0.8 percent, below the agency's request for FY 2024. The decrease is in salaries and wages (\$17,500).

BANKING AND TRUST REGULATION PROGRAM

FIGURE 19
BANKING AND TRUST REGULATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 9-1701; KSA 75-1304; KSA 74-3004

PROGRAM GOALS: • Maintain independent examination turnaround time at 30 days or less
• Maintain Conference of State Bank Supervisors' (CSBS) accreditation
• Review, evaluate, and adjust hybrid examination protocol for optimal efficiency

The Banking and Trust Regulation Program is responsible for oversight and supervision of all state-chartered banks, trust entities, and TEFFIs. Total assets supervised in banks and trust entities are approximately \$131.7 billion. This program's duties also include enforcement actions that address problem financial

institutions to restore such institutions to a safe and sound condition; coordinating with federal or other state banking agencies on supervisory matters; and reviewing and investigating applications for new or changes in financial institutions corporate activities.

FIGURE 20
BANKING AND TRUST REGULATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of independent bank examined*	93.0 %	98.0 %	72.0 %	95.0 %	95.0 %
2. Percent of independent trust exams with turn around time of less than 30 days in fiscal year*	100.0 %	100.0 %	83.0 %	95.0 %	95.0 %
3. Percent of scheduled exams completed within the agency's established/scheduled time frame of 36 months*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
4. Average regulatory cost incurred per bank examination*	\$ 37,606	\$ 47,384	\$ 39,521	\$ 52,122	\$ 57,355
5. Average regulatory cost incurred per trust examination*	\$ 6,628	\$ 7,347	\$ 6,955	\$ 7,714	\$ 8,100
Output Measure:					
6. Number of bank exams (joint and independent)*	66	65	67	63	64
7. Number of trust exams*	14	13	15	18	19
8. Number of state-chartered banks	183	177	182	172	166
9. Number of problem banks (CAMELS rating of 3, 4, or 5)*	8	6	10	9	11

FIGURE 20

BANKING AND TRUST REGULATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
10.Total assets of problem banks as a percentage of total bank assets	0.7 %	0.9 %	1.6 %	2.5 %	4.0 %
11.Assets of state-chartered banks (in billions)	\$ 56.7	\$ 58.0	--	\$ 60.5	\$ 64.0
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	5,428,551	5,818,602		6,920,086	7,155,791
TOTAL	\$ 5,428,551	\$ 5,818,602		\$ 6,920,086	\$ 7,155,791
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(0.3) %	7.2 %		18.9 %	3.4 %
FTE Positions	57.0	60.0		62.0	62.0

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

PERFORMANCE AND BUDGET ANALYSIS

The Banking 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 2021 Senate Sub. for HB 2074 , and the establishment of a new category of banks known as technology-enabled fiduciary financial institutions (TEFFIs).

The **agency** requests \$7.1 million, all from special revenue funds, for the Banking and Trust Regulation Program in FY 2023. This is an increase of \$116,340, or 2.0 percent, above the FY 2023 approved amount. The increases are mainly in salaries and wages (\$197,421) and capital outlay (\$23,213), with partially offsetting decreases in contractual services (\$97,678) and commodities (\$6,616).

The **agency** requests \$7.2 million, all from special revenue funds, for the Banking and Trust Regulation Program FY 2024. This is an increase of \$45,555, or 0.6 percent, above the FY 2023 revised estimate. The increases are mainly in contractual services (\$31,672), salaries and wages (\$26,236), and commodities (\$1,975), with a partially offsetting decrease in capital outlay (\$14,331).

The **Governor** recommends \$6.9 million, all from special revenue funds, for the Banking and

Trust Regulation Program in FY 2023. This is a decrease of \$224,123, or 3.2 percent, below the agency's revised FY 2023 estimate. This decrease is in salaries and wages (\$153,479) and contractual services (\$70,644).

The **Governor** recommends \$7.2 million, all from special revenue funds, for the Banking and Trust Regulation Program for FY 2024. This is a decrease of \$33,973, or 0.5 percent, below the agency's request for FY 2024. The decrease is in salaries and wages (\$33,973).

TECHNOLOGY-ENABLED FIDUCIARY FINANCIAL INSTITUTIONS (TEFFIS)

The agency 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.

EXAMINATIONS COMPLETED

The agency has completed 100.0 percent of scheduled exams within the 36-month window in both FY 2021 and FY 2022. The agency also completed 98.0 percent of the independent bank exams in FY 2022 and completed 100.0 percent of the independent trust exams within a thirty day window in FY 2022.

CAMELS RATINGS

Banks are rated on a scale of 1-5 for six different components under the Uniform

Financial Interagency Rating System. The components are referred to as a CAMELS rating. The components are:

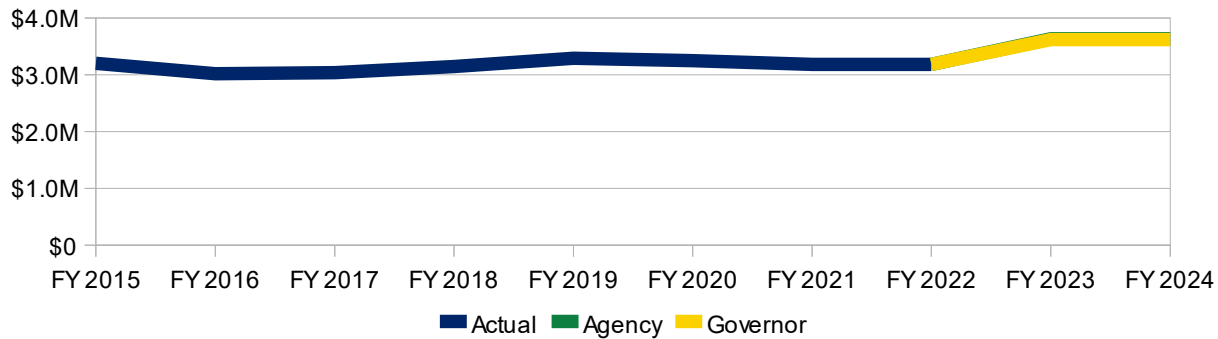
Capital adequacy
Asset Quality
Management
Earnings
Liquidity
Sensitivity to market risk

The components combine into a composite rating. Composites ratings of 3, 4, or 5 define a bank as a "problem bank." There were six banks that had a CAMELS score of 3, 4, or 5 in FY 2022. This is two fewer than in FY 2021. In FY 2022, there was a higher percentage of total assets of problem banks to total bank assets at 0.9 percent, or a 0.2 percent increase, above FY 2021.

CONSUMER MORTGAGE REGULATION PROGRAM

FIGURE 21

CONSUMER MORTGAGE REGULATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 9-1701; KSA 75-1304; KSA 74-3004

PROGRAM GOALS: • Conduct periodic examinations of regulated entities
• Promote lawful business practices by informing licensees of their compliance responsibilities

The Consumer Mortgage Regulation Program is responsible for the oversight and supervision of consumer credit lenders; mortgage lenders, servicers, and brokers; debt management companies; sales finance companies; and other credit providers. 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 22

CONSUMER MORTGAGE REGULATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of scheduled exams completed within the agency's established/scheduled time frame of 36-48 months*	87.0%	81.0%	81.0%	85.0%	85.0%
2. Percent of completed initial examinations within 6 months of an entity licensing with the agency*	48.0%	33.0%	40.0%	40.0%	50.0%
3. Average regulatory cost incurred per Consumer and Mortgage Lending regulated entity examination*	\$ 3,657	\$ 2,780	\$ 3,477	\$ 3,163	\$ 3,215
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	3,182,611	3,180,444		3,618,873	3,616,989
TOTAL	\$ 3,182,611	\$ 3,180,444		\$ 3,618,873	\$ 3,616,989
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(2.1) %	(0.1) %		13.8 %	(0.1) %
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.

The **agency** requests \$3.6 million, all from special revenue funds, for the Consumer Mortgage Regulation Program in FY 2023. This is an increase of \$81,907, or 2.6 percent, above the FY 2023 approved amount. The increases are mainly in salaries and wages (\$37,563) and contractual services (\$50,878), with partially offsetting decreases in commodities (\$1,356) and capital outlay (\$5,308).

The **Governor** recommends \$3.6 million, all from special revenue funds, for the Consumer Mortgage Regulation Program in FY 2023. This is a decrease of \$17,842, or 0.5 percent, below the agency's revised FY 2023 estimate in salaries and wages.

The **agency** requests \$3.6 million, all from special revenue funds, for the Consumer Mortgage Regulation Program for FY 2024. This is a decrease of \$1,962, or 0.1 percent, below the FY 2023 revised estimate. The decrease is mainly in contractual services (\$28,034), with partially offsetting increases in salaries and wages (\$12,589), and capital outlay (\$13,100).

The **Governor** recommends \$3.6 million, all from special revenue funds, for the Consumer

Mortgage Regulation Program for FY 2024. This is a decrease of \$17,764, or 0.5 percent, below the agency's request for FY 2024 for salaries and wages.

EXAMS COMPLETED WITHIN AGENCY'S TIME FRAME

The agency saw a decrease in percentages of scheduled exams completed within the 36-48 month window between FY 2021 and FY 2022. It dropped from 87.0 percent to 81.0 percent. The agency set a target for FY 2023 and FY 2024 of 85.0 percent, which falls in between the percentages achieved in FY 2021 and FY 2022. The agency also saw a decrease in the percentage of completed initial exams within six months of the entity licensing with the agency. This was a larger drop, from 48.0 percent in FY 2021 to 33.0 percent in FY 2022. The agency also set a target for FY 2023 and FY 2024 in between the FY 2021 and FY 2022 actual percentages. The target for both FY 2023 is 40.0 percent, and the target for FY 2025 is 50.0 percent.

CONSUMER CREDIT EDUCATION

As part of its mission to protect and educate consumers, the OSBC provides training grants to educators, nonprofit organizations, and other entities to conduct consumer education programs. There have been 11 grant applications submitted as of September 15, 2022. Four grants have been approved for a total of \$85,000, and others are pending receipt of additional information.

BOARD OF BARBERING

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2025

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	181,868	193,348	193,348	197,899	197,899	202,404	202,404
<i>Subtotal</i>	<u>\$ 181,868</u>	<u>\$ 193,348</u>	<u>\$ 193,348</u>	<u>\$ 197,899</u>	<u>\$ 197,899</u>	<u>\$ 202,404</u>	<u>\$ 202,404</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	\$ 181,868	\$ 193,348	\$ 193,348	\$ 197,899	\$ 197,899	\$ 202,404	\$ 202,404
Percentage Change:							
State General Fund	--	--	--	--	--	--	--
All Funds	16.7 %	6.3 %	6.3 %	2.4 %	2.4 %	2.3 %	2.3 %
FTE Positions	3.1	1.9	1.9	1.9	1.9	1.9	1.9

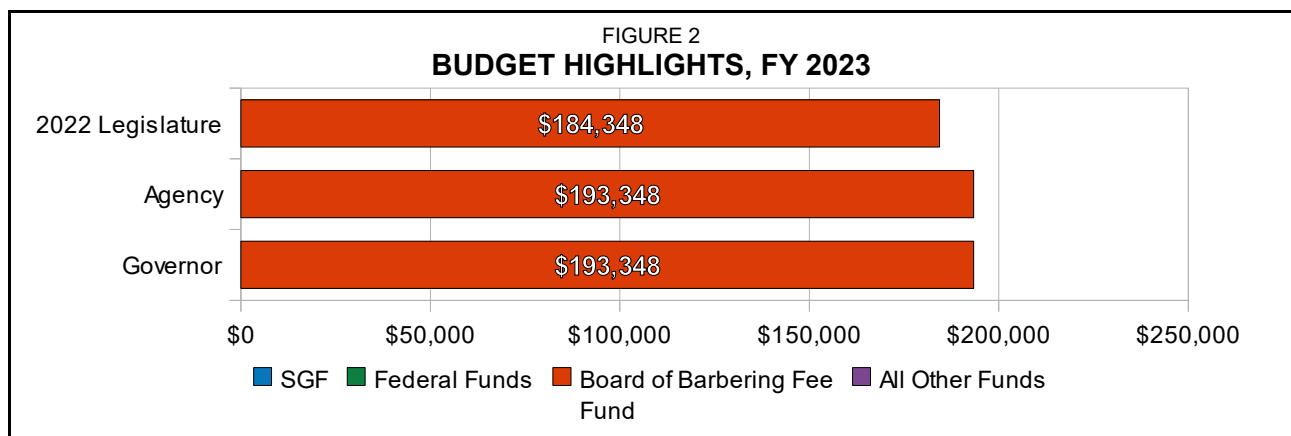
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Board of Barbering protects the health and welfare of the consuming public through enforcement of barber statutes and regulations regarding sanitation in the barber profession and:

- Ensures only qualified and well-trained barbers and barber instructors are licensed;
- Ensures that shops and barber colleges are licensed and operating effectively;
- Provides 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;
- Balances fees, fines, and costs;
- Communicates effectively with the profession and the public; and
- Ensures that the Board and the staff are knowledgeable and well qualified.

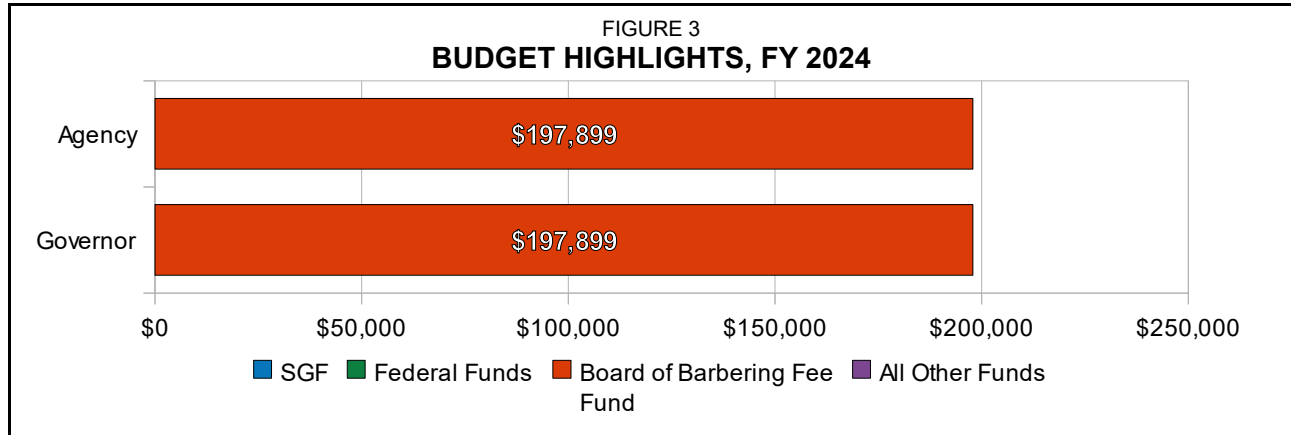
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$184,348, all from the Board of Barbering Fee Fund, in expenditures and 3.1 FTE positions for the Board of Barbering in FY 2023. No adjustments were made to that amount subsequent to the 2022 Session.



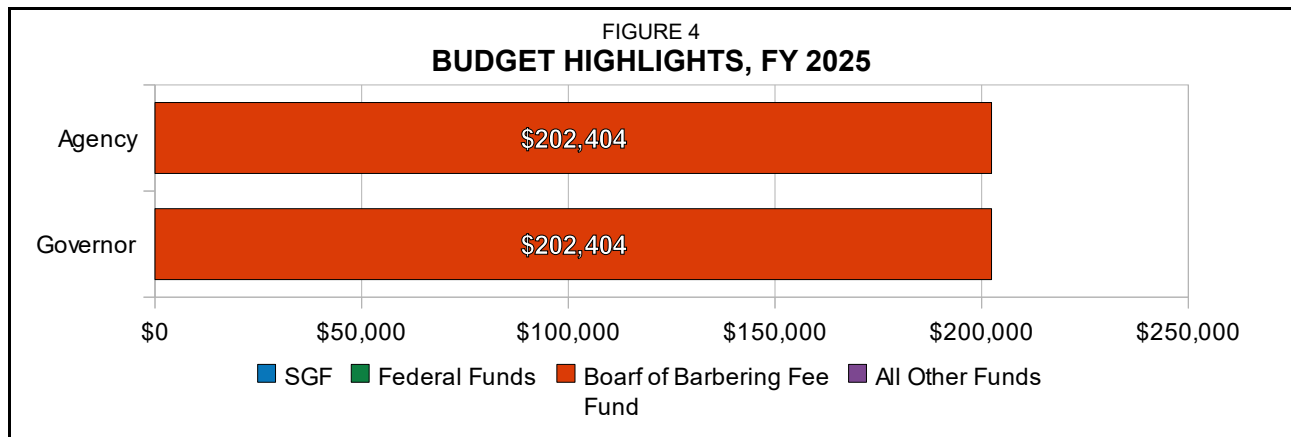
The **agency** submits a revised estimate of \$193,348, all from the Board of Barbering Fee Fund, in expenditures and 1.9 FTE positions in FY 2023. This is an expenditure increase of \$9,000, or 4.9 percent, and a 1.3 FTE positions decrease from the FY 2023 approved. The increase is primarily due to vendor fees for the administration of examinations and travel expenditures. The decrease in FTE positions is due to the consolidation of two part-time positions.

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



The **agency** requests \$197,899, all from the Board of Barbering Fee Fund, in expenditures and 1.9 FTE positions for FY 2024. This is an increase of \$4,551, or 2.4 percent, above the agency's FY 2023 revised estimate. The increase is primarily due to ongoing vendor expenditures for administering the barbering examination, increased travel expenditures, and increased expenditures for employer contributions for group health insurance.

The **Governor** concurs with the agency's FY 2024 request.



The **agency** requests \$202,404, all from the Board of Barbering Fee Fund, in expenditures and 1.9 FTE positions for FY 2025. This is an increase of \$4,505, or less than 2.3 percent, above the agency's FY 2024 request. This increase is primarily due to ongoing vendor expenditures for administering the barbering examination and increased travel expenditures.

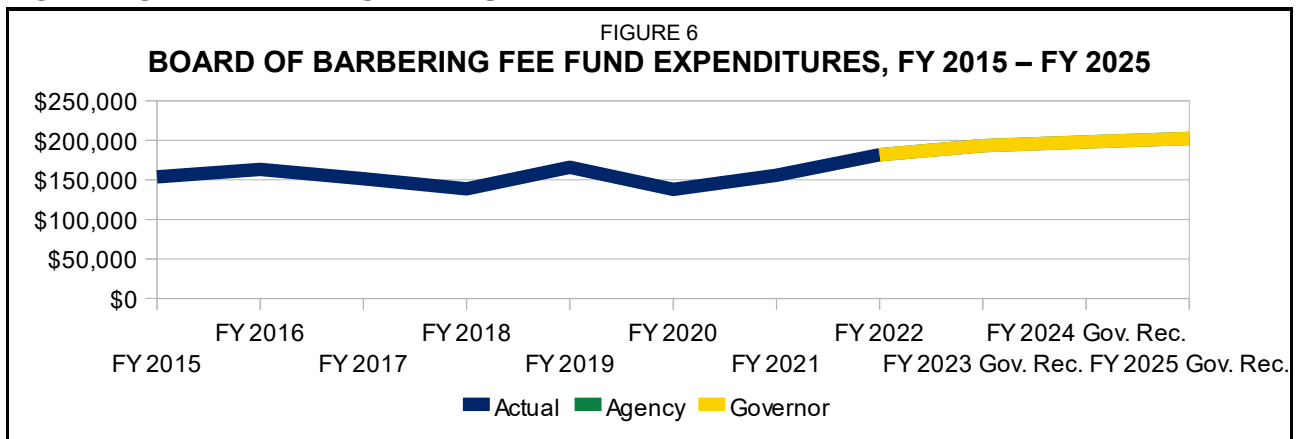
The **Governor** concurs with the agency's FY 2025 request.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

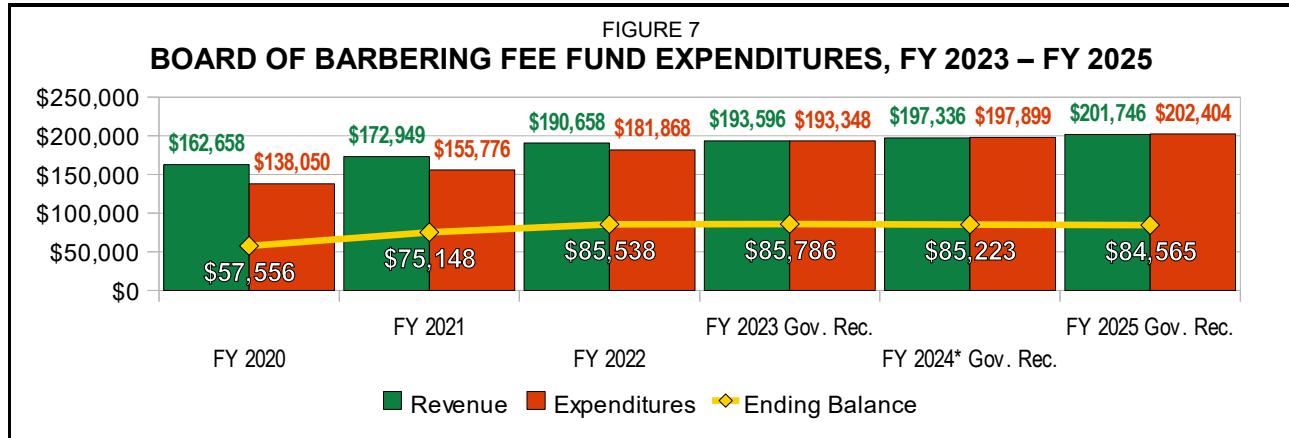
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Category of Expenditure:							
Salaries and Wages	\$ 121,404	\$ 132,298	\$ 132,298	\$ 133,680	\$ 133,680	\$ 133,945	\$ 133,945
Contractual Services	58,165	57,550	57,550	59,969	59,969	63,709	63,709
Commodities	2,244	3,500	3,500	4,250	4,250	4,750	4,750
Capital Outlay	55	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 181,868	\$ 193,348	\$ 193,348	\$ 197,899	\$ 197,899	\$ 202,404	\$ 202,404
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 181,868	\$ 193,348	\$ 193,348	\$ 197,899	\$ 197,899	\$ 202,404	\$ 202,404
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 181,868	\$ 193,348	\$ 193,348	\$ 197,899	\$ 197,899	\$ 202,404	\$ 202,404
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board of Barbering Fee Fund	181,868	193,348	193,348	197,899	197,899	202,404	202,404
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 181,868	\$ 193,348	\$ 193,348	\$ 197,899	\$ 197,899	\$ 202,404	\$ 202,404
FTE Positions	3.1	1.9	1.9	1.9	1.9	1.9	1.9

BOARD OF BARBERING FEE FUND



The Board of Barbering Fee Fund 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 2024, the lowest month ending balance for the Board of Barbering Fee Fund will occur in January, with a balance of \$42,897.

The agency estimates an increase in expenditures of \$11,480 in FY 2023, or 6.3 percent above the agency's FY 2022 actual amount. This increase is partially attributable to increased payments for computer-based testing (CBT) vendors due to an increase in the number of examinations being administered. Gasoline expenditures for the agency to conduct site inspections have increased due to rising fuel prices.

FIGURE 8
LICENSURE FEES, FY 2023

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 65-1813
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 they must retest.

** The reciprocity fee is a processing and license fee equal to the examination and license fee.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 184,348	\$ 184,348	3.1
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 184,348</i>	<i>\$ 184,348</i>	<i>3.1</i>
Agency Revised Estimate:				
2. Supplemental—Fee Adjustment for CBT Contract Payments	\$ -	\$ 8,000	\$ 8,000	--
3. Supplemental—Gas and Fuel	-	1,000	1,000	--
4. All Other Adjustments	-	-	-	(1.3)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 193,348</i>	<i>\$ 193,348</i>	<i>1.9</i>
Governor's Recommendation:				
5. No Changes	-	-	-	--
TOTAL	\$ -	\$ 193,348	\$ 193,348	1.9

LEGISLATIVE APPROVED

The 2022 Legislature approved a budget of \$184,348, all from the Board of Barbering Fee Fund, in expenditures and 3.1 FTE positions for the Board of Barbering in FY 2023.

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$184,348 appropriated to the Board of Barbering for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$193,348, all from the Board of Barbering Fee Fund, in expenditures and 1.9 FTE positions in FY 2023. This is an expenditure increase of \$9,000, or 4.9 percent, and a 1.3 FTE positions decrease from the FY 2023 approved.

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

2. **SUPPLEMENTAL—FEE ADJUSTMENT FOR COMPUTER-BASED TESTING CONTRACT PAYMENTS.** The agency requests an additional \$8,000 in supplemental expenditures for payments to computer-based testing (CBT) vendors due to an increase in the number of examinations being administered. Prior to FY 2020, license exam booklets and scoring cost the agency \$18 per examination. The testing company has since moved to computer-based testing and no longer allows for administration of paper tests. CBT services costs the agency \$76 per examination. The agency anticipates an increase in licensing exams taken in FY 2023, indicating it already charges the statutory cap of \$100 to take the exam.
3. **SUPPLEMENTAL—GAS AND FUEL.** The agency requests an additional \$1,000 in supplemental expenditures to address rising fuel prices. The agency is required to inspect all barber shops throughout the state each year, with more frequent re-inspections for barber shops and colleges cited with violations. In FY 2022, the agency limited inspections due to cash flow concerns. The agency anticipates an increase in inspections in FY 2023 and requests additional funding for gasoline.

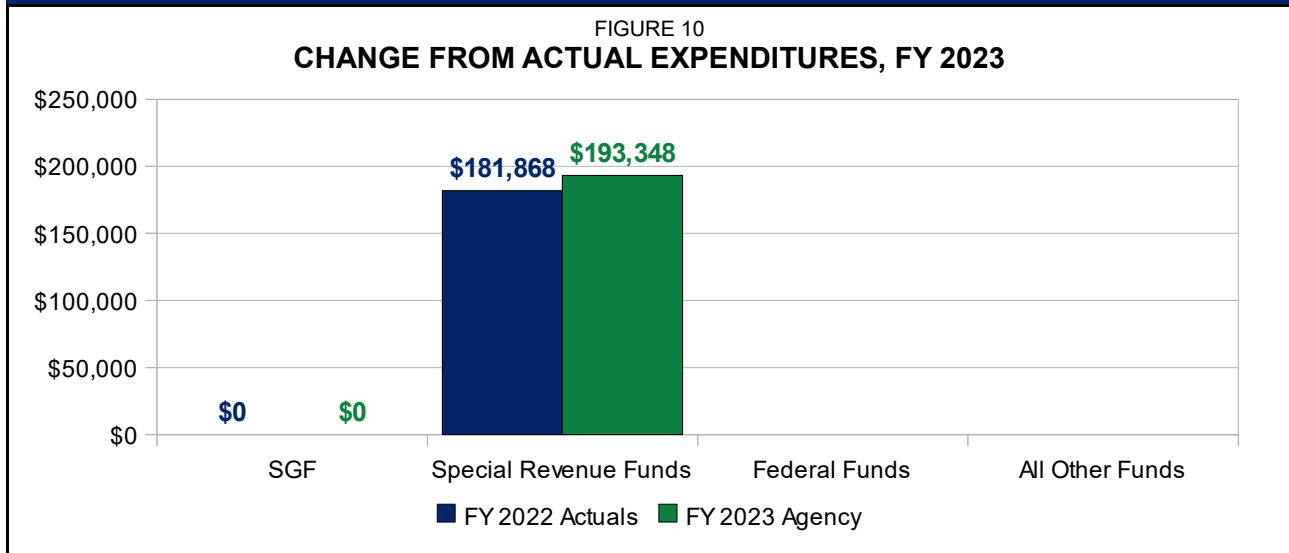
4. **ALL OTHER ADJUSTMENTS.** The revised estimate includes a decrease of 1.3 FTE positions, primarily because the agency combined two part-time positions into one full-time position to improve cohesion, cost-effectiveness, and agency retention. In FY 2022, the agency had one part-time Administrative Assistant (0.8 FTE) and one part-time Safety and Health Inspector (0.7 FTE). In FY 2023, the agency combined those positions into one full-time Inspector/Office Specialist (1.0 FTE).

GOVERNOR'S RECOMMENDATION

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

5. **NO CHANGES.** The recommendation does not include any adjustments to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$193,348, all from the Board of Barbering Fee Fund, in FY 2023. This is an increase of \$11,480, or 6.3 percent, above the FY 2022 actual expenditures. This increase is primarily due to the agency's supplemental requests computer-based testing contracts (\$8,000) and gas and fuel increases (\$1,000). There is an increase in salaries and wage of \$10,894 due to the statewide 5.0 percent salary increase for most state employees for FY 2023. This is partially offset by a decrease in contractual services spending for professional fees (\$12,443).

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 193,348	\$ 193,348	1.9
Agency Request:				
1. Expenditure Adjustments	-	4,551	4,551	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 197,899	\$ 197,899	1.9
Governor's Recommendation:				
2. No Changes	-	-	-	--
TOTAL	\$ -	\$ 197,899	\$ 197,899	1.9

AGENCY REQUEST

The **agency** requests \$197,899, all from the Board of Barbering Fee Fund, in expenditures and 1.9 FTE positions for FY 2024. This is an increase of \$4,551, or 2.4 percent, above the agency's FY 2023 revised estimate.

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

1. **EXPENDITURE ADJUSTMENTS.** The agency increased its request due to increases in ongoing vendor expenditures for administering the barbering examination (\$1,402), gasoline (\$500), and employer contributions for group health insurance (\$1,902). The increase for testing and gasoline expenditures are to address the issues mentioned in the agency's FY 2023 supplemental requests.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

2. **NO CHANGES.** The recommendation does not include any adjustments to the agency's FY 2024 request.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 197,899	\$ 197,899	1.9
Agency Request:				
1. Expenditure Adjustments	-	4,505	4,505	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 202,404	\$ 202,404	1.9
Governor's Recommendation:				
2. No Changes	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 202,404</u>	<u>\$ 202,404</u>	<u>1.9</u>

AGENCY REQUEST

The **agency** requests \$202,404, all from the Board of Barbering Fee Fund, in expenditures and 1.9 FTE positions for FY 2025. This is an increase of \$4,505, or 2.3 percent, above the agency's FY 2024 request.

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

1. **EXPENDITURE ADJUSTMENTS.** The agency increased its request due to ongoing vendor expenditures for administering the barbering examination (\$500) and increased travel and lodging expenditures (\$1,450). The increase for testing and gasoline expenditures are to address the issues mentioned in the agency's FY 2023 supplemental requests.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2025 request.

2. **NO CHANGES.** The recommendation does not include any adjustments to the agency's FY 2025 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

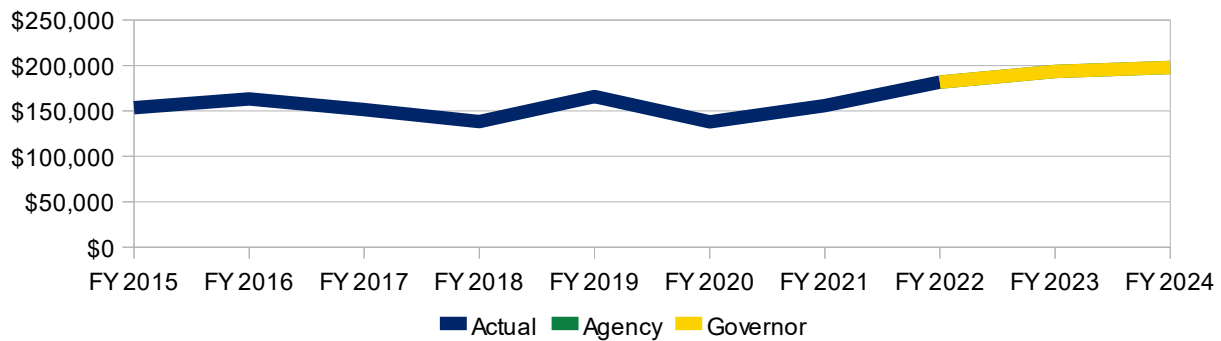
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 181,868	\$ 193,348	\$ 193,348	\$ 197,899	\$ 197,899	\$ 202,404	\$ 202,404
FTE Positions:							
Administration	3.1	1.9	1.9	1.9	1.9	1.9	1.9

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 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



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 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of licenses renewed on time*	84.0 %	79.0 %	81.0%	82.0 %	84.0 %
2. Percentage of Candidates Successfully Completing CBT**	29.0%	45.0%	53.0%	50.0%	52.0%
3. Percent of barber shops found in violation of statutory and regulatory requirements	7.0%	6.0%	-- %	5.0%	5.0%
4. Percent of barber colleges with sanitation violations	--	1.0 %	-- %	1.0 %	-- %
5. Percent of expired licenses restored by licensees	16.5%	20.8 %	-- %	18.0 %	16.0 %
Output Measure:					
6. Total number of licenses renewed/restored*	2,132	1,921	1,979	2,050	2,100
7. Number of Candidates Successfully Completing CBT*	25	67	--	80	90
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	155,776	181,868		193,348	197,899
TOTAL	\$ 155,776	\$ 181,868		\$ 193,348	\$ 197,899
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	12.8 %	16.7 %		6.3 %	2.4 %
FTE Positions	2.4	3.1		1.9	1.9

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

** Computer-Based Testing

BEHAVIORAL SCIENCES REGULATORY BOARD

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	835,545	1,024,432	1,012,232	1,050,908	1,050,908	1,073,817	1,073,817
<i>Subtotal</i>	<u>\$ 835,545</u>	<u>\$ 1,024,432</u>	<u>\$ 1,012,232</u>	<u>\$ 1,050,908</u>	<u>\$ 1,050,908</u>	<u>\$ 1,073,817</u>	<u>\$ 1,073,817</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 835,545</u>	<u>\$ 1,024,432</u>	<u>\$ 1,012,232</u>	<u>\$ 1,050,908</u>	<u>\$ 1,050,908</u>	<u>\$ 1,073,817</u>	<u>\$ 1,073,817</u>
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(2.4) %	22.6 %	21.1 %	2.6 %	3.8 %	2.2 %	2.2 %
FTE Positions	9.5	9.5	9.5	9.5	9.5	9.5	9.5

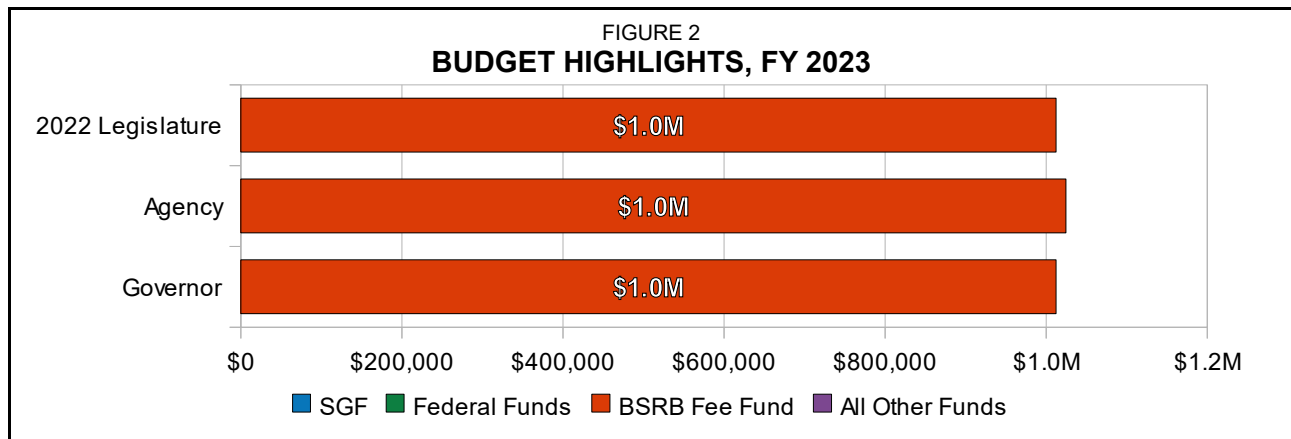
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The mission of the Behavioral Sciences Regulatory Board (BSRB), as established by 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 also 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.

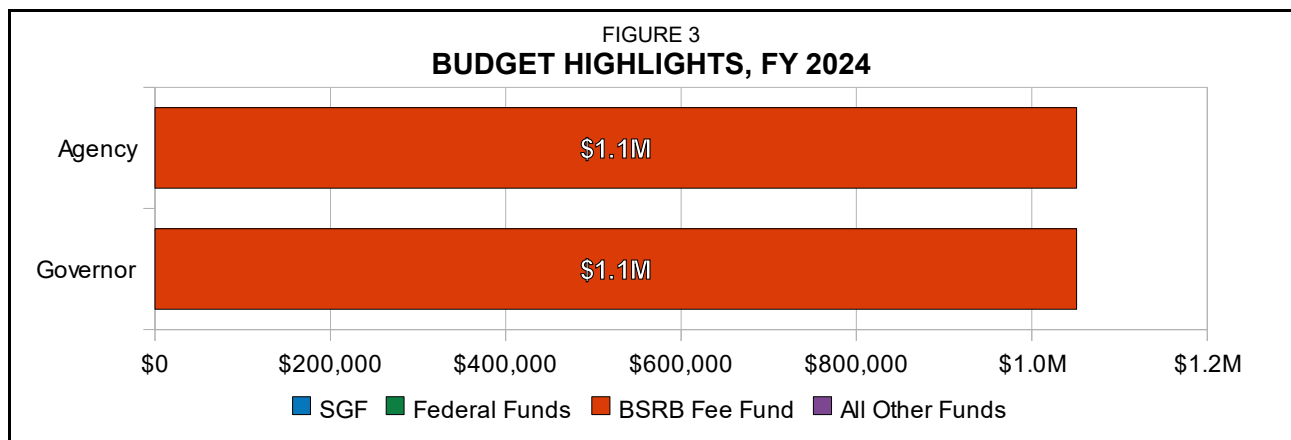
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$1,012,232, all from the BSRB Fee Fund, in expenditures and 9.5 FTE positions for the Behavioral Sciences Regulatory Board in FY 2023. No changes were made subsequently to this approved amount.



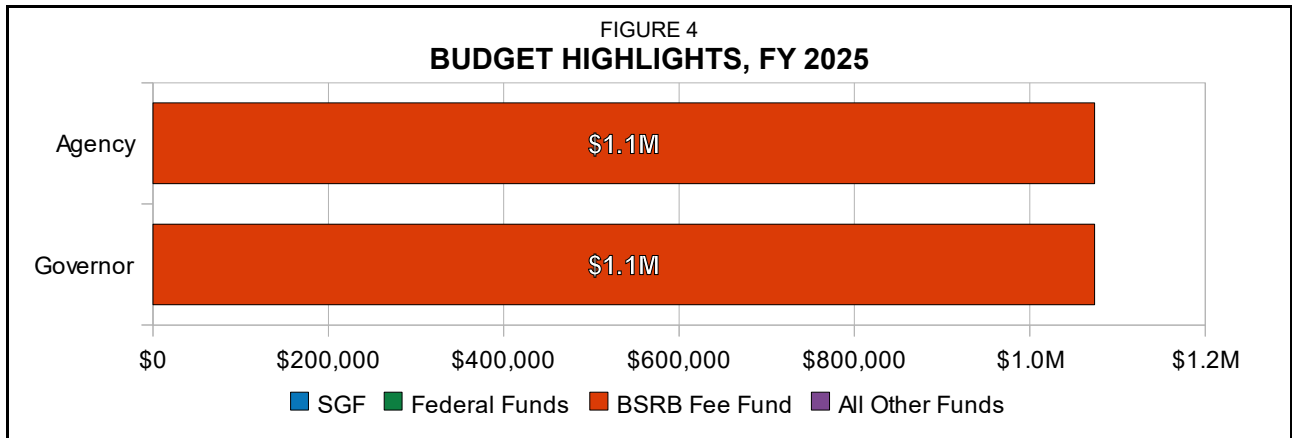
The **agency** submits a revised estimate of \$1,024,432, all from the BSRB Fee Fund, in expenditures and 9.5 FTE positions in FY 2023. This is an increase of \$12,200, or 1.2 percent, above the amount approved by the 2022 Legislature. This increase is primarily due to increased expenditures for legal services from the Office of the Attorney General.

The **Governor** recommends expenditures of \$1,012,232, all from the BSRB Fee Fund, and 9.5 FTE positions in FY 2023. This is a decrease of \$12,200, or 1.2 percent, below the agency's revised estimate in FY 2023. This decrease is due to the Governor not recommending the agency's supplemental request for increased legal services fees.



The **agency** requests \$1,050,908, all from the BSRB Fee Fund, in expenditures and 9.5 FTE positions for FY 2024. This is an increase of \$26,476, or 2.6 percent, above the revised estimate for FY 2023. This increase is primarily due to increased expenditures to the Office of the Attorney General for legal services, increased expenditures for the Kansas State Board of Healing Arts for maintaining the licensing system, and resumed travel following the COVID-19 pandemic.

The **Governor** concurs with the agency's request for FY 2024.



The **agency** requests \$1,073,817, all from the BSRB Fee Fund, in expenditures and 9.5 FTE positions for FY 2025. This is an increase of \$22,909, or 2.2 percent, above the agency's FY 2024 request. This increase is primarily due to increased expenditures to the Office of the Attorney General for legal services, increased expenses for the Kansas State Board of Healing Arts for maintaining the licensing system, and resumed travel following the COVID-19 pandemic.

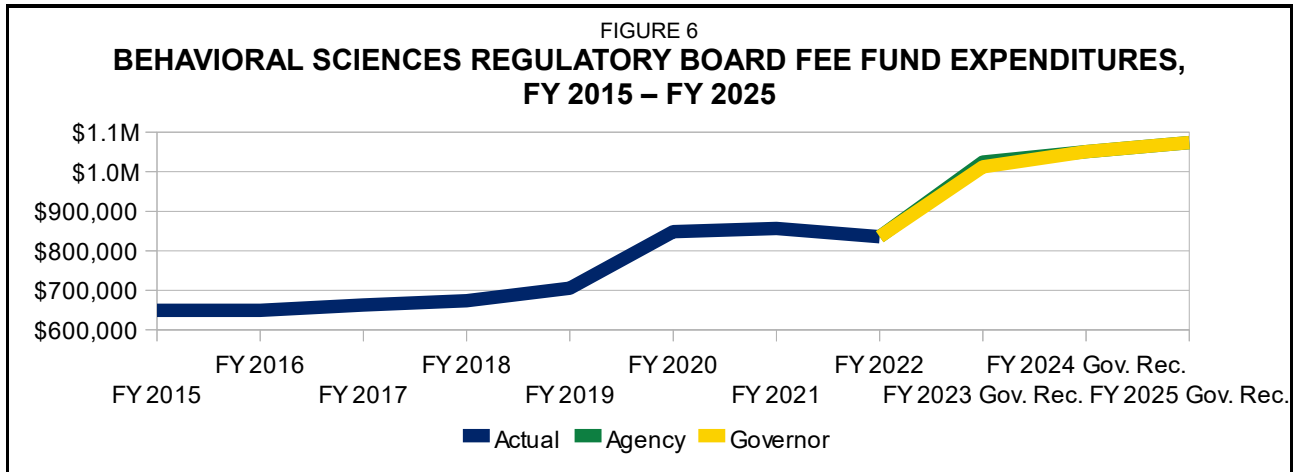
The **Governor** concurs with the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

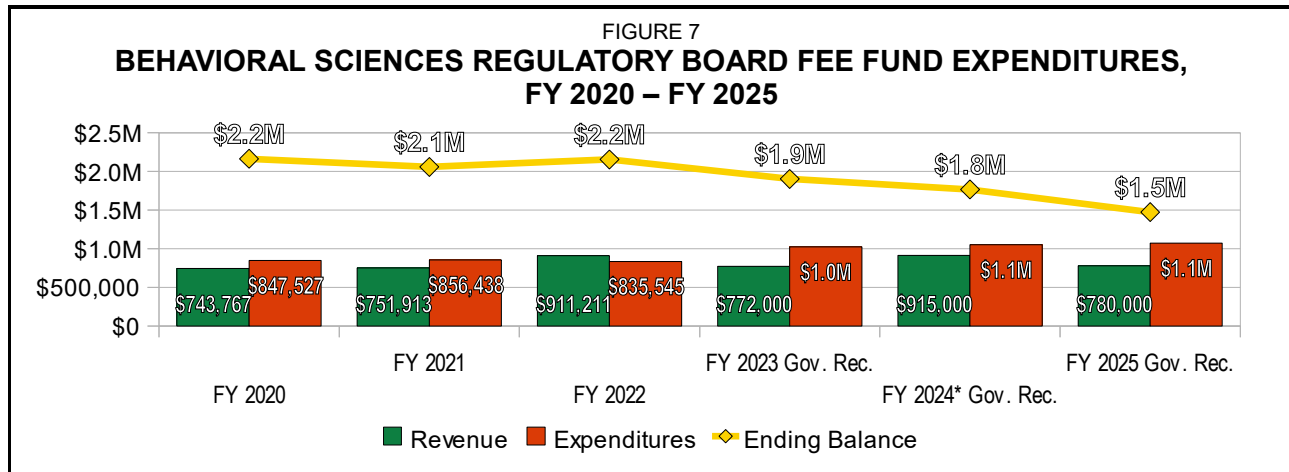
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Category of Expenditure:							
Salaries and Wages	\$ 553,600	\$ 652,209	\$ 652,209	\$ 651,446	\$ 651,446	\$ 655,797	\$ 655,797
Contractual Services	276,338	355,460	343,260	383,074	383,074	404,320	404,320
Commodities	5,405	9,225	9,225	9,450	9,450	9,950	9,950
Capital Outlay	202	7,538	7,538	6,938	6,938	3,750	3,750
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 835,545	\$ 1,024,432	\$ 1,012,232	\$ 1,050,908	\$ 1,050,908	\$ 1,073,817	\$ 1,073,817
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 835,545	\$ 1,024,432	\$ 1,012,232	\$ 1,050,908	\$ 1,050,908	\$ 1,073,817	\$ 1,073,817
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 835,545	\$ 1,024,432	\$ 1,012,232	\$ 1,050,908	\$ 1,050,908	\$ 1,073,817	\$ 1,073,817
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Behavioral Science Regulatory Board Fee Fund	835,545	1,024,432	1,012,232	1,050,908	1,050,908	1,073,817	1,073,817
TOTAL	\$ 835,545	\$ 1,024,432	\$ 1,012,232	\$ 1,050,908	\$ 1,050,908	\$ 1,073,817	\$ 1,073,817
FTE Positions	9.5	9.5	9.5	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 2024, the lowest month ending balance for the Behavioral Sciences Regulatory Board Fee Fund will occur in July, with a balance of \$1.8 million.

Due to a high yearly ending balance, the Board reduced all license renewal fees and application fees by \$50, effective March 15, 2019.

The 2021 Legislature passed Senate Sub. for HB 2208, which authorized a maximum fee of \$50 to be a BSRB-approved supervisor for the professional counseling and marriage and family therapist professions. The Board set this fee at \$20.

The 2021 Legislature passed SB 170, which added Kansas as a member-state to the multi-state compact for licensed psychologists called PSYPACT. On January 1 of each year, PSYPACT will assess to the BSRB a \$10 fee per each licensed psychologist who practices under PSYPACT and lists Kansas as their home state. SB 170 included language allowing the BSRB to charge a \$25 fee per each two-year renewal for psychologists practicing under PSYPACT to offset the cost to the agency of the PSYPACT assessment.

The declining ending balance beginning in FY 2023 is primarily due to increased expenditures for legal fees paid to the Office of the Attorney General for services, increased expenditures for the information technology system maintained by the Kansas State Board of Healing Arts, and increased travel following the COVID-19 pandemic.

FIGURE 8
LICENSE FEES, FY 2023

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
Initial 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	150	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 8
LICENSE FEES, FY 2023

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)	100	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
Out-of-State Temporary Permit			
Social Worker (Specialist Clinical)	\$ 200	200	KSA 65-6309a
Clinical Psychotherapist	200	200	KSA 74-5316a
Psychologist	200	200	KSA 74-5316a
Clinical Professional Counselor	200	200	KSA-5807a
Clinical Marriage and Family Therapist	200	200	KSA 65-6405a(d)
Clinical Addiction Counselor	200	200	KSA 65-6612; KSA 65-6618
License Reinstatement			
Social Worker (Associate)	\$ 50	150	KSA 65-6314
Social Worker (Bachelor)	50	150	KSA 65-6314
Social Worker (Master's)	75	150	KSA 65-6314
Social Worker (Specialist Clinical)	100	150	KSA 65-6314
Master's Level Psychologist	100	200	KSA 74-5366; KSA 74-5365
Clinical Psychotherapist	125	200	KSA 74-5366; KSA 74-5365
Psychologist	150	200	KSA 74-5339
Professional Counselor	100	175	KSA-655808
Clinical Professional Counselor	125	175	KSA 65-5808
Marriage and Family Therapist	100	175	KSA 65-6411
Clinical Marriage and Family Therapist	125	175	KSA 65-6411
Addiction Counselor	50	150	KSA 65-6618
Master's Addiction Counselor	75	150	KSA 65-6618
Clinical Addiction Counselor	100	150	KSA 65-6618

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 1,012,232	\$ 1,012,232	9.5
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 1,012,232</i>	<i>\$ 1,012,232</i>	<i>9.5</i>
Agency Revised Estimate:				
2. Supplemental—Legal Fees	-	12,200	12,200	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 1,024,432</i>	<i>\$ 1,024,432</i>	<i>9.5</i>
Governor's Recommendation:				
3. Supplemental—Legal Fees – Not Recommended	-	(12,200)	(12,200)	--
TOTAL	\$ -	\$ 1,012,232	\$ 1,012,232	9.5

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2023 Session, no changes were made to the \$1,012,232 appropriated to the Behavioral Sciences Regulatory Board for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$1,024,432, all from the BSRB Fee Fund, in expenditures and 9.5 FTE positions in FY 2023. This is an increase of \$12,200, or 1.2 percent, above the approved amount in FY 2023.

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

2. **SUPPLEMENTAL—LEGAL FEES.** The agency's revised estimate includes an increase of \$12,200 due to the Office of the Attorney General increasing its annual rate for legal services from \$75,000 to \$87,200 for FY 2023.

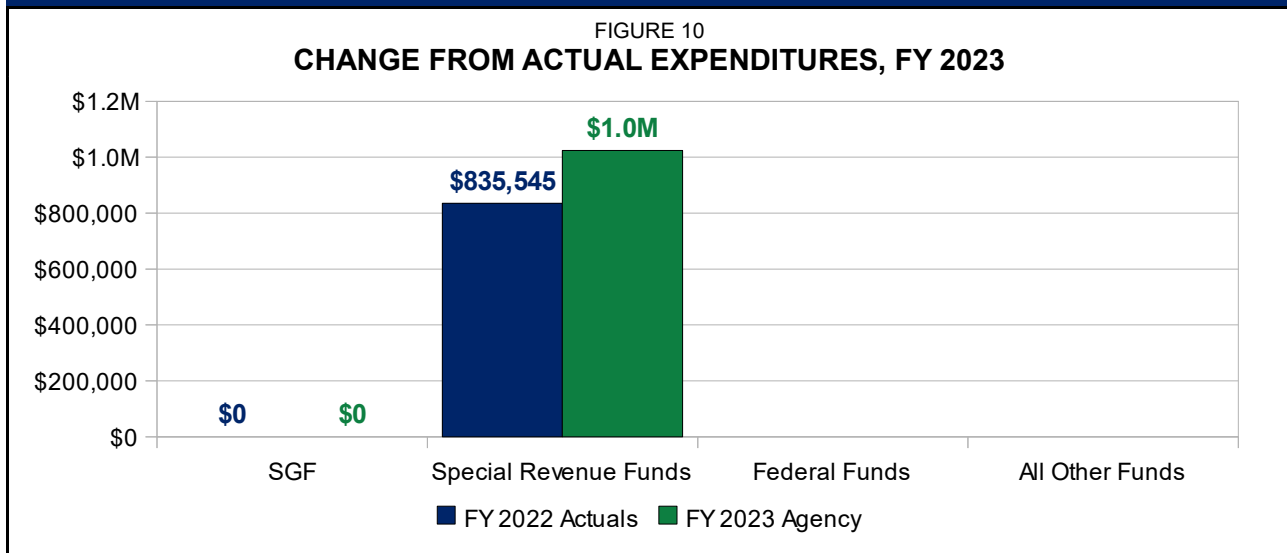
GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$1,012,232, all from the BSRB Fee Fund, and 9.5 FTE positions in FY 2023. This is a decrease of \$12,200, or 1.2 percent, below the agency's revised estimate in FY 2023.

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

3. **SUPPLEMENTAL—LEGAL FEES – NOT RECOMMENDED.** The Governor does not recommend the agency's supplemental request for \$12,200 to cover the Office of the Attorney General increasing its annual rate for legal services in FY 2023. *Staff Note:* The Office of the Attorney General terminated its contract with the agency, effective December 31, 2022.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$1,024,432, all from the BSRB Fee Fund, in FY 2023. This is an increase of \$188,887, or 22.6 percent, above actual expenditures in FY 2022. This increase is primarily due to FY 2022 expenditures being lower than the FY 2022 approved amount.

FY 2022 actual expenditures were lower than the FY 2022 approved amount for the following reasons:

- The agency had several FTE positions that the agency was unable to fill for a large portion of the year.
- Fees for the Office of Administrative Hearings (OAS) to handle appeals from BSRB decisions were lower than anticipated. When an investigation is appealed, OAS handles the appeal and the agency pays the fees associated with such appeal. In FY 2022, the agency did not expend the total amount budgeted for appeals.
- The agency intended to replace boardroom furniture in FY 2022 but delayed the replacement to subsequent years due to the Board continuing to meet virtually during FY 2022.

Additionally, the FY 2023 revised estimate is greater than FY 2022 actual expenditures due to the Office of the Attorney General increasing its annual rate for legal services from \$75,000 to \$87,200 for FY 2023.

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 1,024,432	\$ 1,024,432	9.5
Agency Request:				
1. Contractual Services – Legal Fees 1	\$ -	\$ 8,720	\$ 8,720	--
2. Contractual Services – IT System	-	4,436	4,436	--
3. Contractual Services – Travel	-	11,008	11,008	--
4. All Other Adjustments	-	2,312	2,312	--
<i>Subtotal–Agency Request</i>	\$ -	\$ 1,050,908	\$ 1,050,908	9.5
Governor's Recommendation:				
5. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ -</u>	<u>\$ 1,050,908</u>	<u>\$ 1,050,908</u>	<u>9.5</u>

AGENCY REQUEST

The **agency** requests \$1,050,908, all from the BSRB Fee Fund, in expenditures and 9.5 FTE positions for FY 2024. This is an increase of \$26,476, or 2.6 percent, above the FY 2023 revised estimate.

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

- 1. CONTRACTUAL SERVICES – LEGAL FEES.** The agency's request includes an additional \$8,720 in anticipation of the Office of the Attorney General further increasing its rates for legal services for FY 2024.
- 2. CONTRACTUAL SERVICES – IT SYSTEM.** The agency's request includes an additional \$4,436 for increased maintenance expenditures related to the licensing system maintained by the Kansas State Board of Healing Arts.
- 3. CONTRACTUAL SERVICES – TRAVEL.** The agency's request includes an additional \$11,008 for travel. The agency anticipates increased travel expenditures as organizations continue to loosen restrictions following the COVID-19 pandemic. The agency intends to travel to mid-year and annual meetings for the associations they license, to schools to present information on the BSRB-licensed professions, and to resume in-person board meetings. Many of these meetings occur online currently, but the agency anticipates a return to in-person attendance.
- 4. ALL OTHER ADJUSTMENTS.** Other adjustments in the agency's request total \$2,312 and include fees paid to the Office of Administrative Hearings to hear appeals and increased expenditures for communications.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2024.

- 5. NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2024 request.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 1,050,908	\$ 1,050,908	9.5
Agency Request:				
1. Contractual Services – Legal Fees 1	\$ -	\$ 9,592	\$ 9,592	--
2. Contractual Services – IT System	-	4,511	4,511	--
3. Contractual Services – Travel	-	3,000	3,000	--
4. All Other Adjustments	-	5,806	5,806	--
<i>Subtotal–Agency Request</i>	\$ -	\$ 1,073,817	\$ 1,073,817	9.5
Governor's Recommendation:				
5. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ -</u>	<u>\$ 1,073,817</u>	<u>\$ 1,073,817</u>	<u>9.5</u>

AGENCY REQUEST

The **agency** requests \$1,073,817, all from the BSRB Fee Fund, in expenditures and 9.5 FTE positions for FY 2025. This is an increase of \$22,909, or 2.2 percent, above the FY 2024 request.

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

- 1. CONTRACTUAL SERVICES – LEGAL FEES.** The agency's revised estimate includes an additional \$9,592 in anticipation of the Office of the Attorney General further increasing its rates for legal services for FY 2025.
- 2. CONTRACTUAL SERVICES – IT SYSTEM.** The agency's revised estimate includes an additional \$4,511 for increased maintenance expenditures related to the licensing system maintained by the Kansas State Board of Healing Arts.
- 3. CONTRACTUAL SERVICES – TRAVEL.** The agency's revised estimate includes an additional \$3,000 for travel. The agency anticipates increased travel expenditures as organizations continue to loosen restrictions following the COVID-19 pandemic. The agency intends to travel to mid-year and annual meetings for the associations they license, to schools to present information on the BSRB-licensed professions, and to resume in-person Board meetings. Many of these meetings occur online currently, but the agency anticipates a return to in-person attendance.
- 4. ALL OTHER ADJUSTMENTS.** Other adjustments in the agency's request total \$5,806 and include fees for Office of Administrative Hearings to hear appeals and adjustments to employer contributions for salaries and wages fringe benefits.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2025.

- 5. NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2025 request.

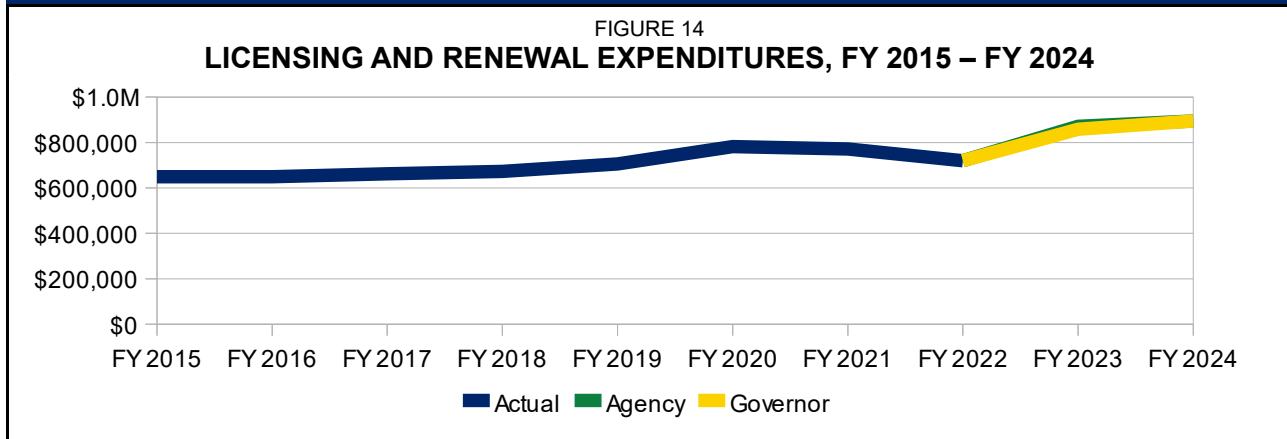
PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Licensing and Renewal	\$ 719,983	\$ 870,826	\$ 858,626	\$ 894,828	\$ 894,828	\$ 915,184	\$ 915,184
Investigation and Discipline	115,562	153,606	153,606	156,080	156,080	158,633	158,633
TOTAL	\$ 835,545	\$ 1,024,432	\$ 1,012,232	\$ 1,050,908	\$ 1,050,908	\$ 1,073,817	\$ 1,073,817
FTE Positions:							
Licensing and Renewal	8.1	8.1	8.1	8.1	8.1	8.1	8.1
Investigation and Discipline	1.4	1.4	1.4	1.4	1.4	1.4	1.4
TOTAL	9.5	9.5	9.5	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



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 and Renewal 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 15
LICENSING AND RENEWAL, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of initial license applications processed within 5 days after receipt of all required information*	71 %	78 %	75 %	85 %	85 %
2. Percent of license application renewals processed within 30 days of receipt	98 %	100 %	94 %	99 %	99 %
3. Program cost per license renewed (program expenditures / renewals)*	\$156	\$116	\$135	\$167	\$144
Output Measure:					
4. Number of permanent licenses issued	1,540	1,536	1,514	1,560	1,550
5. Number of renewal applications processed*	4,947	6,214	5,678	5,206	6,200
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	771,344	719,983		858,626	894,828
TOTAL	\$ 771,344	\$ 719,983		\$ 858,626	\$ 894,828
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(1.3) %	(6.7) %		19.3 %	4.2 %
FTE Positions	7.6	8.1		8.1	8.1

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

BUDGET ANALYSIS

Due to the agency's size, both programs share resources and the budget increases have been divided between the two programs according to usage of the resources.

FY 2023 REVISED ESTIMATE

The **agency** estimates revised expenditures of \$870,826, all from the BSRB Fee Fund, for the Licensing and Renewal Program in FY 2023. This is a decrease of \$385 below the agency's approved amount in FY 2023. The decrease is due to a shift in expenditures from the Licensing and Renewal program to the Investigation and Discipline program.

The **Governor** recommends expenditures of \$858,626, all from the BSRB Fee Fund, for the Licensing and Renewal program in FY 2023. This is a decrease of \$12,200 below the agency's revised estimate in FY 2023. The decrease is due to the Governor not recommending the agency's supplemental

request to cover the increased rate for legal services provided by the Office of the Attorney General. *Staff Note:* The Office of the Attorney General terminated its agreement with the agency, effective December 31, 2022.

FY 2024 REQUEST

The **agency** requests Licensing and Renewal program expenditures of \$894,828, all from the BSRB Fee Fund, for FY 2024. This is an increase of \$24,002, or 2.7 percent, above the FY 2023 revised estimate. This increase is primarily due to increased expenditures for legal services from the Office of the Attorney General, increased expenditures for the Kansas State Board of Healing Arts for maintaining the licensing system, and resumed travel following the COVID-19 pandemic.

The **Governor** concurs with the agency's request for FY 2024.

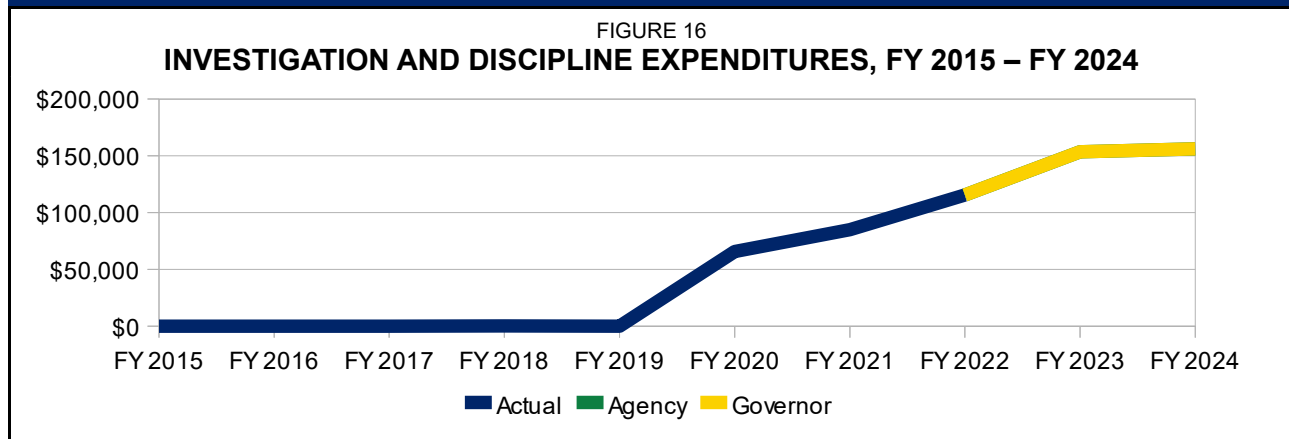
FY 2025 REQUEST

The **agency** requests Licensing and Renewal program expenditures of \$915,184 for FY 2025. This is an increase of \$20,356, or 2.7 percent, above the FY 2024 request. The increase is primarily due to increased expenditures for legal services from the Office of the Attorney

General, increased expenditures for the Kansas State Board of Healing Arts for maintaining the licensing system, and resumed travel following the COVID-19 pandemic.

The **Governor** concurs with the agency's request for FY 2025.

INVESTIGATION AND DISCIPLINE



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.

Beginning in FY 2019, Investigation and Discipline program expenditures were separated from the expenditures for the Licensing and Renewal program.

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 17
INVESTIGATION AND DISCIPLINE, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of investigations commencing within 10 days of receipt of a complaint*	89 %	90 %	86 %	90 %	90 %
2. Percent of investigative reports finalized and submitted to Complaint Review Committee within 180 days of receipt of complaint/report of violation (RAV)*	23 %	40 %	31 %	35 %	35 %
3. Program cost of RAV reviewed using RAV per dollar spent by program*	\$645	\$564	\$513	\$731	\$726
Output Measure:					
4. Number of RAV Reviewed*	132	205	179	210	215
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	85,094	115,562		153,606	156,080
TOTAL	\$ 85,094	\$ 115,562		\$ 153,606	\$ 156,080
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	29.3 %	35.8 %		32.9 %	1.6 %
FTE Positions	1.4	1.4		1.4	1.4

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

BUDGET ANALYSIS

Due to the agency's size, both programs share resources, and the budget increases have been divided between the two programs according to usage of the resources.

FY 2023

The **agency** estimates revised expenditures of \$153,606, all from the BSRB Fee Fund, for the Investigation and Discipline program in FY 2023. This is an increase of \$12,585 above the agency's approved amount in FY 2023. This increase is due to the agency's supplemental request for \$12,200 to cover the increased rate for legal services provided by the Office of the Attorney General.

The **Governor** concurs with the agency's revised estimate for Investigation and Discipline program expenditures in FY 2023. The Governor does not recommend adoption of the agency's supplemental request, but the associated decrease in expenditures is

reflected in the Licensing and Renewal program.

FY 2024

The **agency** requests Investigation and Discipline program expenditures of \$156,080, all from the BSRB Fee Fund, for FY 2024. This is an increase of \$2,474, or 1.6 percent, above the FY 2023 revised estimate. This increase is primarily due to increased expenditures for legal services from the Office of the Attorney General, increased expenditures for the Kansas State Board of Healing Arts for maintaining the licensing system, and resumed travel following the COVID-19 pandemic.

The **Governor** concurs with the agency's request for FY 2024.

FY 2025

The **agency** requests Investigation and Discipline program expenditures of \$158,633

for FY 2025. This is an increase of \$2,553, or 1.6 percent, above the FY 2024 request. This increase is primarily due to increased expenditures for legal services from the Office of the Attorney General, increased expenditures for the Kansas State Board of Healing Arts for

maintaining the licensing system, and resumed travel following the COVID-19 pandemic.

The **Governor** concurs with the agency's request for FY 2025.

BOARD OF COSMETOLOGY

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	1,089,940	1,190,494	1,190,494	1,234,651	1,234,651	1,234,928	1,234,928
<i>Subtotal</i>	<i>\$ 1,089,940</i>	<i>\$ 1,190,494</i>	<i>\$ 1,190,494</i>	<i>\$ 1,234,651</i>	<i>\$ 1,234,651</i>	<i>\$ 1,234,928</i>	<i>\$ 1,234,928</i>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 1,089,940	\$ 1,190,494	\$ 1,190,494	\$ 1,234,651	\$ 1,234,651	\$ 1,234,928	\$ 1,234,928
Percentage Change:							
State General Fund	--	--	--	--	--	--	--
All Funds	(4.3) %	9.2 %	9.2 %	3.7 %	3.7 %	-- %	0.0 %
FTE Positions	14.0	14.0	14.0	15.0	15.0	15.0	15.0

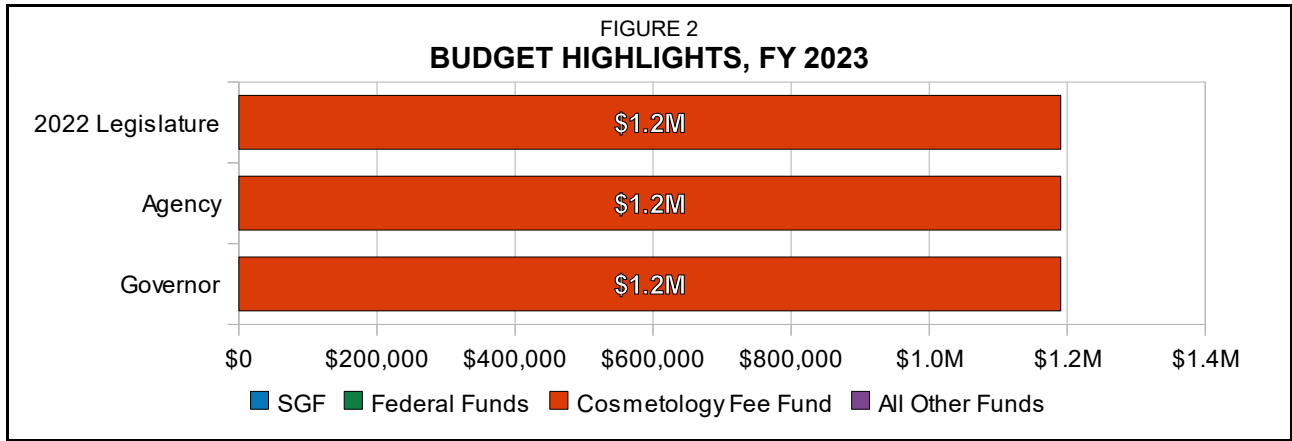
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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.

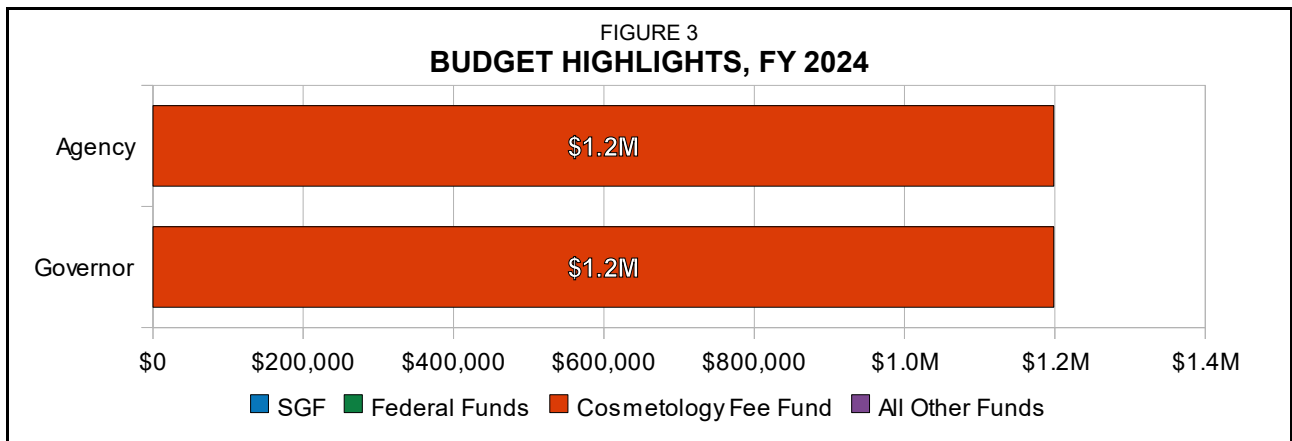
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$1.2 million, all from the Cosmetology Fee Fund, in expenditures and 14.0 FTE positions for the Board of Cosmetology in FY 2023. There were no adjustments were made to the approved amount for FY 2023.



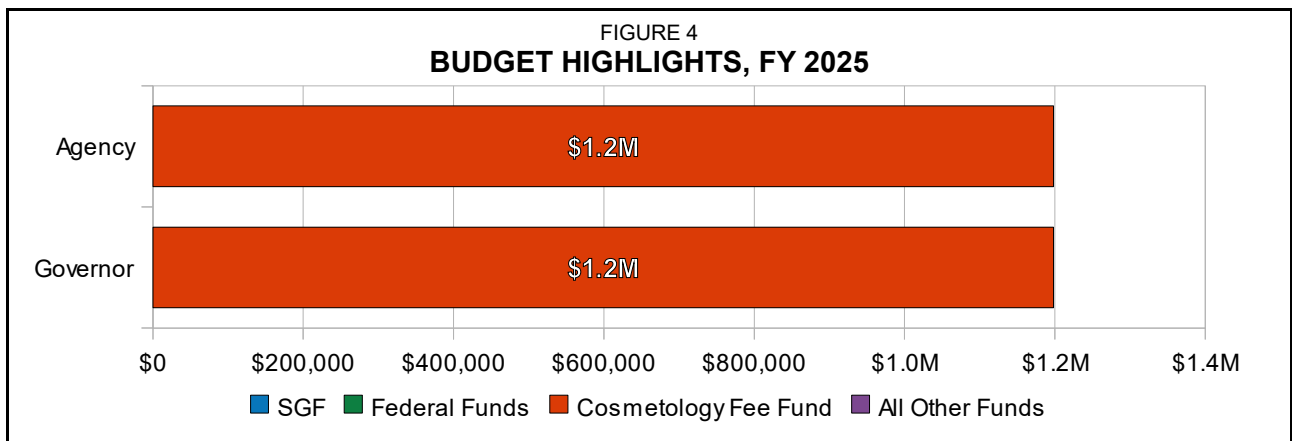
The **agency** submits a revised estimate of \$1.2 million, all from the Cosmetology Fee Fund, in expenditures and 14.0 FTE positions in FY 2023. This is the same as the amount approved by the 2022 Legislature.

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



The **agency** requests \$1.2 million, all from the Cosmetology Fee Fund, in expenditures and 15.0 FTE positions for FY 2024. This is an increase of \$44,157 or 3.7 percent, above the FY 2023 revised estimate. The increase is primarily attributable to the agency's enhancement requests for additional staffing. These include a part-time facility inspector and a part-time senior administrative assistant.

The **Governor** concurs with the agency's FY 2024 request.



The **agency** requests \$ 1.2 million, all from the Cosmetology Fee Fund, in expenditures and 15.0 FTE positions for FY 2025. This is an expenditure increase of \$277, or less than 0.1 percent, above the FY 2024 estimate. The increase is primarily attributable to the continuation of the agency's enhancement requests for additional staffing. These positions include a part-time facility inspector and a part-time senior administrative assistant.

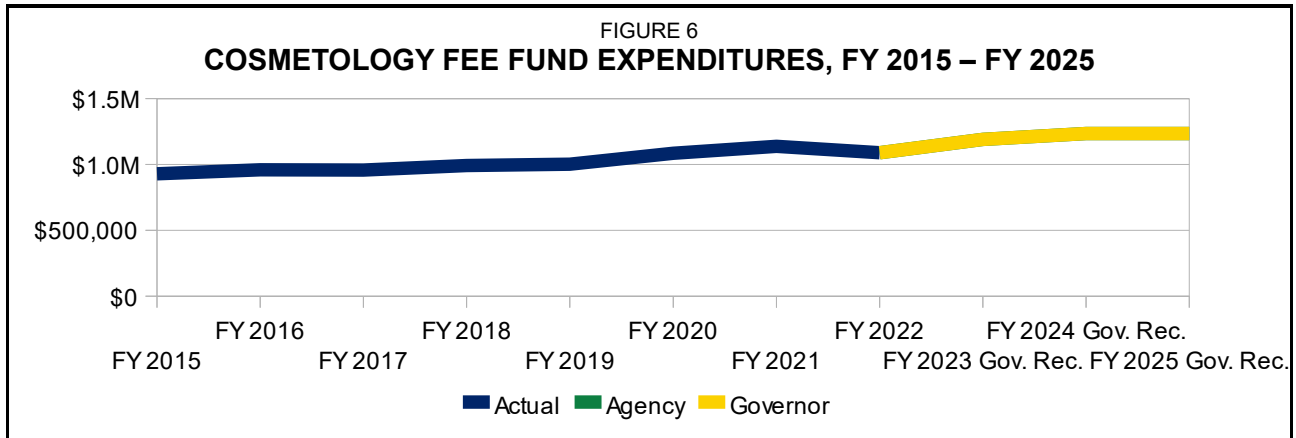
The **Governor** concurs with the agency's FY 2025 request.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

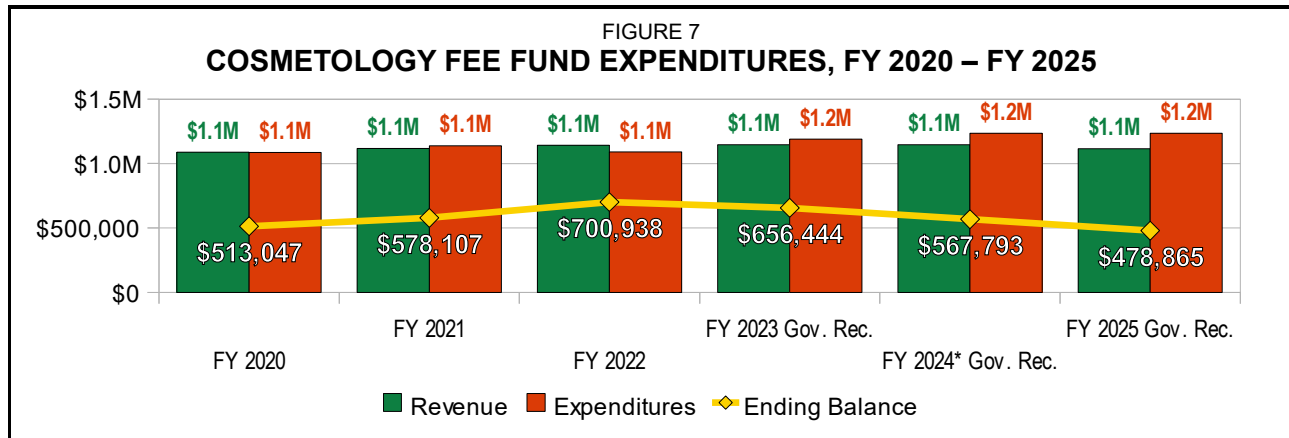
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Category of Expenditure:							
Salaries and Wages	\$ 779,941	\$ 829,226	\$ 829,226	\$ 873,383	\$ 873,383	\$ 873,660	\$ 873,660
Contractual Services	266,249	315,903	315,903	315,903	315,903	315,903	315,903
Commodities	18,053	22,415	22,415	22,415	22,415	22,415	22,415
Capital Outlay	25,697	22,950	22,950	22,950	22,950	22,950	22,950
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 1,089,940	\$ 1,190,494	\$ 1,190,494	\$ 1,234,651	\$ 1,234,651	\$ 1,234,928	\$ 1,234,928
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 1,089,940	\$ 1,190,494	\$ 1,190,494	\$ 1,234,651	\$ 1,234,651	\$ 1,234,928	\$ 1,234,928
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 1,089,940	\$ 1,190,494	\$ 1,190,494	\$ 1,234,651	\$ 1,234,651	\$ 1,234,928	\$ 1,234,928
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	1,089,940	1,190,494	1,190,494	1,234,651	1,234,651	1,234,928	1,234,928
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 1,089,940	\$ 1,190,494	\$ 1,190,494	\$ 1,234,651	\$ 1,234,651	\$ 1,234,928	\$ 1,234,928
FTE Positions	14.0	14.0	14.0	15.0	15.0	15.0	15.0

COSMETOLOGY FEE FUND



The Cosmetology Fee Fund 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.

COSMETOLOGY FEE FUND



* For FY 2024, the lowest month ending balance for the Cosmetology Fee Fund will occur in July, with a balance of \$453,430.

FIGURE 8
NUMBER OF LICENSES ISSUED, FY 2018–FY 2022

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Licensees					
Cosmetology, esthetics, nail technology, and electrology	25,154	24,454	25,503	26,217	26,709
Tattoo artists, body piercers, and permanent cosmetics	224	252	276	291	316
<i>Subtotal–Licensees</i>	<u>25,378</u>	<u>24,706</u>	<u>25,779</u>	<u>26,508</u>	<u>27,025</u>
Facility Licenses					
All cosmetology professions	4,235	4,285	4,278	4,463	4,538
All tattoo artists, body piercers, and permanent cosmetics	116	124	130	142	151
Tanning	314	302	287	276	270
<i>Subtotal–Facility Licenses</i>	<u>4,665</u>	<u>4,711</u>	<u>4,695</u>	<u>4,881</u>	<u>4,959</u>
Licensed Instructors and Trainers	299	308	303	330	300
Apprentices	1,362	1,519	1,509	1,715	1,747
Temporary Permits	44	21	43	28	8
Schools	27	26	28	29	29
TOTAL	<u>31,775</u>	<u>31,291</u>	<u>32,357</u>	<u>33,491</u>	<u>34,068</u>

FIGURE 9
LICENSURE FEES, FY 2023

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	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	75	75	KSA 65-1904
Cosmetologist Examination	75	75	KSA 65-1904
Manicurist Examination	75	75	KSA 65-1904
Esthetician Examination	75	75	KSA 65-1904
Electrologist Examination	75	75	KSA 65-1904
Tattoo Artist Examination	75	N/A	KSA 65-1904
Cosmetic/Permanent Tattoo Artist Examination	75	N/A	KSA 65-1904
Tattoo Artist Exam Application	50	N/A	KSA 65-1904
Body Piercing Exam Application	50	N/A	KSA 65-1904
Cosmetic/Permanent Tattoo Artist Examination Application	50	N/A	KSA 65-1904

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 1,190,494	\$ 1,190,494	14.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 1,190,494</i>	<i>\$ 1,190,494</i>	<i>14.0</i>
Agency Revised Estimate:				
2. No Changes	-	-	-	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 1,190,494</i>	<i>\$ 1,190,494</i>	<i>14.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 1,190,494	\$ 1,190,494	14.0

LEGISLATIVE APPROVED

The 2022 Legislature approved a budget of \$1.2 million, all from the Cosmetology Fee Fund, in expenditures and 14.0 FTE positions for the Board of Cosmetology in FY 2023.

1. **NO CHANGES.** Subsequent to the 2022 Legislative Session, no adjustments were made to the \$1.2 million approved for the Board of Cosmetology for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$1.2 million, all from the Cosmetology Fee Fund, in expenditures and 14.0 FTE positions in FY 2023. This is the same as the amount approved by the 2022 Legislature.

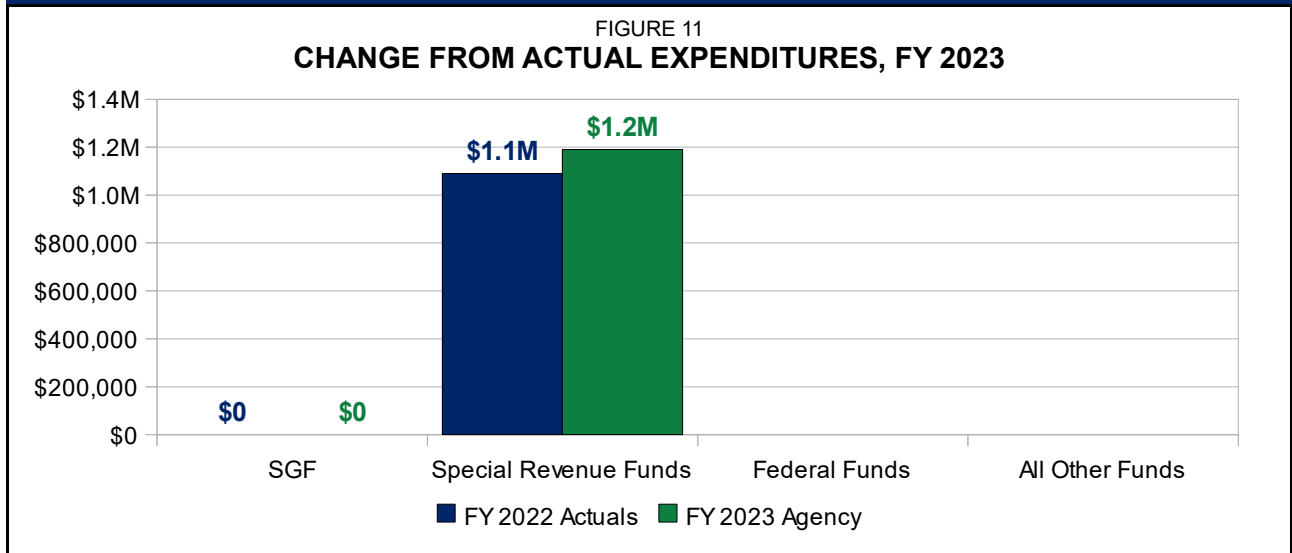
2. **NO CHANGES.** The agency's revised estimate does not include any adjustments to the FY 2023 approved amount.

GOVERNOR'S RECOMMENDATION

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

3. **NO CHANGES.** The Governor's recommendation does not include any adjustments to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$1.2 million, all from the Cosmetology Fee Fund, in FY 2023. This is an increase of \$100,554, or 9.2 percent, above the FY 2022 actual expenditures. This increase is primarily attributable to the statewide 5.0 percent pay increase for employees (\$49,285) and increases in attorneys fees (\$19,900), information technology fees (\$16,700) and other adjustments (\$14,669).

FY 2024 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 1,190,494	\$ 1,190,494	14.0
Agency Request:				
1. Enhancement—Part-time Facility Inspector Position	\$ -	\$ 19,050	\$ 19,050	0.5
2. Enhancement—Part-time Senior Administrative Assistant Position	-	17,177	17,177	0.5
3. All Other Adjustments	-	7,930	7,930	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 1,234,651	\$ 1,234,651	15.0
Governor's Recommendation:				
4. No Changes	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 1,234,651</u>	<u>\$ 1,234,651</u>	<u>15.0</u>

AGENCY REQUEST

The **agency** requests \$1.2 million, all from the Cosmetology Fee Fund, in expenditures and 15.0 FTE positions for FY 2024. This is an increase of \$44,157, or 3.7 percent, and 1.0 FTE position above the FY 2023 revised estimate.

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

- 1. ENHANCEMENT—PART-TIME FACILITY INSPECTOR POSITION.** The agency requests \$19,050, and 0.5 FTE position, for a part-time facility inspector to conduct routine annual inspections of all licensed establishments. In FY 2022, 31.0 percent of the Board's licensed establishments did not receive an annual health and sanitation inspection due to lack of staffing. This would be an ongoing expenditure.
- 2. ENHANCEMENT—PART-TIME SENIOR ADMINISTRATIVE ASSISTANT POSITION.** The agency requests \$17,177, and 0.5 FTE position, for a part-time senior administrative assistant. This position would be part of the agency's Enforcement Department and would assist with increasing caseload numbers. This would be an ongoing expenditure.
- 3. ALL OTHER ADJUSTMENTS.** The remaining increase is primarily due to employer contributions for fringe benefits. This includes an increase to employer contributions for group health insurance (\$10,646), which is partially offset by a decrease in public employee retirement contributions (\$3,038).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

- 4. NO CHANGES.** The Governor's recommendation does not include any adjustments to the agency's FY 2024 request.

FY 2025 ANALYSIS

FIGURE 13
SUMMARY OF BUDGET REQUEST, FY 2025

		SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:		\$ -	\$ 1,234,651	\$ 1,234,651	15.0
Agency Request:					
1. Enhancement—Part-time Facility Inspector Position	1	\$ -	\$ 267	\$ 267	--
2. Enhancement—Part-time Senior Administrative Assistant Position		-	283	283	--
3. All Other Adjustments		-	(273)	(273)	--
<i>Subtotal—Agency Request</i>		\$ -	\$ 1,234,928	\$ 1,234,928	15.0
Governor's Recommendation:					
4. No Changes		\$ -	\$ -	\$ -	--
TOTAL		<u>\$ -</u>	<u>\$ 1,234,928</u>	<u>\$ 1,234,928</u>	<u>15.0</u>

AGENCY REQUEST

The **agency** requests \$1.2 million, all from the Cosmetology Fee Fund, in expenditures and 15.0 FTE positions for FY 2025. This is an expenditure increase of \$277 above the FY 2024 estimate.

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

- 1. ENHANCEMENT—PART-TIME FACILITY INSPECTOR POSITION.** The agency requests \$267 to continue the part-time facility inspector position requested for FY 2025 to conduct routine annual inspections of all licensed establishments. The total increase in salaries and wages for the position is \$19,317 for FY 2024. This would be an ongoing expenditure.
- 2. ENHANCEMENT—PART-TIME SENIOR ADMINISTRATIVE ASSISTANT POSITION.** The agency requests \$283 to continue the part-time senior administrative assistant position requested for FY 2025. The increase the total salary for the position at \$17,460 for FY 2024. This would be an ongoing expenditure.
- 3. ALL OTHER ADJUSTMENTS.** The \$273 decrease is primarily due to a shift in employer contributions for fringe benefits for FY 2025.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2025 request.

- 4. NO CHANGES.** The Governor's recommendation does not include any adjustments to the agency's FY 2025 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

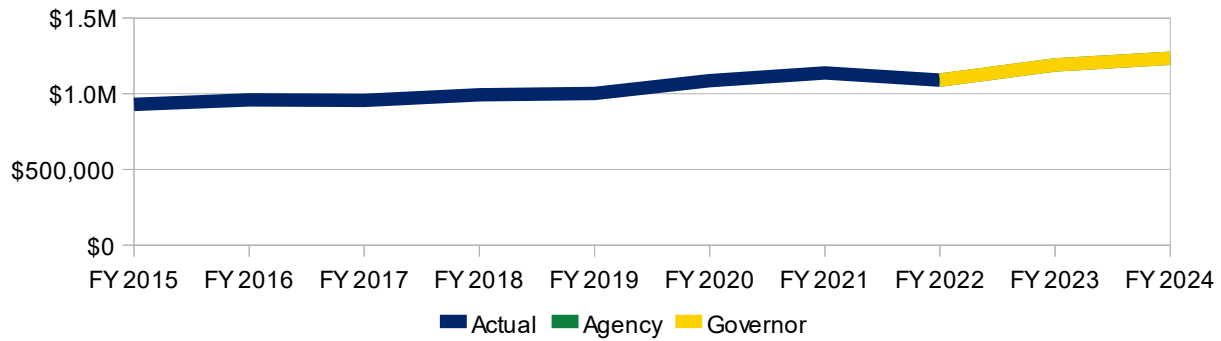
FIGURE 14 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 1,089,940	\$ 1,190,494	\$ 1,190,494	\$ 1,234,651	\$ 1,234,651	\$ 1,234,928	\$ 1,234,928
FTE Positions:							
Administration	14.0	14.0	14.0	15.0	15.0	15.0	15.0

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 15
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



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 16
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of facilities inspected for compliance with health, sanitation and infection control regulations	70.0 %	69.0 %	78.0 %	69.0 %	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)	62.0 %	56.0 %	54.0 %	50.0 %	50.0 %
3. Percentage of practitioners maintaining current license (total renewable licenses vs. renewals)	94.0 %	91.0 %	93.0 %	95.0 %	95.0 %
Output Measure:					
4. Number of annual routine inspections assigned*	4,978	4,893	4,931	5,000	5,000
5. Number of disciplinary actions issued*	423	288	332	300	300
6. Number of renewable licenses*	17,159	17,395	17,301	17,500	17,500
7. Number of agency statutes and regulations*	142	142	142	142	142
8. Percentage of statutes and regulations reviewed to ensure industry standards are reflected in Kansas*	48.0 %	33.0 %	45.0 %	50.0 %	50.0 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -	-	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	1,138,370	1,089,940		1,190,494	1,234,651
TOTAL	\$ 1,138,370	\$ 1,089,940		\$ 1,190,494	\$ 1,234,651
Percentage Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	4.8 %	(4.3) %		9.2 %	3.7 %
FTE Positions	14.0	14.0		14.0	15.0

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

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KANSAS DEPARTMENT OF CREDIT UNIONS

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	1,094,322	1,310,139	1,310,139	1,311,226	1,266,485	1,315,417	1,268,881
<i>Subtotal</i>	<u>\$ 1,094,322</u>	<u>\$ 1,310,139</u>	<u>\$ 1,310,139</u>	<u>\$ 1,311,226</u>	<u>\$ 1,266,485</u>	<u>\$ 1,315,417</u>	<u>\$ 1,268,881</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 1,094,322</u>	<u>\$ 1,310,139</u>	<u>\$ 1,310,139</u>	<u>\$ 1,311,226</u>	<u>\$ 1,266,485</u>	<u>\$ 1,315,417</u>	<u>\$ 1,268,881</u>
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	0.2 %	19.7%	19.7 %	0.1 %	(3.3) %	0.3 %	0.2 %
FTE Positions	12.0	12.0	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.

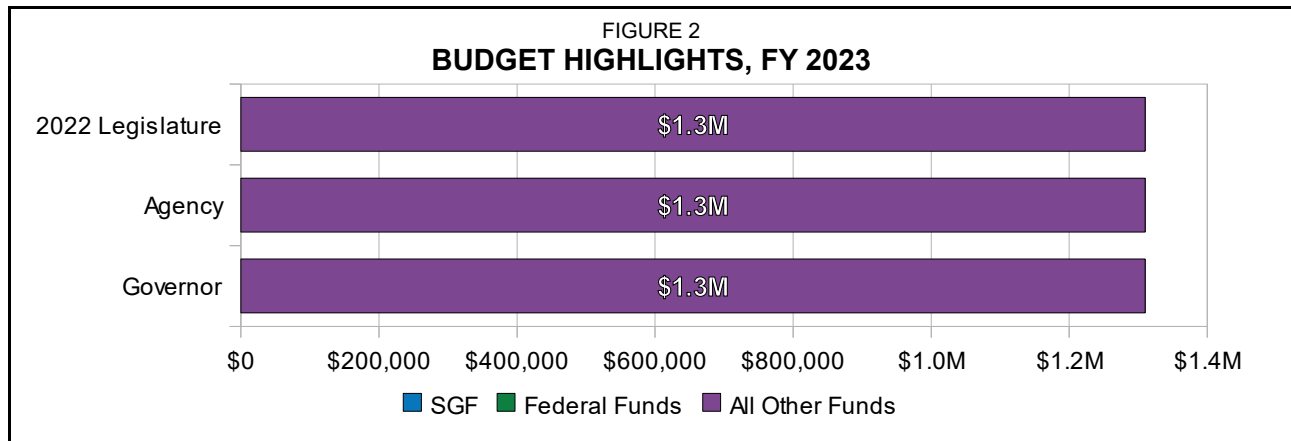
The mission of the Kansas Department of Credit Unions is to protect Kansas citizens from undue risk by ensuring safe and sound operation of state-chartered credit unions. The agency regulates state-chartered credit unions to assure compliance with state and federal laws, and is empowered to conduct examinations, grant new charters, approve mergers, and provide for liquidation procedures when necessary. There are 50 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 2022 Legislature approved a budget of \$1.3 million, all from the Credit Union Fee Fund and 12.0 FTE positions for the Kansas Department of Credit Unions in FY 2023.

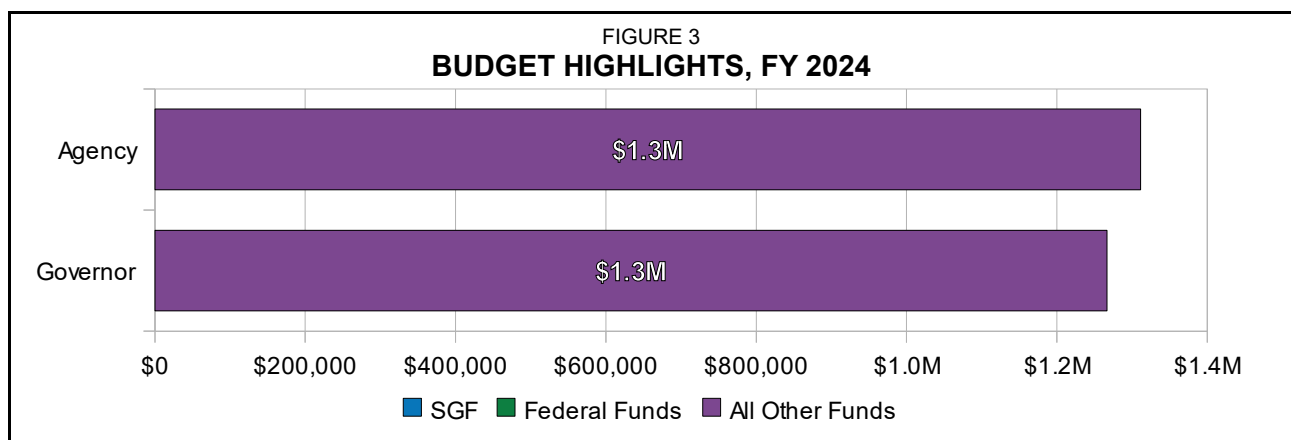


The **agency** submits a revised estimate of \$1.3 million, all from the Credit Union Fee Fund, in FY 2023. There is not an overall change in the agency's budget amount, however, there are several shifts in the categories of expenditures:

- **SALARIES AND WAGES.** The revised estimate includes an additional \$44,096 in salaries and wages expenditures. This increase is due to an effort to retain experienced staff and for additional salaries for temporary employees while looking to fill FTE positions.
- **CONTRACTUAL SERVICES.** The revised estimate reduces the amount in contractual services by \$51,716. This decrease is due to less travel than what was expected to occur in FY 2023.
- **CAPITAL OUTLAY.** The agency includes a budgeted expenditure of replacing a vehicle in its fleet during FY 2023. This is an increase of \$30,000, which is partially offset by a decrease in funds requested for office furniture and computer equipment. The total increase in capital outlay for FY 2023 is \$10,325.

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.



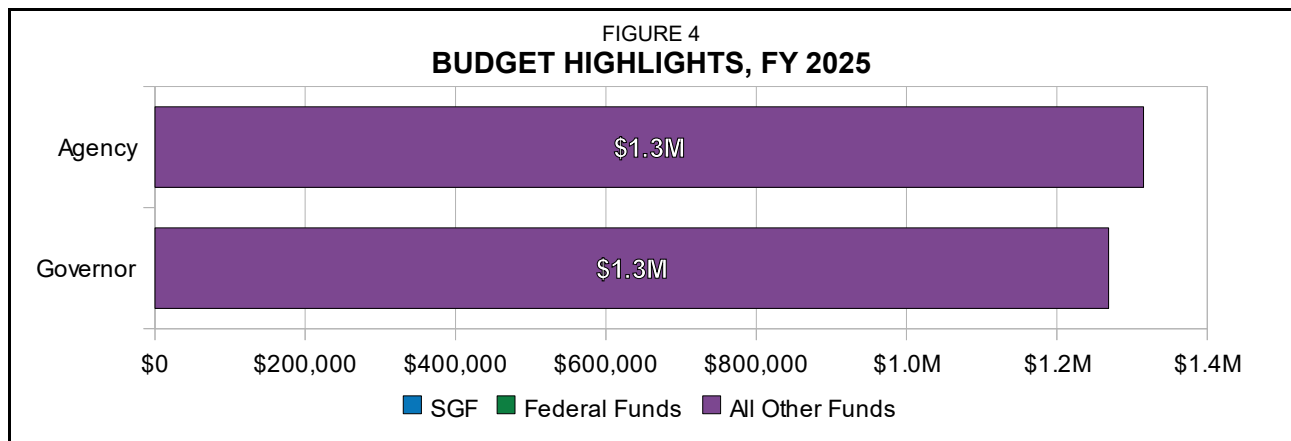
The **agency** requests \$1.3 million, all from the Credit Union Fee Fund, for FY 2024. This is an increase of \$1,087, or 0.1 percent, above the FY 2023 revised estimate.

- **SALARIES AND WAGES.** The agency's request includes an additional \$1,087 in salaries and wages expenditures. This increase is mostly due to merit increases in salary. The agency increased pay for regular unclassified employees by \$36,643. Employer

contributions for fringe benefits also increase by \$10,536. This increase is partially offset by a reduction of \$46,092 in salaries and wages by eliminating classified temporary positions.

The request includes 12.0 FTE positions, which is the same as the number in the FY 2023 revised estimate.

The **Governor** recommends \$1.3 million, all from the Credit Union Fee Fund, for FY 2024. This is a decrease of \$44,741, or 3.4 percent, below the agency's request for FY 2024. The Governor's recommendation does not include the agency's enhancement request for merit-based increases in salaries and wages.



The **agency** requests \$1.3 million, all from the Credit Union Fee Fund, for FY 2025. This is an increase of \$4,191, or 0.3 percent, above the FY 2024 request.

- **SALARIES AND WAGES.** The agency's request includes an additional \$4,191 in salaries and wages expenditures. This increase is due expected increases in employer contributions for fringe benefits.

The estimate includes 12.0 FTE positions, which is the same as the requested number for FY 2024.

The **Governor** recommends \$1.3 million, all from the Credit Union Fee Fund, for FY 2025. This is a decrease of \$46,536, or 3.5 percent, below the FY 2024 agency request. The Governor's recommendation does not include the agency's enhancement request for merit-based increases in salaries and wages.

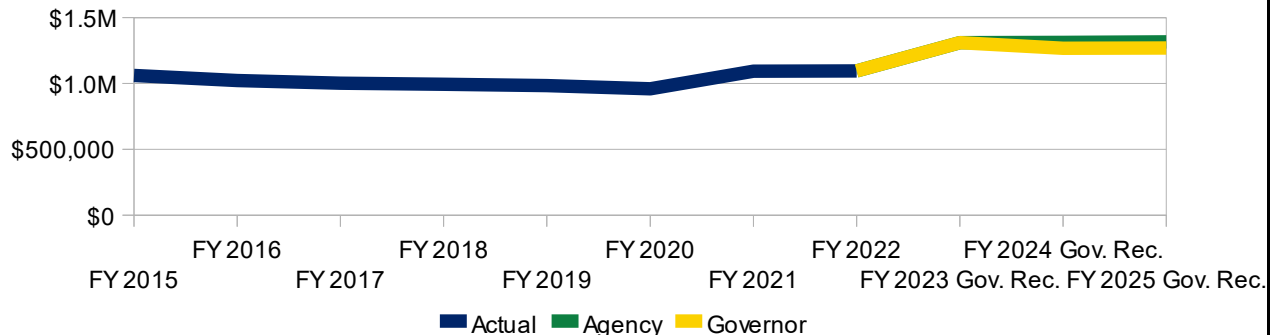
EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

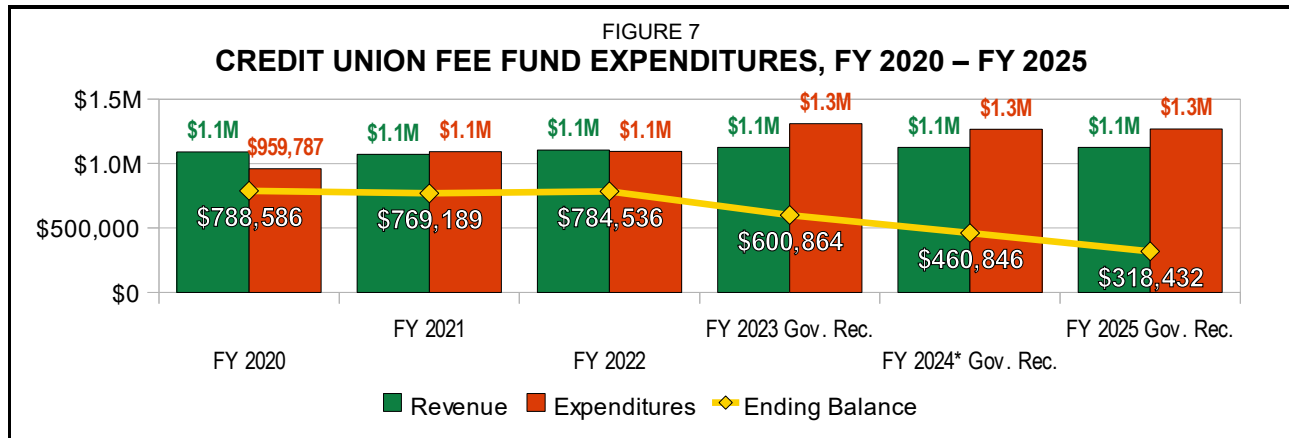
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 882,019	\$ 1,046,968	\$ 1,046,968	\$ 1,048,055	\$ 1,003,314	\$ 1,052,246	\$ 1,005,710
Contractual Services	179,018	216,218	216,218	216,218	216,218	216,218	216,218
Commodities	11,691	15,403	15,403	15,403	15,403	15,403	15,403
Capital Outlay	21,594	31,550	31,550	31,550	31,550	31,550	31,550
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 1,094,322	\$ 1,310,139	\$ 1,310,139	\$ 1,311,226	\$ 1,266,485	\$ 1,315,417	\$ 1,268,881
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 1,094,322	\$ 1,310,139	\$ 1,310,139	\$ 1,311,226	\$ 1,266,485	\$ 1,315,417	\$ 1,268,881
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 1,094,322	\$ 1,310,139	\$ 1,310,139	\$ 1,311,226	\$ 1,266,485	\$ 1,315,417	\$ 1,268,881
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	1,094,322	1,310,139	1,310,139	1,311,226	1,266,485	1,315,417	1,268,881
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 1,094,322	\$ 1,310,139	\$ 1,310,139	\$ 1,311,226	\$ 1,266,485	\$ 1,315,417	\$ 1,268,881
FTE Positions	12.0	12.0	12.0	12.0	12.0	12.0	12.0

CREDIT UNION FEE FUND

FIGURE 6
CREDIT UNION FEE FUND EXPENDITURES, FY 2015 – FY 2025



CREDIT UNION FEE FUND



* For FY 2024, the lowest month ending balance for the Credit Union Fee Fund will occur in July, with a balance of \$452,230

The Credit Union Fee Fund is the only source of funds for the Kansas Department of Credit Unions. Assessment of the fees are based on the asset size of state-chartered credit unions on March 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. The most recent fee invoices included a one-time decrease in fee assessments to pass along savings that the agency acquired due to travel restrictions during the COVID-19 pandemic. 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 one quarter's expenses. The Kansas Department of Credit Unions estimates its balance will fulfill NASCUS recommendations in FY 2023.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 1,310,139	\$ 1,310,139	12.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 1,310,139</i>	<i>\$ 1,310,139</i>	<i>12.0</i>
Agency Revised Estimate:				
2. All Other Adjustments	-	-	-	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 1,310,139</i>	<i>\$ 1,310,139</i>	<i>12.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 1,310,139	\$ 1,310,139	12.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$1.3 million approved for the Kansas Department of Credit Unions in FY 2023.

1. **NO CHANGES.** There were no changes to the approved amount.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$1.3 million, all from the Credit Union Fee Fund, in expenditures in FY 2023.

2. **ALL OTHER ADJUSTMENTS.** The agency's overall budget amount does not change, however, there are several shifts in the categories of expenditures, including:
 - **SALARIES AND WAGES.** The agency's revised estimate includes an additional \$44,096, or 4.4 percent, above the approved amount in salaries and wages expenditures. This increase is due to an effort to retain experienced staff and for additional money to pay temporary employees while looking to fill FTE positions.
 - **CONTRACTUAL SERVICES.** The agency's revised estimate reduces the amount in contractual services by \$51,716, which is a decrease of 19.3 percent below the approved amount. This decrease is due to less travel than what was previously expected to occur in FY 2023.
 - **CAPITAL OUTLAY.** The agency includes a budgeted expenditure of replacing a vehicle in its fleet during FY 2023. This is an increase of \$30,000, which is partially offset by a decrease in funds requested for office furniture and computer equipment. The total increase in capital outlay for FY 2023 is \$10,325, or 48.6 percent, above the approved amount.

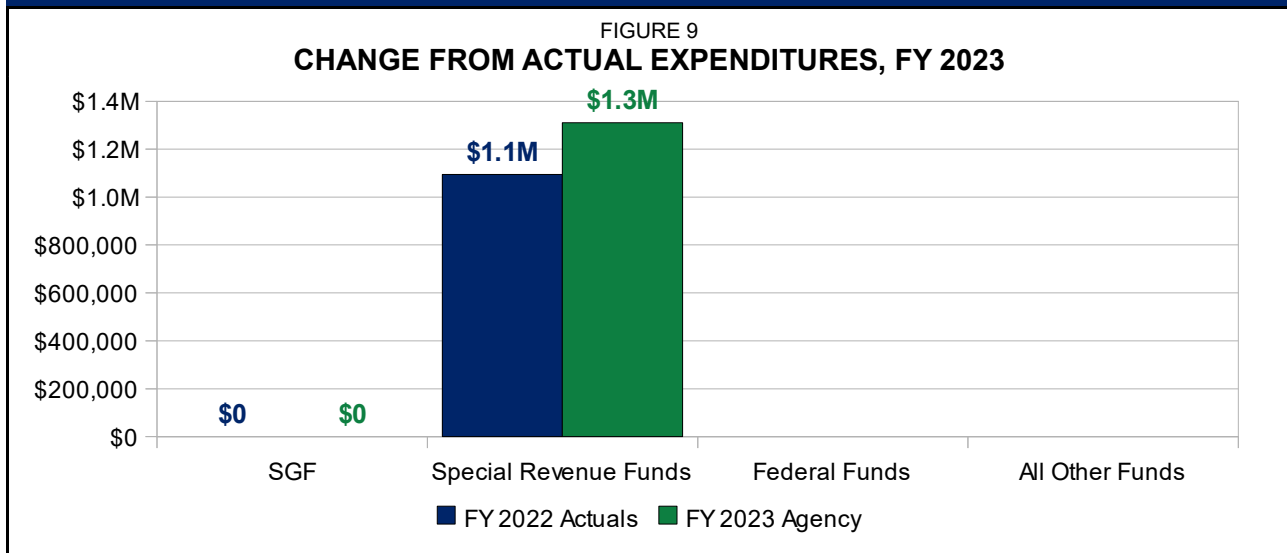
The **agency** estimate also includes 12.0 FTE positions, which is the same number approved by the 2022 Legislature.

GOVERNOR'S RECOMMENDATION

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

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$1.3 million, all from the Credit Union Fee Fund, in FY 2023. This is an increase of \$215,817, or 19.7 percent, above the actual expenditures in FY 2022. The increase is due mainly to two reasons:

- **SALARIES AND WAGES.** In FY 2023, the agency filled all open positions, increasing salaries and wage expenditures. Additionally, this includes the legislatively approved salary increases and increased employer contributions to fringe benefits.
- **TRAVEL-RELATED EXPENDITURES.** The agency's contractual services expenditures are primarily for travel and subsistence expenditures to accomplish examinations and trainings. During the COVID-19 pandemic in FY 2021 and FY 2022, the agency experienced a drop in travel-related expenditures. These expenditures increased as travel resumed in FY 2023.

FY 2024 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 1,310,139	\$ 1,310,139	12.0
Agency Request:				
1. Enhancement – Merit-based Increases	\$ -	\$ 44,741	\$ 44,741	--
2. All Other Adjustments	-	(43,654)	(43,654)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 1,311,226	\$ 1,311,226	12.0
Governor's Recommendation:				
3. Enhancement - Merit-based Increases – Not Recommended	\$ -	\$ (44,741)	\$ (44,741)	--
TOTAL	<u>\$ -</u>	<u>\$ 1,266,485</u>	<u>\$ 1,266,485</u>	<u>12.0</u>

AGENCY REQUEST

The **agency** requests \$1.3 million, all from the Credit Union Fee Fund, in expenditures for FY 2024. This is an increase of \$1,087, or less than 0.1 percent, above the FY 2023 revised estimate. Major adjustments include:

1. **ENHANCEMENT – MERIT-BASED INCREASES.** The agency's estimate includes the addition of \$44,741 for salaries and wages expenditures. This increase is due to merit increases in salary.
2. **ALL OTHER ADJUSTMENTS.** The agency's estimate reduces the amount requested for FY 2024 by \$43,654. This is mainly due to a reduction in classified temporary employees wages of \$46,092, as a result of not having any temporary employees in FY 2024.

The estimate includes 12.0 FTE positions, which is the same as the FY 2023 approved number.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$1.3 million, all from the Credit Union Fee Fund, for FY 2024. This is a decrease of \$44,741, or 3.4 percent, below the agency's request for FY 2024.

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

3. **ENHANCEMENT – MERIT-BASED INCREASES – NOT RECOMMENDED.** The Governor's recommendation does not include the agency's enhancement request for \$44,741 for merit-based salary increases (Item 1).

The estimate includes 12.0 FTE positions, which is the same as the agency's request for FY 2024.

FY 2025 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 1,311,226	\$ 1,311,226	12.0
Agency Request:				
1. Enhancement - Merit-based Increases	-	46,536	46,536	--
2. All Other Adjustments	-	(42,345)	(42,345)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 1,315,417	\$ 1,315,417	12.0
Governor's Recommendation:				
3. Enhancement - Merit-based Increases – Not Recommended	\$ -	\$ (46,536)	\$ (46,536)	--
TOTAL	<u>\$ -</u>	<u>\$ 1,268,881</u>	<u>\$ 1,268,881</u>	<u>12.0</u>

AGENCY REQUEST

The **agency** requests \$1.3 million, all from the Credit Union Fee Fund, for FY 2025. This is an increase of \$4,191, or 0.3 percent, above the FY 2024 request. Major adjustments include:

1. **ENHANCEMENT – MERIT-BASED INCREASES.** The agency's FY 2025 request includes the addition of \$46,536 in salaries and wages expenditures for merit-based increases for the agency's employees. This is an increase of \$1,795, or 3.9 percent, above the enhancement requested for FY 2024.
2. **ALL OTHER ADJUSTMENTS.** The agency's FY 2025 request reduces the amount requested for other expenditures by \$42,345. This is mainly due to the reduction in employer contributions to KPERs and planning to have all FTE positions filled.

The estimate includes 12.0 FTE positions, which is the same as the requested number for FY 2024.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$1.3 million, all from the Credit Union Fee Fund, for FY 2025. This is a decrease of \$46,536, or 3.5 percent, below the agency's request for FY 2025.

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

3. **ENHANCEMENT – MERIT-BASED INCREASES – NOT RECOMMENDED.** The Governor's recommendation does not include the agency's enhancement request for \$46,536 for merit-based salary increases (Item 1).

The estimate includes 12.0 FTE positions, which is the same as the agency's request for FY 2025.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

MERIT-BASED SALARY INCREASES

ENHANCEMENT REQUEST FY 2024

The agency requests \$44,471, all from the Credit Union Fee Fund, for merit-based increases in salaries and wages for FY 2024.

Enhancement Request FY 2024					
Item	Agency Recommendation		Governor Recommendation		
	SGF	Special Revenue Fund	SGF	Special Revenue Fund	
Merit-based Salary Increases	\$ -	\$ 44,741	\$ -	\$ -	-

MERIT-BASED SALARY INCREASES. The agency's request includes \$44,741, all from the Credit Union Fee Fund, to offer merit-based salary increases in order to retain and reward experienced staff. 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 recommends the adoption of this request.

ENHANCEMENT REQUEST FY 2025

The agency requests \$46,536, all from special revenue funds, for merit-based increases in salaries and wages for FY 2025.

Enhancement Request FY 2025					
Item	Agency Recommendation		Governor Recommendation		
	SGF	Special Revenue Fund	SGF	Special Revenue Fund	
Merit-based Salary Increases	\$ -	\$ 46,536	\$ -	\$ -	-

MERIT-BASED SALARY INCREASES. The agency's FY 2025 request includes \$46,536, all from the Credit Union Fee Fund, to continue merit-based salary increases it requested in FY 2024. 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 recommends the adoption of this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 12 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 1,094,322	\$ 1,310,139	\$ 1,310,139	\$ 1,311,226	\$ 1,266,485	\$ 1,315,417	\$ 1,268,881
FTE Positions:							
Administration	12.0	12.0	12.0	12.0	12.0	12.0	12.0

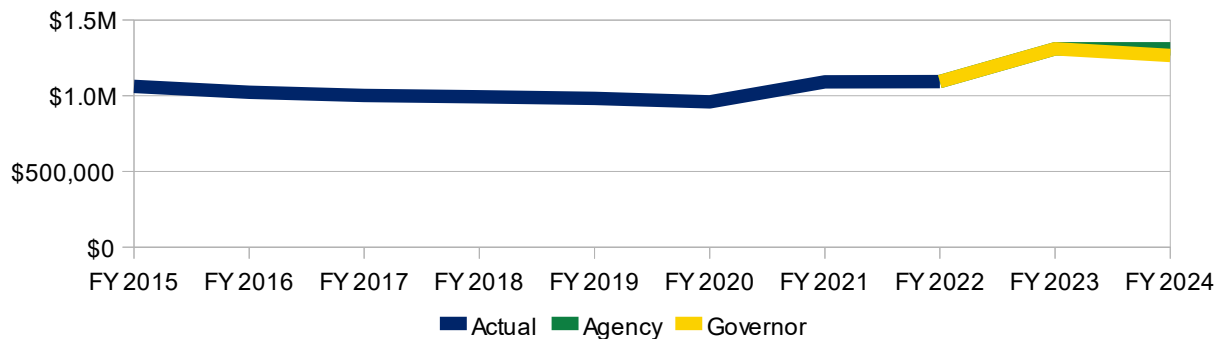
PERFORMANCE MEASURES

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

FIGURE 13

ADMINISTRATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 17-2201-2269

PROGRAM GOALS: • Each credit union must be examined at least once every 18 months.

FIGURE 14

ADMINISTRATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of examinations performed every 18 months	100 %	96 %	99 %	100 %	100 %
Output Measure:					
2. Examinations performed	49	50	48	49	49
3. Callbacks performed*	9	11	10	10	10
4. Number of state-chartered credit unions	57	53	--	49	49
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,092,602	1,094,322		1,310,139	1,266,485
TOTAL	\$ 1,092,602	\$ 1,094,322		\$ 1,310,139	\$ 1,266,485
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	14.3 %	0.2 %		19.7 %	(3.3) %
FTE Positions	12.0	12.0		12.0	12.0

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

PERFORMANCE ANALYSIS

The Kansas Department of Credit Unions is a single-program agency. All of its expenditures are located in its Administration Program and are paid for entirely by the Credit Union Fee Fund.

The agency performs examinations of the state-chartered credit unions at least once every 18 months. The agency's outcome measure assesses the percentage of

examinations performed every 18 months. The output measures assess the total number of examinations performed within a fiscal year and how many supervisory callbacks to problem credit unions have occurred within the fiscal year.

PERCENTAGE OF EXAMINATIONS WITHIN 18 MONTH WINDOW

The agency was able to complete 96 percent of the examinations within the last 18 months in FY 2022. This was down 4 percent below FY 2021. The agency will examine credit unions with problems at least every 12 months, while stable credit unions will be examined at slightly longer intervals, but still within the 18-month period. The agency anticipates that they will be able to perform 100 percent of these examinations within 18 months in FY 2023 and FY 2024.

TOTAL NUMBER OF EXAMS PERFORMED

The agency performed 49 exams in FY 2021 and 50 exams in FY 2022. The agency anticipates that 49 exams will occur in each of FY 2023 and FY 2024, keeping the agency on track with the previous two fiscal years.

SUPERVISORY CALLBACKS PERFORMED

In FY 2021 and FY 2022, the agency performed 9 callbacks each year to problem credit unions. All problem credit unions received a callback as needed. The agency estimates that 10 callbacks will need to occur within each of FY 2023 and FY 2024, or one more callback than what has occurred in recent fiscal years.

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KANSAS DENTAL BOARD

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	412,339	425,688	425,688	560,000	560,000	565,000	565,000
<i>Subtotal</i>	<i>\$ 412,339</i>	<i>\$ 425,688</i>	<i>\$ 425,688</i>	<i>\$ 560,000</i>	<i>\$ 560,000</i>	<i>\$ 565,000</i>	<i>\$ 565,000</i>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 412,339	\$ 425,688	\$ 425,688	\$ 560,000	\$ 560,000	\$ 565,000	\$ 565,000
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	8.2 %	3.2 %	3.2 %	31.6 %	31.6 %	0.9 %	0.9 %
FTE Positions	3.0	3.0	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.

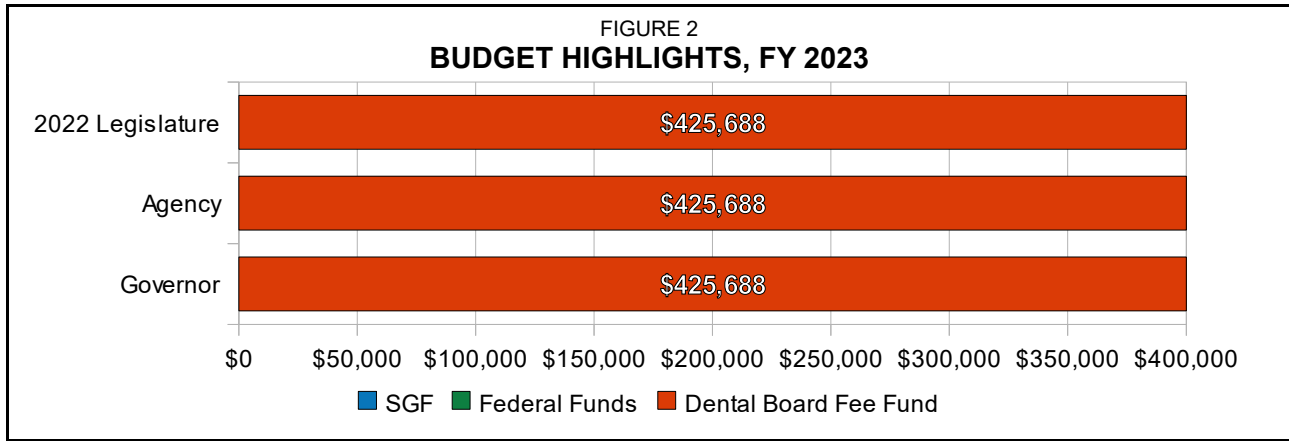
The Board conducts inspections of licensees to ensure compliance with sanitary and other regulations and investigates complaints of incompetence, negligence, illegal practice, and other violations of the Dental Practices Act. When warranted, administrative hearings are held, and the Board is empowered 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.

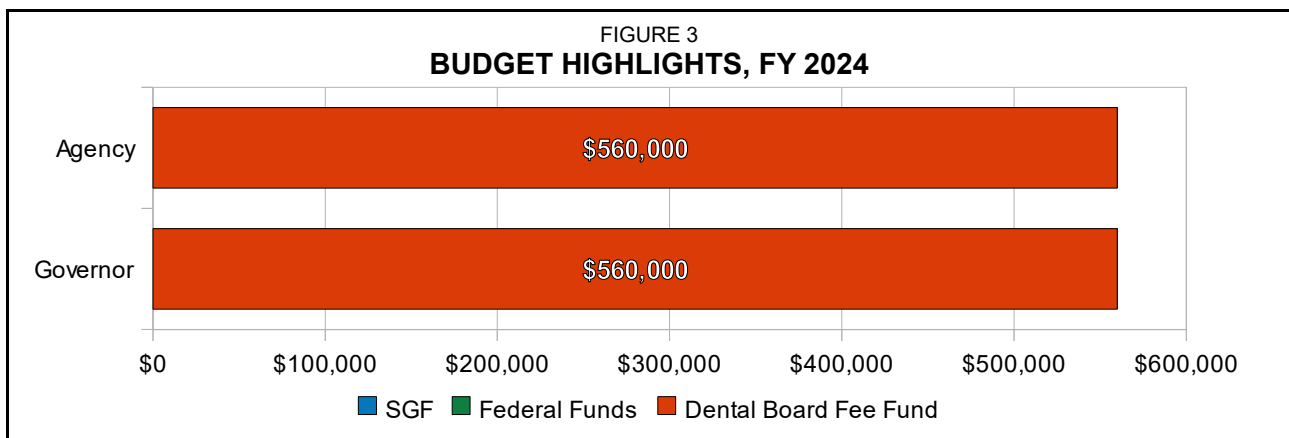
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$425,688, all from the Dental Board Fee Fund, in expenditures and 3.0 FTE positions for the Kansas Dental Board in FY 2023.



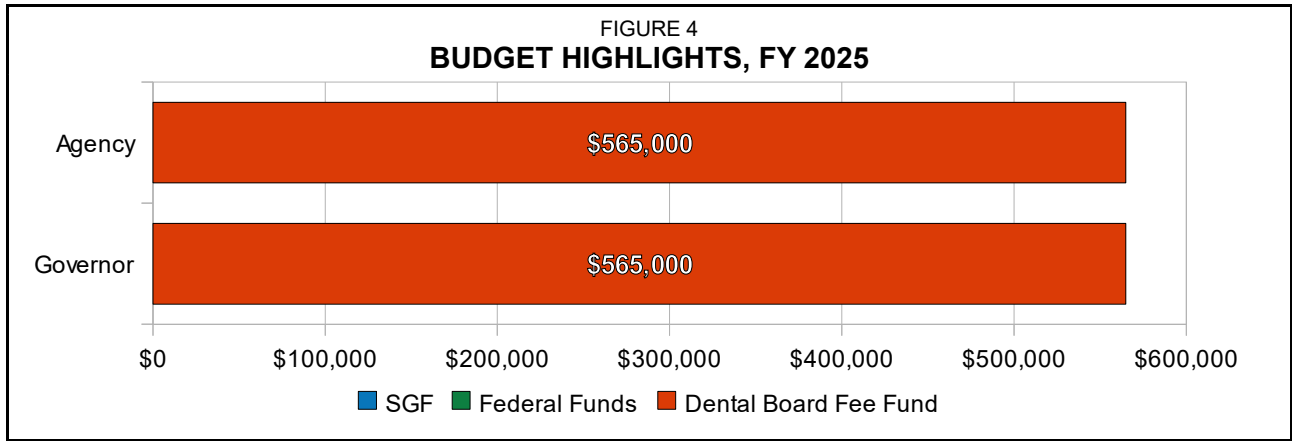
The **agency** submits a revised estimate of \$425,688, all from the Dental Board Fee Fund, in expenditures and 3.0 FTE positions in FY 2023. This is the same amount approved for FY 2023 by the 2022 Legislature. The agency increased contractual services by \$1,432 and decreased salaries and wages expenditures by the same amount. The decrease in salaries and wages was due to lower than anticipated employer contributions for fringe benefits, and the increase in contractual services includes several different types of contractual services, including OITS expenditures and some rental charges.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$560,000, all from the Dental Board Fee Fund, in expenditures and 3.0 FTE positions for FY 2024. This is an increase of \$134,312, or 31.6 percent, above the FY 2023 revised estimate. The increase is attributable to a request to upgrade the agency's licensing system. The agency indicates that the existing system is on Microsoft Access and is no longer supported. The agency's request includes \$130,000 to migrate the existing system to a cloud-based licensing vendor. In addition to the system upgrade, the agency's request includes increases in salaries and wages expenditures totaling \$2,283, primarily attributable to increased employer contributions to group health insurance. Other, smaller adjustments, are also included in the agency's FY 2024 request.

The **Governor** concurs with the agency's FY 2024 request.



The **agency** requests \$565,000, all from the Dental Board Fee Fund, in expenditures and 3.0 FTE positions for FY 2025. This is an increase of \$5,000, or 0.9 percent, above the FY 2024 agency request. The increase is attributable to estimated costs for in-state travel, the State Building Capital Charge, paper and other stationery, and employer contributions for fringe benefits. The agency request also includes ongoing expenditures for the enhanced licensing system, which is also included in the agency's FY 2024 estimate.

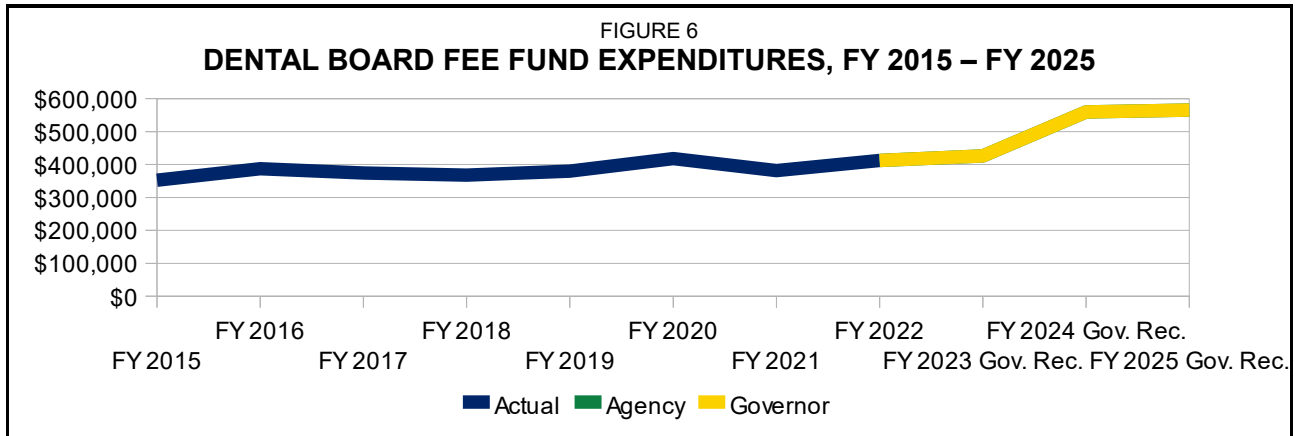
The **Governor** concurs with the agency's FY 2025 request.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 197,074	\$ 221,329	\$ 221,329	\$ 223,612	\$ 223,612	\$ 223,831	\$ 223,831
Contractual Services	210,039	204,359	204,359	336,388	336,388	340,169	340,169
Commodities	4,926	-	-	-	-	1,000	1,000
Capital Outlay	300	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 412,339	\$ 425,688	\$ 425,688	\$ 560,000	\$ 560,000	\$ 565,000	\$ 565,000
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 412,339	\$ 425,688	\$ 425,688	\$ 560,000	\$ 560,000	\$ 565,000	\$ 565,000
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 412,339	\$ 425,688	\$ 425,688	\$ 560,000	\$ 560,000	\$ 565,000	\$ 565,000
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	412,339	425,688	425,688	560,000	560,000	565,000	565,000
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 412,339	\$ 425,688	\$ 425,688	\$ 560,000	\$ 560,000	\$ 565,000	\$ 565,000
FTE Positions	3.0	3.0	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 FY 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.

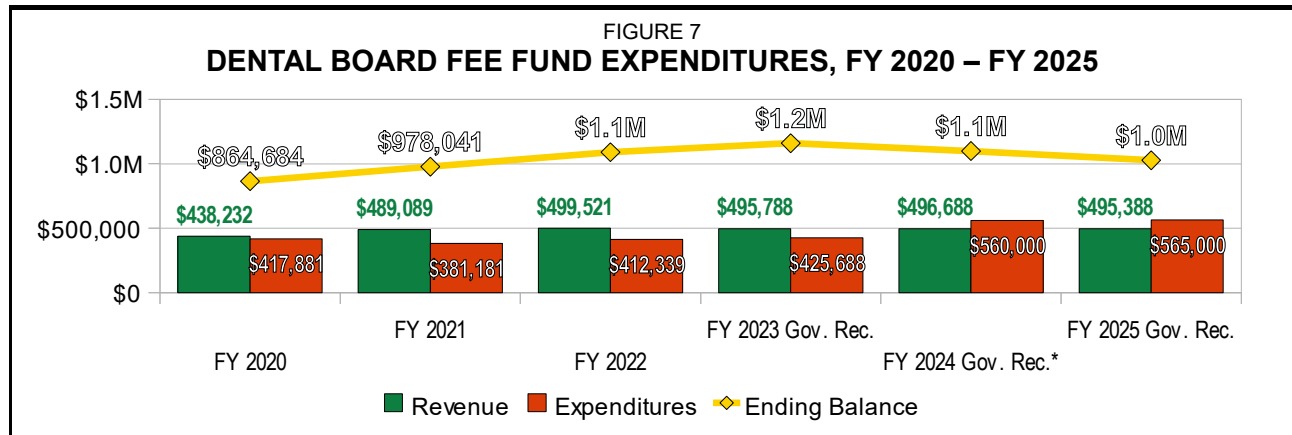
Starting in FY 2015, the biennial fee for dentists was reduced from \$300 to \$275, with a statutory maximum of \$325. The biennial fee for dental hygienists was reduced from \$150 to \$125, with a statutory maximum of \$160. These biennial fees will be effective FY 2015 through FY 2023. Projected savings 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 2023, FY 2024, or FY 2025.

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 Kansas 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 for FY 2021.

DENTAL BOARD FEE FUND



* For FY 2024, the lowest month ending balance for the Dental Board Fee Fund will occur in September, with a balance of \$1.0 million.

FIGURE 8
LICENSURE FEES, FY 2023

License	Current Fee	Statutory Limit	Authority
Examination fee for dental applicants	\$ 200	\$ 200	KSA 65-1447
Biennial license renewal fee for dentists	275	325	KSA 65-1447
Examination fee for dental hygienist applicants	100	100	KSA 65-1447
Biennial license renewal fee for dental hygienists	125	160	KSA 65-1447
Registration fee to operate a mobile dental facility or portable operation	350	500	KSA 65-1447

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 425,688	\$ 425,688	3.0
1. No changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 425,688</i>	<i>\$ 425,688</i>	<i>3.0</i>
Agency Revised Estimate:				
2. No changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 425,688</i>	<i>\$ 425,688</i>	<i>3.0</i>
Governor's Recommendation:				
3. No changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 425,688	\$ 425,688	3.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$425,688 appropriated to the Kansas Dental Board for FY 2023.

1. **NO CHANGES.** There were no changes to the approved amount.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$425,688, all from the Dental Board Fee Fund, in expenditures and 3.0 FTE positions in FY 2023. This is the same amount approved for FY 2023 by the 2022 Legislature.

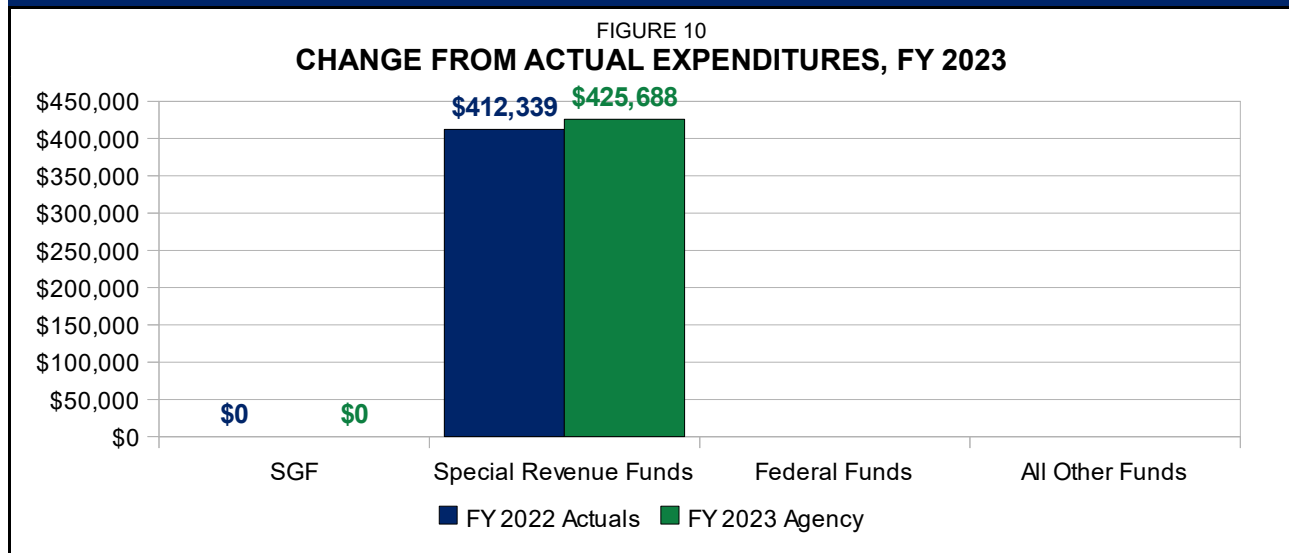
2. **NO CHANGES.** There were no changes to the approved amount. The agency increased contractual services by \$1,432 and decreased salaries and wages expenditures by the same amount. The decrease in salaries and wages was due to lower than anticipated employer contributions to fringe benefit, and the increase in contractual services includes several different types of contractual services, including OITS expenditures, in-state travel, and some rental charges.

GOVERNOR'S RECOMMENDATION

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

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$425,688, all from the Dental Board Fee Fund, in FY 2023. This is an increase of \$13,349, or 3.2 percent, from FY 2022 to FY 2023. The increase is mainly attributable to the 5.0 percent salary increase approved by the 2022 Legislature.

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 425,688	\$ 425,688	3.0
Agency Request:				
1. Licensing System Upgrade	\$ -	\$ 130,000	\$ 130,000	--
2. Group Health and Hospitalization	-	3,163	3,163	--
3. All Other Adjustments	-	1,149	1,149	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 560,000	\$ 560,000	3.0
Governor's Recommendation:				
4. No changes	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 560,000</u>	<u>\$ 560,000</u>	<u>3.0</u>

AGENCY REQUEST

The **agency** requests \$560,000, all from the Dental Board Fee Fund, in expenditures and 3.0 FTE positions for FY 2024. This is an increase of \$134,312, or 31.6 percent, above the FY 2023 revised estimate. The increase is attributable to a request to upgrade the agency's professional licensing system. The agency indicates that the existing system is on Microsoft Access and is no longer supported. The agency's request includes expenditures to migrate the existing system to a cloud-based licensing vendor. In addition to the system upgrade, the agency is requesting an increase in salaries and wages expenditures to reflect increasing estimates for employer contributions to group health insurance.

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

1. **LICENSING SYSTEM UPDATE.** The agency's FY 2024 request includes \$130,000, all from special revenue funds, to upgrade the agency's licensing system for FY 2024.
2. **GROUP HEALTH AND HOSPITALIZATION.** The agency's FY 2024 request includes \$3,163, all from special revenue funds, for increased employer contributions for group health insurance for FY 2024.
3. **OTHER ADJUSTMENTS.** Other adjustments total \$1,149, all from special revenue funds. The agency is projecting an increase in the State Building Operating Charge, postage and communications, freight, and official hospitality. Partially offsetting these increases is a reduction in employer contributions for the Kansas Public Employees Retirement System (KPERs).

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2024 request.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 560,000	\$ 560,000	3.0
Agency Request:				
1. Contractual Services	\$ -	\$ 3,781	\$ 3,781	--
2. Commodities	-	1,000	1,000	--
3. Salaries and Wages	-	219	219	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 565,000	\$ 565,000	3.0
Governor's Recommendation:				
4. No changes	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 565,000</u>	<u>\$ 565,000</u>	<u>3.0</u>

AGENCY REQUEST

The **agency** requests \$565,000, all from the Dental Board Fee Fund, in expenditures and 3.0 FTE positions for FY 2025. This is an increase of \$5,000, or 0.9 percent, above the FY 2024 agency estimate. The increase is attributable to estimated costs for in-state travel, the State Building Capital Charge, paper and other stationery, and fringe benefits. The agency request includes \$130,000 in ongoing expenditures for the enhanced licensing system.

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

1. **CONTRACTUAL SERVICES.** The agency requests an increase of \$3,781 above the FY 2024 agency request for contractual services. The increase is primarily attributable to in-state travel (\$2,000) and the State Building Capital Charge (\$1,000).
2. **COMMODITIES.** The agency requests an increase of \$1,000 above the FY 2024 agency request in commodities for stationery and other office supplies.
3. **SALARIES AND WAGES.** The agency requests an increase of \$219 in salaries and wages due to adjusted employer contributions for fringe benefits.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2025 request.

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2025 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

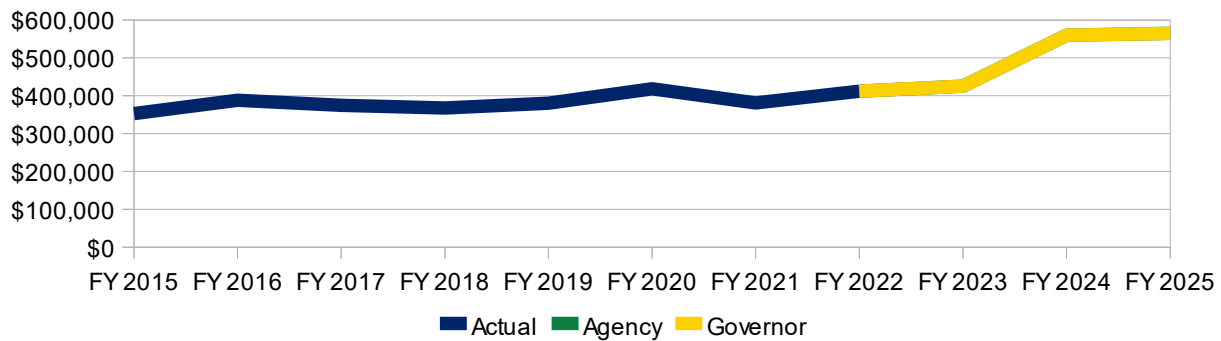
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 412,339	\$ 425,688	\$ 425,688	\$ 560,000	\$ 560,000	\$ 565,000	\$ 565,000
FTE Positions:							
Administration	3.0	3.0	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 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2025



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 15

ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Sanitation Inspections for Doctors of Dental Surgery (DDS) (360 per year at \$100 through CY 19 and \$110 starting in CY 20)	303	360	322	360	360
2. Cost per sanitation inspection*	\$ 110	\$ 110	\$ 108	\$ 110	\$ 110
3. Average cost per license	\$ 53.00	\$ 53.00	\$ 53.00	\$ 52.00	\$ 52.00
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*	\$ 70,325	\$ 88,250	\$ 68,717	\$ 88,250	\$ 88,250
Output Measure:					
6. Total number of dentists licensed*	2,298	2,275	2,287	2,300	2,300
7. Total number of hygienists licensed*	3,162	3,150	3,152	3,200	3,200
8. Number of complaints received	86	100	89	100	100
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	381,181	412,339		425,688	560,000
TOTAL	\$ 381,181	\$ 412,339		\$ 425,688	\$ 560,000
Percentage Change:					
SGF	--	--		--	--
All Funds	90.6 %	8.2 %		3.2 %	31.6 %
FTE Positions	3.0	3.0		3.0	3.0

*The Governors Office does not utilize this measure for evaluation purposes.

GOVERNMENTAL ETHICS COMMISSION

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ 470,233	\$ 487,345	\$ 487,345	\$ 531,287	\$ 531,287	\$ 530,954	\$ 530,954
Federal Funds	-	-	-	-	-	-	-
All Other Funds	233,461	264,270	264,270	276,949	276,949	282,656	282,656
<i>Subtotal</i>	<u>\$ 703,694</u>	<u>\$ 751,615</u>	<u>\$ 751,615</u>	<u>\$ 808,236</u>	<u>\$ 808,236</u>	<u>\$ 813,610</u>	<u>\$ 813,610</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	\$ 703,694	\$ 751,615	\$ 751,615	\$ 808,236	\$ 808,236	\$ 813,610	\$ 813,610
Percentage Change:							
State General Fund	5.2 %	3.6 %	3.6 %	9.0 %	9.0 %	(0.1) %	(0.1) %
All Funds	(0.1) %	6.8 %	6.8 %	7.5 %	7.5 %	0.7 %	0.7 %
FTE Positions	8.5	8.5	8.5	8.5	8.5	8.5	8.5

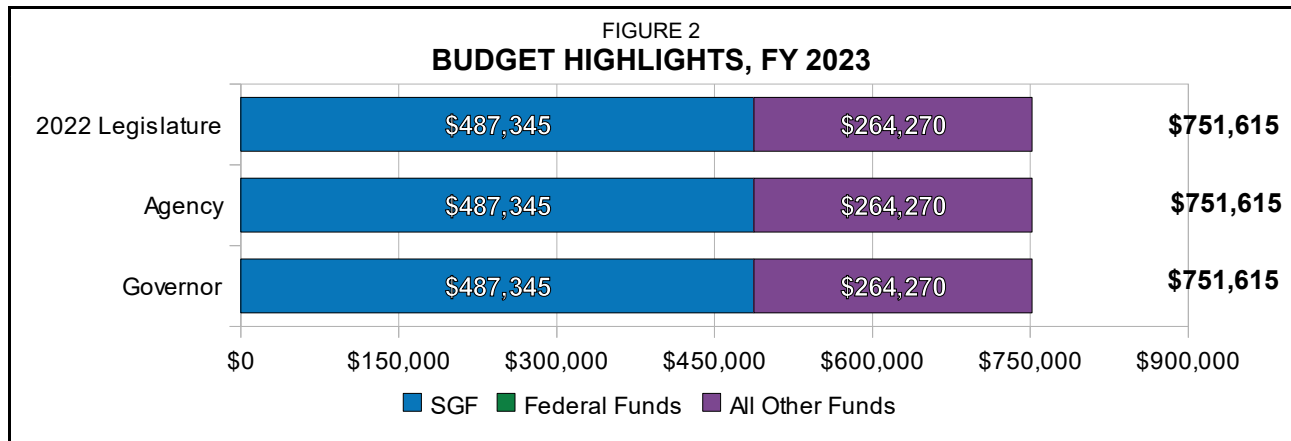
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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 a majority 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. The agency also provides the public with timely reports and statistical summaries of information filed by lobbyists, candidates for state office, political action committees, and party committees.

EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$751,615, including \$487,345 from the State General Fund (SGF), in expenditures and 8.5 FTE positions for the Governmental Ethics Commission in FY 2023.

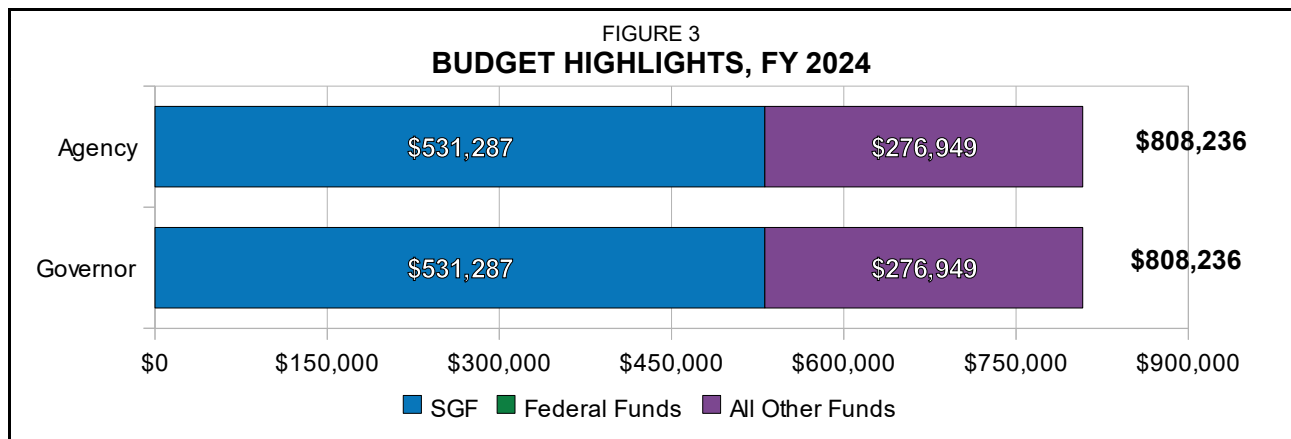


The **agency** submits a revised estimate of \$751,615, including \$487,345 SGF, in FY 2023. This is the same amount approved by the 2022 Legislature.

The revised estimate does include changes within categories, including a decrease in salaries and wages (\$4,395, or 0.7 percent) and commodities (\$1,000, or 22.2 percent) and an increase in contractual services (\$5,395, or 4.4 percent) from the FY 2023 approved amount.

The **agency's** FY 2023 revised estimate includes 8.5 FTE positions, which is unchanged from the approved number.

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



The **agency** requests \$808,236, including \$531,287 SGF, for FY 2024. This is an increase of \$56,621, or 7.5 percent, above the FY 2023 revised estimate. The request includes an SGF increase of \$43,942, or 9.0 percent, above the FY 2023 revised estimate.

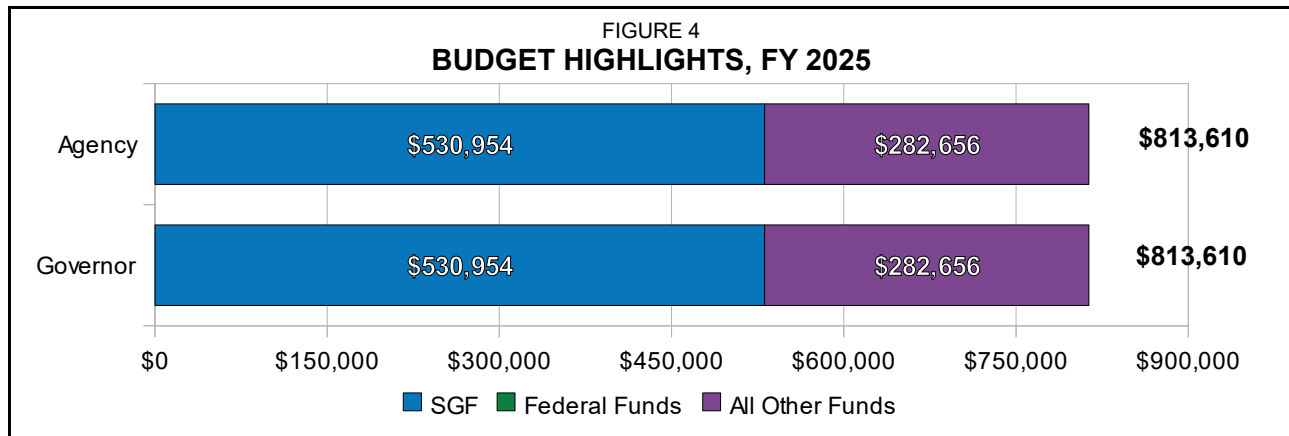
Significant items in the agency request include the following:

- **ENHANCEMENT - SALARY INCREASES.** The agency requests \$38,898, all SGF, to provide salary increases for multiple positions after a salary study was conducted by a compensation study subcommittee of the Commission.
- **INCREASE IN EMPLOYER CONTRIBUTION EXPENDITURES.** The agency requests an additional \$8,097 for expected increases in employer contributions to group health insurance.

- **INCREASE IN COMMODITIES.** The agency expects to have less postage expenditures due to the non-state-election year. This is offset by an expected increase in printing expenditures due to the anticipated printing of education and guidance documents. This results in an expected total increase of \$1,000 in commodities.

The **agency** requests 8.5 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

The **Governor** concurs with the agency's request for FY 2024.



The **agency** requests \$813,610, including \$530,954 SGF, for FY 2025. This is an increase in all funding sources of \$5,374, or 0.7 percent, above the FY 2024 request. The request is an SGF decrease of \$333, or less than 0.1 percent, below the Founds FY 2024 request.

Significant items in the agency request include the following:

- **ENHANCEMENT - SALARY INCREASES.** The agency requests \$38,565, all SGF, to continue salary increases requested in FY 2024 for multiple positions after a salary study was conducted by a compensation study subcommittee of the Commission. This is a decrease of \$333 below the FY 2024 request.
- **DECREASE IN EMPLOYER CONTRIBUTIONS.** The agency's enhancement request is offset by a decrease in employer contributions for fringe benefits, mostly for Medicare (\$27,434) and KPERS (\$5,035), which results in a net decrease of \$443 in salaries and wages below the FY 2024 request.
- **INCREASE IN CONTRACTUAL SERVICES.** The agency's FY 2025 request includes an increase of \$5,817, or 4.5 percent, above the FY 2024 request in contractual services. This is attributable to increased postage expenditures for an election year and increased building rent, partially offset by decreased printing expenditures.

The **agency** requests 8.5 FTE positions for FY 2025, which is the same number requested for FY 2024.

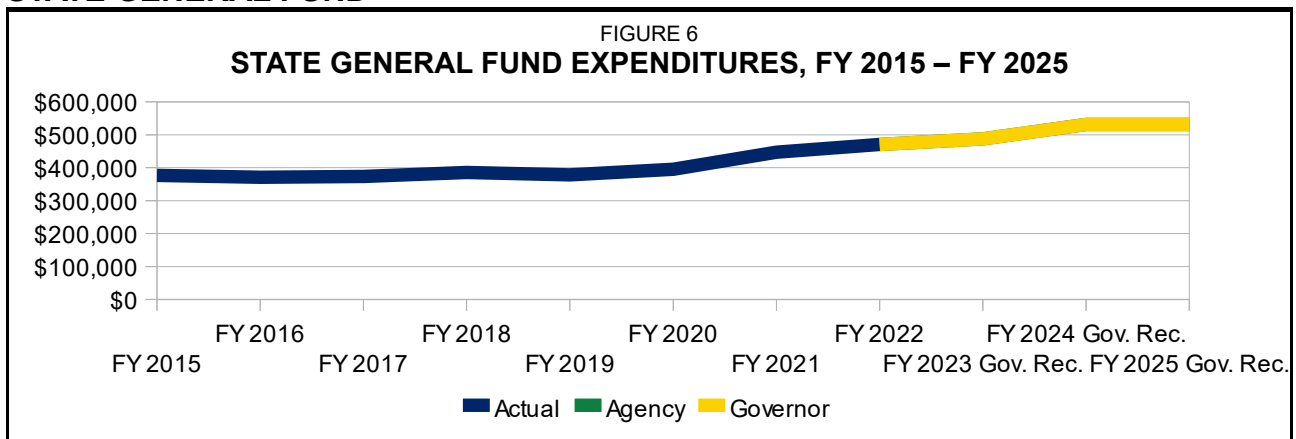
The **Governor** concurs with the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

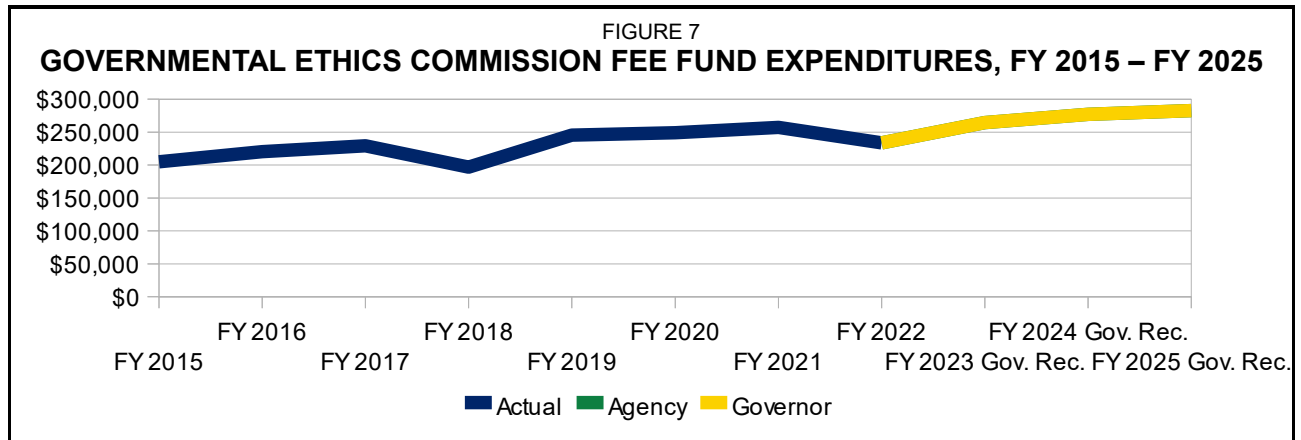
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 585,232	\$ 618,693	\$ 618,693	\$ 673,379	\$ 673,379	\$ 672,936	\$ 672,936
Contractual Services	109,851	128,822	128,822	129,757	129,757	135,574	135,574
Commodities	2,803	3,500	3,500	4,500	4,500	4,500	4,500
Capital Outlay	5,808	600	600	600	600	600	600
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 703,694	\$ 751,615	\$ 751,615	\$ 808,236	\$ 808,236	\$ 813,610	\$ 813,610
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 703,694	\$ 751,615	\$ 751,615	\$ 808,236	\$ 808,236	\$ 813,610	\$ 813,610
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 703,694	\$ 751,615	\$ 751,615	\$ 808,236	\$ 808,236	\$ 813,610	\$ 813,610
Financing:							
State General Fund	\$ 470,233	\$ 487,345	\$ 487,345	\$ 531,287	\$ 531,287	\$ 530,954	\$ 530,954
Government Ethics Commission Fee Fund	233,461	264,270	264,270	276,949	276,949	282,656	282,656
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 703,694	\$ 751,615	\$ 751,615	\$ 808,236	\$ 808,236	\$ 813,610	\$ 813,610
FTE Positions	8.5	8.5	8.5	8.5	8.5	8.5	8.5

STATE GENERAL FUND



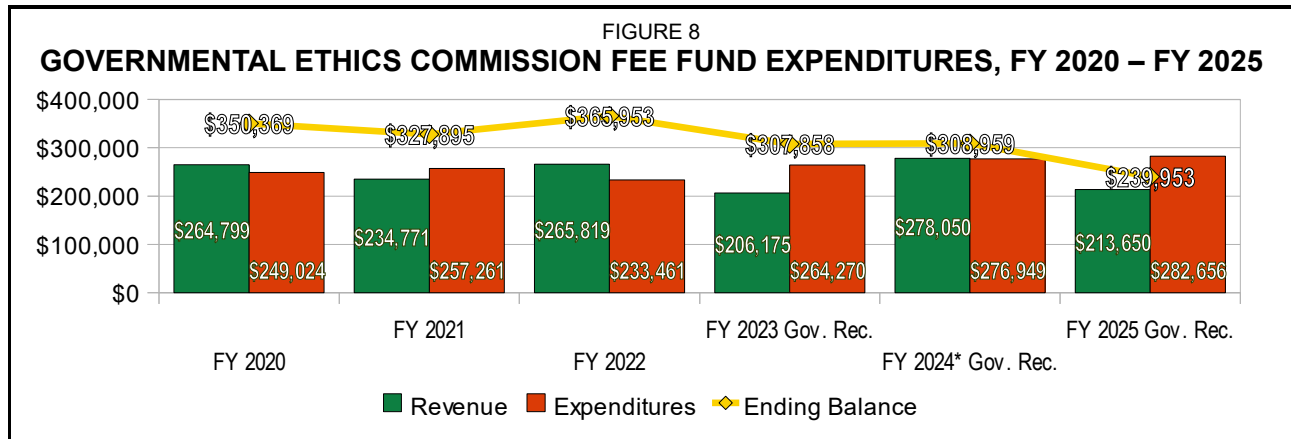
For the Governmental Ethics Commission, SGF expenditures have remained primarily consistent between FY 2015 and FY 2020. In FY 2021, SGF expenditures increased due to the 2019 Legislature adding \$60,000 to the agency's budget to bring funding in line with historical levels of SGF support.

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 fees, 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 2024, the lowest month ending balance for the Governmental Ethics Commission Fee Fund will occur in January, with a balance of \$273,327.

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 9
FILING FEES, FY 2023

Fees	Current Fee	Statutory Limit	Authority
Filing fee for candidates for Governor and Lieutenant Governor	\$ 650	\$ 650	KSA 25-4119a
Filing fee for candidates for other offices elected statewide	650	650	KSA 25-4119a
Filing fee for candidates for State Legislature, State Board of Education, and other local offices	50	50	KSA 25-4119a
Fee for Political Action Committees with anticipated receipts of \$500 or less	25	25	KSA 25-4145
Fee for Political Action Committees with anticipated receipts of \$501, but less than \$2,500	50	50	KSA 25-4145
Fee for Political Action Committee with anticipated receipts greater than \$2,501	300	300	KSA 25-4145
Fee for Lobbyist for anticipated spending of \$1,000 or less on behalf of any one employer (per employer)	50	50	KSA 46-265
Fee for Lobbyist for anticipated spending of more than \$1,000 on behalf of any one employer (per employer)	350	350	KSA 46-265
Fee for non-owner, non-partner lobbying firm employees	450	450	KSA 46-265

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 487,345	\$ 264,270	\$ 751,615	8.5
1. No Changes Requested	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 487,345</i>	<i>\$ 264,270</i>	<i>\$ 751,615</i>	<i>8.5</i>
Agency Revised Estimate:				
2. No Changes Requested	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 487,345</i>	<i>\$ 264,270</i>	<i>\$ 751,615</i>	<i>8.5</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ 487,345	\$ 264,270	\$ 751,615	8.5

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$751,615, including \$487,345 SGF, appropriated to the Governmental Ethics Commission for FY 2023.

1. **NO CHANGES.** There were no changes to the approved amount.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$751,615, including \$487,345 SGF, in FY 2023. This is the same amount approved by the 2022 Legislature.

2. **NO CHANGES REQUESTED.** Although the agency's overall budget amount does not change, there are several shifts in the categories of expenditures, including:
 - **REDUCTION IN POSTAGE AND PRINTING EXPENDITURES.** The agency decreased the amount needed for postage and printing by \$1,000, or 22.2 percent, below the FY 2023 approved amount based on current trends for the year.
 - **INCREASE IN IT EXPENDITURES.** The agency increased its IT contractual services by \$5,395, or 4.4 percent, above the FY 2023 approved amount. This is for maintenance and licensing on a new database, offset in part by an overall decrease in Office of Information Technology Services (OITS) expenses.
 - **ONE-TIME SHRINKAGE.** There were positions open during the first quarter which led to a decrease in salaries and wages of \$4,395, or 0.7 percent, below the FY 2023 approved amount.

The **agency's** FY 2023 revised estimate includes 8.5 FTE positions, which is unchanged from the approved number.

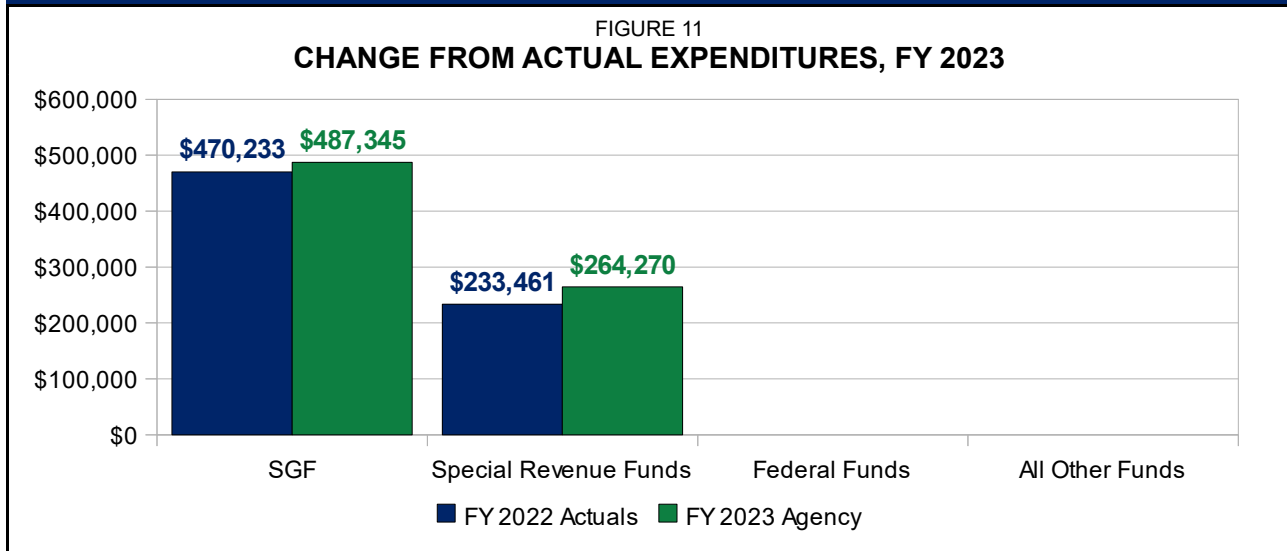
GOVERNOR'S RECOMMENDATION

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

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

The **Governor** recommends 8.5 FTE positions in FY 2023, which is the same as the agency's revised estimate in FY 2023.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$751,615, including \$487,345 SGF, in FY 2023. This is an increase of \$47,921, or 6.8 percent, above the FY 2022 actual expenditures. This increase is primarily attributable to salaries and wages expenditures (\$33,461, or 5.7 percent), which reflects the 5.0 percent salary increase and the associated fringe benefits as authorized in the FY 2023 budget. There was also an increase in contractual services of \$18,971, or 17.3 percent, which was partially offset by a decrease of \$5,208, or 89.7 percent, in capital outlay from the FY 2022 actual expenditures.

FY 2024 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ 487,345	\$ 264,270	\$ 751,615	8.5
Agency Request:				
1. Enhancement - Salary Review Commission Recommendation	\$ 38,898	\$ -	\$ 38,898	--
2. All Other Adjustments	5,044	12,679	17,723	--
<i>Subtotal—Agency Request</i>	<u>\$ 531,287</u>	<u>\$ 276,949</u>	<u>\$ 808,236</u>	<u>8.5</u>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ 531,287</u>	<u>\$ 276,949</u>	<u>\$ 808,236</u>	<u>8.5</u>

AGENCY REQUEST

The **agency** requests \$808,237, including \$531,287 SGF, for FY 2024. This is an increase of \$56,621, or 7.5 percent, above the FY 2023 revised estimate. The request includes an SGF increase of \$43,942, or 9.0 percent, above the FY 2023 revised estimate.

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

1. **ENHANCEMENT - SALARY INCREASES.** The agency requests \$38,898, all SGF, to provide salary increases for multiple positions after a salary study was conducted by a compensation study subcommittee of the Commission.
2. **ALL OTHER ADJUSTMENTS.** The request includes other adjustments including:
 - **INCREASE IN EMPLOYER CONTRIBUTIONS.** The agency requests an additional \$8,097, or 8.5 percent, for an expected increase in employer contributions for group health insurance.
 - **INCREASE IN COMMODITIES.** The agency expects to have reduced postage expenditures due to the non-state-election year. This is offset by an expected increase in printing expenditures due to the anticipated printing of education and guidance documents. This results in an expected total increase of \$1,000, or 28.6 percent, above the FY 2023 revised estimate in commodities.

The **agency** requests 8.5 FTE positions for FY 2024, which is the same as the FY 2023 revised estimate number.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2024.

3. **NO CHANGES.** The Governor recommends no changes to the agency's request for FY 2024.

The **Governor** recommends 8.5 FTE positions for FY 2024, which is the same as the agency's request for FY 2024.

FY 2025 ANALYSIS

FIGURE 13
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ 531,287	\$ 276,949	\$ 808,236	8.5
Agency Request:				
1. Enhancement - Salary Review Commission Recommendation	\$ (333)	\$ -	\$ (333)	--
2. All Other Adjustments	-	5,707	5,707	--
<i>Subtotal—Agency Request</i>	<u>\$ 530,954</u>	<u>\$ 282,656</u>	<u>\$ 813,610</u>	<u>8.5</u>
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ 530,954</u>	<u>\$ 282,656</u>	<u>\$ 813,610</u>	<u>8.5</u>

AGENCY REQUEST

The **agency** requests \$813,610, including \$530,954 SGF, for FY 2025. This is an increase of \$5,374, or 0.7 percent, above the FY 2024 request. The SGF request amount is a decrease of \$333, or less than 0.1 percent, below the FY 2024 request amount.

The **agency** request includes the following:

1. **ENHANCEMENT - CONTINUE SALARY INCREASES.** The agency requests \$38,565, all SGF, to continue to provide salary increases for multiple positions after a salary study was conducted by a compensation study subcommittee of the Commission. This is a decrease of \$333, or 0.1 percent, from the agency's request for FY 2024.
2. **ALL OTHER ADJUSTMENTS.** The request includes other adjustments including:
 - **DECREASE IN EMPLOYER CONTRIBUTIONS.** The agency's enhancement request is partially offset by a decrease in employer contributions for fringe benefits, mostly for Medicare and KPERS, which results in a net decrease of \$110, or less than 0.1 percent, below the FY 2024 request in salaries and wages.
 - **INCREASE IN CONTRACTUAL SERVICES.** The agency's request includes an increase of \$5,817, or 4.5 percent, above the FY 2024 request in contractual services. This is attributable to increased postage expenditures for an election year and increased building rent, offset slightly by decreased printing expenditures.

The **agency** requests 8.5 FTE positions for FY 2025, which is unchanged from the requested number in FY 2024.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2025.

3. **NO CHANGES.** The Governor recommends no changes to the agency's request for FY 2025.

The **Governor** recommends 8.5 FTE positions for FY 2025, which is the same as the agency's request for FY 2025.

ENHANCEMENT REQUESTS

SALARY INCREASES

ENHANCEMENT FY 2024

The agency requests \$38,898, all SGF, for salary increases for multiple positions for FY 2024.

ENHANCEMENTS FY 2024				
Item	Agency Recommendation		Governor Recommendation	
	SGF	All Other Funds	SGF	All Other Funds
Salary Increases	\$ 38,898	\$ -	\$ 38,898	-

The salary pay plan results from a study by a subcommittee of the Commission. The subcommittee reviewed salary data including comparative data on the national, regional, and comparative-sized states for ethics commission directors and comparative data with other State of Kansas agency directors. For the other positions, the subcommittee included requirements for the positions within the agency, a 25-year salary history of the positions, a 10-year compensation change for the positions, and the most recent increase, amount of that increase, and the percentage increase, among other things. The subcommittee recommended updated baseline ranges to ensure retention of employees.

The Governor recommends the adoption of this request.

ENHANCEMENT FY 2025

The agency requests \$38,565, all SGF, for salary increases for multiple positions for FY 2025.

ENHANCEMENTS FY 2025				
Item	Agency Recommendation		Governor Recommendation	
	SGF	All Other Funds	SGF	All Other Funds
Salary Increases	\$ 38,565	\$ -	\$ 38,565	-

The salary pay plan results from a study by a subcommittee of the Commission. The subcommittee reviewed salary data including comparative data on the national, regional, and comparative-sized states for ethics commission directors and comparative data with other State of Kansas agency directors. For the other positions, the subcommittee included requirements for the positions within the agency, a 25-year salary history of the positions, a 10-year compensation change for the positions, and the most recent increase, amount of that increase, and the percentage increase, among other things. The subcommittee recommended updated baseline ranges to ensure retention of employees.

This enhancement continues the FY 2024 enhancement request. This is a decrease of \$333, or 0.1 percent, from FY 2024's request.

The Governor recommends the adoption of this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

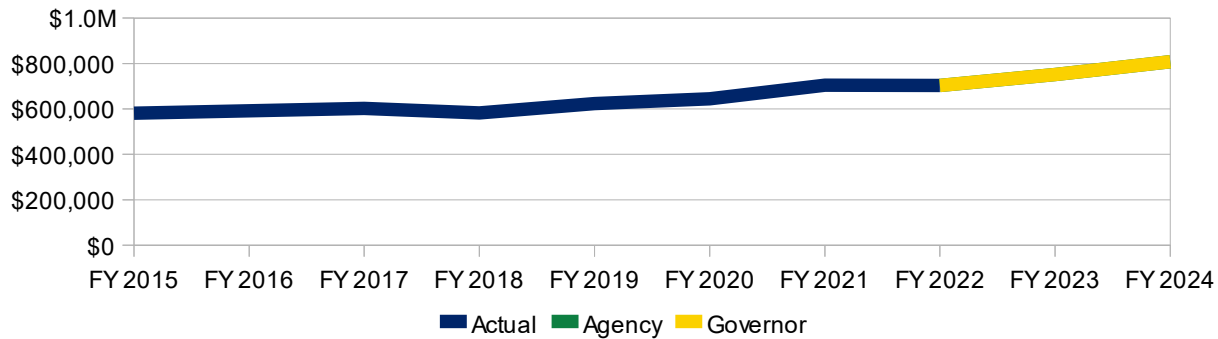
FIGURE 14 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 703,694	\$ 751,615	\$ 751,615	\$ 808,236	\$ 808,236	\$ 813,610	\$ 813,610
FTE Positions:							
Administration	8.5	8.5	8.5	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 PROGRAM

FIGURE 15
ADMINISTRATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 25-4119a *et seq.*

PROGRAM GOALS: • Ensure that all reports receive a review of compliance with the law
• Provide the necessary mandatory tools required to support other programs

The Administration Program provides 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) subprogram.

FIGURE 16
ADMINISTRATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of campaign finance report reviews completed*	100 %	100 %	100 %	100 %	100 %
2. Percentage of lobbying report reviews completed*	100 %	100 %	100 %	100 %	100 %
3. Percentage of statement of substantial interest report reviews*	100 %	100 %	100 %	100 %	100 %
Output Measure:					
4. Number of campaign finance reports filed*	3,360	1,462	2,111	2,538	1,479
5. Number of lobbying reports filed*	7,441	7,810	7,585	7,530	7,900
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 446,942	\$ 470,233		\$ 487,345	\$ 531,287
Federal Funds	90	-		-	-
All Other Funds	257,261	233,461		264,270	276,949
TOTAL	\$ 704,293	\$ 703,694		\$ 751,615	\$ 808,236
Percentage Change:					
SGF	13.0 %	5.2 %		3.6 %	9.0 %
All Funds	9.3 %	(0.1) %		6.8 %	7.5 %
FTE Positions	8.0	8.5		8.5	8.5

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

FIGURE 17
**EDUCATION, AWARENESS, AND COMPLIANCE SUBPROGRAM
PERFORMANCE MEASURES**

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of campaign finance entities receiving Error and Omission Notices*	17.90 %	17.60 %	17.57 %	22.00 %	17.80 %
2. Percentage of lobbyists receiving Error and Omission Notices*	0.00 %	0.50 %	0.18 %	0.50 %	0.50 %
3. Percentage of statement of substantial interest filers receiving Error and Omission Notices*	0.00 %	0.10 %	0.03 %	0.10 %	0.10 %
4. Percent of compliance reviews completed	100.0 %	100.0 %	-- %	100.0 %	100.0 %
Output Measure:					
5. Number of Error and Omission Notices sent to campaign finance entities*	602	198	353	387	221
6. Number of Error and Omission Notices sent to lobbyists*	--	--	--	2	2
7. Number of Error and Omission Notices sent to statement of substantial interest filers*	--	--	--	1	1
8. Number of trainings performed*	11	16	13	16	16
9. Number of lobbyist registrations and expenditure reports filed	9,679	10,442	--	10,550	10,675
10. Number of statements of substantial interest filed	5,561	5,772	--	5,745	5,788

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

PERFORMANCE ANALYSIS

The Administrative Program is the only program within the agency. There is a Education, Awareness, and Compliance subprogram.

REVIEWS OF REPORTS COMPLETED

The agency was able to completely review 100 percent of the campaign finance reports, lobbying reports, and statement of substantial interest reports in both FY 2021 and FY 2022. This trend is expected to continue in FY 2023 and FY 2024 as well.

CAMPAIGN FINANCE ENTITIES RECEIVING ERROR AND OMISSION NOTICES

In FY 2021, 17.9 percent of campaign finance entities received error and omission notices. This was reduced to 17.6 percent in FY 2022. The agency is expecting this percentage to increase to 22.0 percent in FY 2023, and then drop to 17.8 percent in FY 2024. The actual number of notices that were sent to those campaign finance entities decreased by 409 notices, or 67.9 percent, from FY 2021 to FY 2022. The number is expect to increase in FY 2023, but only by 189 notices, or 48.8 percent. The agency expects this to be reduced again in FY 2024. This cyclical rise and fall can be

attributed to the fact that campaigns are also cyclical in nature.

TRAININGS

The agency performed 11 trainings in FY 2021 and 16 in FY 2022. The agency expects to be able maintain 16 trainings in both FY 2023 and FY 2024.

KANSAS STATE BOARD OF HEALING ARTS

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2025

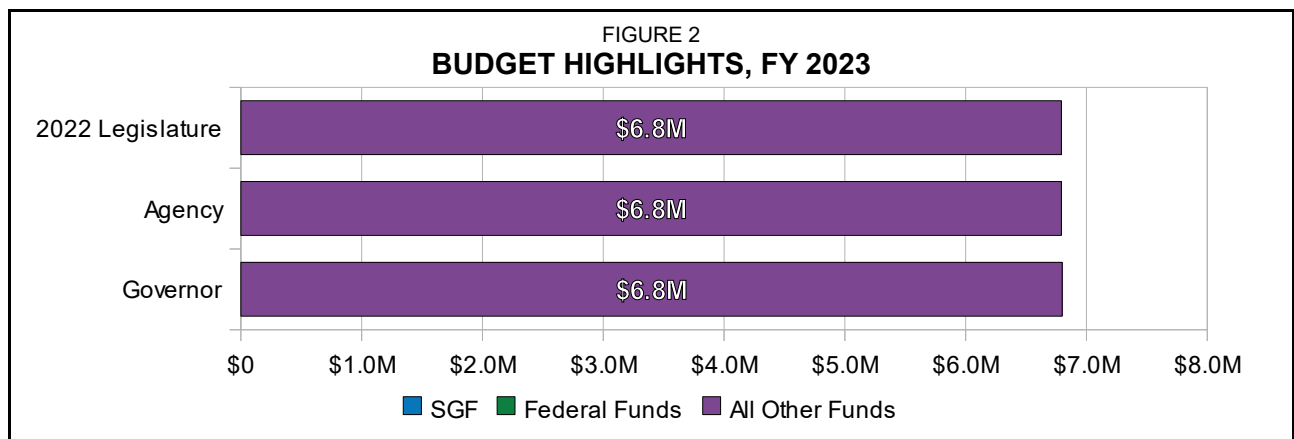
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	5,974,080	6,793,599	6,793,599	7,059,154	7,059,154	7,219,690	7,219,690
<i>Subtotal</i>	<u>\$ 5,974,080</u>	<u>\$ 6,793,599</u>	<u>\$ 6,793,599</u>	<u>\$ 7,059,154</u>	<u>\$ 7,059,154</u>	<u>\$ 7,219,690</u>	<u>\$ 7,219,690</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 5,974,080</u>	<u>\$ 6,793,599</u>	<u>\$ 6,793,599</u>	<u>\$ 7,059,154</u>	<u>\$ 7,059,154</u>	<u>\$ 7,219,690</u>	<u>\$ 7,219,690</u>
Percentage Change:							
State General Fund	--	--	--	--	--	--	--
All Funds	(1.0) %	13.7 %	13.7 %	3.9 %	3.9 %	2.3 %	2.3 %
FTE Positions	62.0	67.0	67.0	67.0	67.0	67.0	67.0

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 2022 Legislature approved a budget of \$6,793,599, all from special revenue funds, in expenditures and 61.0 FTE positions for the Kansas State Board of Healing Arts in FY 2023.

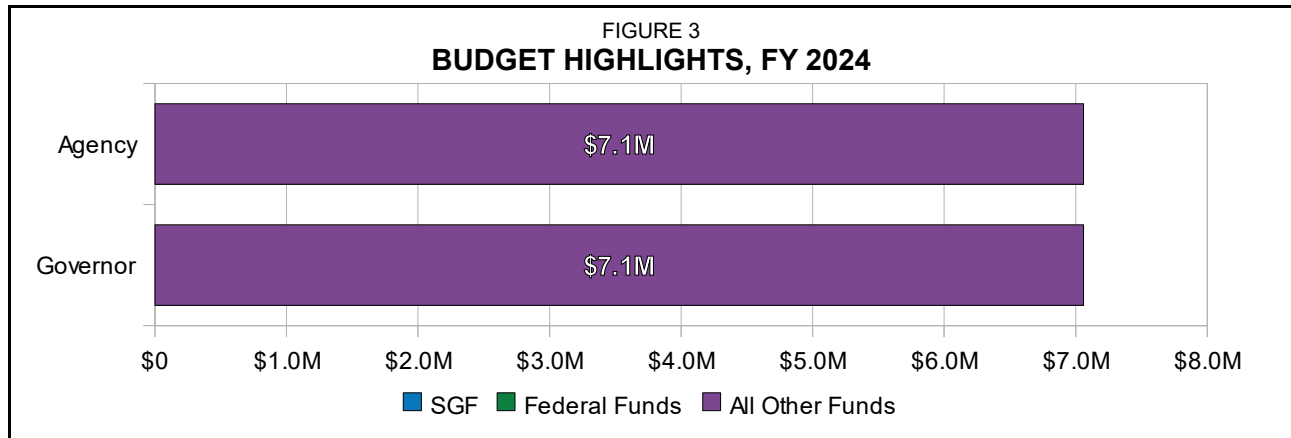


The **agency** requests \$6.8 million, all from special revenue funds, in expenditures and 67.0 FTE positions in FY 2023. This is the same as the approved amount. However, there are changes to the expenditure categories. The revised estimate includes an increase of \$345,726, or 7.2 percent, in salaries and wages largely due to an increase in unclassified employee salaries and wages expenditures to fund 6.0 new FTE positions, partially offset by a decrease of \$301,876, or

16.3 percent, in contractual services for computer software and services and a decrease of \$30,850 in commodities due to lower than anticipated expenditures for office supplies.

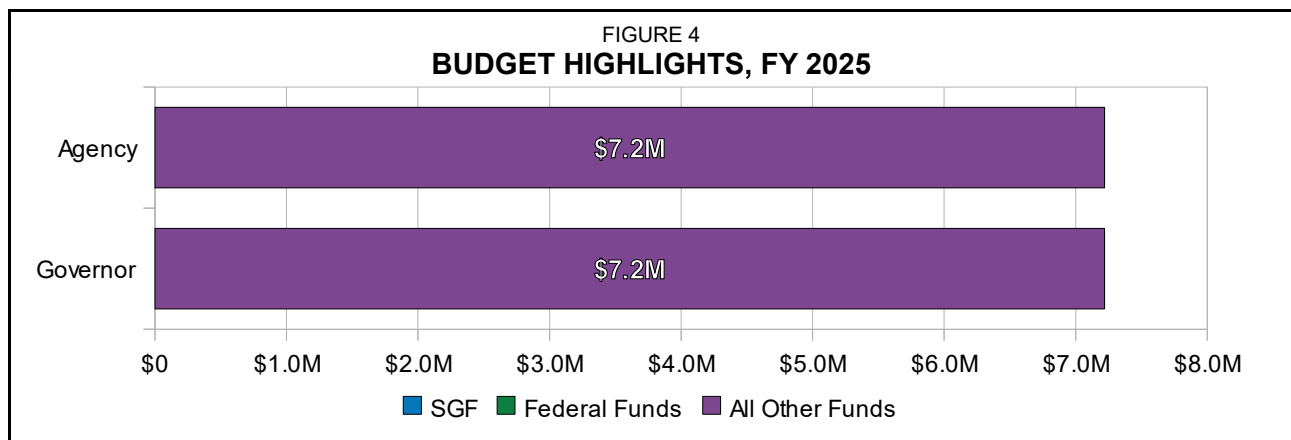
The agency requests 67.0 FTE positions in FY 2023. This is an increase of 6.0 FTE positions. The agency is requesting an increase in the number of FTE positions to ensure that they can keep up with an increasing number of licensees while maintaining reasonable workloads for staff.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$7.1 million, all from special revenue funds, in expenditures and 67.0 FTE positions for FY 2024. This is an increase of \$265,555, or 3.9 percent, above the FY 2023 agency revised estimate. The increase is primarily due to an anticipated increase in travel for staff and board members as more meetings transition from online to in-person, and increased salary and wages expenditures for employer contributions for group health insurance.

The **Governor** concurs with the agency's request for FY 2024.



The **agency** requests \$7.2 million, all from special revenue funds, in expenditures and 67.0 FTE positions for FY 2025. This is an increase of \$160,536, or 2.3 percent, above the agency's FY 2024 request. The increase is primarily in contractual services for increased travel expenditures for staff and board members as more meetings transition from online to in-person.

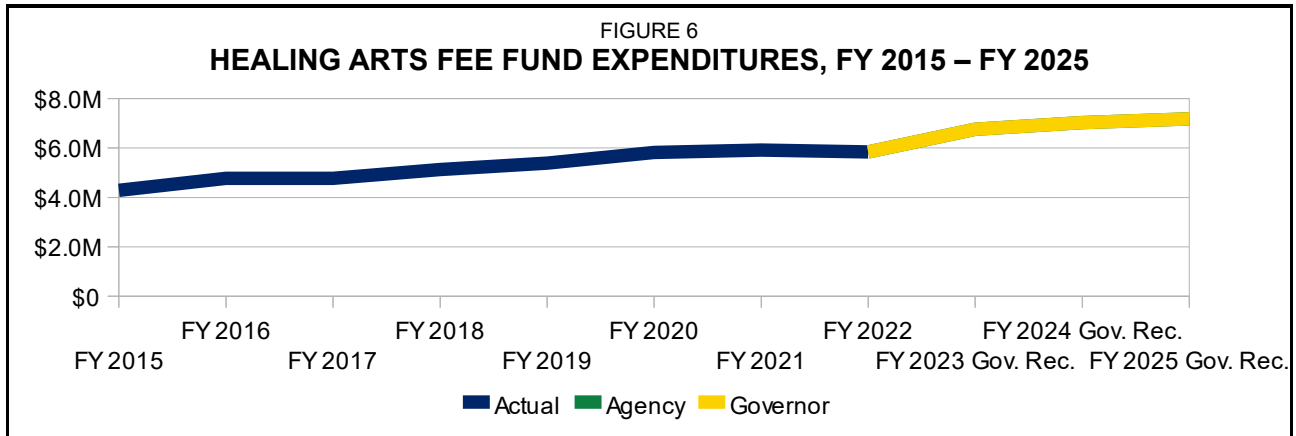
The **Governor** concurs with the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 4,122,085	\$ 5,165,851	\$ 5,165,851	\$ 5,204,488	\$ 5,204,488	\$ 5,201,474	\$ 5,201,474
Contractual Services	1,734,549	1,546,948	1,546,948	1,756,771	1,756,771	1,902,821	1,902,821
Commodities	15,618	18,600	18,600	30,300	30,300	38,000	38,000
Capital Outlay	101,828	62,200	62,200	67,595	67,595	77,395	77,395
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 5,974,080	\$ 6,793,599	\$ 6,793,599	\$ 7,059,154	\$ 7,059,154	\$ 7,219,690	\$ 7,219,690
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 5,974,080	\$ 6,793,599	\$ 6,793,599	\$ 7,059,154	\$ 7,059,154	\$ 7,219,690	\$ 7,219,690
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 5,974,080	\$ 6,793,599	\$ 6,793,599	\$ 7,059,154	\$ 7,059,154	\$ 7,219,690	\$ 7,219,690
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Healing Arts Fee Fund	5,966,023	6,758,599	6,758,599	7,024,154	7,024,154	7,184,690	7,184,690
Federal Funds	-	-	-	-	-	-	-
All Other Funds	8,057	35,000	35,000	35,000	35,000	35,000	35,000
TOTAL	\$ 5,974,080	\$ 6,793,599	\$ 6,793,599	\$ 7,059,154	\$ 7,059,154	\$ 7,219,690	\$ 7,219,690
FTE Positions	62.0	67.0	67.0	67.0	67.0	67.0	67.0

HEALING ARTS FEE FUND



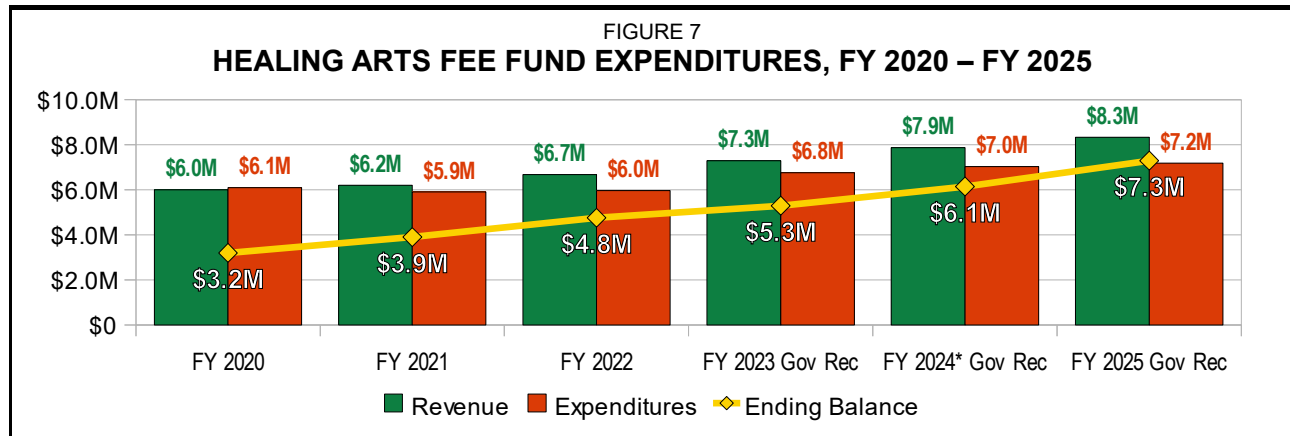
The Healing Arts Fee Fund is mainly derived from licensing and registration fees, deposited in the Healing Arts Fee Fund pursuant to KSA 65-2885. Maximum fees are established in statute, and the actual rates are set by rule and regulation. The fees vary based on the type of license or registration sought.

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 on the following page 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 2024, the lowest month ending balance for the Healing Arts Fee Fund will occur in April, with a balance of \$4.0 million.

FIGURE 8
LICENSURE FEES, FY 2023

License	Current Fee	Statutory Limit	Authority
Doctors of Medicine and Surgery	\$ 300	\$ 500	KSA 65-2852
Doctors of Osteopathic Medicine and Surgery	300	500	KSA 65-2852
Doctors of Chiropractic Medicine	300	500	KSA 65-2852
Doctors of Podiatric Medicine	300	500	KSA 65-2852
Doctors of Naturopathic Medicine	165	200	KSA 65-7207
Physician Assistants	200	200	KAR 100-28a-1
Physical Therapists	80	80	KAR 100-29-7
Physical Therapist Assistants	80	80	KAR 100-29-7
Occupational Therapists	80	80	KSA 65-2852
Occupational Therapy Assistants	80	80	KSA 65-2852
Respiratory Therapists	80	80	KSA 65-2852
Athletic Trainers	80	80	KSA 65-6910
Radiologic Technologists	60	80	KSA 65-2852
Certified Nurse Midwives	100	100	KSA 65-2852
Acupuncturists	165	700	KSA 65-7611

Staff Note: All Fee amounts represent the amount for the initial application for licensing.

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 6,793,599	\$ 6,793,599	61.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 6,793,599</i>	<i>\$ 6,793,599</i>	<i>61.0</i>
Agency Revised Estimate:				
2. Additional FTE Positions	-	-	-	6.0
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 6,793,599</i>	<i>\$ 6,793,599</i>	<i>67.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 6,793,599	\$ 6,793,599	67.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$6.8 million appropriated to the Kansas State Board of Healing Arts for FY 2023.

1. No changes were made to the amount approved by the 2022 Legislature.

AGENCY ESTIMATE

The **agency** requests \$6.8 million, all from special revenue funds and 67.0 FTE positions in FY 2023. There are no changes to the total amount. However, there are changes to the expenditure categories. The revised estimate includes an increase of \$345,726, or 7.2 percent, in salaries and wages largely due to an increase in unclassified employee salaries and wages expenditures to fund 6.0 new FTE positions, partially offset by a decrease of \$301,876, or 16.3 percent, in contractual services, for computer software and services and a decrease of \$30,850 in commodities due to lower than anticipated expenditures for office supplies.

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

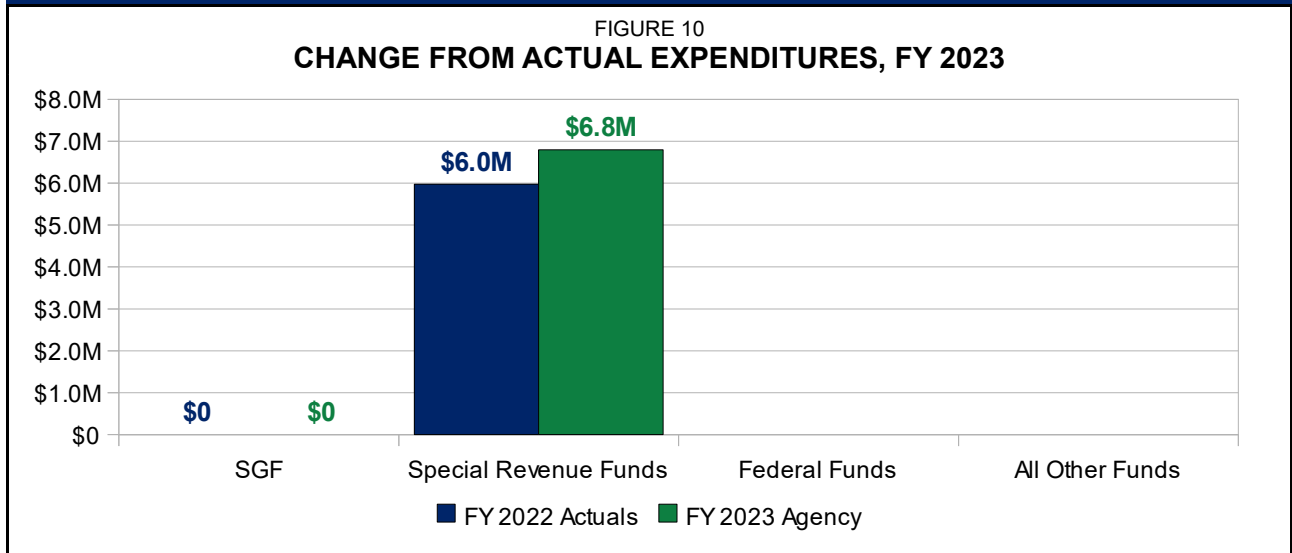
2. **ADDITIONAL FTE POSITIONS.** The agency added 6.0 FTE positions to ensure the agency can keep up with an increasing number of licensees. Added positions include attorneys in the licensing and disciplinary departments and general counsel.

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 FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$6.8 million, all from special revenue funds, in FY 2023. There is an increase of \$819,519, all from special revenue funds, from FY 2022 actual amounts and the revised estimate in FY 2023. The revised estimate includes a \$1.0 million increase in salaries and wages. This is due to the agency spending approximately \$500,000 less than the approved amount for salaries and wages in FY 2022 due to unfilled staff positions, along with an increase in FY 2023 to fund 6.0 additional FTE positions.

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

		SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:		\$ -	\$ 6,793,599	\$ 6,793,599	67.0
Agency Request:					
1. Contractual Services Adjustments	1	\$ -	\$ 209,823	\$ 209,823	--
2. Salary and Wages Adjustments		-	38,637	38,637	--
3. All Other Adjustments		-	17,095	17,095	--
<i>Subtotal—Agency Request</i>		\$ -	\$ 7,059,154	\$ 7,059,154	67.0
Governor's Recommendation:					
4. No Changes		\$ -	\$ -	\$ -	--
TOTAL		\$ -	\$ 7,059,154	\$ 7,059,154	67.0

AGENCY REQUEST

The **agency** requests \$7.1 million, all from special revenue funds, in expenditures and 67.0 FTE positions for FY 2024. This is an increase of \$265,555, or 3.9 percent, above the agency's FY 2023 revised estimate. The FY 2024 request includes increases in contractual services (\$209,823), salaries and wages (\$38,637), commodities (\$11,700) and capital outlay (\$5,395). The primary increase is due to increased expenditures for staff and board member travel, employer contributions for group health insurance, and office supplies.

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

- 1. CONTRACTUAL SERVICES ADJUSTMENTS.** The agency request includes an increase of \$209,823 in contractual services, largely due to the an anticipated increase in staff and board member travel as meetings begin to transition from virtual to in-person.
- 2. SALARY AND WAGES ADJUSTMENTS.** The increase is salary and wages is largely due to increased employer contributions for group health insurance.
- 3. OTHER ADJUSTMENTS.** Other adjustments include increased expenditures for office supplies, computer supplies, and office furniture to accommodate the increased number of staff hired in FY 2023.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2024.

- 4. NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2024 request.

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

		SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:		\$ -	\$ 7,059,154	\$ 7,059,154	67.0
Agency Request:					
1. Contractual Services Adjustments	1	\$ -	\$ 146,050	\$ 146,050	--
2. All Other Adjustments		-	14,486	14,486	--
<i>Subtotal—Agency Request</i>		\$ -	\$ 7,219,690	\$ 7,219,690	67.0
Governor's Recommendation:					
3. No Changes		\$ -	\$ -	\$ -	--
TOTAL		<u>\$ -</u>	<u>\$ 7,219,690</u>	<u>\$ 7,219,690</u>	<u>67.0</u>

AGENCY REQUEST

The **agency** requests \$7.2 million, all from special revenue funds, in expenditures and 67.0 FTE positions for FY 2025. This is an increase of \$160,536, or 2.3 percent, above the agency's FY 2024 request. The increase is largely due to an increases in contractual services (\$146,050), capital outlay (\$9,800), and commodities (\$7,700), partially offset by a decrease of \$3,014 in salaries and wages expenditures.

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

1. **CONTRACTUAL SERVICES ADJUSTMENTS.** The agency request includes an increase of \$146,050 in contractual services, largely due to the an anticipated increase in staff and board member travel as meetings begin to transition from virtual to in-person and to adjust for the rising price of travel.
2. **ALL OTHER ADJUSTMENTS.** The agency requests an increase of \$14,486 for other expenditures, including for office supplies and office furniture.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2025.

3. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2025 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

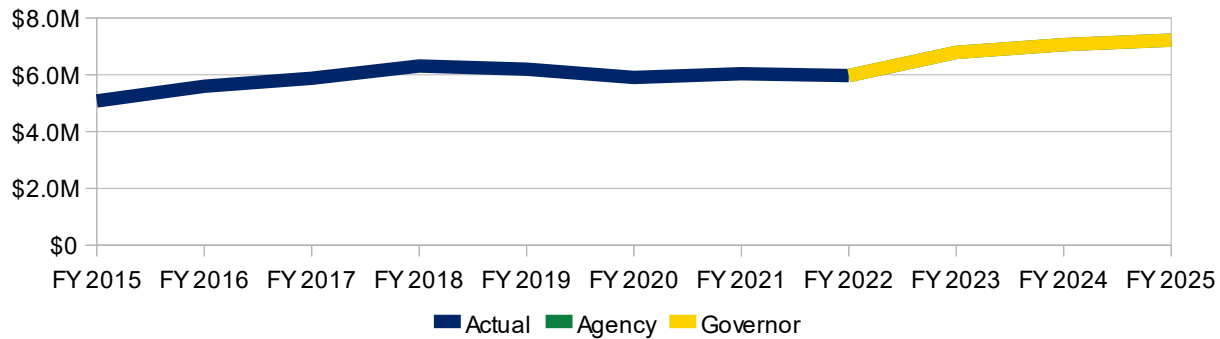
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 5,974,080	\$ 6,793,599	\$ 6,793,599	\$ 7,059,154	\$ 7,059,154	\$ 7,219,690	\$ 7,219,690
FTE Positions:							
Program	62.0	67.0	67.0	67.0	67.0	67.0	67.0

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 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2025



STATUTORY BASIS: • KSA 65-2800 *et seq.*

PROGRAM GOALS: • Issue licenses to medical professionals practicing in Kansas
• Investigate complaints that meet the statutory requirements for an investigation

The Administration program 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.

FIGURE 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Total Number of Licenses Issued	3,554	4,015	3,566	4,377	4,500
2.Total Number of Investigations Opened	773	570	853	620	650
3.Total Number of Complaints Received*	3,322	3,329	3,696	3,350	3,375
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	6,037,440	5,974,080		6,793,599	7,059,154
TOTAL	\$ 6,037,440	\$ 5,974,080		\$ 6,793,599	\$ 7,059,154
Percentage Change:					
SGF	--	--		--	--
All Funds	(6.8) %	(1.0) %		13.7 %	3.9 %
FTE Positions	61.0	62.0		67.0	67.0

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

KANSAS BOARD OF HEARING AID EXAMINERS

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2025

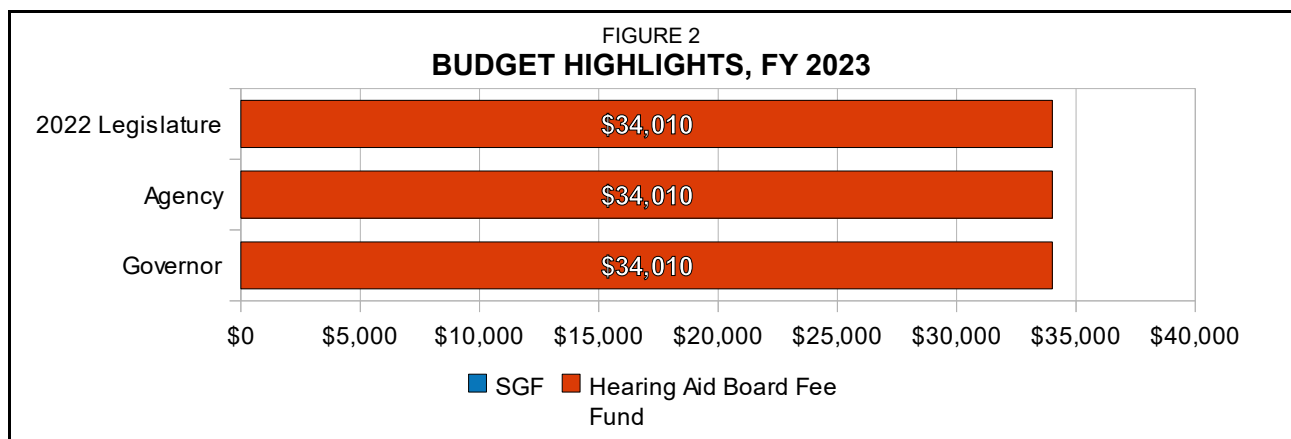
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hearing Aid Board FF	28,332	34,010	34,010	37,695	37,695	37,695	37,695
<i>Subtotal</i>	<i>\$ 28,332</i>	<i>\$ 34,010</i>	<i>\$ 34,010</i>	<i>\$ 37,695</i>	<i>\$ 37,695</i>	<i>\$ 37,695</i>	<i>\$ 37,695</i>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 28,332	\$ 34,010	\$ 34,010	\$ 37,695	\$ 37,695	\$ 37,695	\$ 37,695
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(41.0) %	16.7 %	16.7 %	10.8 %	10.8 %	-- %	-- %
FTE Positions	0.0	0.0	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.

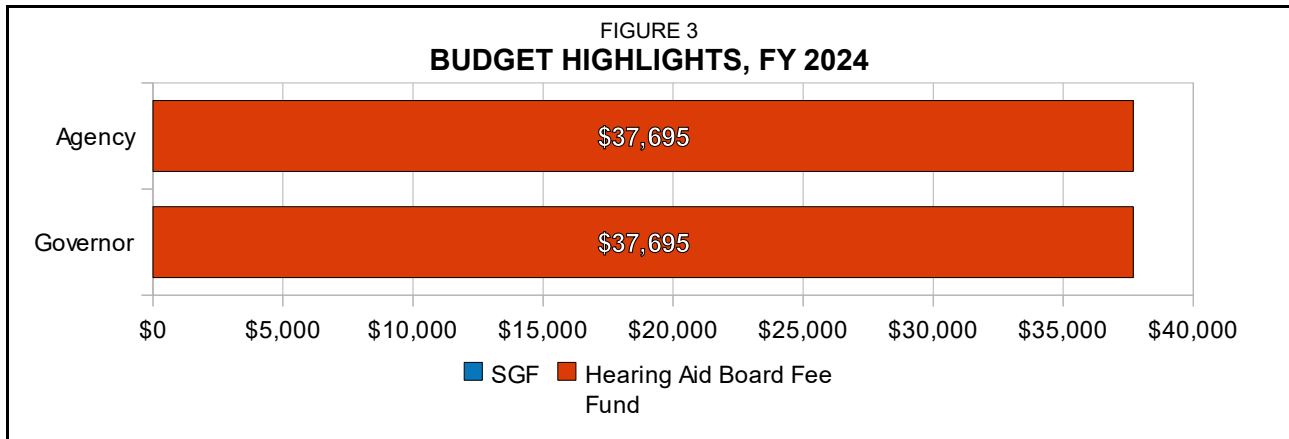
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$34,010, 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.



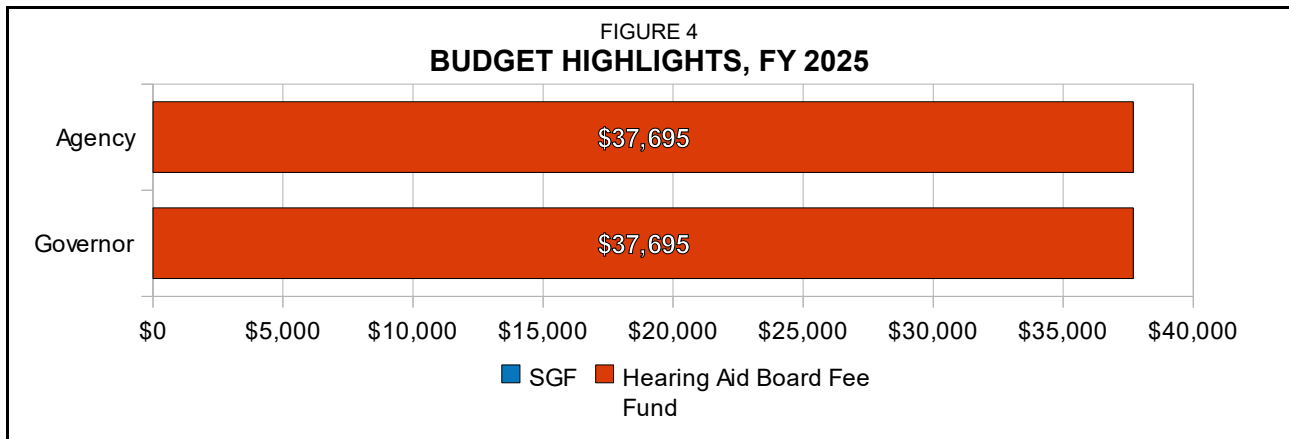
The **agency** submits a revised estimate of \$34,010 in FY 2023, all from the Hearing Aid Board Fee Fund. This is the same amount as approved by the 2022 Legislature.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$37,695, all from the Hearing Aid Board Fee Fund, for FY 2024. This is an increase of \$3,685, or 10.8 percent, above the FY 2023 revised estimate. The increase is primarily attributable to an increase in contractual services for website development and transitioning to a fully online renewal process. The agency requests no FTE positions.

The **Governor** concurs with the agency's request for FY 2024.



The **agency** requests \$37,695, all from the Hearing Aid Board Fee Fund, for FY 2025. This is the same amount as the FY 2024 request. The agency requests no FTE positions.

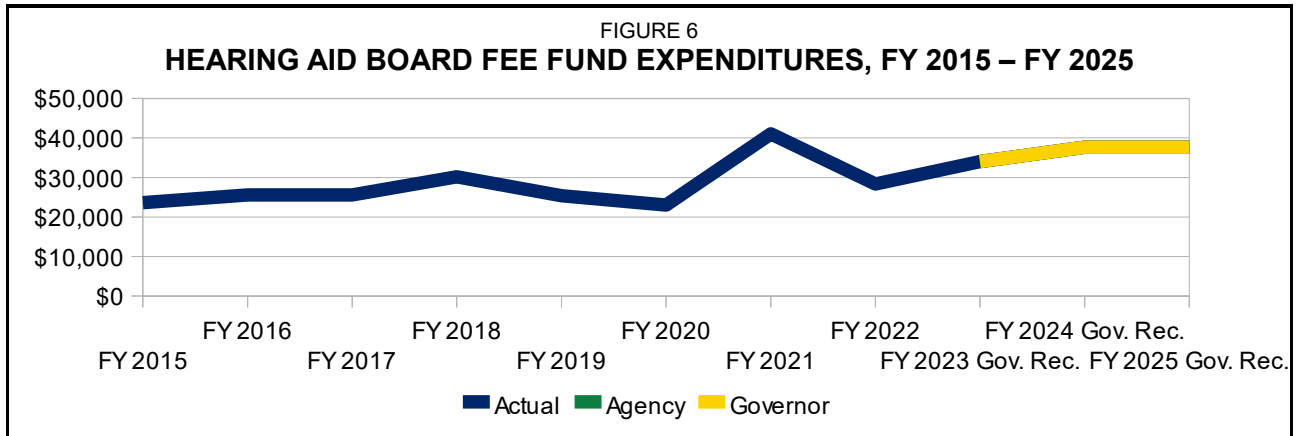
The **Governor** concurs with the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

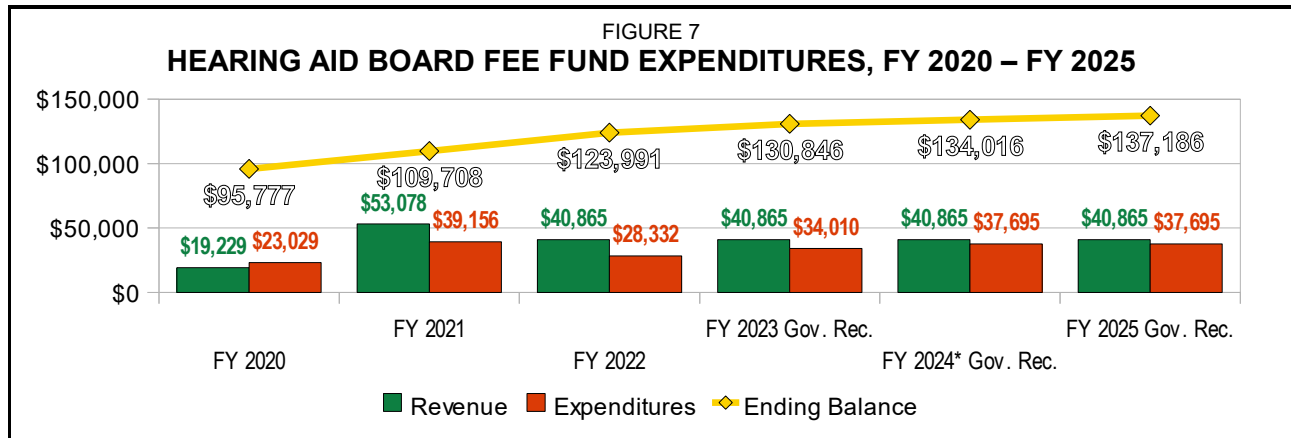
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 22,181	\$ 24,975	\$ 24,975	\$ 24,932	\$ 24,932	\$ 24,932	\$ 24,932
Contractual Services	4,807	8,945	8,945	12,763	12,763	12,763	12,763
Commodities	1,130	90	90	-	-	-	-
Capital Outlay	214	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 28,332	\$ 34,010	\$ 34,010	\$ 37,695	\$ 37,695	\$ 37,695	\$ 37,695
Aid to Local Units							
Other Assistance							
Subtotal—Operating	\$ 28,332	\$ 34,010	\$ 34,010	\$ 37,695	\$ 37,695	\$ 37,695	\$ 37,695
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 28,332	\$ 34,010	\$ 34,010	\$ 37,695	\$ 37,695	\$ 37,695	\$ 37,695
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hearing Aid Board FF	28,332	34,010	34,010	37,695	37,695	37,695	37,695
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FTE Positions	0.0	0.0	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 8 on the following page. A total of 10.0 percent of the agency's incoming revenue is deposited into the State General Fund.

HEARING AID BOARD FEE FUND



* For FY 2024, the lowest month ending balance for the Hearing Aid Board Fee Fund will occur in January with a balance of \$121,116.

FIGURE 8
LICENSE FEES, FY 2023

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

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Hearing Aid Board Fee Fund	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 34,010	\$ 34,010	0.0
1. No Changes	-	-	-	0.0
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 34,010</i>	<i>\$ 34,010</i>	<i>0.0</i>
Agency Revised Estimate:				
2. No Changes	\$ -	\$ -	\$ -	0.0
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 34,010</i>	<i>\$ 34,010</i>	<i>0.0</i>
Governor's Recommendation:				
3. No Changes	\$ -	\$ 34,010	\$ 34,010	0.0
TOTAL	\$ -	\$ 34,010	\$ 34,010	0.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$34,010 approved for the Kansas Board of Hearing Aid Examiners for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$34,010, all from special revenue funds, and no FTE positions. This is the same as the approved amount from the 2022 Legislature.

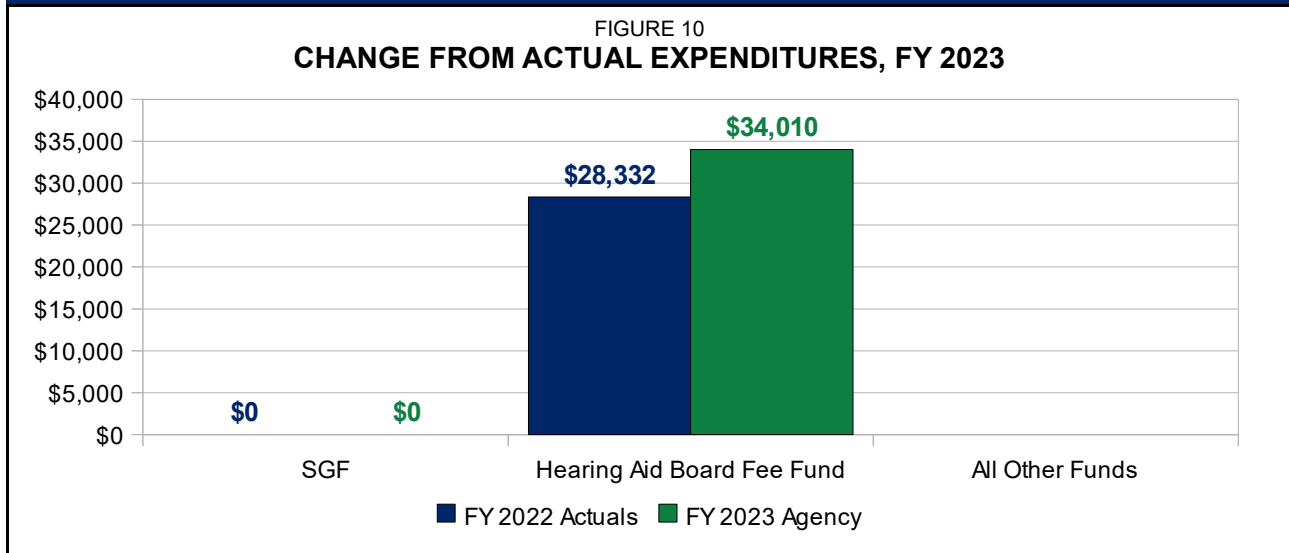
2. **NO CHANGES.** The agency requests no changes to the FY 2023 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2023.

3. **NO CHANGES.** The Governor concurs with the agency's revised estimate in FY 2023.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$34,010, all from special revenue funds, in FY 2023. This is an increase of \$5,678, or 20.0 percent, above the FY 2022 actual amount. This increase is primarily in contractual services, specifically for increased website development costs and inflationary increases for the costs of printing, space rentals for practical exams, and travel.

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Hearing Aid Board Fee Fund	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 34,010	\$ 34,010	0.0
Agency Request:				
1. All Other Adjustments	-	3,685	3,685	0.0
<i>Subtotal—Agency Request</i>	\$ -	\$ 37,695	\$ 37,695	0.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	0.0
TOTAL	\$ -	\$ 37,695	\$ 37,695	0.0

AGENCY REQUEST

The **agency** requests \$37,695, all from special revenue funds. The request includes an increase of \$3,685, or 10.8 percent, above the FY 2023 revised estimate. The agency requests no FTE positions, which is the same as the FY 2023 revised estimate.

1. **ALL OTHER ADJUSTMENTS.** The agency adds \$3,685 for increased website development costs and inflationary increases for the costs of printing, space rentals for practical exams, and travel.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request in FY 2024.

2. **NO CHANGES.** The Governor concurs with the agency's request in FY 2024.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Hearing Aid Board Fee Fund	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 37,695	\$ 37,695	0.0
Agency Request:				
1. No Changes	-	-	-	0.0
<i>Subtotal—Agency Request</i>	\$ -	\$ 37,695	\$ 37,695	0.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	0.0
TOTAL	\$ -	\$ 37,695	\$ 37,695	0.0

AGENCY REQUEST

The **agency** requests \$37,695, all from the Hearing Aid Board Fee Fund, for FY 2025. This is the same as the FY 2024 request.

1. **NO CHANGES.** The agency requests no changes to the FY 2024 request.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request in FY 2025.

2. **NO CHANGES.** The Governor concurs with the agency's request in FY 2025.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

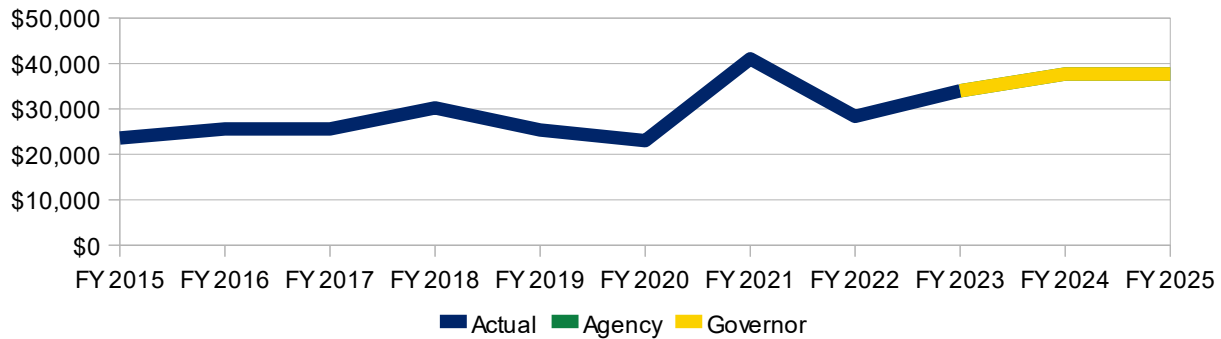
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 28,332	\$ 34,010	\$ 34,010	\$ 37,695	\$ 37,695	\$ 37,695	\$ 37,695
FTE Positions:	0.0	0.0	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 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2025



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 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. License Renewals	451	334	299	300	315
2. License Applications	41	37	39	33	35
3. Temporary Licenses *	9	13	12	12	13
4. Temporary Renewals*	6	5	7	5	5
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$	\$		\$	\$
Non SGF	39,156	28,332		34,010	37,695
All Other Funds					
TOTAL	\$ 39,156	\$ 28,332		\$ 34,010	\$ 37,695
Percentage Change:					
SGF	--	--		--	--
All Funds	41.0 %	(27.6) %		20.0 %	10.8 %
FTE Positions	0.0	0.0		0.0	0.0

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

KANSAS STATE BOARD OF MORTUARY ARTS

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	240,234	317,670	317,670	322,934	322,934	324,494	324,494
<i>Subtotal</i>	<u>\$ 240,234</u>	<u>\$ 317,670</u>	<u>\$ 317,670</u>	<u>\$ 322,934</u>	<u>\$ 322,934</u>	<u>\$ 324,494</u>	<u>\$ 324,494</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 240,234</u>	<u>\$ 317,670</u>	<u>\$ 317,670</u>	<u>\$ 322,934</u>	<u>\$ 322,934</u>	<u>\$ 324,494</u>	<u>\$ 324,494</u>
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(15.8) %	32.2 %	32.2 %	1.7 %	1.7 %	0.5 %	0.5 %
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

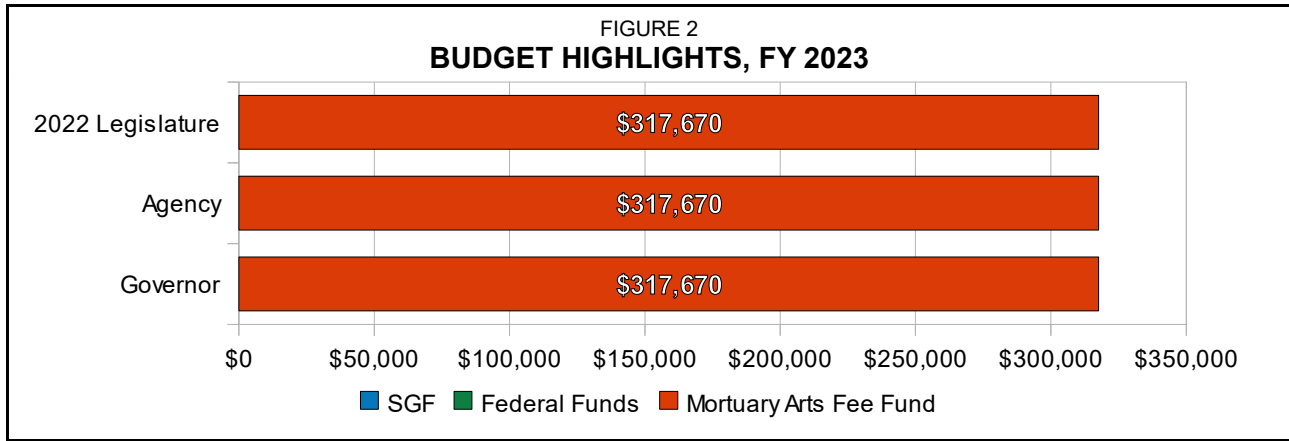
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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.

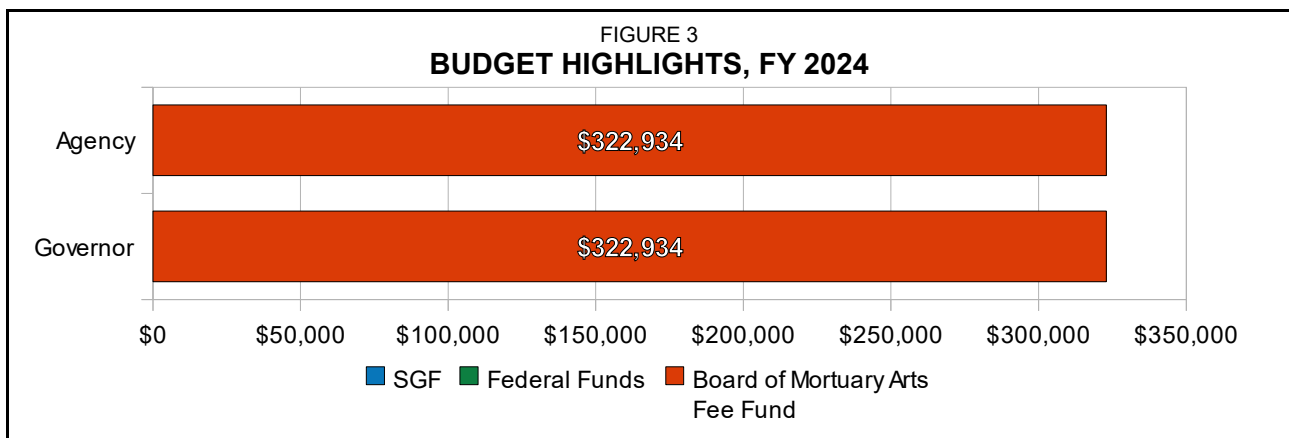
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$317,670, all from special revenue funds, in expenditures and 3.0 FTE positions for the Kansas State Board of Mortuary Arts in FY 2023.



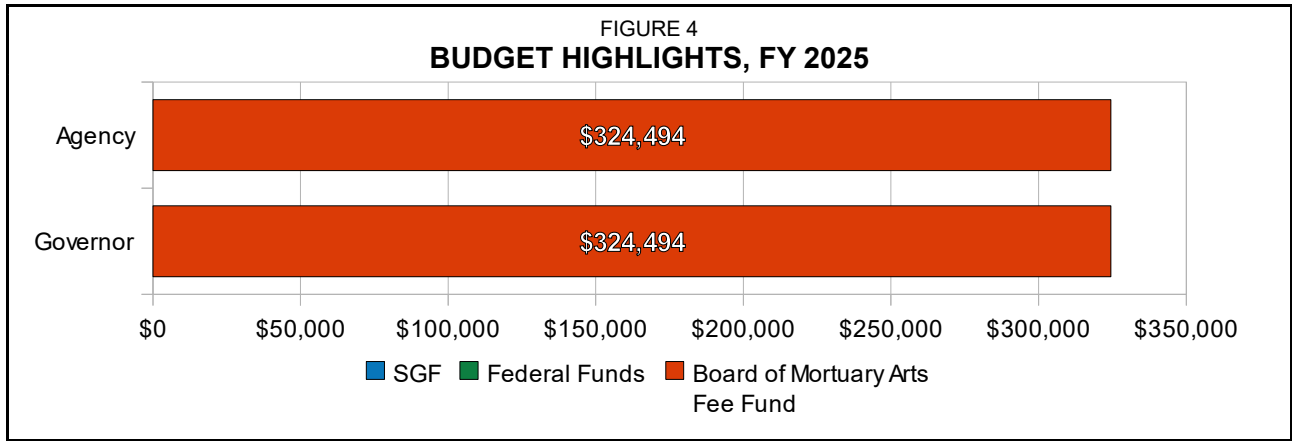
The **agency** submits a revised estimate of \$317,670, all from special revenue funds, in expenditures and 3.0 FTE positions in FY 2023. This is the same as the FY 2023 approved budget. The **agency** revised estimate adds \$6,851 for salaries and wages for conversion to unclassified service and employer contributions for KPERS. The agency's revised estimates also deletes \$3,000 for rent, \$1,200 for a reduced estimate for office supplies and stationery, and \$2,195 for replacement of a computer in FY 2023. These deletions, along with other, smaller adjustments, offset the agency's increased estimate for salaries and wage increases.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$322,934, all from special revenue funds, and 3.0 FTE positions for FY 2024. This is an increase of \$5,264, or 1.7 percent, above the FY 2023 revised estimate. The increase is attributable to the addition of \$2,592 for employer contributions for group health insurance, \$1,000 for a computer replacement, \$1,000 for anticipated increases in expenditures for travel and subsistence for FY 2024, and other, smaller adjustments.

The **Governor** concurs with the agency's request for FY 2024.



The **agency** requests \$324,494, all from special revenue funds, and 3.0 FTE positions for FY 2025. This is an increase of \$1,560, or 0.5 percent, above the FY 2024 agency request. The increase is attributable to the addition of \$1,000 for anticipated increases in travel and subsistence, \$1,000 for anticipated increases in gasoline costs, partially offset by the reduction of \$440 in other various adjustment for FY 2025. Other, smaller adjustments, are also included in the agency's requested expenditures for FY 2025.

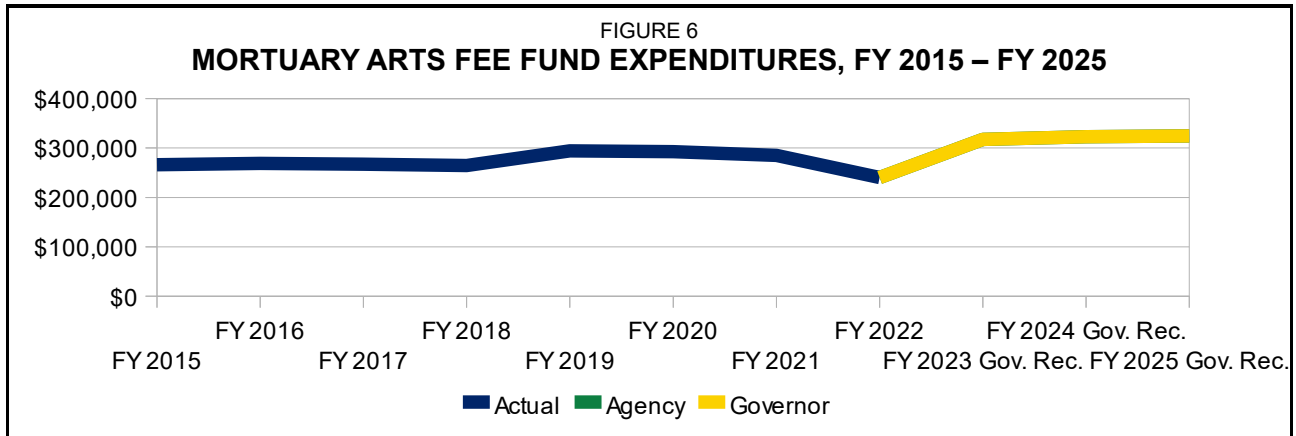
The **Governor** concurs with the agency's request for FY 2025.

EXPENDITURES AND FINANCING

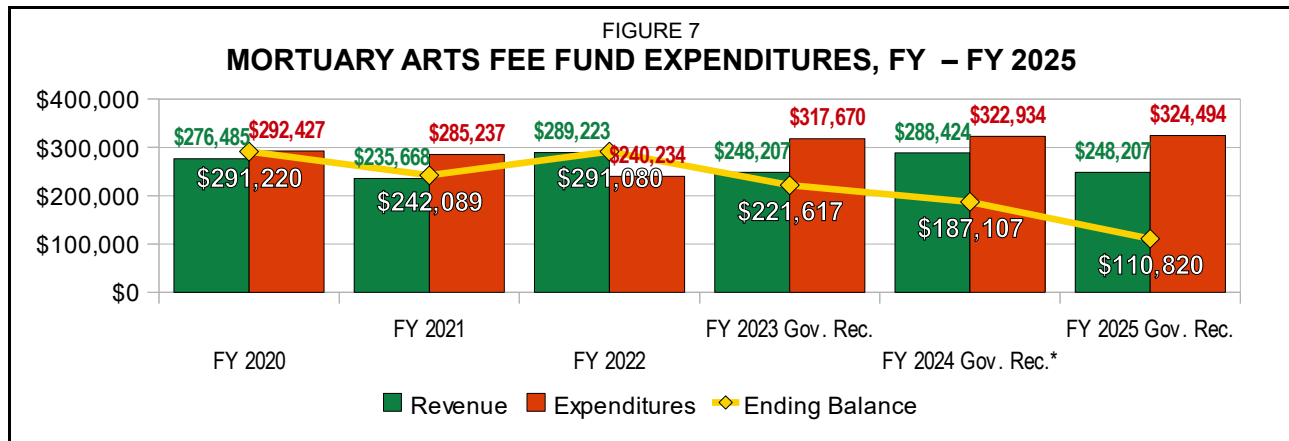
FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Category of Expenditure:							
Salaries and Wages	\$ 178,778	\$ 229,376	\$ 229,376	\$ 231,234	\$ 231,234	\$ 231,304	\$ 231,304
Contractual Services	58,423	81,819	81,819	84,200	84,200	84,590	84,590
Commodities	2,314	6,475	6,475	6,500	6,500	7,600	7,600
Capital Outlay	719	-	-	1,000	1,000	1,000	1,000
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 240,234	\$ 317,670	\$ 317,670	\$ 322,934	\$ 322,934	\$ 324,494	\$ 324,494
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 240,234	\$ 317,670	\$ 317,670	\$ 322,934	\$ 322,934	\$ 324,494	\$ 324,494
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 240,234	\$ 317,670	\$ 317,670	\$ 322,934	\$ 322,934	\$ 324,494	\$ 324,494
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	240,234	317,670	317,670	322,934	322,934	324,494	324,494
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 240,234	\$ 317,670	\$ 317,670	\$ 322,934	\$ 322,934	\$ 324,494	\$ 324,494
FTE Positions	3.0	3.0	3.0	3.0	3.0	3.0	3.0

MORTUARY ARTS FEE FUND



The Mortuary Arts Fee Fund is statutorily fee funded through revenues from (1) issuance and renewal of licenses; (2) administration of exams for funeral directors and assistant funeral directors; (3) sales of rulebooks, lists, and duplicate licenses; and (4) continuing education programming.



* For FY 2024, the lowest month ending balance for the Mortuary Arts Fee Fund will occur in June, with a balance of \$187,107.

FIGURE 8
LICENSURE FEES, FY 2023

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	1,000	KSA 65-1727
Branch establishment license fee	650	1,000	KSA 65-1727
Crematory license fee	650	1,000	KSA 65-1727
Crematory renewal fee	650	1,000	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
Rulebook	5	20	KSA 65-1727
Continuing education program sponsor application	N/A	25	KSA 65-1727
Continuing education program license application	N/A	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	N/A

FY 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 317,670	\$ 317,670	3.0
1. No changes.	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 317,670</i>	<i>\$ 317,670</i>	<i>3.0</i>
Agency Revised Estimate:				
2. Salaries and Wages	\$ -	\$ 6,851	\$ 6,851	--
3. Rent	-	(3,000)	(3,000)	--
4. Office Supplies	-	(1,200)	(1,200)	--
5. Computer Replacement	-	(2,195)	(2,195)	--
6. All Other Adjustments	-	(456)	(456)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 317,670</i>	<i>\$ 317,670</i>	<i>3.0</i>
Governor's Recommendation:				
7. No Changes	-	-	-	--
TOTAL	\$ -	\$ 317,670	\$ 317,670	3.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$317,670 appropriated to the Kansas State Board of Mortuary Arts for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$317,670, all from special revenue funds, and 3.0 FTE positions in FY 2023. This is the same as the FY 2023 approved budget.

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

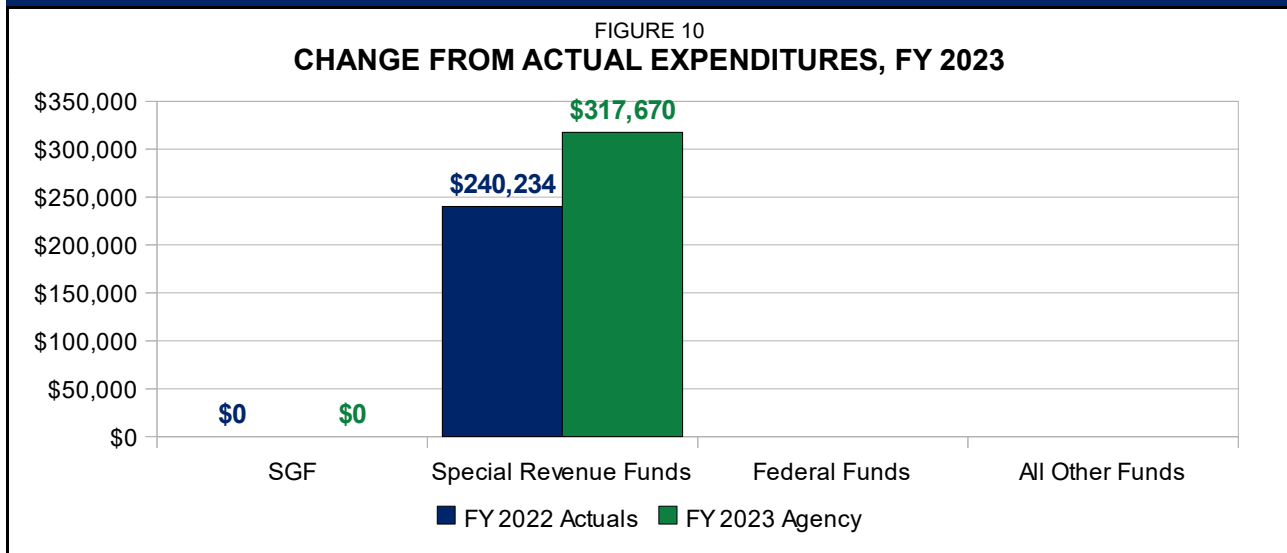
2. **SALARIES AND WAGES.** The agency estimates the addition of \$6,851 for salaries and wages for conversion to unclassified service and retirement and hiring of a new inspector.
3. **RENT.** The agency estimates a reduction of \$3,000 for rent due to an updated estimate to match actual expenditures.
4. **OFFICE SUPPLIES.** The agency estimates reduction of \$1,200 for a reduced estimate for office supplies and stationery in FY 2023.
5. **COMPUTER REPLACEMENT.** The agency estimates a reduction of \$2,195 for replacement of a computer in FY 2023.
6. **OTHER ADJUSTMENTS.** The agency estimates a reduction of \$456 in other various expenditure categories in FY 2023.

GOVERNOR'S RECOMMENDATION

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

7. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$317,670, all from special revenue funds, in FY 2023. This is an increase of \$77,436, or 32.2 percent, above FY 2022 actual expenditures. The increase is primarily attributable to \$50,598 in salaries due to a vacant position being filled in FY 2023. Other adjustments include increasing estimated expenditures for fees for professional services, and other contractual services by \$23,396 over FY 2022 actual expenditures, and increases in commodities related to agency travel totaling \$4,161. These adjustments were partially offset by reductions in office supplies and hardware totaling \$719.

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 317,670	\$ 317,670	3.0
Agency Request:				
1. Group Health Insurance	\$ -	\$ 2,592	\$ 2,592	--
2. Computer Replacement	-	1,000	1,000	--
3. Travel and Subsistence	-	1,000	1,000	--
4. All Other Adjustments	-	672	672	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 322,934	\$ 322,934	3.0
Governor's Recommendation:				
5. No changes.	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 322,934</u>	<u>\$ 322,934</u>	<u>3.0</u>

AGENCY REQUEST

The **agency** requests \$322,934, all from special revenue funds, in expenditures and 3.0 FTE positions for FY 2024. This is an increase of \$5,264, or 1.7 percent, above the FY 2023 agency revised estimate.

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

1. **GROUP HEALTH INSURANCE.** The agency requests the addition of \$2,592 for employer contributions for group health insurance for FY 2024.
2. **COMPUTER REPLACEMENT.** The agency requests the addition of \$1,000 for a computer replacement for FY 2024.
3. **TRAVEL AND SUBSISTENCE.** The agency requests the addition of \$1,000 for anticipated increases in the costs for travel and subsistence for FY 2024.
4. **OTHER ADJUSTMENTS.** The agency requests the addition of \$672 for various other adjustments for FY 2024.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

5. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2024 request.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 322,934	\$ 322,934	3.0
Agency Request:				
1. Travel and Subsistence	\$ -	\$ 1,000	\$ 1,000	--
2. Fuel	-	1,000	1,000	--
3. All Other Adjustments	-	(440)	(440)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 324,494	\$ 324,494	3.0
Governor's Recommendation:				
4. No changes	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 324,494</u>	<u>\$ 324,494</u>	<u>3.0</u>

AGENCY REQUEST

The **agency** requests \$324,494, all from special revenue funds, and 3.0 FTE positions for FY 2025. This is an increase of \$1,560, or 0.5 percent, above the FY 2024 agency request.

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

1. **TRAVEL AND SUBSISTENCE.** The agency requests the addition of \$1,000 for anticipated increases in travel and subsistence for FY 2025.
2. **FUEL.** The agency requests the addition of \$1,000 for anticipated increases in gasoline costs for FY 2025.
3. **OTHER ADJUSTMENTS.** The agency requests the reduction of \$440 in other various adjustments for FY 2025.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2025 request.

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2025 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

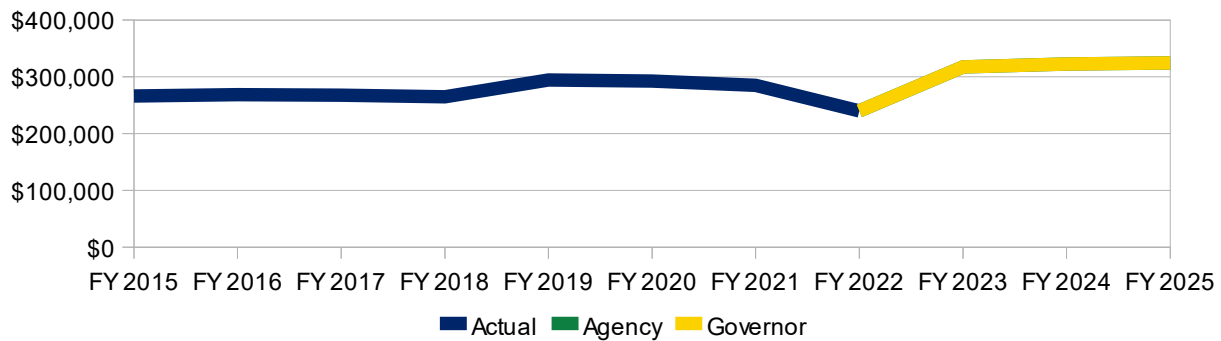
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 240,234	\$ 317,670	\$ 317,670	\$ 322,934	\$ 322,934	\$ 324,494	\$ 324,494
FTE Positions:							
Program	3.0	3.0	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 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2025



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.

The Kansas State Board of Embalming has been in existence since May of 1907. The name was changed to the Kansas State Board of

Mortuary Arts in 1985. The board operates under KSA 65-1701 *et seq.* and KSA 74- 1701 *et seq.*

FIGURE 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of applicants NOT meeting licensure requirements with their initial application*	11.0 %	12.0 %	11.0 %	11.0 %	11.0 %
2. Average number of hours in staff time of assistance provided to individuals needing assistance with the licensure process*	650	660	650	655	655
3. Approximate number of days it takes for an applicant to be notified that their initial application is either acceptable or unacceptable*	7	7	7	7	7
4. Percent of complaints requiring investigation that result in the finding of any possible violations (by calendar year)*	40.0 %	43.0 %	41.7 %	43.0 %	44.0 %
5. Hours of administrative time spent involving complaints (by calendar year)*	700	670	675	670	671

FIGURE 15

ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
6. Percent of investigations that result in a disciplinary action or warning/advisory notification taken by either the Board or another regulatory authority (by calendar year)	65.0 %	43.0 %	50.0 %	43.0 %	44.0 %
7. Percent of inquiries resulting in additional information provided by the agency*	40.0 %	41.0 %	40.7 %	40.0 %	40.0 %
8. Approximate percent of inquiries resulting in the filing of a complaint*	24.0 %	27.0 %	25.3 %	26.0 %	24.0 %
Output Measure:					
9. Number of all licenses and registrations on file	2,190	2,248	2,193	2,250	2,260
10. Number of individuals seeking assistance with the licensure process*	560	570	560	572	582
11. Number of updates relating to the licensure process made to files or the agency's Microsoft ACCESS data bank computer software program which is used for licensing documentation*	1,955	1,990	1,957	1,992	2,002
12. Number of written funeral director & assistant funeral director examinations (including retakes) administered by the agency*	39	62	50	75	65
13. Number of embalmer/funeral director/reciprocal interviews conducted by the Board*	21	21	23	30	25
14. Number of complaints received	35	31	30	28	26
15. Number of complaints requiring investigation*	35	31	30	28	26
16. Number of consumer inquiries involving administrative staff--not including website hits*	826	830	819	810	805
17. Number of informational brochures distributed to consumers--including off the website*	340	343	343	340	342
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	285,237	240,234		317,670	322,934
TOTAL	\$ 285,237	\$ 240,234		\$ 317,670	\$ 322,934
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	42.6 %	(15.8) %		32.2 %	1.7 %
FTE Positions	3.0	3.0		3.0	3.0

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

BOARD OF NURSING

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	3,381,192	3,678,993	3,678,993	4,006,524	4,006,524	3,947,121	3,947,121
<i>Subtotal</i>	<u>\$ 3,381,192</u>	<u>\$ 3,678,993</u>	<u>\$ 3,678,993</u>	<u>\$ 4,006,524</u>	<u>\$ 4,006,524</u>	<u>\$ 3,947,121</u>	<u>\$ 3,947,121</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 3,381,192</u>	<u>\$ 3,678,993</u>	<u>\$ 3,678,993</u>	<u>\$ 4,006,524</u>	<u>\$ 4,006,524</u>	<u>\$ 3,947,121</u>	<u>\$ 3,947,121</u>
Percentage Change:							
State General Fund	--	--	--	--	--	--	--
All Funds	9.9 %	8.8 %	8.8 %	8.9 %	8.9 %	(1.5) %	(1.5) %
FTE Positions	27.0	27.0	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.

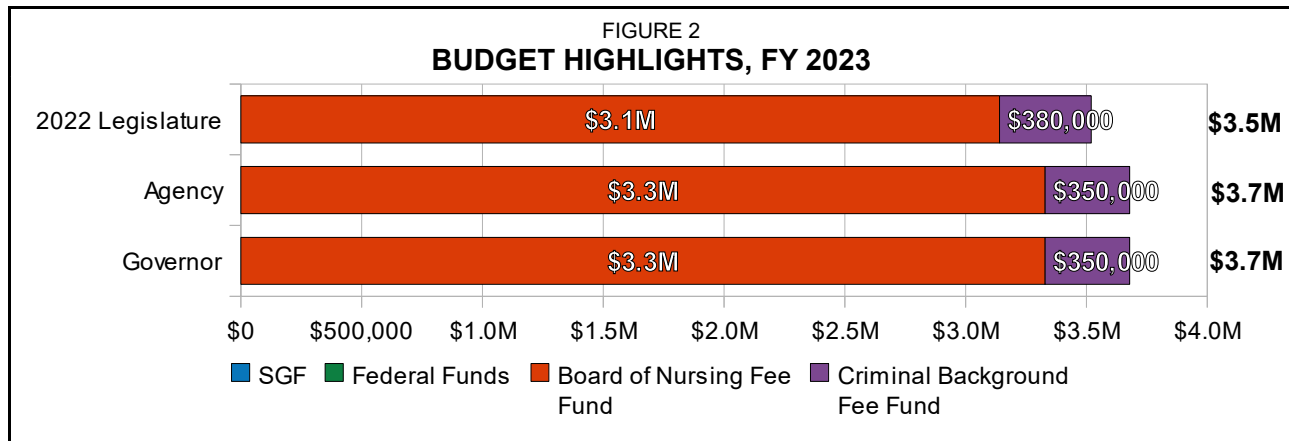
LICENSING DIVISION. The Board's Licensing Division evaluates nursing schools and maintains the licensure of practical nurses, registered nurses, advanced practice registered nurses, registered nurse anesthetists, and mental health technicians.

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 2022 Legislature approved a budget of \$3.5 million, all from special revenue funds, in expenditures and 27.0 FTE positions for the Board of Nursing in FY 2023.

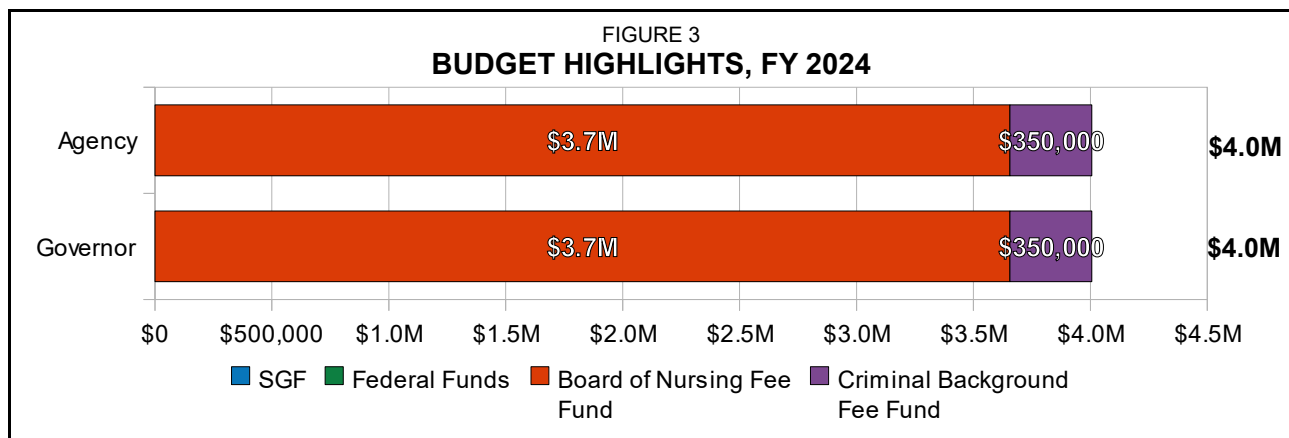


The **agency** submits a revised estimate of \$3.7 million, all from special revenue funds, in expenditures and 27.0 FTE positions in FY 2023. This is an increase of \$159,083, or 4.7 percent, above the FY 2023 approved amount.

Significant items in the agency estimate include the following:

- **SOFTWARE UPGRADE.** The agency is requesting an additional \$189,083 to upgrade licensing software and purchase software to process Kansas Open Records Act requests more efficiently.
- **CRIMINAL BACKGROUND FEE FUND.** The agency decreased expenditures from the Criminal Background Fee Fund by \$30,000 due to an anticipated decrease in the number of graduates seeking licensure.

The **Governor** concurs with the agency's revised estimate in FY 2023.



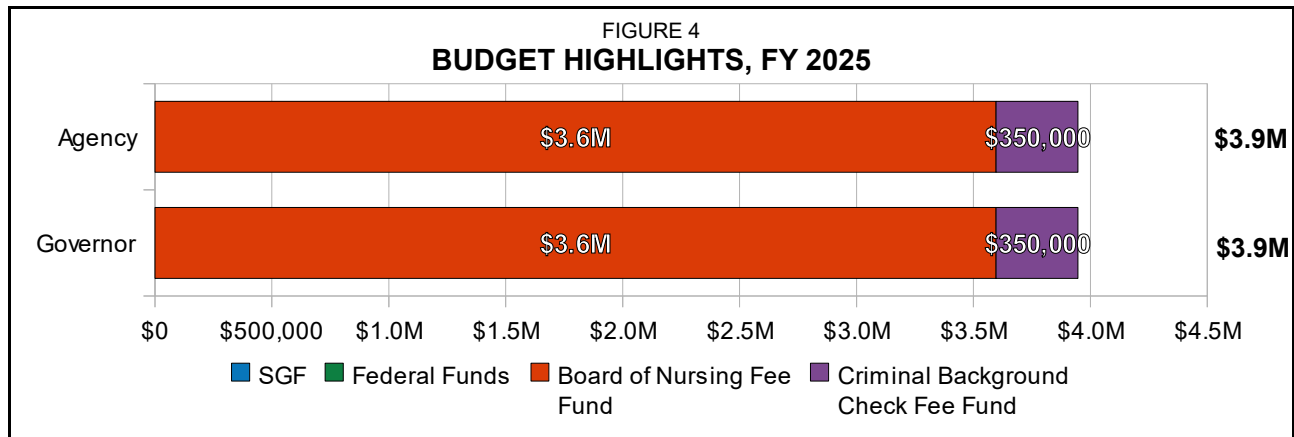
The **agency** requests \$4.0 million, all from special revenue funds, in expenditures and 27.0 FTE positions for FY 2024. This is an increase of \$327,531, or 8.9 percent, above the agency's FY 2023 revised estimate.

Significant items in the agency request include the following:

- **LICENSING SOFTWARE UPGRADE.** The FY 2024 budget includes expenditures to implement Phase 2 of the agency's three-year IT plan, which includes a transition to the MyLicense Platform. This upgraded platform will include increased security measures to

protect licensee's data, allow staff and public users to effectively access the system with any device, and provide increased access to real-time data and reports.

The **Governor** concurs with the agency's request for FY 2024.



The **agency** requests \$3.9 million, all special revenue funds, in expenditures and 27.0 FTE positions for FY 2025. This is a decrease of \$59,403, or 1.5 percent, below the agency's FY 2024 request. The decrease is largely due to one-time expenditures in FY 2024 for software upgrades that do not reoccur for FY 2025, partially offset by subscription fees for the licensing software.

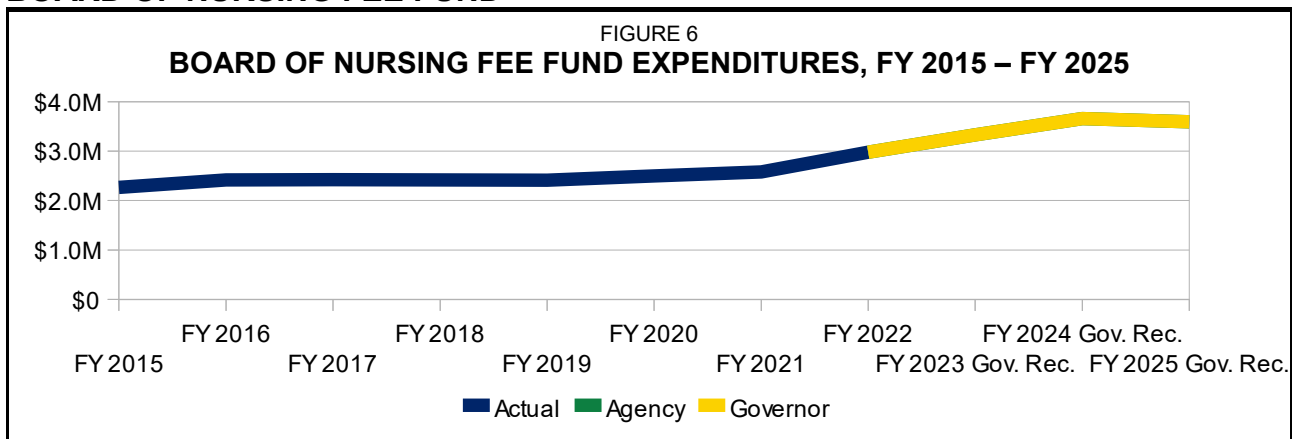
The **Governor** concurs with the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 1,695,056	\$ 2,163,038	\$ 2,163,038	\$ 2,177,399	\$ 2,177,399	\$ 2,204,691	\$ 2,204,691
Contractual Services	1,438,374	1,447,005	1,447,005	1,707,525	1,707,525	1,618,630	1,618,630
Commodities	14,581	18,550	18,550	18,600	18,600	18,700	18,700
Capital Outlay	233,181	50,400	50,400	103,000	103,000	105,100	105,100
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 3,381,192	\$ 3,678,993	\$ 3,678,993	\$ 4,006,524	\$ 4,006,524	\$ 3,947,121	\$ 3,947,121
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 3,381,192	\$ 3,678,993	\$ 3,678,993	\$ 4,006,524	\$ 4,006,524	\$ 3,947,121	\$ 3,947,121
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 3,381,192	\$ 3,678,993	\$ 3,678,993	\$ 4,006,524	\$ 4,006,524	\$ 3,947,121	\$ 3,947,121
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board of Nursing Fee Fund	2,981,192	3,328,993	3,328,993	3,656,524	3,656,524	3,597,121	3,597,121
Criminal Background Fee Fund	400,000	350,000	350,000	350,000	350,000	350,000	350,000
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 3,381,192	\$ 3,678,993	\$ 3,678,993	\$ 4,006,524	\$ 4,006,524	\$ 3,947,121	\$ 3,947,121
FTE Positions	27.0	27.0	27.0	27.0	27.0	27.0	27.0

BOARD OF NURSING FEE FUND

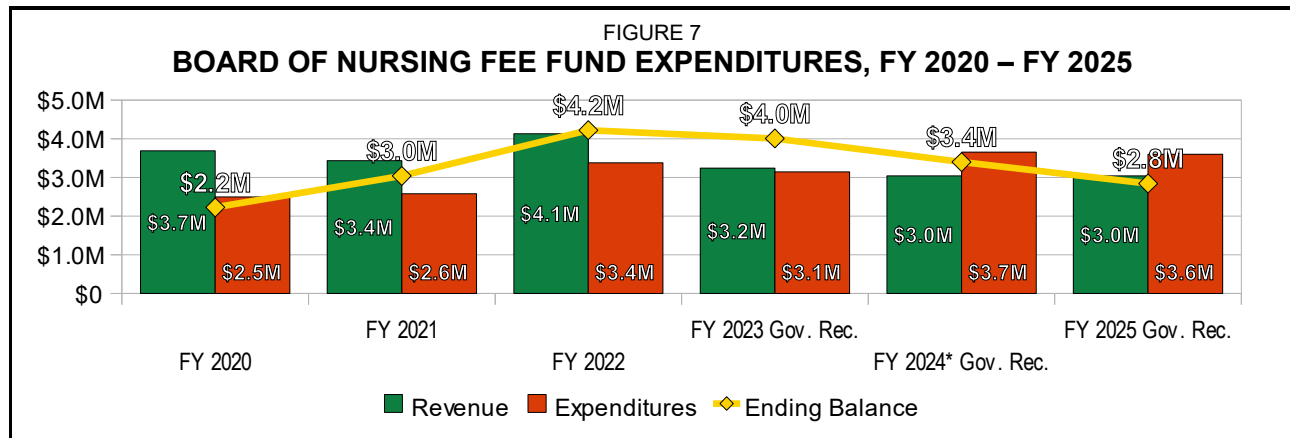


The Board is responsible for examining, licensing, and renewing licenses of qualified nurse applicants and conducting hearings upon charges for limitation, suspension, or revocation of a license. According to KSA 74-1108, the executive administrator of the Board can levy fees, charges, or penalties for 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 2024, the lowest month ending balance for the Board of Nursing Fee Fund will occur in July, with a balance of \$3.0 million.

Board of Nursing Fee Fund Ending balance is anticipated to decrease by \$211,943 from FY 2022 to FY 2023. Both revenues and expenditures are anticipated to decrease between these two fiscal years with the revenues continuing to decrease through FY 2025 due to more states joining the Nurse Licensure Compact and the agency losing licensure renewals from nurses residing in those states.

FIGURE 8
LICENSURE FEES, FY 2023

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 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 3,519,910	\$ 3,519,910	27.0
1. No changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 3,519,910</i>	<i>\$ 3,519,910</i>	<i>27.0</i>
Agency Revised Estimate:				
2. Supplemental – Licensing Software Upgrade	\$ -	\$ 189,083	\$ 189,083	--
3. Criminal Background Fee Fund Decrease	-	(30,000)	(30,000)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 3,678,993</i>	<i>\$ 3,678,993</i>	<i>27.0</i>
Governor's Recommendation:				
4. No Changes	-	-	-	--
TOTAL	\$ -	\$ 3,678,993	\$ 3,678,993	27.0

LEGISLATIVE APPROVED

1. Subsequent to the 2022 Session, no adjustments were made to the \$3.5 million appropriated to the Board of Nursing for FY 2023.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$3.7 million, all from special revenue funds, in expenditures and 27.0 FTE positions in FY 2023. This is an increase of \$159,083, or 4.7 percent, above the FY 2023 approved amount.

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

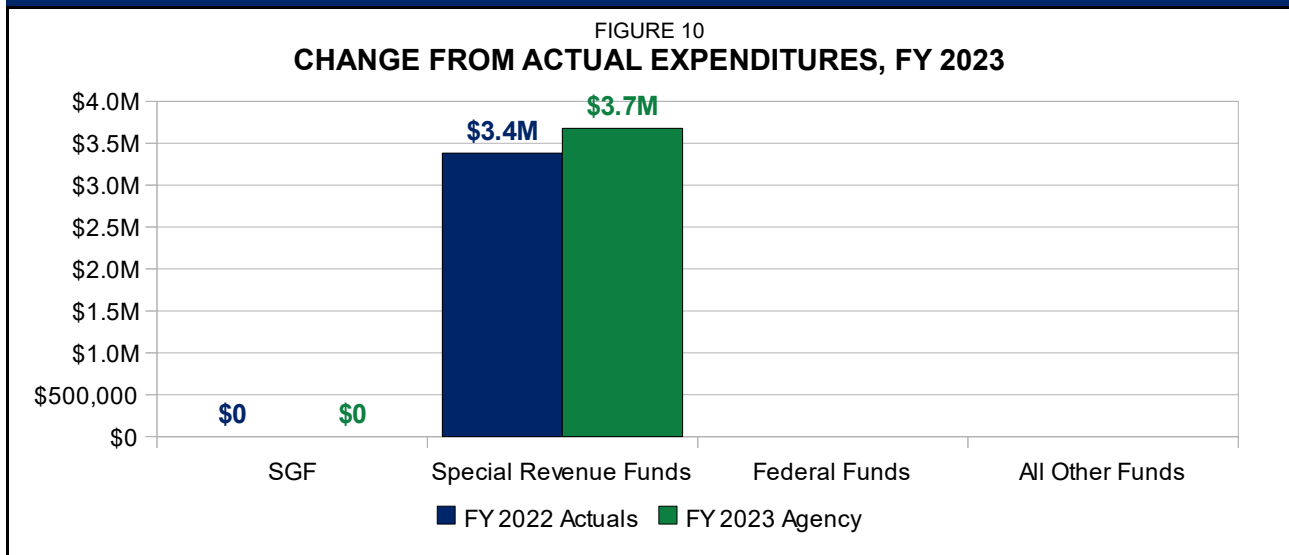
2. **SUPPLEMENTAL – LICENSING SOFTWARE UPGRADE.** This supplemental request is to implement phase one of the agency's 2022-2025 strategic plan, including the three-year IT plan to upgrade licensing software and software to process Kansas Open Records Act requests more efficiently.
3. **CRIMINAL BACKGROUND FEE FUND DECREASE.** The amount from the Criminal Background Fee Fund was reduced due to a decrease in the number of admissions into nursing programs, an anticipated increase in retirements and nurses leaving the field, and more states being expected to enter the Nursing Licensure Compact, all of which lead to fewer graduates seeking licensure.

GOVERNOR'S RECOMMENDATION

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

4. **NO CHANGES.** The Governor did not recommend any changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$3.7 million, all from special revenue funds, in FY 2023. This is an increase of \$297,801, or 8.8 percent, above the FY 2022 actual expenditures. This is due to the agency spending \$60,094 less than the approved amount in FY 2022, as well as increased expenditures for salaries and wages and employer contributions to group health insurance.

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

		SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:		\$ -	\$ 3,678,993	\$ 3,678,993	27.0
Agency Request:					
1. Three-year IT Plan Software	1	\$ -	\$ 260,520	\$ 260,520	--
2. Three-year IT Plan Hardware		-	52,600	52,600	--
3. All Other Adjustments		-	14,411	14,411	--
<i>Subtotal—Agency Request</i>		\$ -	\$ 4,006,524	\$ 4,006,524	27.0
Governor's Recommendation:					
4. No Changes		\$ -	\$ -	\$ -	--
TOTAL		\$ -	\$ 4,006,524	\$ 4,006,524	27.0

AGENCY REQUEST

The **agency** requests \$4.0 million, all from special revenue funds, for expenditures and 27.0 FTE positions for FY 2024. This is an increase of \$327,531, or 8.9 percent, which is largely attributable to an increase in contractual services expenditures for phase 2 of the agency's licensing software upgrade.

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

1. **THREE-YEAR IT PLAN SOFTWARE.** The FY 2024 budget includes expenditures to implement phase 2 of the three-year IT plan. Increased contractual expenditures will fund a transition to the MyLicense Platform. This upgraded platform will include increased security measures to protect licensee's data, allow staff and public users to effectively access the system with any device, and provide increased access to real-time data and reports.
2. **THREE-YEAR IT PLAN HARDWARE.** The FY 2024 budget includes increased capital outlay expenditures for personal computer hardware and support associated with the upgraded licensing software.
3. **OTHER ADJUSTMENTS.** This increase is largely due to increased expenditures in the category of salaries and wages for employer contributions to group health insurance.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2024.

4. **NO CHANGES.** The Governor did not recommend any changes to the agency's request for FY 2024.

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

		SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2025:		\$ -	\$ 4,006,524	\$ 4,006,524	27.0
Agency Request:					
1. Contractual Services Adjustments	1	\$ -	\$ (88,895)	\$ (88,895)	--
2. Salaries and Wages Adjustments		-	27,292	27,292	--
3. All Other Adjustments		-	2,200	2,200	--
<i>Subtotal—Agency Request</i>		\$ -	\$ 3,947,121	\$ 3,947,121	27.0
Governor's Recommendation:					
4. No Changes		\$ -	\$ -	\$ -	--
TOTAL		\$ -	\$ 3,947,121	\$ 3,947,121	27.0

AGENCY REQUEST

The **agency** requests \$3.9 million, all from special revenue funds, for expenditures and 27.0 FTE positions for FY 2025. This is a decrease of \$59,403, or 1.5 percent, below the agency's FY 2024 request. The decrease is largely due to one-time expenditures in FY 2024 for software upgrades that do not reoccur for FY 2025, partially offset by subscription fees for the licensing software.

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

1. **CONTRACTUAL SERVICES ADJUSTMENTS.** This decrease is due to one-time expenditures in FY 2024 for software upgrades that do not reoccur for FY 2025, partially offset by subscription fees for the licensing software and a total software and cloud expenditures for ArkCase, the software utilized for Kansas Open Records Act requests.
2. **SALARY AND WAGES ADJUSTMENTS.** This category includes increased expenditures for employer contributions to group health insurance.
3. **OTHER ADJUSTMENTS.** This increase is largely due to software expenditures.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's request for FY 2025.

4. **NO CHANGES.** The Governor did not recommend any changes to the agency's request for FY 2025.

SUPPLEMENTAL REQUESTS

LICENSING SOFTWARE UPGRADE AND ARKCASE SOFTWARE

The agency requests \$189,083, all from special revenue funds, for licensing software and new software to process Kansas Open Records requests for FY 2023.

SUPPLEMENTAL REQUEST					
Item	SGF	Nursing Board Fee Fund	All Funds	FTE	
Licensing Software Upgrade and ArkCase Software	\$ -	\$ 189,083	\$ 189,083	-	

This supplemental package will be used to fund two projects: a licensing software upgrade and the addition of ArkCase software.

LICENSING SOFTWARE UPGRADE. These funds will be used to upgrade current software to be more compatible for the increasing number of applicants who are applying for licensure using mobile devices and to prepare for a multi-phased upgrade approach. The upgrades taking place in FY 2023 are the first phase of a three-year IT upgrade and will include:

- Reinforced application security to ensure protection against security threats;
- Work flow integration with initial and renewal applications to ensure the correct user receives tasks in an accurate and timely manner;
- Improving performance of high-traffic areas to streamline the process for users and allow staff to complete work faster and decrease average application and enforcement processing times; and
- Allowing the agency increased visibility of data and reports and allow increased project management oversight.

ARKCASE SOFTWARE. ArkCase software will assist the agency in processing and remaining in compliance with an increasing number of requests through the Kansas Open Records Act (KORA). According to the agency, the new software will allow for requests to be easily tracked and managed through all steps of the process.

The total cost of these projects combined in FY 2023 is \$277,897, however the agency is able to cover \$88,814 with existing resources.

The Governor recommends the adoption of this request.

SPECIAL TOPICS

NURSING LICENSURE COMPACT AND K-TRACS

NURSING LICENSURE COMPACT

The 2018 Legislature passed 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 multi-state 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 multi-state license application fee for a professional nurse or practice nurse at \$300, set the statutory limit for the biennial renewal fee for a multi-state 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 approved 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.

The 2021 Legislature passed HB 2079, which established the Kansas Fights Addiction Act (KFA) and addresses the use of funds received from opioid litigation. The bill created the Prescription Monitoring Program (PMP) Fund for the purpose of operating the Prescription Monitoring Program (also known as K-TRACS). The bill requires that, as long as sufficient funds are available, \$200,000 will be transferred from the KFA Fund to the PMP Fund. At this time, there are no further planned transfers from the Board of Nursing Fee Fund to aid in the operation of K-TRACS.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

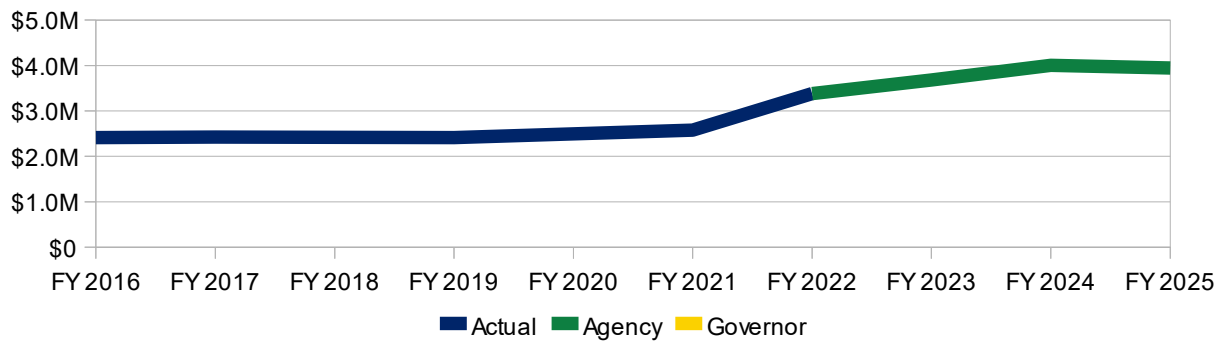
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 3,381,192	\$ 3,678,993	\$ 3,678,993	\$ 4,006,524	\$ 4,006,524	\$ 3,947,121	\$ 3,947,121
FTE Positions:							
Administration	27.0	27.0	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 14
ADMINISTRATION EXPENDITURES, FY 2016 – FY 2025



STATUTORY BASIS: • License requirements are governed by KSA 65-1115 (registered nurses); KSA 65-1116 (licensed practical nurses); KSA 65-1130 (advanced practice registered nurses); and KSA 65-1152 (registered nurse anesthetists)

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 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of investigations open	597	715	897	700	700
2. Percent of initial applications processed within three business days	99.8 %	99.8 %	100.0 %	95.0 %	95.0 %
3. Percent of reinstatement licensure applications processed within three business days	100.0 %	100.0 %	94.0 %	95.0 %	95.0 %
4. Percent of application information entered in licensing software accurately	99.9 %	99.9 %	99.9 %	99.0 %	99.0 %
5. Percent of investigations completed within nine months of opening the case	29.0 %	48.0 %	48.0 %	55.0 %	60.0 %
6. Number of initial orders, consent orders and evidentiary hearings*	29	18	72	30	30
7. Number of denied licenses*	6	10	9	10	10

FIGURE 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
8. Percentage of renewal licensure applications processed within 3 business days after receipt of required information*	100.0 %	100.0 %	99.6 %	95.0 %	95.0 %
9. Percentage of nursing programs submitting an annual report as per regulation*	100.0 %	97.0 %	99.0 %	100.0 %	100.0 %
10. Number of Diversion agreements*	20	13	28	25	25
11. Cost per License*	\$8.55	\$6.90	\$8.15	\$6.07	\$7.28
Output Measure:					
12. Total fines deposited in State General Fund for violations of the Nurse Practice Act*	\$17,546	\$2,000	\$17,643	\$15,000	\$15,000
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	50,006	-		-	-
All Other Funds	3,025,934	3,381,192		4,006,524	3,947,121
TOTAL	\$ 3,075,940	\$ 3,381,192		\$ 4,006,524	\$ 3,947,121
Percentage Change:					
SGF	--	--		--	--
All Funds	4.8 %	9.9 %		18.5 %	(1.5) %
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 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2025

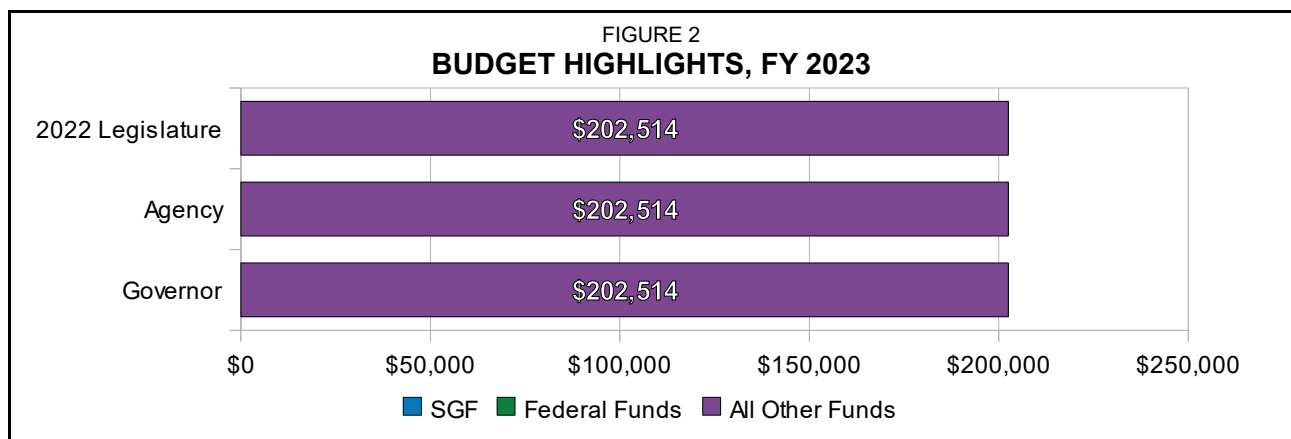
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	192,626	202,514	202,514	208,258	208,258	246,824	212,368
<i>Subtotal</i>	<u>\$ 192,626</u>	<u>\$ 202,514</u>	<u>\$ 202,514</u>	<u>\$ 208,258</u>	<u>\$ 208,258</u>	<u>\$ 246,824</u>	<u>\$ 212,368</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	\$ 192,626	\$ 202,514	\$ 202,514	\$ 208,258	\$ 208,258	\$ 246,824	\$ 212,368
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	19.9 %	5.1 %	5.1 %	2.8 %	2.8 %	18.5 %	2.0 %
FTE Positions	1.0	1.0	1.0	1.0	1.0	2.0	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.

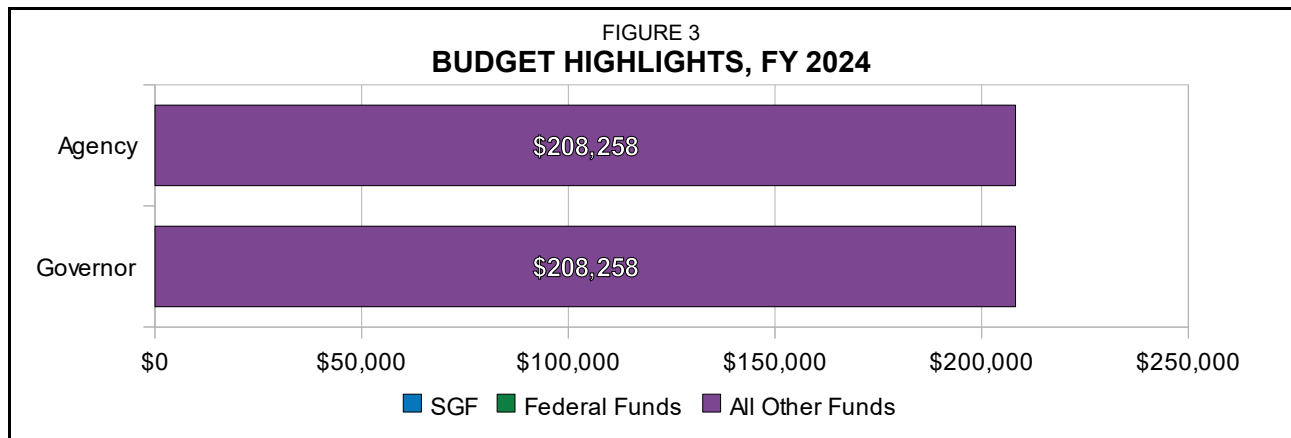
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$202,514, all from special revenue funds, in expenditures and 1.0 FTE position for the Board of Examiners in Optometry in FY 2023. No adjustments have been made subsequently to that amount.



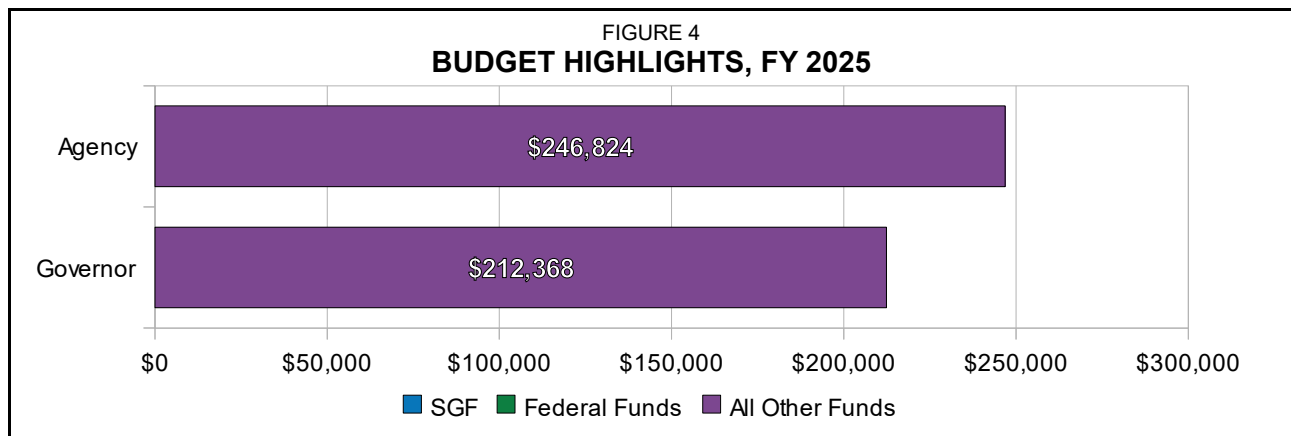
The **agency** submits a revised estimate of \$202,514, all from special revenue funds, and 1.0 FTE position in FY 2023. The agency's revised estimate matches the amount approved by the 2022 Legislature.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$208,258, all from special revenue funds, and 1.0 FTE position for FY 2024. The increase is primarily attributable to computer programming services totaling \$5,579. Other, miscellaneous adjustments total \$165.

The **Governor** concurs with the agency's FY 2024 request.



The **agency** requests \$246,824, all from special revenue funds, and 2.0 FTE positions for FY 2025. The agency's request includes an enhancement request totaling \$34,456, all from special revenue funds, and an additional 1.0 FTE position.

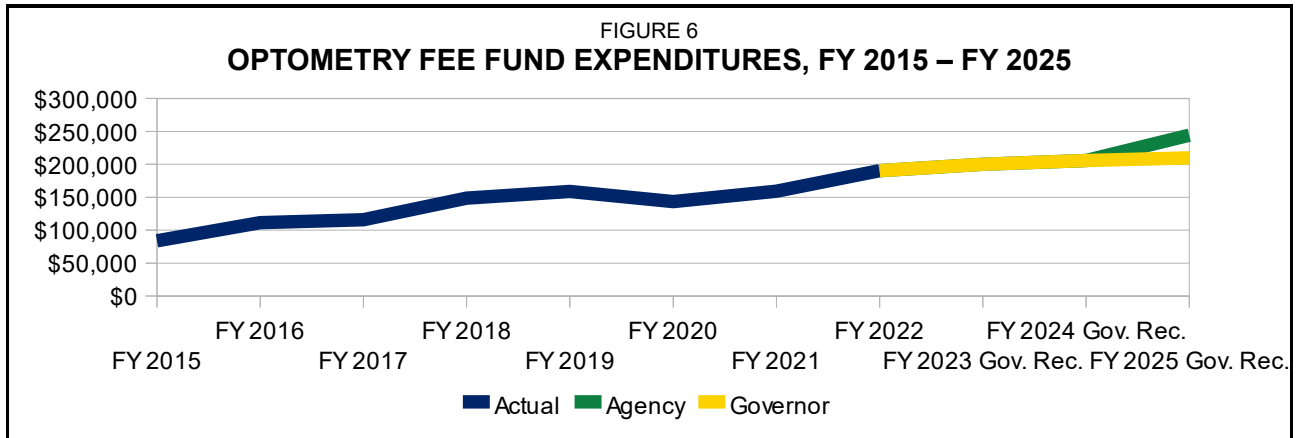
The **Governor** recommends expenditures totaling \$212,368, all from special revenue funds, and 1.0 FTE position for FY 2025. The recommendation is a decrease of \$34,456 and 1.0 FTE position below the FY 2025 agency request as the Governor does not recommend the agency enhancement request to add an FTE position to train the new Executive Officer prior to the current Executive Officer's retirement.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

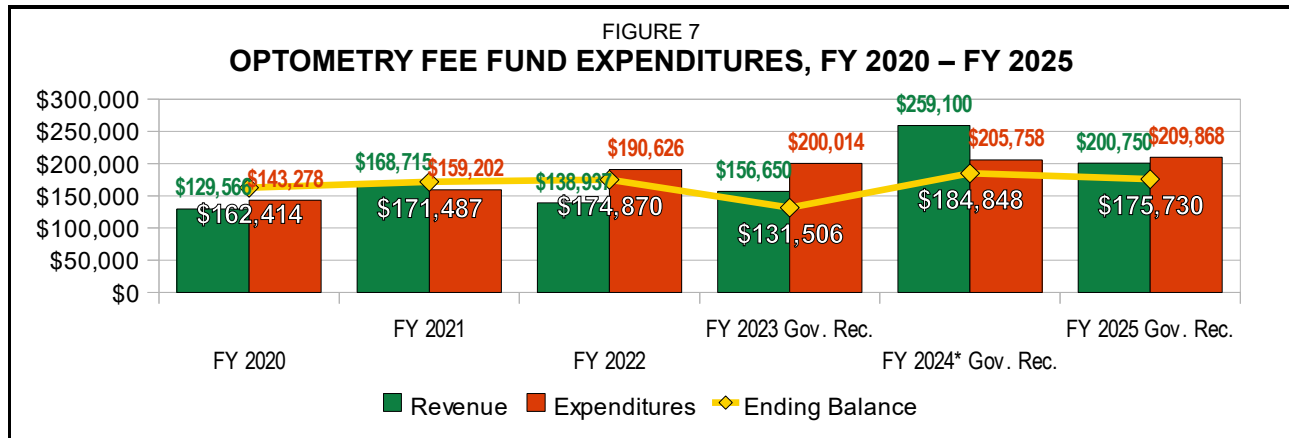
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Category of Expenditure:							
Salaries and Wages	\$ 74,708	\$ 76,517	\$ 76,517	\$ 76,992	\$ 76,992	\$ 110,195	\$ 75,739
Contractual Services	117,047	123,487	123,487	129,066	129,066	134,429	134,429
Commodities	833	2,510	2,510	2,200	2,200	2,200	2,200
Capital Outlay	38	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 192,626	\$ 202,514	\$ 202,514	\$ 208,258	\$ 208,258	\$ 246,824	\$ 212,368
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 192,626	\$ 202,514	\$ 202,514	\$ 208,258	\$ 208,258	\$ 246,824	\$ 212,368
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 192,626	\$ 202,514	\$ 202,514	\$ 208,258	\$ 208,258	\$ 246,824	\$ 212,368
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Funds	192,626	202,514	202,514	208,258	208,258	246,824	212,368
TOTAL	\$ 192,626	\$ 202,514	\$ 202,514	\$ 208,258	\$ 208,258	\$ 246,824	\$ 212,368
FTE Positions	1.0	1.0	1.0	1.0	1.0	2.0	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 2024, the lowest month ending balance for the Optometry Fee Fund will occur in July, with a balance of \$131,828.

The ending balance of the Optometry Fee Fund had little variation from FY 2020 to FY 2022. Beginning in FY 2023, the ending balance is estimated to decrease. For FY 2024, the agency requests a transfer of \$93,000 from the Optometry Litigation Fund to the Optometry Fee Fund. The transfer is estimated to increase the balance of the Optometry Fee Fund in FY 2024. The agency indicates that the Board will be increasing fees from \$450 to \$550 biennially for FY 2024 and FY 2025 to ensure the fund maintains adequate balances. The agency indicates the last time fees were raised was FY 2004. The Optometry Litigation Fund was not used for expenditures in FY 2020, FY 2021, or FY 2022. The transfer of \$93,000 will result in that fund having a balance of \$93,606 for FY 2024. The fund is not regularly used by the agency, as it is only used in the event that increased enforcement activity cannot be funded within the agency's existing resources.

FIGURE 8
LICENSE FEES, FY 2023

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 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 202,514	\$ 202,514	1.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 202,514</i>	<i>\$ 202,514</i>	<i>1.0</i>
Agency Revised Estimate:				
2. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 202,514</i>	<i>\$ 202,514</i>	<i>1.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 202,514	\$ 202,514	1.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2023 Session, no adjustments were made to the \$202,514 appropriated to the Board of Examiners in Optometry for FY 2023.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$202,514, all from special revenue funds, and 1.0 FTE position in FY 2023. This is the same as the amount approved by the 2022 Legislature.

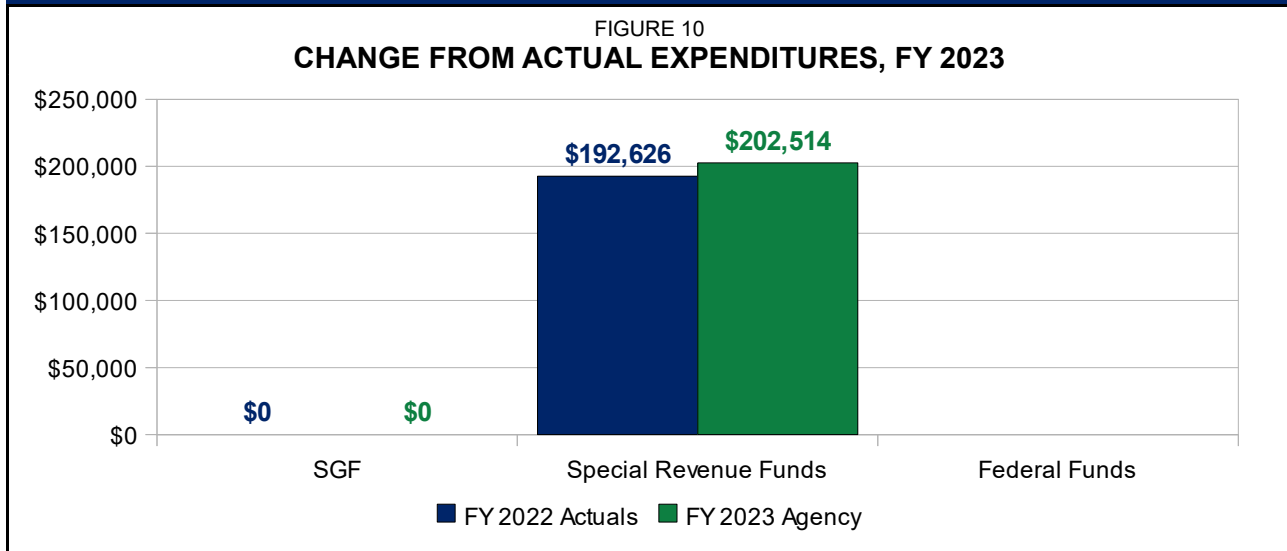
2. **NO CHANGES.** The agency requests no changes to overall expenditures. The agency increased estimates for contractual services by \$42 and reduced salaries and wages expenditures by the same amount.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate in FY 2023.

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$202,514, all from special revenue funds, in FY 2023. This is \$9,888, or 5.1 percent, above actual agency expenditures in FY 2022. The increase is primarily attributable to travel and subsistence. The agency is estimating \$11,289 more in travel and subsistence expenditures in FY 2023 when compared to FY 2022. These increases are partially offset by decreases in other contractual services.

More specifically, the agency is estimating decreased expenditures for fees for other services and fees for professional services in FY 2023 when compared to FY 2022. The agency also estimates increased expenditures for salary and wages and commodities. The increase in salary and wages is primarily attributable to the salary increases approved for most state employees by the 2022 Legislature. The increase in commodities is attributable to stationery and other office supplies.

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 202,514	\$ 202,514	1.0
Agency Request:				
1. Contractual Services	\$ -	\$ 5,579	\$ 5,579	--
2. All Other Adjustments	-	165	165	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 208,258	\$ 208,258	1.0
Governor's Recommendation:				
3. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ -</u>	<u>\$ 208,258</u>	<u>\$ 208,258</u>	<u>1.0</u>

AGENCY REQUEST

The **agency** requests \$208,258, all from special revenue funds, and 1.0 FTE position for FY 2024. This is an increase of \$5,744, or 2.8 percent, above the agency's FY 2023 revised estimate. The increase is primarily attributable to computer programming services.

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

1. **CONTRACTUAL SERVICES.** The agency requests contractual service expenditures totaling \$129,066 for FY 2024. The request is an increase of \$5,579 above the agency's FY 2023 revised estimate. The increase is primarily attributable to computer programming services and is partially offset by reductions in attorney fees for FY 2024.
2. **OTHER ADJUSTMENTS.** The agency requests a minor increase in salaries and wages for FY 2024 when compared to the agency's FY 2023 revised estimate. The increase in salaries and wages is almost entirely offset by reductions in commodities.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2024 request.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 208,258	\$ 208,258	1.0
Agency Request:				
1. New FTE Position	\$ -	\$ 34,456	\$ 34,456	1.0
2. Attorneys and Lawyers	-	5,000	5,000	--
3. All Other Adjustments	-	(890)	(890)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 246,824	\$ 246,824	2.0
Governor's Recommendation:				
4. Delete New FTE Position	\$ -	\$ (34,456)	\$ (34,456)	--
TOTAL	\$ -	\$ 212,368	\$ 212,368	2.0

AGENCY REQUEST

The **agency** requests \$246,824, all from special revenue funds, and 2.0 FTE positions for FY 2025. This is an increase of \$38,566, or 18.5 percent, above the agency's FY 2024 request. The agency's FY 2025 request includes an enhancement request totaling \$34,456 to add an additional FTE position, increases in attorney fees, and reduced estimates for employer contributions for fringe benefits.

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

1. **ENHANCEMENT—NEW FTE POSITION.** The agency requests \$34,456, all from special revenue funds, and 1.0 FTE position for FY 2025. The agency indicates the current Executive Officer will be retiring in FY 2025. The additional expenditure authority and FTE position would allow the new Executive Officer to train with the retiring Executive Officer for six months.
2. **ATTORNEYS AND LAWYERS.** The agency requests increased expenditures totaling \$5,000 for attorney fees for FY 2025 above the FY 2024 amount. If a case comes before the board requires enforcement, the agency uses contract attorneys. These attorneys advise the Board, represent the Board, and look into complaints.
3. **OTHER ADJUSTMENTS.** Other adjustments made by the agency result in a net reduction totaling \$890 when compared to the agency's FY 2024 request. This reduction is primarily attributable to reductions in employer contributions for Medicare.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures totaling \$212,368, all from special revenue funds, for FY 2025. The recommendation is a decrease of \$34,456, and 1.0 FTE position below the FY 2025 agency request, as the Governor does not recommend the agency enhancement request to add an FTE position to train the new Executive Officer prior to the current Executive Officer's retirement.

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

4. **DELETE NEW FTE POSITION.** The Governor does not recommend the agency's enhancement request, and deletes \$34,456, all from special revenue funds, and 1.0 FTE position for FY 2025 (Item 1).

ENHANCEMENT REQUESTS

The agency requests \$34,456, all from special revenue funds, and 1.0 FTE position to hire a new Executive Officer to train with the current Executive Director for six months prior to the current Executive Officer retiring.

Special Revenue Fund Enhancement Request		
	Item	FY 2025
New FTE Position		\$ 34,456

The agency indicates the current Executive Officer will be retiring at the end of FY 2025 and requests an additional FTE position and associated funding to allow a new Executive Officer to train with the current Executive Officer for six months prior to their retirement.

The Governor does not recommend the adoption of this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

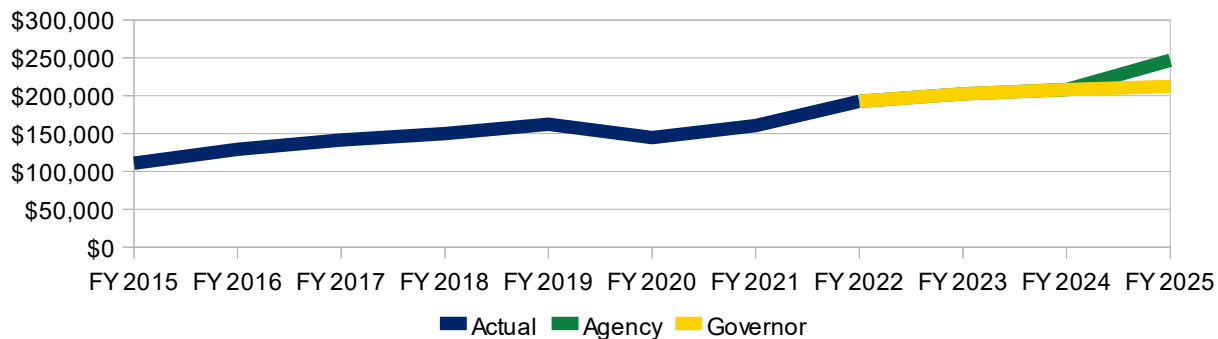
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 192,626	\$ 202,514	\$ 202,514	\$ 208,258	\$ 208,258	\$ 246,824	\$ 212,368
FTE Positions:							
Administration	1.0	1.0	1.0	1.0	1.0	2.0	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 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 65-1501 to 65-1526

PROGRAM GOALS: • License qualified optometrists.
• Investigate reports of infractions of the law and administer appropriate resolutions.

The Board of Optometry has five Board members, four of which are licensed optometrists, and one public member. In 1977, qualified optometrists were allowed to utilize pharmaceutical agents for diagnosis.

In 1987, qualified optometrists were permitted to treat certain eye diseases with topical (*i.e.*, drops or ointments) pharmaceutical agents and remove embedded foreign bodies that do not penetrate into the eyeball. In 1996, qualified optometrists were permitted to treat Adult Open Angle Glaucoma and were required to have a minimum of \$1,000,000 in professional liability

insurance coverage. In 1999, therapeutic licensees were authorized to prescribe oral drugs for ocular conditions, some in consultation with an ophthalmologist.

In 2005, licensees were required to obtain a therapeutic license by 2008 and a glaucoma license by 2010. In 2012, legislation consolidated licensure in one level, required Federal Bureau of Investigation (FBI) background checks for licensees, required new graduates of optometry to receive 24 hours of continuing education in their first year of practice, and established a litigation fund.

FIGURE 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Passing Exam Percent*	95.0 %	94.0 %	93.0 %	90.0 %	90.0 %
2. License Renewals	382	338	348	400	350
3. Average Days to Close Complaints	139	37	65	90	90
4. Total License Fees Received*	\$ 171,900	\$ 148,950	\$ 156,450	\$ 175,500	\$ 187,000
Output Measure:					
5. Cost of Biennial License*	\$ 450	\$ 450	\$ 450	\$ 450	\$ 550
6. Cost of salaries and OE Tracker (continuing Education Tracking Program) Fees per Licensee*	\$ 95.29	\$ 117.20	\$ 102.60	\$ 119.26	\$ 121.80

Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	160,702	192,626		202,514	208,258
TOTAL	\$ 160,702	\$ 192,626		\$ 202,514	\$ 208,258
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(19.6) %	19.9 %		5.1 %	2.8 %
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 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2025

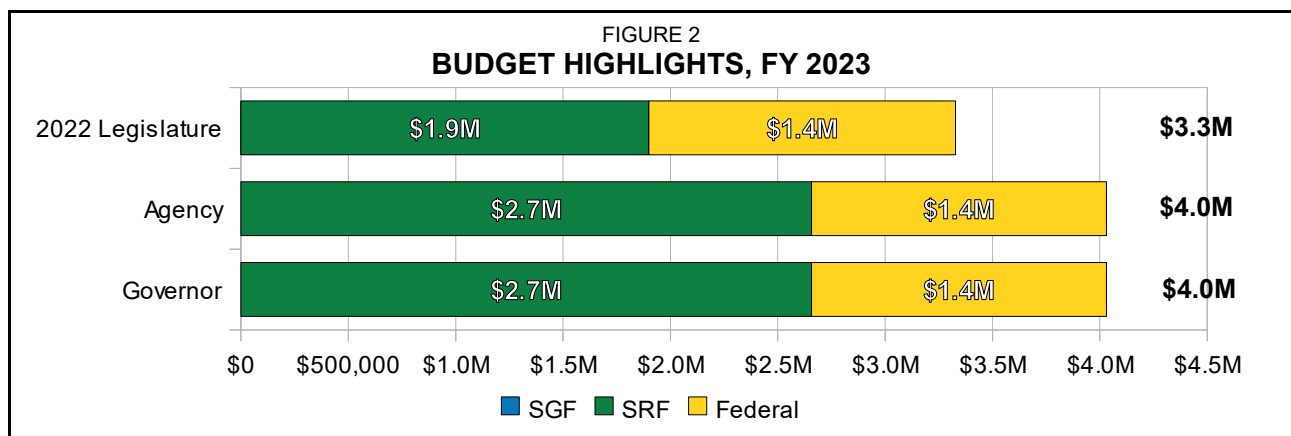
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,427,553	1,372,640	1,372,640	730,070	730,070	151,002	151,002
All Other Funds	1,899,962	2,657,604	2,657,604	3,517,894	3,517,894	3,678,845	3,678,845
<i>Subtotal</i>	<i>\$ 3,327,515</i>	<i>\$ 4,030,244</i>	<i>\$ 4,030,244</i>	<i>\$ 4,247,964</i>	<i>\$ 4,247,964</i>	<i>\$ 3,829,847</i>	<i>\$ 3,829,847</i>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 3,327,515	\$ 4,030,244	\$ 4,030,244	\$ 4,247,964	\$ 4,247,964	\$ 3,829,847	\$ 3,829,847
Percentage Change:							
State General Fund	-- %	--	--	--	--	--	--
All Funds	9.7 %	21.1 %	21.1 %	5.4 %	5.4 %	(9.8) %	(9.8) %
FTE Positions	18.5	19.0	19.0	19.0	19.0	19.0	19.0

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 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.

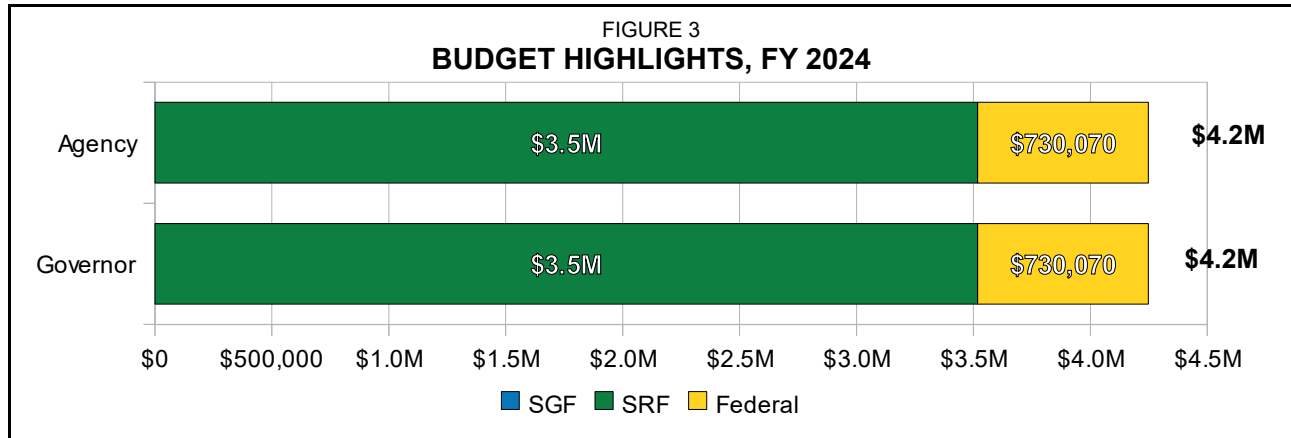
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$4,053,300, all from special revenue funds, in expenditures and 19.8 FTE positions for the Kansas Board of Pharmacy in FY 2023.



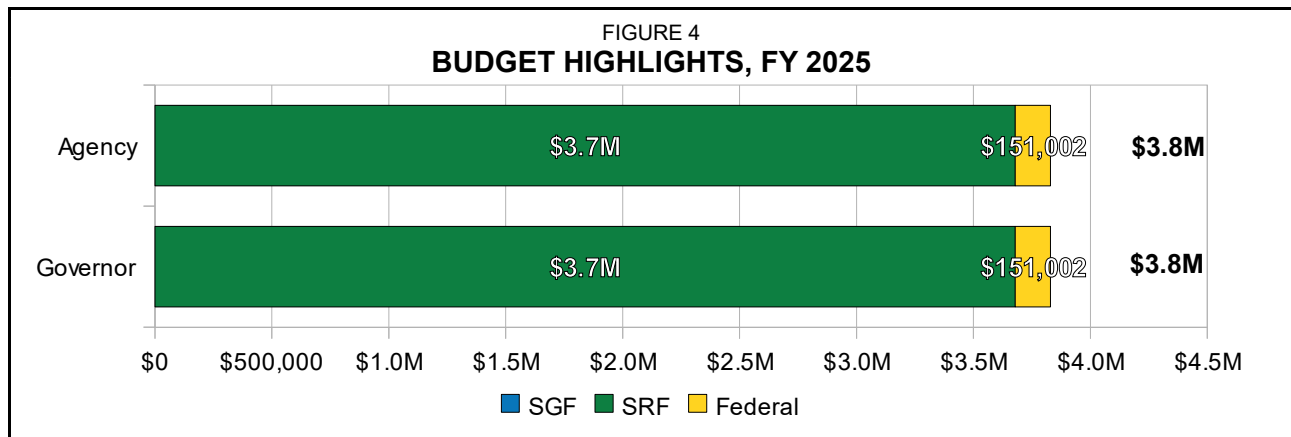
The **agency** submits a revised estimate of \$4.0 million, all from special revenue funds, in expenditures and 19.0 FTE positions in FY 2023. This is a decrease of \$23,056, or 0.6 percent, below the FY 2023 approved amount. The decrease is attributable to a decrease in expected expenditures for salaries and wages, partially offset by an increase in contractual services expenditures. This also includes a decrease of 0.8 FTE positions.

The **Governor** concurs with the agency's revised estimate in FY 2023.



The **agency** requests \$4.2 million, all from special revenue funds, in expenditures and 19.0 FTE positions for FY 2024. This is an all funds increase of \$217,720, or 5.4 percent, above the FY 2023 revised estimate. This increase is primarily attributable to computer software maintenance, employer contributions for group health insurance, salaries and wages, and out-of-state travel expenditures.

The **Governor** concurs with the agency's request for FY 2024.



The **agency** requests \$3.8 million, all from special revenue funds, in expenditures and 19.0 FTE positions for FY 2025. This is an all funds decrease of \$418,117, or 9.8 percent, below the FY 2024 requested amount. The decrease is primarily attributable to computer software maintenance and salaries and wages.

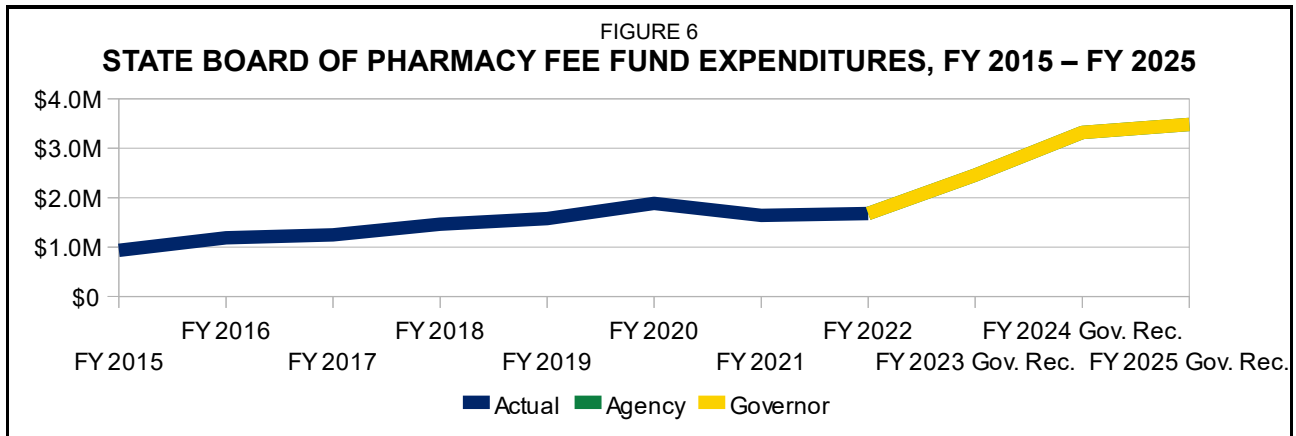
The **Governor** concurs with the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

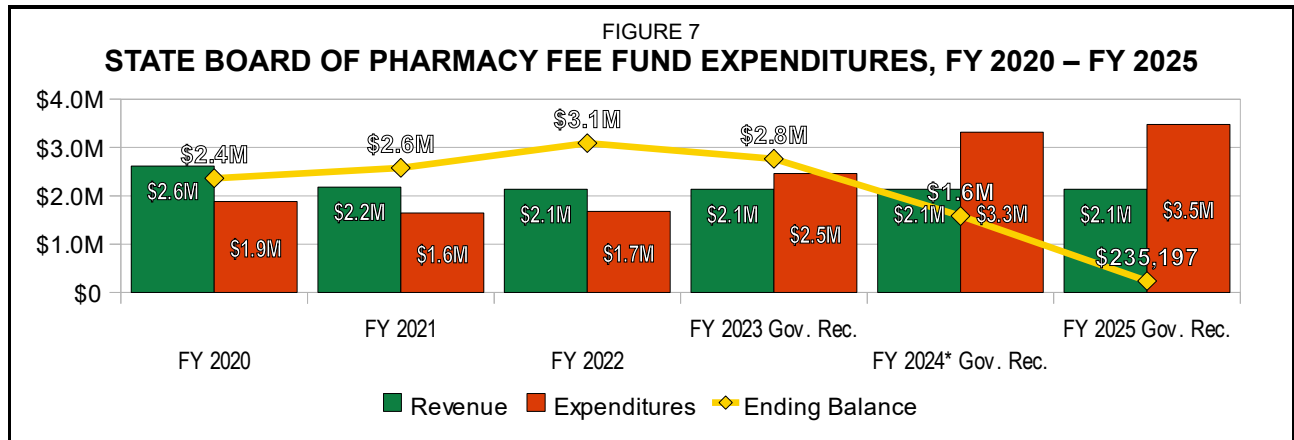
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 1,447,229	\$ 1,679,691	\$ 1,679,691	\$ 1,718,724	\$ 1,718,724	\$ 1,587,727	\$ 1,587,727
Contractual Services	1,860,994	2,238,953	2,238,953	2,411,190	2,411,190	2,121,320	2,121,320
Commodities	14,769	44,400	44,400	48,150	48,150	48,700	48,700
Capital Outlay	4,523	67,200	67,200	69,900	69,900	72,100	72,100
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 3,327,515	\$ 4,030,244	\$ 4,030,244	\$ 4,247,964	\$ 4,247,964	\$ 3,829,847	\$ 3,829,847
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 3,327,515	\$ 4,030,244	\$ 4,030,244	\$ 4,247,964	\$ 4,247,964	\$ 3,829,847	\$ 3,829,847
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 3,327,515	\$ 4,030,244	\$ 4,030,244	\$ 4,247,964	\$ 4,247,964	\$ 3,829,847	\$ 3,829,847
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,427,553	1,372,640	1,372,640	730,070	730,070	151,002	151,002
All Other Funds	1,899,962	2,657,604	2,657,604	3,517,894	3,517,894	3,678,845	3,678,845
TOTAL	\$ 3,327,515	\$ 4,030,244	\$ 4,030,244	\$ 4,247,964	\$ 4,247,964	\$ 3,829,847	\$ 3,829,847
FTE Positions	18.5	19.0	19.0	19.0	19.0	19.0	19.0

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.

STATE BOARD OF PHARMACY FEE FUND



* For FY 2024, the lowest month ending balance for the State Board of Pharmacy Fee Fund will occur in April, with a balance of \$827,287.

FIGURE 8
LICENSE FEES, FY 2023

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 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 4,053,300	\$ 4,053,300	19.8
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 4,053,300</i>	<i>\$ 4,053,300</i>	<i>19.8</i>
Agency Revised Estimate:				
2. Salaries and Wages	\$ -	\$ (123,156)	\$ (123,156)	(0.8)
3. Contractual Services	-	100,100	100,100	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 4,030,244</i>	<i>\$ 4,030,244</i>	<i>19.0</i>
Governor's Recommendation:				
4. No Changes	-	-	-	--
TOTAL	\$ -	\$ 4,030,244	\$ 4,030,244	19.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$4.1 million appropriated to the Kansas Board of Pharmacy for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$4.0 million, all from special revenue funds, in expenditures and 19.0 FTE positions in FY 2023. This is an all funds decrease of \$23,056, or 0.7 percent, below the FY 2023 approved amount.

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

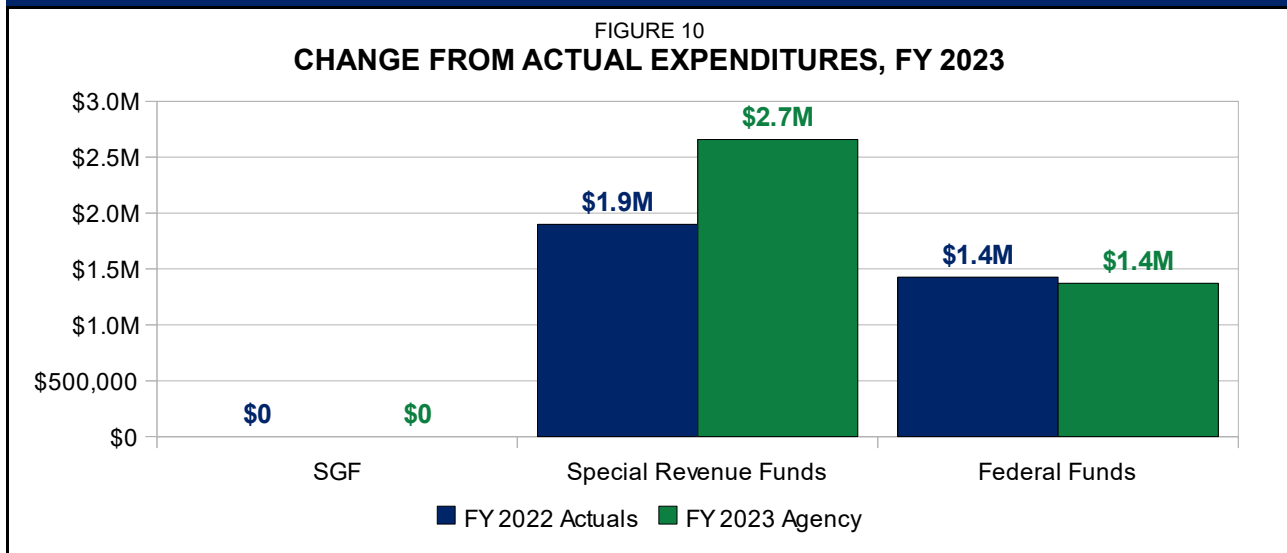
2. **SALARIES AND WAGES.** The agency revised estimated decreases expenditures by \$123,156, or 6.8 percent, for salaries and wages expenditures in FY 2023. This includes a decrease in expected expenditures for temporary employees (\$12,844), regular unclassified employees (\$10,105), as well as employer contributions for group health insurance (\$29,962) and KPERS (\$15,112). This also includes a decrease of 0.8 FTE positions.
3. **CONTRACTUAL SERVICES.** The agency adds \$100,100, or 4.7 percent, for contractual services in FY 2023. This increase is primarily attributable to computer software maintenance services.

GOVERNOR'S RECOMMENDATION

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

4. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$4.0 million, all from special revenue funds, in FY 2023. This is an increase of \$702,729, or 21.1 percent, above the FY 2022 actual amount. There is an increase in salaries and wages of \$232,462, contractual services of \$377,959, commodities of \$29,631, and capital outlay of \$62,677. There is an increase in salaries due to increased expenditures for unclassified employee pay and employer contributions to Medicare. The contractual services increase is due to computer software maintenance services, which is partially offset by a decrease in equipment rental expenditures. Commodity expenditure increases are due to gasoline and materials. Increases for capital outlay include funds for a passenger car and office equipment and furniture.

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

		SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:		\$ -	\$ 4,030,244	\$ 4,030,244	19.0
Agency Request:					
1. Computer Software Maintenance	1	\$ -	\$ 124,828	\$ 124,828	--
2. Group Health Insurance		-	18,036	18,036	--
3. Salaries and Wages		-	20,997	20,997	--
4. Out-of-state Travel Expenses		-	11,000	11,000	--
5. All Other Adjustments		-	42,859	42,859	--
<i>Subtotal—Agency Request</i>		\$ -	\$ 4,247,964	\$ 4,247,964	19.0
Governor's Recommendation:					
6. No Changes		\$ -	\$ -	\$ -	--
TOTAL		<u>\$ -</u>	<u>\$ 4,247,964</u>	<u>\$ 4,247,964</u>	<u>19.0</u>

AGENCY REQUEST

The **agency** requests \$4.2 million, all from special revenue funds, and 19.0 FTE positions for FY 2024. This is an all funds increase of \$217,720, or 5.4 percent, above the FY 2023 revised estimate.

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

1. **COMPUTER SOFTWARE MAINTENANCE.** The agency requests the addition of \$124,828 for computer software maintenance for FY 2024.
2. **GROUP HEALTH INSURANCE.** The agency requests the addition of \$18,036 for employer contributions for group health insurance for FY 2024.
3. **SALARIES AND WAGES.** The agency requests the addition of \$20,997 for salaries and wages for FY 2024.
4. **OUT-OF-STATE TRAVEL EXPENSES.** The agency requests the addition of \$11,000 for out-of-state travel for FY 2024.
5. **ALL OTHER ADJUSTMENTS.** The agency requests the addition of \$42,859 for office furniture and equipment, attorney fees, software rental, computer programming, and office rent.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

6. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2024 request.

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

		SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:		\$ -	\$ 4,247,964	\$ 4,247,964	19.0
Agency Request:					
1. Computer Software Maintenance	1	\$ -	\$ (297,707)	\$ (297,707)	--
2. Salaries and wages		-	(130,997)	(130,997)	--
3. All Other Adjustments		-	10,587	10,587	--
<i>Subtotal—Agency Request</i>		\$ -	\$ 3,829,847	\$ 3,829,847	19.0
Governor's Recommendation:					
4. No Changes		\$ -	\$ -	\$ -	--
TOTAL		\$ -	\$ 3,829,847	\$ 3,829,847	19.0

AGENCY REQUEST

The **agency** requests \$3.8 million, all from special revenue funds, and 19.0 FTE positions for FY 2025. This is an all funds decrease of \$418,117, or 9.8 percent, below the FY 2024 request.

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

1. **COMPUTER SOFTWARE MAINTENANCE.** The agency requests a decrease of \$297,707 for computer software maintenance for FY 2025. The grant process for FY 2025 has not begun, and other funds may be available in the future.
2. **SALARIES AND WAGES AND FRINGE BENEFITS.** The agency request includes a decrease of \$130,997 for temporary employee pay, and employer contributions for group health insurance and KPERs.
3. **ALL OTHER ADJUSTMENTS.** The agency requests the addition of \$10,587 for FY 2025. This includes funding for attorney fees and software rental.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2025 request.

4. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2025 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

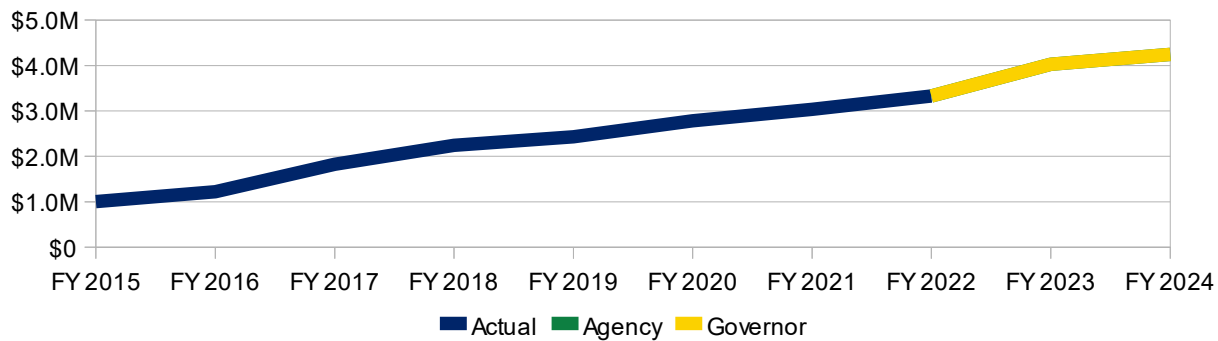
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 3,327,515	\$ 4,030,244	\$ 4,030,244	\$ 4,247,964	\$ 4,247,964	\$ 3,829,847	\$ 3,829,874
FTE Positions:							
Administration	18.5	19.0	19.0	19.0	19.0	19.0	19.0

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 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



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 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of Initial Applications Processed Within 30 Days of Receipt during the Previous Fiscal Year	64.2 %	78.0 %	74.0 %	75.0 %	75.0 %
2. Percentage of Online Renewals for Previous Year*	98.80%	99.2 %	95.8 %	99.0 %	99.0 %
Output Measure:					
3. Number of Complaints Received During the Calendar Year*	165	70	115	125	125
4. Number of K-TRACS Queries*	2,855,531	5,295,053	3,519,522	5,300,000	5,300,000
5. Number of Clinical Alerts Notifications*	188,984	186,239	188,902	184,376	182,532
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	1,388,932	1,427,553		1,372,640	730,070
All Other Funds	1,643,922	1,899,962		2,657,604	3,517,894
TOTAL	\$ 3,032,854	\$ 3,327,515		\$ 4,030,244	\$ 4,247,964
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	9.0 %	9.7 %		21.1 %	5.4 %
FTE Positions	18.0	18.5		19.0	19.0

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

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REAL ESTATE APPRAISAL BOARD

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	333,621	353,175	353,175	357,227	357,227	362,805	362,805
<i>Subtotal</i>	<u>\$ 333,621</u>	<u>\$ 353,175</u>	<u>\$ 353,175</u>	<u>\$ 357,227</u>	<u>\$ 357,227</u>	<u>\$ 362,805</u>	<u>\$ 362,805</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 333,621</u>	<u>\$ 353,175</u>	<u>\$ 353,175</u>	<u>\$ 357,227</u>	<u>\$ 357,227</u>	<u>\$ 362,805</u>	<u>\$ 362,805</u>
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	24.1 %	5.9 %	5.9 %	1.1 %	1.1 %	1.6 %	1.6 %
FTE Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0

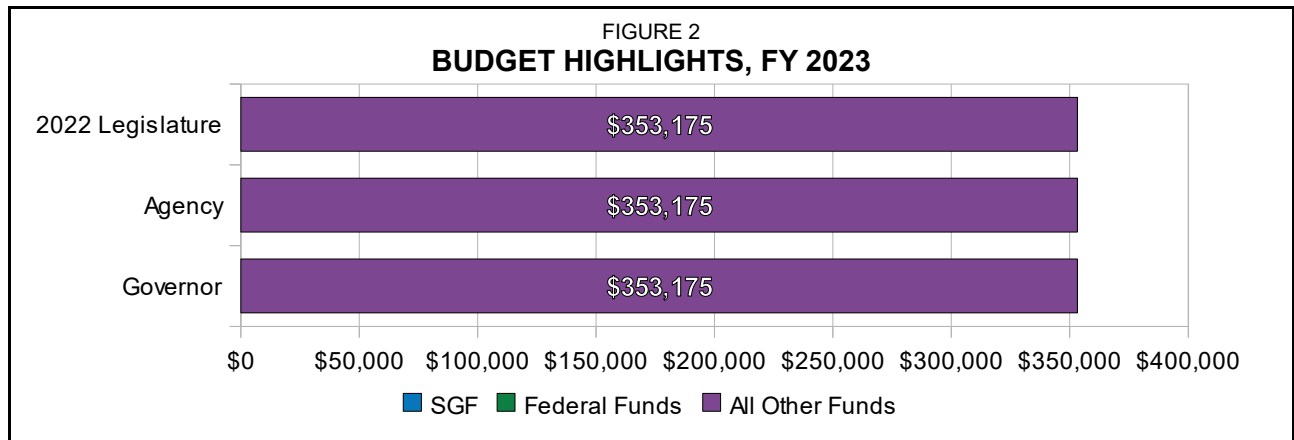
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

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 laws 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.

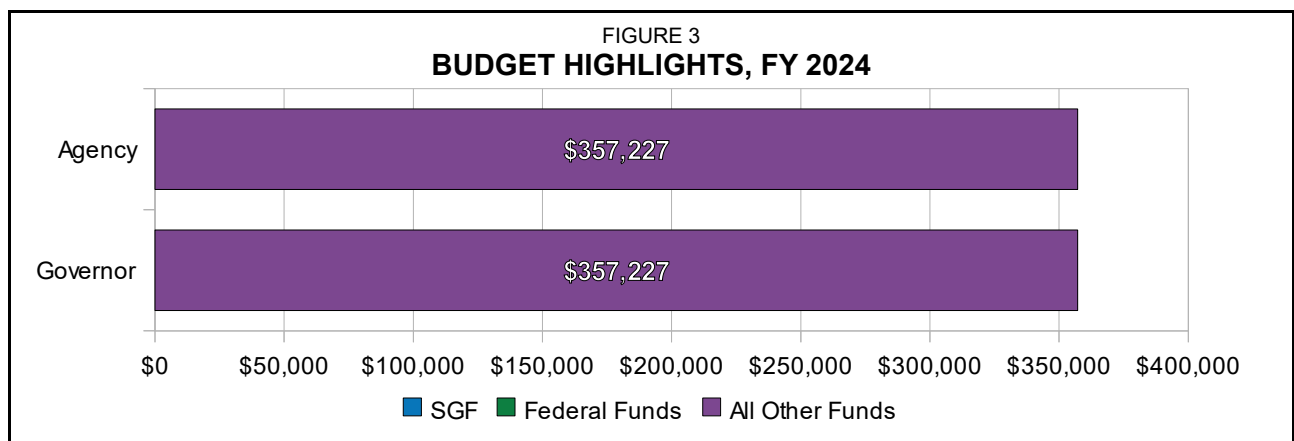
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$353,175 all from special revenue funds, in expenditures and 2.0 FTE positions for the Real Estate Appraisal Board in FY 2023.



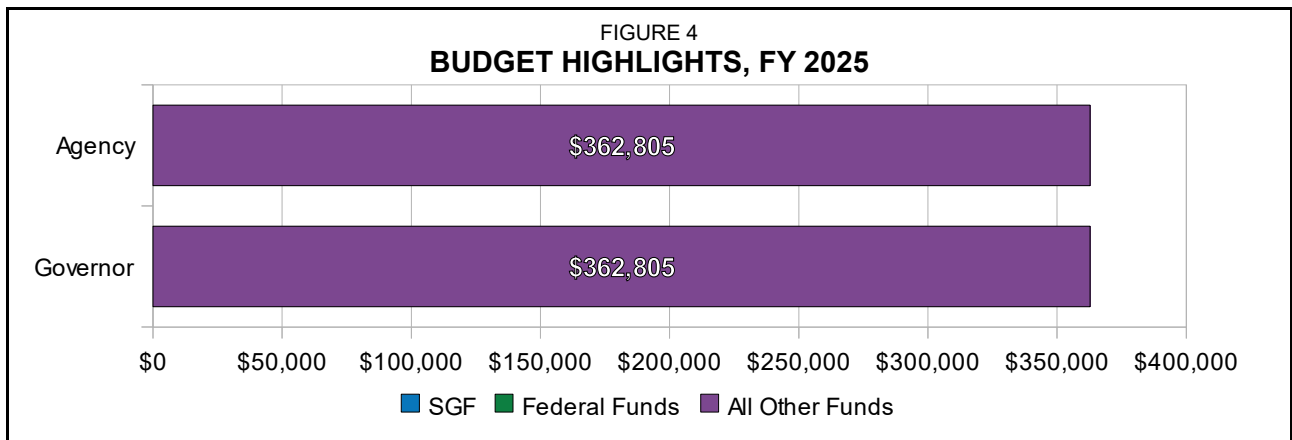
The **agency** submits a revised estimate of \$353,175, all from special revenue funds, in expenditures and 2.0 FTE positions in FY 2023. This is the same as the approved amount from the 2022 Legislature.

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



The **agency** requests \$357,227, all from special revenue funds, and 2.0 FTE positions for FY 2024. This is an increase of \$4,052, or 1.1 percent, above the FY 2023 revised estimate. There is an increase of \$1,038, or 0.5 percent, in salaries and wages mainly due to employer contributions for group health insurance and an increase of \$2,514, or 1.6 percent, in contractual services for increased expenditures for travel, rent, and computer expenditures.

The **Governor** concurs with the agency's FY 2024 request.



The **agency** requests \$362,805, all from special revenue funds, and 2.0 FTE positions for FY 2025. This is an increase of \$5,578, or 1.6 percent, above the FY 2024 request. The request includes a decrease of \$372, or 0.2 percent, in salaries and wages and an increase of \$5,950, or 3.8 percent, in contractual services for increased expenditures for travel, rent, and computer expenditures.

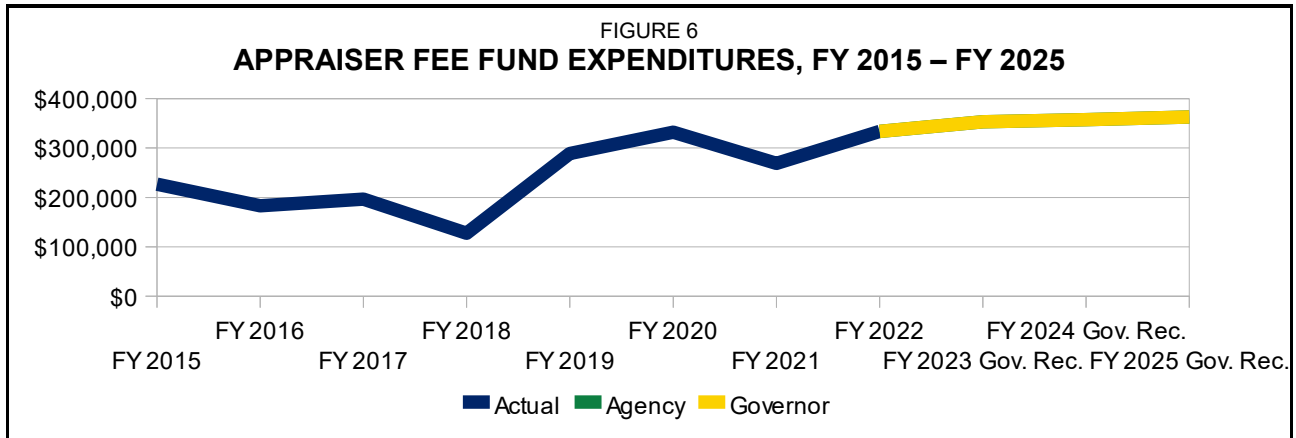
The **Governor** concurs with the agency's FY 2025 request.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

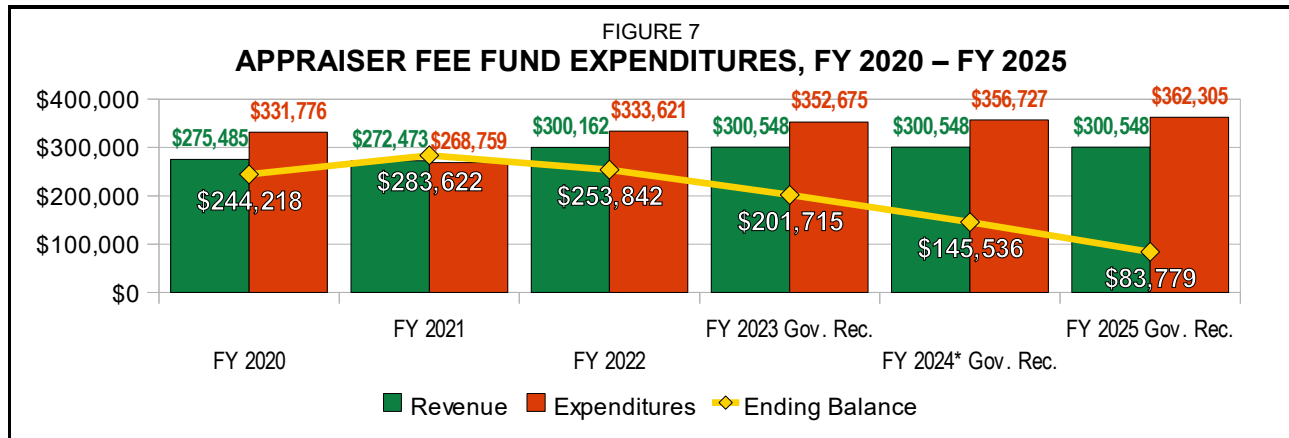
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 190,650	\$ 194,839	\$ 194,839	\$ 195,877	\$ 195,877	\$ 195,505	\$ 195,505
Contractual Services	139,972	154,836	154,836	157,350	157,350	163,300	163,300
Commodities	2,999	3,500	3,500	4,000	4,000	4,000	4,000
Capital Outlay	-	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 333,621	\$ 353,175	\$ 353,175	\$ 357,227	\$ 357,227	\$ 362,805	\$ 362,805
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 333,621	\$ 353,175	\$ 353,175	\$ 357,227	\$ 357,227	\$ 362,805	\$ 362,805
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 333,621	\$ 353,175	\$ 353,175	\$ 357,227	\$ 357,227	\$ 362,805	\$ 362,805
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	333,621	353,175	353,175	357,227	357,227	362,805	362,805
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 333,621	\$ 353,175	\$ 353,175	\$ 357,227	\$ 357,227	\$ 362,805	\$ 362,805
FTE Positions	2.0	2.0	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 2024, the lowest month ending balance for the Appraiser Fee Fund will occur in September with a balance of \$177,288.

The Appraiser Fee Fund receives fees in the amounts noted within the following fee table.

FIGURE 8
LICENSE FEES, FY 2023

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 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 353,175	\$ 353,175	2.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 353,175</i>	<i>\$ 353,175</i>	<i>2.0</i>
Agency Revised Estimate:				
2. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 353,175</i>	<i>\$ 353,175</i>	<i>2.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
<i>Subtotal—Agency Revised Estimate</i>	<i>-</i>	<i>353,175</i>	<i>353,175</i>	<i>--</i>
TOTAL	\$ -	\$ 353,175	\$ 353,175	2.0

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, no adjustments were made to the \$353,175 appropriated to the Real Estate Appraisal Board for FY 2023.

1. **NO CHANGES.** There were no changes to the approved amount.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$353,175, all from special revenue funds, and 2.0 FTE positions in FY 2023. This is the same as the approved amount from the 2022 Legislature.

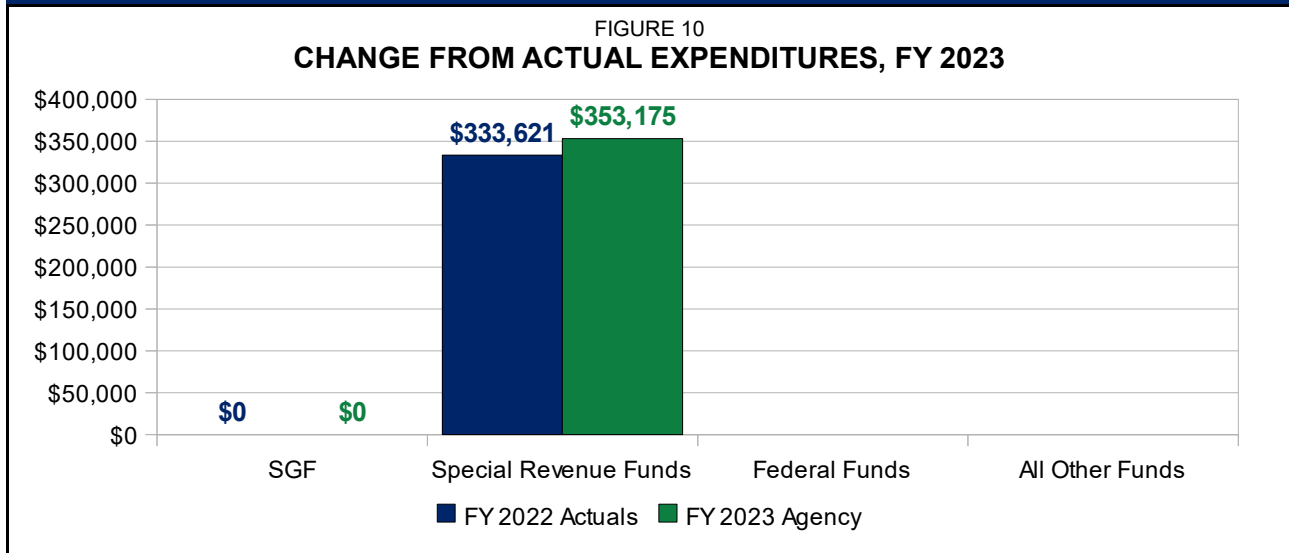
2. **NO CHANGES.** There were no changes to the approved amount.

GOVERNOR'S RECOMMENDATION

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

3. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$353,175, all from special revenue funds, in FY 2023. This is an increase of \$19,554, or 5.9 percent, above the FY 2022 actual amount. The increase is mainly due to an increase in salaries and wages of \$4,189 for fringe benefits and in contractual services of \$14,864 for increased costs associated with travel, attorneys fees, and other fees.

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 353,175	\$ 353,175	2.0
Agency Request:				
1. All Other Adjustments	-	4,052	4,052	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 357,227	\$ 357,227	2.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	-	-	-	--
TOTAL	\$ -	\$ 357,227	\$ 357,227	2.0

AGENCY REQUEST

The **agency** requests \$357,227, all from special revenue funds, in expenditures and 2.0 FTE positions for FY 2024. This is an increase of \$4,052, or 1.1 percent, above the FY 2023 revised estimate.

1. **ALL OTHER ADJUSTMENTS.** The request includes an increase of \$1,038, or 0.5 percent, in salaries and wages mainly due to employer contributions for group health insurance and \$2,514, or 1.6 percent, in contractual services for increased expenditures for travel, rent, and computer expenditures.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

2. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2024 request.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 357,227	\$ 357,227	2.0
Agency Request:				
1. All Other Adjustments	-	5,578	5,578	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 362,805	\$ 362,805	2.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	-	-	-	--
TOTAL	\$ -	\$ 362,805	\$ 362,805	2.0

AGENCY REQUEST

The **agency** requests \$362,805, all from special revenue funds, in expenditures and 2.0 FTE positions for FY 2025. This is an increase of \$5,578, or 1.6 percent, above the FY 2024 request.

1. **ALL OTHER ADJUSTMENTS.** The request includes a decrease of \$372, or 0.2 percent, in salaries and wages and an increase of \$5,950, or 3.8 percent, in contractual services for increased expenditures for travel, rent, and computer expenditures.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2025 request.

2. **NO CHANGES.** The Governor does not recommend any changes to the FY 2025 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

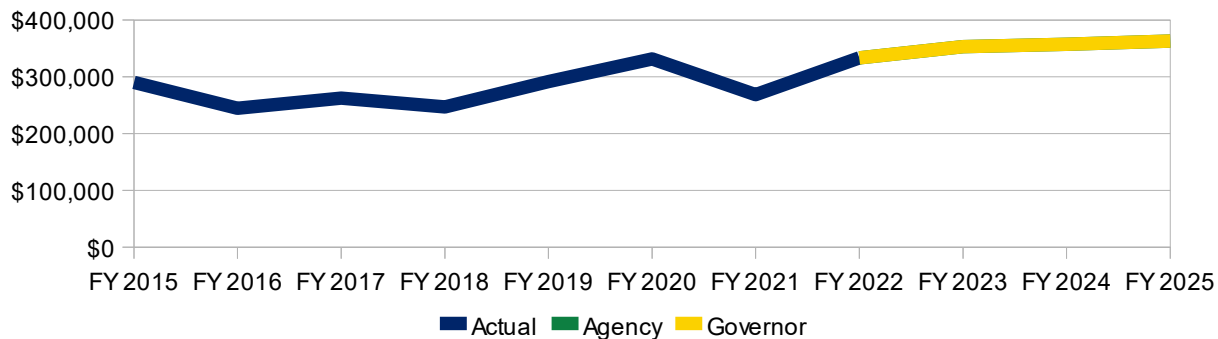
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 333,621	\$ 353,175	\$ 353,175	\$ 357,227	\$ 357,227	\$ 362,805	\$ 362,805
FTE Positions:							
Administration	2.0	2.0	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

FIGURE 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2025



STATUTORY BASIS: • KSA 58-4101 *et seq.* and 58-4701 *et seq.*

- PROGRAM GOALS:**
- Maintain and/or process any changes to statutes or regulations to ensure that the Kansas Appraisal Program is in compliance with the Appraisal Subcommittee (ASC) requirements.
 - Continue to work diligently to get complaints processed in the one-year time frame mandated by the Appraisal Subcommittee (ASC) of The Appraisal Foundation.
 - Complete the transition to the new database and work with appraisers, appraisal management companies (AMCs), and education providers to assist them in using it.
 - 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 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. AARO Meetings and Webinars*	-	8	--	12	8
2. Number of Staff and Board Members Attending Conferences and Webinars*	-	6	--	6	7
3. Regulations Changed or New Statutes*	-	100 %	--	100 %	100 %
4. Complaints Received	20	19	20	24	24
5. Complaints Settled in 3-6 Months*	9	6	--	9	9
6. Complaints Settled in 6-9 Months*	7	10	--	11	11
7. Complaints Settled in 9-12 Months*	4	3	--	4	4
8. Number of AMC Renewals Mailed Out*	-	116	--	116	116
Output Measure:					
9. Statutes and Regulation Compliance*	100 %	100 %	100 %	100 %	100 %
10. Complaints Processed Timely*	100 %	100 %	100 %	100 %	100 %
11. All Renewals Sent Out by Mail*	--	100 %	--	100 %	100 %
12. ASC Reviews Compliance*	--	100 %	--	100 %	100 %

Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	268,759	333,621		353,175	357,227
TOTAL	\$ 268,759	\$ 333,618		\$ 353,175	\$ 357,227
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(19.0) %	24.1 %		5.9 %	1.1 %
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 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1 BUDGET OVERVIEW, FY 2022 – FY 2025							
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	1,274,462	1,582,983	1,582,983	1,402,581	1,402,581	1,419,035	1,419,035
<i>Subtotal</i>	<i>\$ 1,274,462</i>	<i>\$ 1,582,983</i>	<i>\$ 1,582,983</i>	<i>\$ 1,402,581</i>	<i>\$ 1,402,581</i>	<i>\$ 1,419,035</i>	<i>\$ 1,419,035</i>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 1,274,462	\$ 1,582,983	\$ 1,582,983	\$ 1,402,581	\$ 1,402,581	\$ 1,419,035	\$ 1,419,035
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	(4.4) %	24.2 %	24.2 %	(11.4) %	(11.4) %	1.2 %	1.2 %
FTE Positions	12.0	12.0	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.

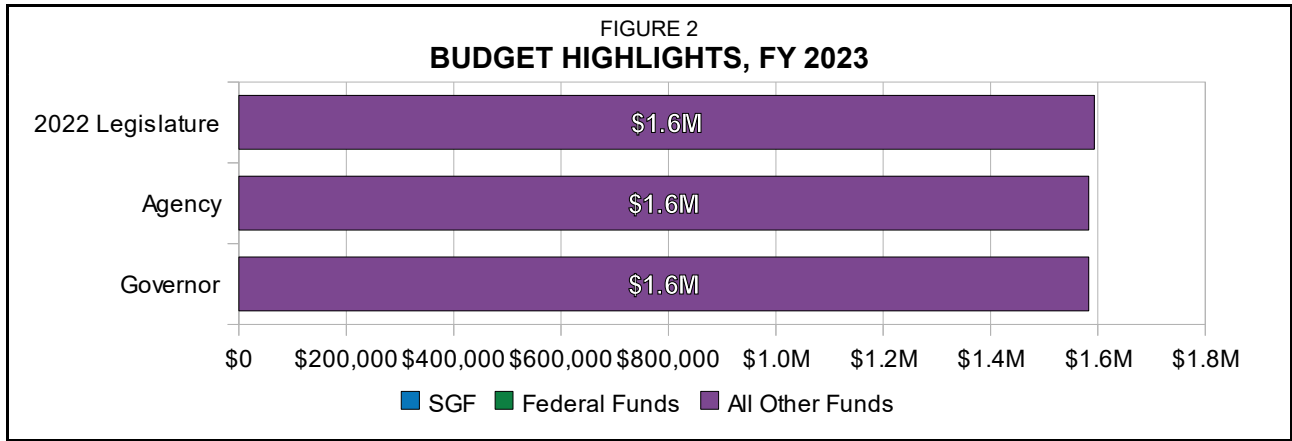
The Real Estate Commission protects the public interest in the selling, purchasing, and leasing of real estate and develops responsive policies and procedures that are customer service focused and not unduly burdensome to regulated real estate licensees.

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.

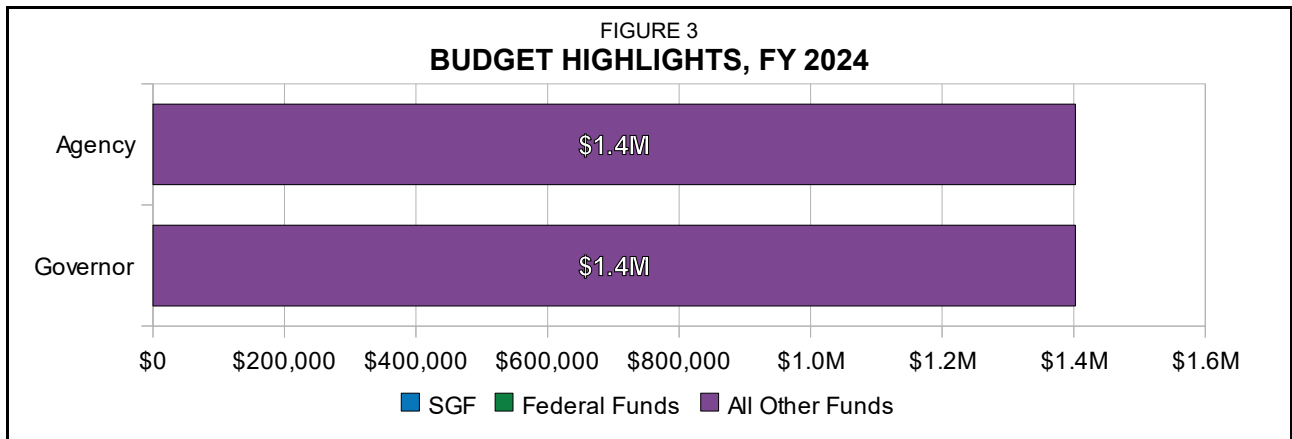
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$1.6 million, all from special revenue funds, and 12.0 FTE positions for the Real Estate Commission in FY 2023.



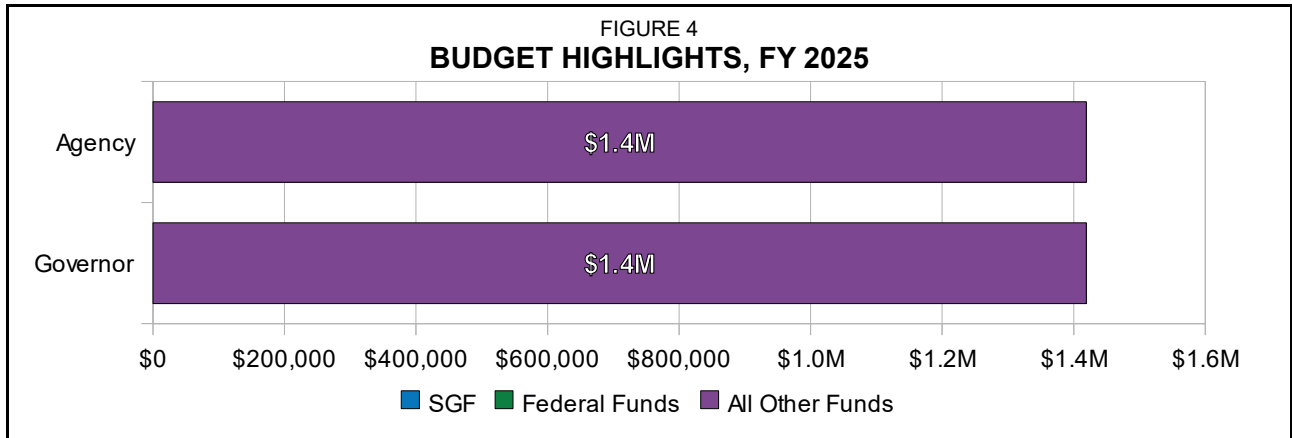
The **agency** submits a revised estimate of \$1.6 million, all from special revenue funds, and 12.0 FTE positions in FY 2023. This is a decrease of \$10,066, or 0.6 percent, below the approved amount. There are slight reductions in all expenditure categories and the elimination of the capital outlay expenditure of \$2,050 for office equipment.

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



The **agency** requests \$1.4 million, all from special revenue funds, and 12.0 FTE positions for FY 2024. This is a decrease of \$180,402, or 11.4 percent, below the FY 2023 revised estimate. The decrease is mainly in contractual services due to one-time expenditures in FY 2023 for a licensing system that do not reoccur in FY 2024. These decreases are partially offset by increases in all other expenditure categories, including \$48,362 in salaries and wages.

The **Governor** concurs with the agency's FY 2024 request.



The **agency** requests \$1.4 million, all from special revenue funds, and 12.0 FTE positions for FY 2025. This is an increase of \$16,454, or 1.2 percent, above the FY 2024 request. The increase is primarily in salaries and wages (\$9,133) for employer contributions for group health insurance and contractual services (\$5,936) for printing and binding.

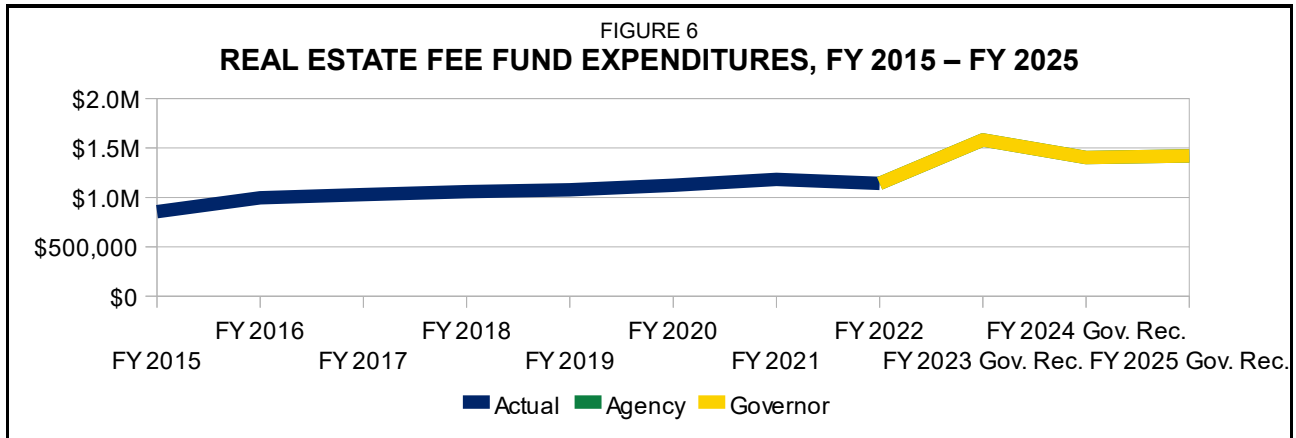
The **Governor** concurs with the agency's FY 2025 request.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

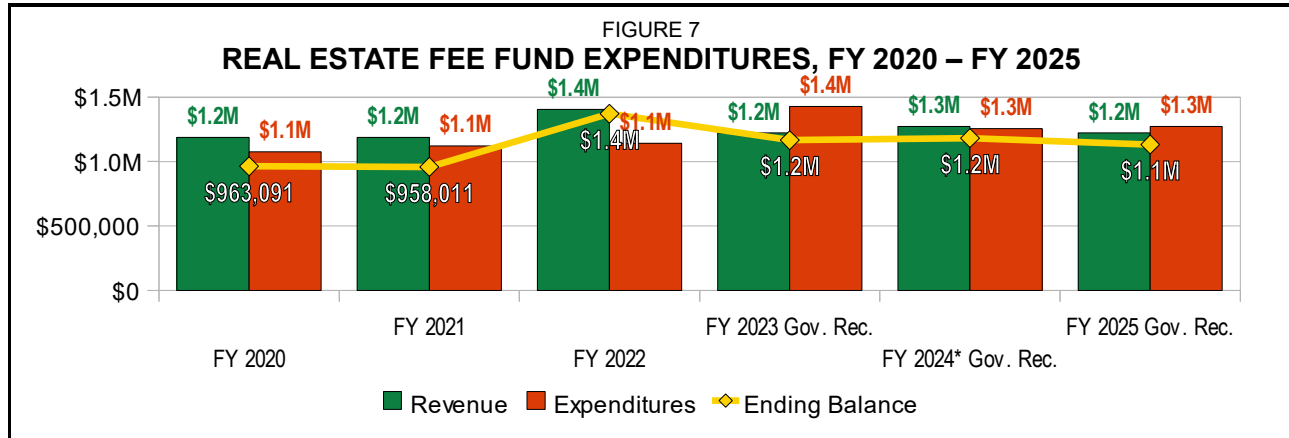
Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 809,344	\$ 874,063	\$ 874,063	\$ 922,425	\$ 922,425	\$ 931,558	\$ 931,558
Contractual Services	455,381	707,478	707,478	472,856	472,856	478,792	478,792
Commodities	3,488	1,442	1,442	4,250	4,250	4,135	4,135
Capital Outlay	6,249	-	-	3,050	3,050	4,550	4,550
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 1,274,462	\$ 1,582,983	\$ 1,582,983	\$ 1,402,581	\$ 1,402,581	\$ 1,419,035	\$ 1,419,035
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 1,274,462	\$ 1,582,983	\$ 1,582,983	\$ 1,402,581	\$ 1,402,581	\$ 1,419,035	\$ 1,419,035
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 1,274,462	\$ 1,582,983	\$ 1,582,983	\$ 1,402,581	\$ 1,402,581	\$ 1,419,035	\$ 1,419,035
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	1,274,462	1,582,983	1,582,983	1,402,581	1,402,581	1,419,035	1,419,035
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 1,274,462	\$ 1,582,983	\$ 1,582,983	\$ 1,402,581	\$ 1,402,581	\$ 1,419,035	\$ 1,419,035
FTE Positions	12.0	12.0	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 State General Fund (SGF) up to a maximum of \$100,000 per fiscal year per fund.

REAL ESTATE FEE FUND



* For FY 2024, the lowest month ending balance for the Real Estate Fee Fund will occur in September, with a balance of \$912,183.

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 8
LICENSE FEES, FY 2023

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)	20	20	KSA 58-3063
License Reinstatement	125	150	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 2023 ANALYSIS

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 1,593,049	\$ 1,593,049	12.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 1,593,049</i>	<i>\$ 1,593,049</i>	<i>12.0</i>
Agency Revised Estimate:				
2. All Other Adjustments	-	(10,066)	(10,066)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 1,582,983</i>	<i>\$ 1,582,983</i>	<i>12.0</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 1,582,983	\$ 1,582,983	12.0

LEGISLATIVE APPROVED

1. Subsequent to the 2022 Session, no adjustments were made to the \$1.6 million appropriated to the Real Estate Commission for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$1.6 million, all from special revenue funds, and 12.0 FTE positions in FY 2023. This is a decrease of \$10,066, or 0.6 percent, below the approved amount.

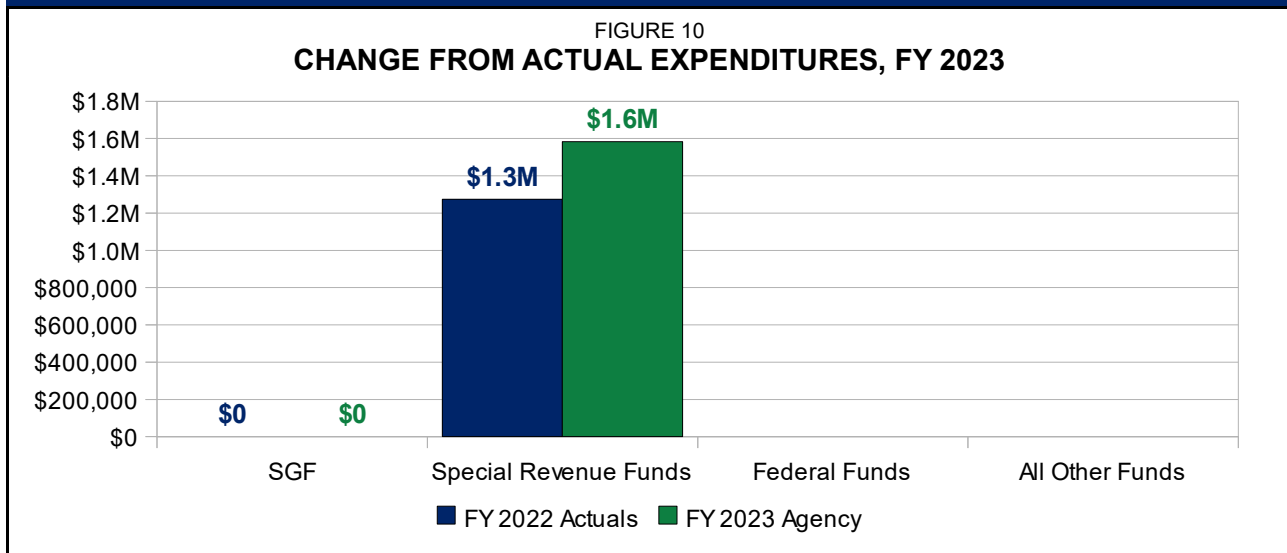
2. **ALL OTHER ADJUSTMENTS.** There were slight reductions in all expenditure categories totaling \$10,066 in the agency's FY 2023 revised estimate. These reductions include the elimination of capital outlay expenditure of \$2,050 for office equipment.

GOVERNOR'S RECOMMENDATION

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

3. **NO CHANGES.** The Governor does not recommend any changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$1.6 million, all from special revenue funds, in FY 2023. This is an increase of \$308,521, or 24.2 percent, above the FY 2022 actual amount. There were increases in salaries and wages (\$64,719) and contractual services (\$252,097) with slight decreases in the other expenditure categories. Salaries and wages were increased due to salary increases and employer contributions for fringe benefits. Contractual services expenditures increased due to printing and binding costs, rental costs, travel expenditures, and consulting fees.

There is an increase of \$10,000 in contractual services in odd years due to the printing and mailing of a law book with statutes and regulations to all supervising brokers.

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 1,582,983	\$ 1,582,983	12.0
Agency Request:				
1. All Other Adjustments	-	(180,402)	(180,402)	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 1,402,581	\$ 1,402,581	12.0
Governor's Recommendation:				
2. No Changes	\$ -	\$ -	\$ -	--
TOTAL	\$ -	\$ 1,402,581	\$ 1,402,581	12.0

AGENCY REQUEST

The **agency** requests \$1.4 million, all from special revenue funds, in expenditures and 12.0 FTE positions for FY 2024. This is a decrease of \$180,402, or 11.4 percent, below the FY 2023 revised estimate.

1. **ALL OTHER ADJUSTMENTS.** The decrease is mainly in contractual services due to the one-time expenditure of \$245,000 in FY 2023 for a new licensing system that will not reoccur in FY 2024. The contractual services decreases are partially offset by increases in other expenditure categories including \$48,362 in salaries and wages, primarily for employer contributions for fringe benefits including group health insurance.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

2. **NO CHANGES.** The **Governor** does not recommend any changes to the agency's FY 2024 request.

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 1,402,581	\$ 1,402,581	12.0
Agency Request:				
1. All Other Adjustments	-	16,454	16,454	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 1,419,035	\$ 1,419,035	12.0
Governor's Recommendation:				
2. No Changes.	\$ -	\$ 1,419,035	\$ 1,419,035	--
TOTAL	\$ -	\$ 1,419,035	\$ 1,419,035	12.0

AGENCY REQUEST

The **agency** requests \$1.4 million, all from special revenue funds, in expenditures and 12.0 FTE positions for FY 2025. This is an increase of \$16,454, or 1.2 percent, above the FY 2024 expenditures.

1. **ALL OTHER ADJUSTMENTS.** The increase is primarily in salaries and wages (\$9,133) for employer contributions for group health insurance and in contractual services (\$5,936) for printing and binding. There is an increase of \$10,000 in contractual services in the odd years due to the printing and mailing of a law book with statutes and regulations to all supervising brokers.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2025 request.

2. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2025 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

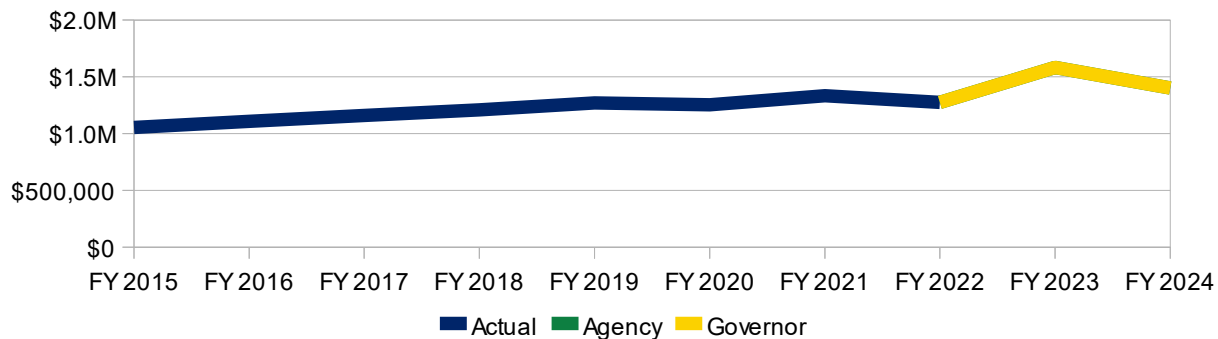
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 1,274,462	\$ 1,582,983	\$ 1,582,983	\$ 1,402,581	\$ 1,402,581	\$ 1,419,035	\$ 1,419,035
FTE Positions:							
Administration	12.0	12.0	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

FIGURE 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2024



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 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 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of licenses renewed online*	95 %	95 %	95 %	96 %	96 %
2. Number of compliance reviews performed*	249	260	263	300	325
3. Average regulatory cost per real estate license*	\$65.82	\$66.47	\$69.41	\$84.00	\$73.91
Output Measure:					
4. Number of active Real Estate Licenses	16,999	18,389	17,295	18,500	18,500
5. Percentage of Licenses issued within one business day of completion*	99 %	99 %	99 %	99 %	99 %
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,333,454	1,274,642		1,582,983	1,402,581
TOTAL	\$ 1,333,454	\$ 1,274,642		\$ 1,582,983	\$ 1,402,581
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	6.4 %	(4.4) %		24.2 %	(11.4) %
FTE Positions	12.0	12.0		12.0	12.0

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

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BOARD OF TECHNICAL PROFESSIONS

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2025

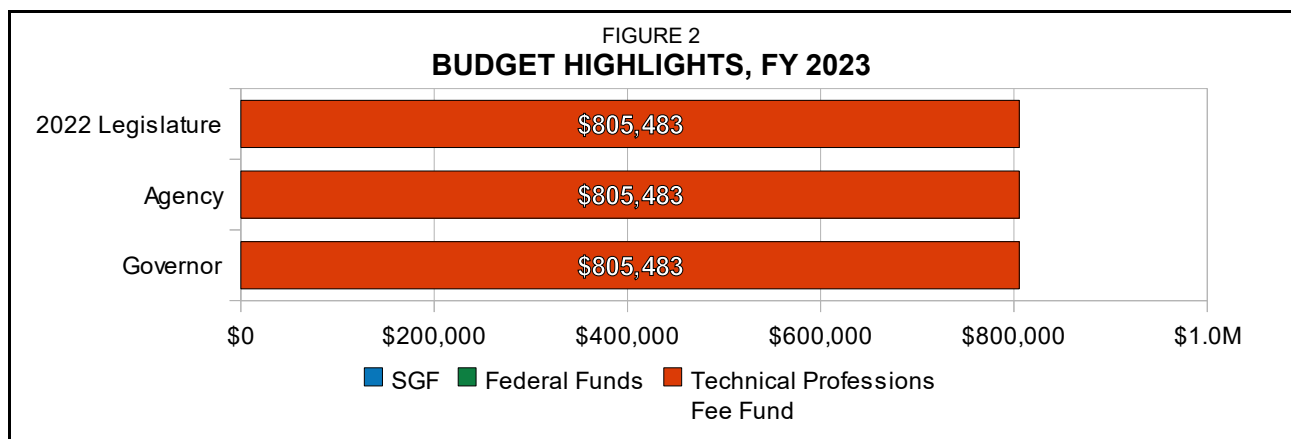
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	641,176	805,483	805,483	808,720	808,720	810,850	810,850
<i>Subtotal</i>	<i>\$ 641,176</i>	<i>\$ 805,483</i>	<i>\$ 805,483</i>	<i>\$ 808,720</i>	<i>\$ 808,720</i>	<i>\$ 810,850</i>	<i>\$ 810,850</i>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
TOTAL	\$ 641,176	\$ 805,483	\$ 805,483	\$ 808,720	\$ 808,720	\$ 810,850	\$ 810,850
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	3.0%	25.6 %	25.6 %	0.4 %	0.4 %	0.3 %	0.3 %
FTE Positions	5.0	5.0	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 Board of Technical Professions provides for the protection of the health, safety, and welfare of Kansans by ensuring that the practices of architecture, landscape architecture, engineering, geology, and surveying are carried out only by those who are proven to be qualified in one or more of those areas. The purpose of the Board of Technical Professions is to establish and maintain a high standard of integrity, skill, and practice among technical professionals.

EXECUTIVE SUMMARY

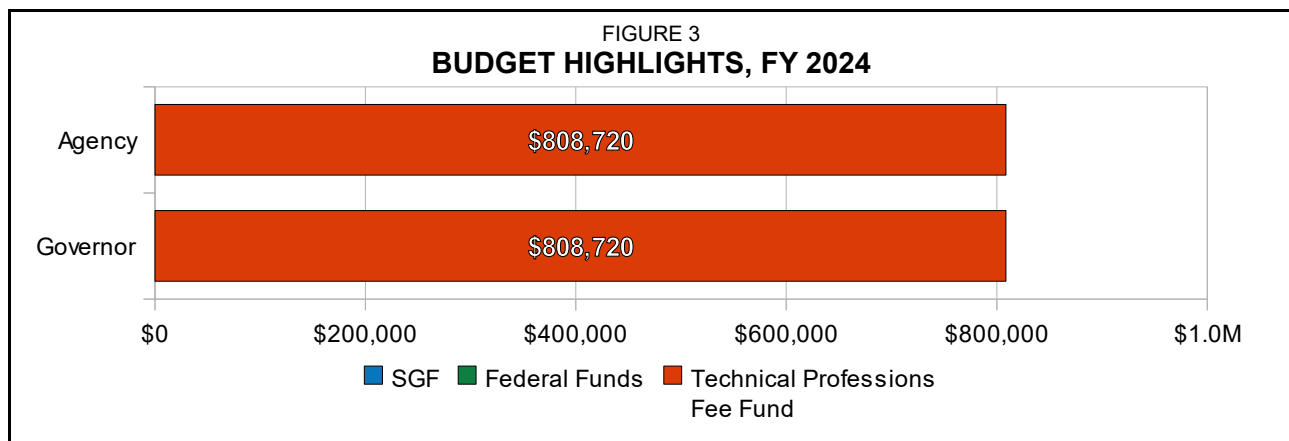
The 2022 Legislature approved a budget of \$805,483, all from the Technical Professions Fee Fund, in expenditures and 5.0 FTE positions for the Board of Technical Professions in FY 2023.



The **agency** submits a revised estimate of \$805,483, all from the Technical Professions Fee Fund, and 5.0 FTE positions in FY 2023. This is the same as the amount approved by the 2022 Legislature. Notable adjustments include:

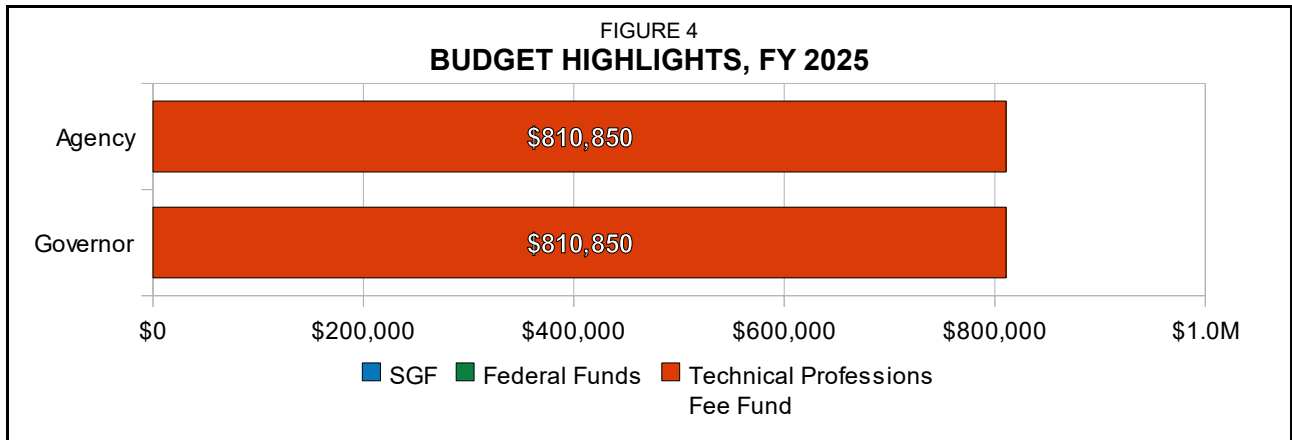
- **SALARIES AND WAGES.** The revised estimate includes \$346,152 for salaries and wages in FY 2023. This is a decrease of \$13,392, or 3.7 percent, below the amount approved by the 2022 Legislature. This amount will allow the agency to maintain existing staff.
- **CONTRACTUAL SERVICES.** The revised estimate includes \$451,831 for contractual services in FY 2023. This increase of \$15,392, or 3.5 percent, above the amount approved by the 2022 Legislature is primarily due to contractual agreements between the agency and legal counsel and technical investigators, as well as travel expenses for board meetings and hearings.
- **CAPITAL OUTLAY.** The revised estimate includes \$2,000 for capital outlay in FY 2023. This decrease of \$2,000, or 50.0 percent, below the amount approved by the 2022 Legislature is primarily due to computer maintenance and data storage programs.

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



The **agency** requests \$808,720, all from the Technical Professions Fee Fund, and 5.0 FTE positions for FY 2024. This is an increase of \$3,237, or 0.4 percent, above the agency's FY 2023 revised estimate. The increase is due to an increase in salaries and wages, namely an increase in employer contributions for fringe benefits, which is partially offset by a decrease in contractual services.

The **Governor** concurs with the agency's FY 2024 request.



The **agency** requests \$810,850, all from the Technical Professions Fee Fund, and 5.0 FTE positions for FY 2025. This increase of \$2,130, or 0.3 percent, above the agency's FY 2024 request is due to an increase in salaries and wages expenditures, namely an increase in employer contributions for fringe benefits such as group health insurance.

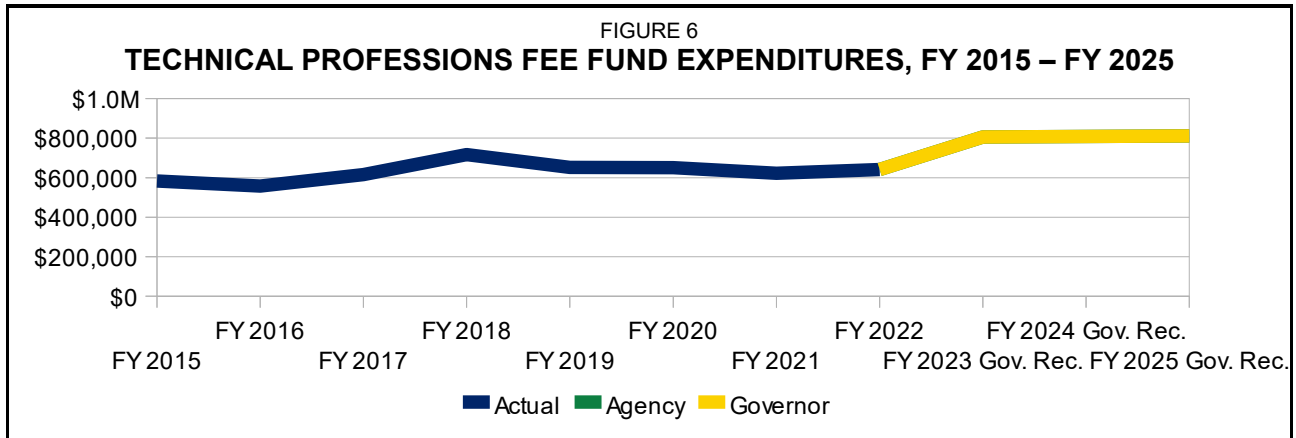
The **Governor** concurs with the agency's FY 2025 request.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 314,031	\$ 346,152	\$ 346,152	\$ 361,720	\$ 361,720	\$ 363,850	\$ 363,850
Contractual Services	311,440	451,831	451,831	439,500	439,500	439,500	439,500
Commodities	15,705	5,500	5,500	5,500	5,500	5,500	5,500
Capital Outlay	-	2,000	2,000	2,000	2,000	2,000	2,000
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 641,176	\$ 805,483	\$ 805,483	\$ 808,720	\$ 808,720	\$ 810,850	\$ 810,850
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 641,176	\$ 805,483	\$ 805,483	\$ 808,720	\$ 808,720	\$ 810,850	\$ 810,850
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 641,176	\$ 805,483	\$ 805,483	\$ 808,720	\$ 808,720	\$ 810,850	\$ 810,850
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	641,176	805,483	805,483	808,720	808,720	810,850	810,850
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
TOTAL	\$ 641,176	\$ 805,483	\$ 805,483	\$ 808,720	\$ 808,720	\$ 810,850	\$ 810,850
FTE Positions	5.0	5.0	5.0	5.0	5.0	5.0	5.0

TECHNICAL PROFESSIONS FEE FUND



The Board of Technical Professions is a fee-funded agency. The only source of funds for the agency is the Technical Professions Fee Fund. The revenue deposited into the fund provides financing for all agency operations. The agency generates revenue from the following types of fees:

APPLICATION FEES. The agency estimates that it will receive \$208,130 from application fees in FY 2023 and for FY 2024 each. The agency collects a \$60 processing fee from each exam applicant, regardless of the profession for which the applicant is seeking licensure. Likewise, the agency collects a \$250 comity application fee from previously licensed individuals who plan to practice in Kansas. Additionally, the agency collects a \$170 fee from business entities applying for a Certificate of Authorization.

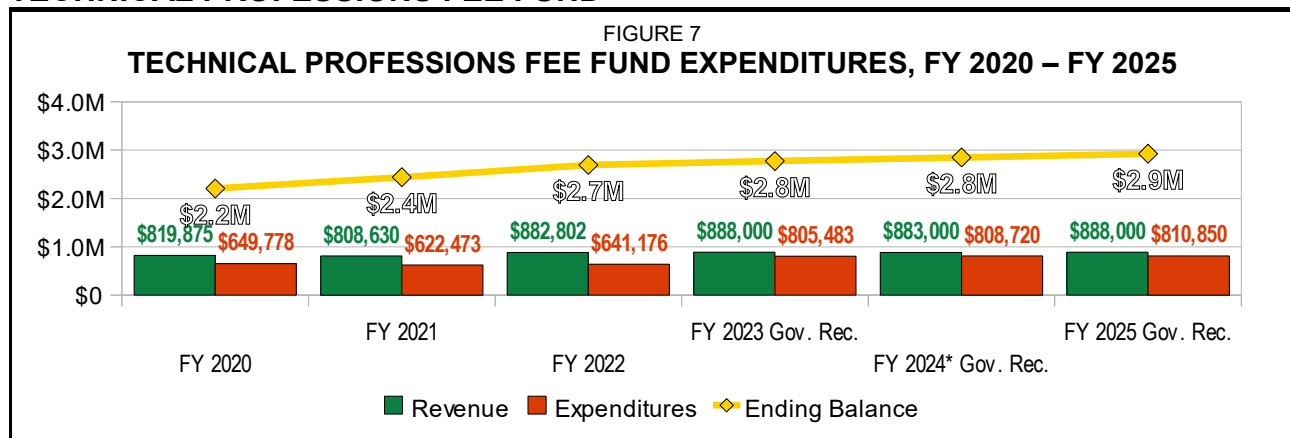
LICENSURE FEES. The agency estimates that it will receive \$656,000 from licensure fees in FY 2023 and for FY 2024 each. All license renewal fees are due biennially at a rate of \$70 for

individuals and \$95 for business entities. An individual or a business wishing to reinstate their license must pay a fee of \$100 to the agency. Similarly, an individual wishing to reinstate a suspended or revoked license must pay a fee of \$100, whereas a business must pay a fee of \$150. Finally, the agency collects a \$20 fee for all lost, destroyed, or mutilated licenses that must be replaced.

CIVIL FINES. The agency estimates that it will receive \$3,000 from civil fines in FY 2023 and for FY 2024, all of which shall be remitted into the State General Fund (SGF), per KSA 74-7039. The agency is authorized to assess fines against any person or entity for violations of the statutes, rules and regulations, or orders enforceable by the board in any amount not to exceed \$5,000 for the first violation, \$10,000 for the second violation, and \$15,000 for the third violation and for each subsequent violation.

Per KSA 75-3170a(a), the agency retains 90.0 percent of the revenue it receives excluding, civil fines, and the agency deposits 10.0 percent into the SGF, up to a maximum of \$100,000 per fiscal year per fund.

TECHNICAL PROFESSIONS FEE FUND



* For FY 2024, the lowest month ending balance for the Technical Professions Fee Fund will occur in July, with a balance of \$2,705,496.

The Technical Professions Fee Fund has maintained an ending balance of over \$2.2 million since FY 2022. However, the agency anticipates that expenditures will increase in FY 2023 through FY 2025 while revenue will remain relatively flat. This could lead to the fund's balance not growing at the same rate as it has in previous years.

FIGURE 8
LICENSURE FEES, FY 2023

License	Current Fee	Statutory Limit	Authority
Exam Application – Individual	\$ 60	\$ 200	KSA 74-7009(a)(1)
Comity Application – Individual	250	500	KSA 74-7009(a)(2)
Certificate of Authorization – Business	170	300	KSA 74-7009(a)(3)
License Renewal – Individual (biennial)	70	200	KSA 74-7009(a)(4)
License Renewal – Business (biennial)	95	300	KSA 74-7009(a)(5)
Reinstated License – Individual & Business	100	200	KSA 74-7009(a)(7)
Replacement License – Individual & Business	20	20	KSA 74-7025(f)
Reissued License – Individual	100	100	KSA 74-7026(c)
Reissued License – Business	150	150	KSA 74-7026(c)

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 805,483	\$ 805,483	5.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 805,483</i>	<i>\$ 805,483</i>	<i>5.0</i>
Agency Revised Estimate:				
2. Salaries and Wages	\$ -	\$ (13,392)	\$ (13,392)	--
3. Contractual Services	-	15,392	15,392	--
4. Capital Outlay	-	(2,000)	(2,000)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 805,483</i>	<i>\$ 805,483</i>	<i>5.0</i>
Governor's Recommendation:				
5. No Changes	-	-	-	--
TOTAL	\$ -	\$ 805,483	\$ 805,483	5.0

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$805,483 approved by the 2022 Legislature for the Board of Technical Professions for FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$805,483, all from the Technical Professions Fee Fund, in expenditures in FY 2023. This is the same as the amount approved by the 2022 Legislature.

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

2. **SALARIES AND WAGES.** The agency's revised estimate includes \$346,152 in salaries and wages expenditures. This decrease of \$13,392, or 3.7 percent, below the amount approved by the 2022 Legislature represents what the agency believes is the amount needed to maintain current staff.
3. **CONTRACTUAL SERVICES.** The agency's revised estimate includes \$451,831 in contractual services expenditures. This increase of \$15,392, or 3.5 percent, above the amount approved by the 2022 Legislature is due primarily to increased fees for legal counsel and technical investigators with whom the agency contracts, as well as increased computer programming services, data processing services, and database access fees. The rise of in-state and out-of-state travel for board members, as well as employees of the agency, also contributes to the increase in contractual services expenditures.
4. **CAPITAL OUTLAY.** The agency's revised estimate includes \$2,000 in capital outlay expenditures. This decrease of \$2,000, or 50.0 percent, below the amount approved by the 2022 Legislature will still allow the agency to have enough computer and storage equipment, as well as allow the agency to provide equipment for anticipated computer-based testing needs for examinations that are administered by office staff.

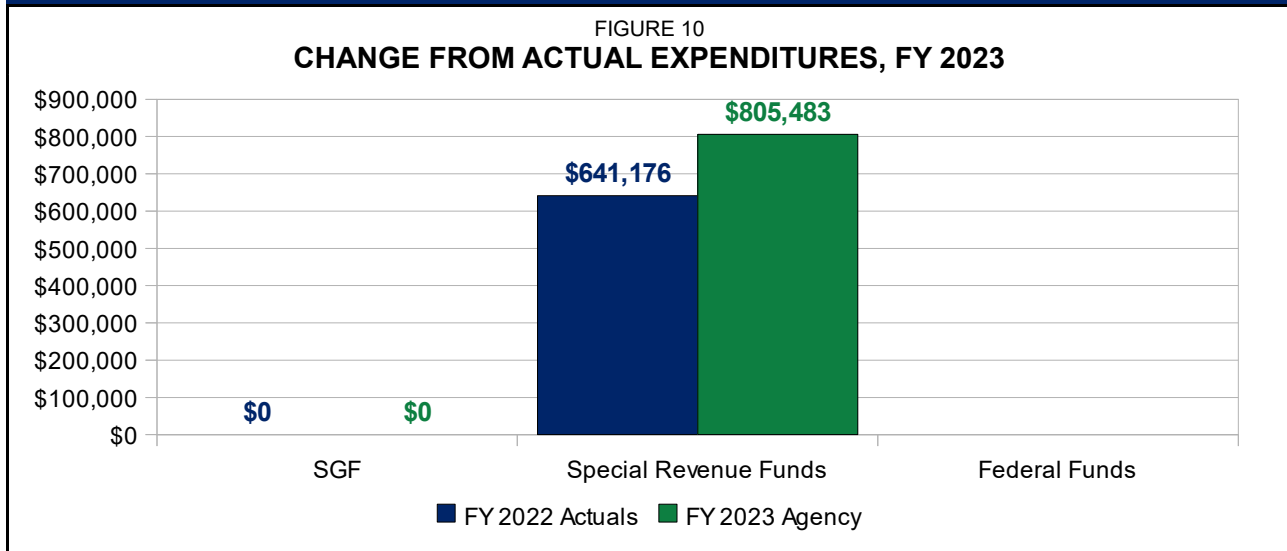
The agency revised estimate includes 5.0 FTE positions, which is the same number of positions as approved by the 2022 Legislature.

GOVERNOR'S RECOMMENDATION

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

5. **NO CHANGES.** The Governor concurs with the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$805,483, all from the Technical Professions Fee Fund, in FY 2023. This is an increase of \$164,307, or 25.6 percent, above the FY 2022 actual expenditures. The agency estimates expenditures in almost every category will increase in FY 2023. Salaries and wages expenditures are expected to increase by \$32,131 due to an increase in employer contributions for fringe benefits. However, commodities-related expenditures will likely decrease by \$10,205 in FY 2023 because the agency estimates it will spend less on other professional scientific supplies and materials.

The category with the largest expected increase of expenditures is contractual services, as the agency estimates it will spend \$451,831 on contractual services in FY 2023. This is an increase of \$140,391, or 45.1 percent, above the FY 2022 actual contractual services expenditures. Expenditures associated with in-state and out-of-state travel, such as rental cars and subsistence, are expected to increase by approximately \$40,000 in FY 2023 as more job-related trainings and conferences became available to attend following the COVID-19 pandemic.

The agency expects to expend approximately \$35,500 more in FY 2023 than in FY 2022 on fees associated with legal counsel and technical investigators with whom the agency contracts as part of its enforcement program to ensure the health, safety, and welfare of Kansans. Similarly, the agency expects to spend \$8,000 more in FY 2023 on assigned counsel, including both contracted attorneys and non-contracted attorneys. Additionally, expenditures associated with computer programming services, data processing services, and database access fees are expected to increase by \$13,403 in FY 2023.

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

		SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:		\$ -	\$ 805,483	\$ 805,483	5.0
Agency Request:					
1. Salaries and Wages	1	\$ -	\$ 15,568	\$ 15,568	--
2. Contractual Services		-	(12,331)	(12,331)	--
<i>Subtotal—Agency Request</i>		\$ -	\$ 808,720	\$ 808,720	5.0
Governor's Recommendation:					
3. No Changes		\$ -	\$ -	\$ -	--
TOTAL		\$ -	\$ 808,720	\$ 808,720	5.0

AGENCY REQUEST

The **agency** requests \$808,720, all from the Board of Technical Professions Fee Fund, in expenditures for FY 2024. This is an increase of \$3,237, or 0.4 percent, above the agency's FY 2023 revised estimate.

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

1. **SALARIES AND WAGES.** The agency request includes \$361,720 in salaries and wages expenditures for FY 2024. This is an increase of \$15,568, or 4.5 percent, above the FY 2023 revised estimate. The increase is due to an increase in employer contributions for fringe benefits, including group health insurance.
2. **CONTRACTUAL SERVICES.** The agency request includes \$439,500, in contractual services expenditures for FY 2024. This is a decrease of \$12,331, or 2.7 percent, below the FY 2023 revised estimate. The decrease is due to out-of-state travel, including subsistence and private vehicle mileage.

The agency request includes 5.0 FTE positions, which is the same number of positions as the FY 2023 revised estimate.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

3. **NO CHANGES.** The Governor concurs with the agency's FY 2024 request.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

		SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:		\$ -	\$ 808,720	\$ 808,720	5.0
Agency Request:					
1. Salaries and Wages	1	\$ -	\$ 2,130	\$ 2,130	--
<i>Subtotal—Agency Request</i>		\$ -	\$ 810,850	\$ 810,850	5.0
Governor's Recommendation:					
2. No Changes		\$ -	\$ -	\$ -	--
TOTAL		<u>\$ -</u>	<u>\$ 810,850</u>	<u>\$ 810,850</u>	<u>5.0</u>

AGENCY REQUEST

The **agency** requests \$810,850, all from the Technical Professions Fee Fund, in expenditures for FY 2025. This is an increase of \$2,130, or 0.3 percent, above the agency's FY 2024 request.

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

1. **SALARIES AND WAGES.** The agency request includes \$363,850 in salaries and wages expenditures for FY 2025. This is an increase of \$2,130, or 0.6 percent, above the FY 2024 request. The increase is due to an increase in employer contributions for fringe benefits, including group health insurance.

The agency request includes 5.0 FTE positions, which is the same number of positions as the FY 2024 request.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2025 request.

2. **NO CHANGES.** The Governor concurs with the agency's FY 2025 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

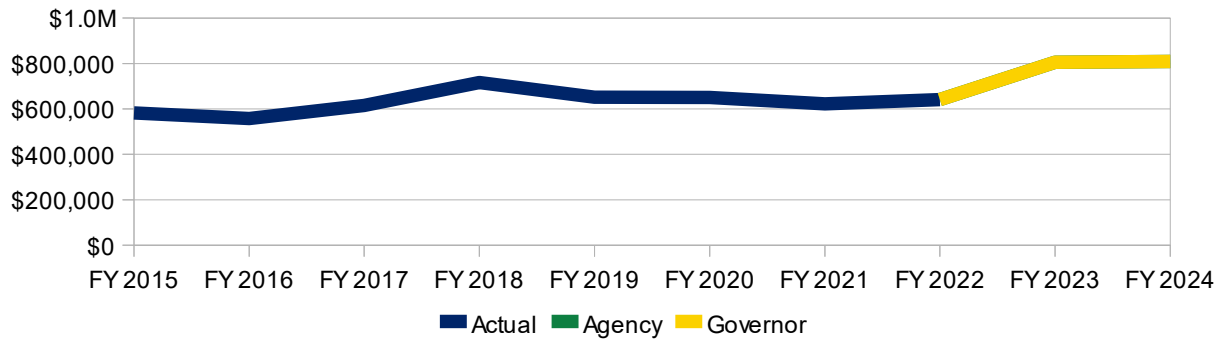
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 641,176	\$ 805,483	\$ 805,483	\$ 808,720	\$ 808,720	\$ 810,850	\$ 810,850
Program	-	-	-	-	-	-	-
TOTAL	\$ 641,176	\$ 805,483	\$ 805,483	\$ 808,720	\$ 808,720	\$ 810,850	\$ 810,850
FTE Positions:							
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Program	--	--	--	--	--	--	--
TOTAL	5.0	5.0	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.

ADMINISTRATION PROGRAM

FIGURE 14
ADMINISTRATION PROGRAM EXPENDITURES, FY 2015 – FY 2024



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 15
ADMINISTRATION PROGRAM, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1.Number of Intern and By-Exam Applications*	387	524	422	430	480
2.Number of Reciprocity Applications*	728	798	741	728	675
3.Number of New Business Applications	204	218	196	200	200
4.Number of Individual License Renewals	7,291	8,510	8,083	7,735	7,735
5.Number of Business License Renewals	1,459	1,098	1,215	1,200	1,200
Output Measure:					
6.Reciprocity Application Fee (\$250)*	\$ 182,000	\$ 199,500	\$ 185,167	\$ 182,000	\$ 168,750
7.Business Application Fee (\$170)*	34,680	37,060	33,320	34,000	34,000
8.Individual License Renewal Fee*(\$70)	510,370	595,700	565,787	541,450	541,450
9.Business License Renewal Fee* (\$95)	138,605	104,310	115,393	114,000	114,000
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	59	-		-	-
All Other Funds	622,473	641,176		805,483	808,720
TOTAL	\$ 622,532	\$ 641,176		\$ 805,483	\$ 808,720
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(4.3) %	3.0 %		25.6 %	0.4 %
FTE Positions	5.0	5.0		5.0	5.0

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

PERFORMANCE ANALYSIS

The Administration Program is the Board of Technical Professions' only program. The agency's goals are to ensure that the technical professions are practiced only by qualified and at least minimally competent individuals and business entities, and to ensure swift, fair, and effective enforcement of the Board of Technical Professions' Practice Act. The agency tries to achieve these goals by licensing, monitoring, and regulating the technical professions.

To ensure that only qualified individuals become licensed in technical fields, the agency takes a "proactive position in establishing a high degree of qualification." The agency evaluates applications for examination and reciprocity, administers examinations, and licenses qualified individuals. Although the agency expects that the number of exam applications will drop from FY 2022 to FY 2023, the agency estimates that this number will increase in FY 2024 as more persons become qualified to take the licensing examinations.

Similarly, licensed individuals are required to participate in continuing education in order to ensure that only qualified individuals are participating in their respective technical profession. The agency plans to conduct compliance reviews of this requirement. The agency also plans to audit licensees in order to ensure that only competent individuals who are qualified in their respective field are practicing in Kansas.

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BOARD OF VETERINARY EXAMINERS

FY 2022 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2025

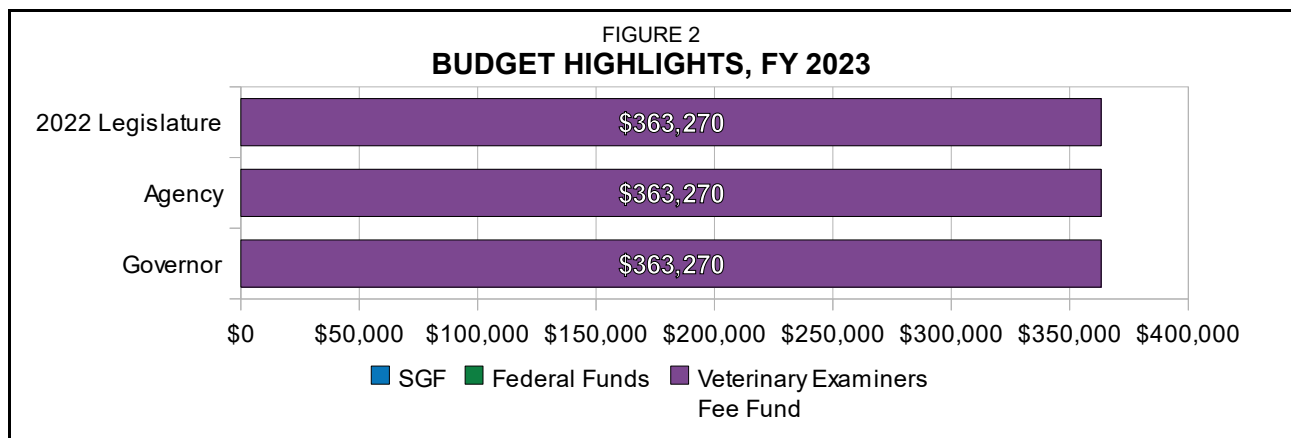
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	348,453	363,270	363,270	368,512	368,512	373,203	373,203
<i>Subtotal</i>	<u>\$ 348,453</u>	<u>\$ 363,270</u>	<u>\$ 363,270</u>	<u>\$ 368,512</u>	<u>\$ 368,512</u>	<u>\$ 373,203</u>	<u>\$ 373,203</u>
Capital Improvements:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 348,453</u>	<u>\$ 363,270</u>	<u>\$ 363,270</u>	<u>\$ 368,512</u>	<u>\$ 368,512</u>	<u>\$ 373,203</u>	<u>\$ 373,203</u>
Percentage Change:							
State General Fund	-- %	-- %	-- %	-- %	-- %	-- %	-- %
All Funds	4.5 %	4.3 %	-- %	1.4 %	-- %	1.3 %	-- %
FTE Positions	3.8	3.8	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 is also responsible for the examination and registration of veterinary technicians. In addition, the Board registers and inspects veterinary premises. The Board investigate 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.

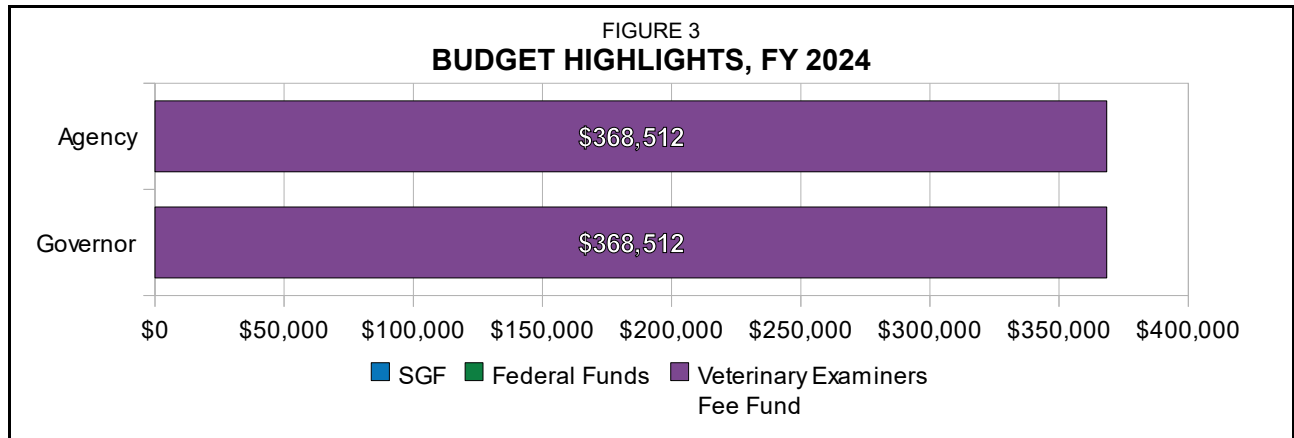
EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$363,270, all from the Veterinary Examiners Fee Fund, for the Board of Veterinary Examiners for FY 2023.



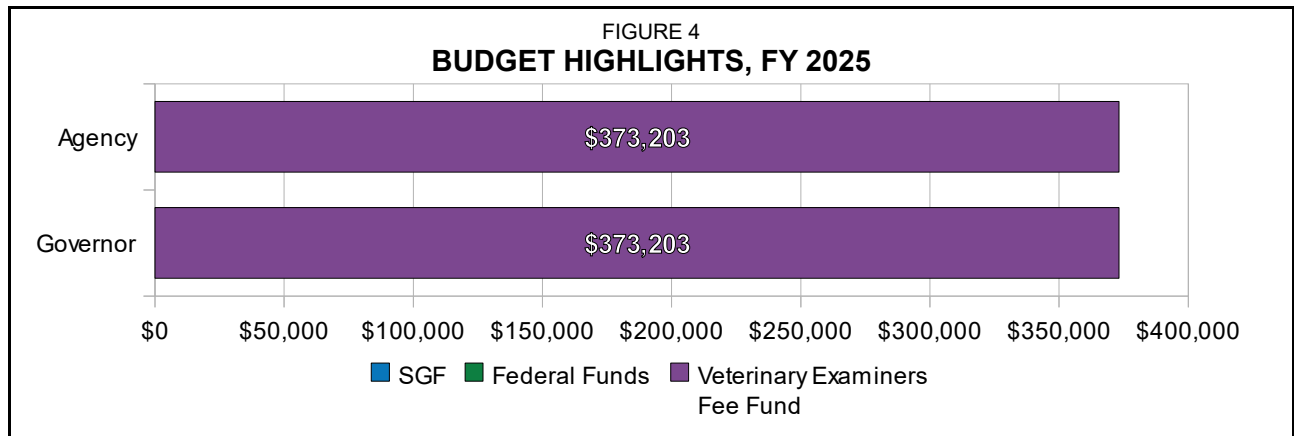
The **agency** estimates revised FY 2023 expenditures of \$363,270, all from the Veterinary Examiners Fee Fund. This is equal to the budget approved by the 2022 Legislature.

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



The **agency** requests FY 2024 expenditures of \$368,512, all from the Veterinary Examiners Fee Fund. This is an increase of \$5,242, or 1.4 percent, above the FY 2023 revised estimate. This increase is primarily due to increased employer contributions for fringe benefits such as group health insurance.

The **Governor** concurs with the agency's FY 2024 request.



The **agency** requests \$373,203, all from the Veterinary Examiners Fee Fund, for FY 2025. This is an increase of \$4,691, or 1.3 percent, above the FY 2024 request. This increase is primarily due to estimated increases in rents and attorney costs.

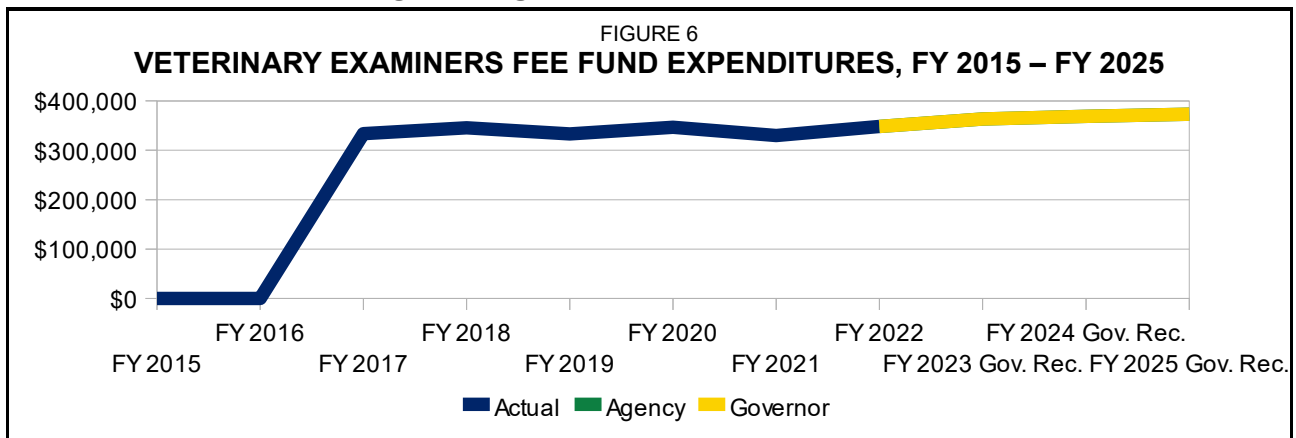
The **Governor** concurs with the agency's FY 2025 request.

EXPENDITURES AND FINANCING

FIGURE 5
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2025

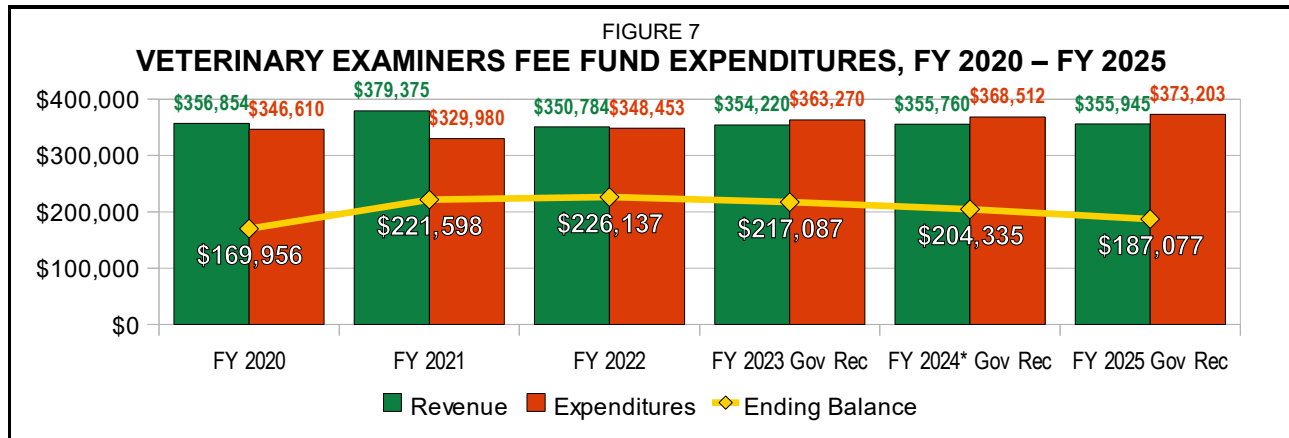
	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Category of Expenditure:							
Salaries and Wages	\$ 276,179	\$ 288,977	\$ 288,977	\$ 291,827	\$ 291,827	\$ 292,188	\$ 292,188
Contractual Services	67,094	68,743	68,743	70,460	70,460	74,625	74,625
Commodities	4,826	4,950	4,950	5,575	5,575	5,700	5,700
Capital Outlay	354	600	600	650	650	690	690
Debt Service Interest	-	-	-	-	-	-	-
Subtotal	\$ 348,453	\$ 363,270	\$ 363,270	\$ 368,512	\$ 368,512	\$ 373,203	\$ 373,203
Aid to Local Units	-	-	-	-	-	-	-
Other Assistance	-	-	-	-	-	-	-
Subtotal—Operating	\$ 348,453	\$ 363,270	\$ 363,270	\$ 368,512	\$ 368,512	\$ 373,203	\$ 373,203
Capital Improvements	-	-	-	-	-	-	-
Debt Service Principal	-	-	-	-	-	-	-
TOTAL	\$ 348,453	\$ 363,270	\$ 363,270	\$ 368,512	\$ 368,512	\$ 373,203	\$ 373,203
Financing:							
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Veterinary Examiner's Fee Fund	348,453	363,270	363,270	368,512	368,512	373,203	373,203
TOTAL	\$ 348,453	\$ 363,270	\$ 363,270	\$ 368,512	\$ 368,512	\$ 373,203	\$ 373,203
FTE Positions	3.8	3.8	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 in FY 2015 and FY 2016.

VETERINARY EXAMINERS FEE FUND



* For FY 2024, the lowest month ending balance for the Veterinary Examiners Fee Fund is estimated to occur in March, with a balance of \$23,713.

The Veterinary Examiners Fee Fund experienced lower revenues from license fees in FY 2022 compared to estimates for FY 2023. FY 2023 revenues are estimated to increase due to an increase in license renewals. However, estimated increases in revenue are also estimated to be offset by an increase in employer contributions for fringe benefits for group health insurance.

FIGURE 8
LICENSURE FEES, FY 2023

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

FIGURE 9
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ -	\$ 363,270	\$ 363,270	3.8
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ -</i>	<i>\$ 363,270</i>	<i>\$ 363,270</i>	<i>3.8</i>
Agency Revised Estimate:				
2. No Changes	\$ -	\$ -	\$ -	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ -</i>	<i>\$ 363,270</i>	<i>\$ 363,270</i>	<i>3.8</i>
Governor's Recommendation:				
3. No Changes	-	-	-	--
TOTAL	\$ -	\$ 363,270	\$ 363,270	3.8

LEGISLATIVE APPROVED

1. **NO CHANGES.** Subsequent to the 2022 Session, no adjustments were made to the \$363,270 appropriated to the Board of Veterinary Examiners for FY 2023.

AGENCY ESTIMATE

The **agency** estimates revised FY 2023 expenditures of \$363,270, all from the Veterinary Examiners Fee Fund. This is equal to the budget approved by the 2022 Legislature.

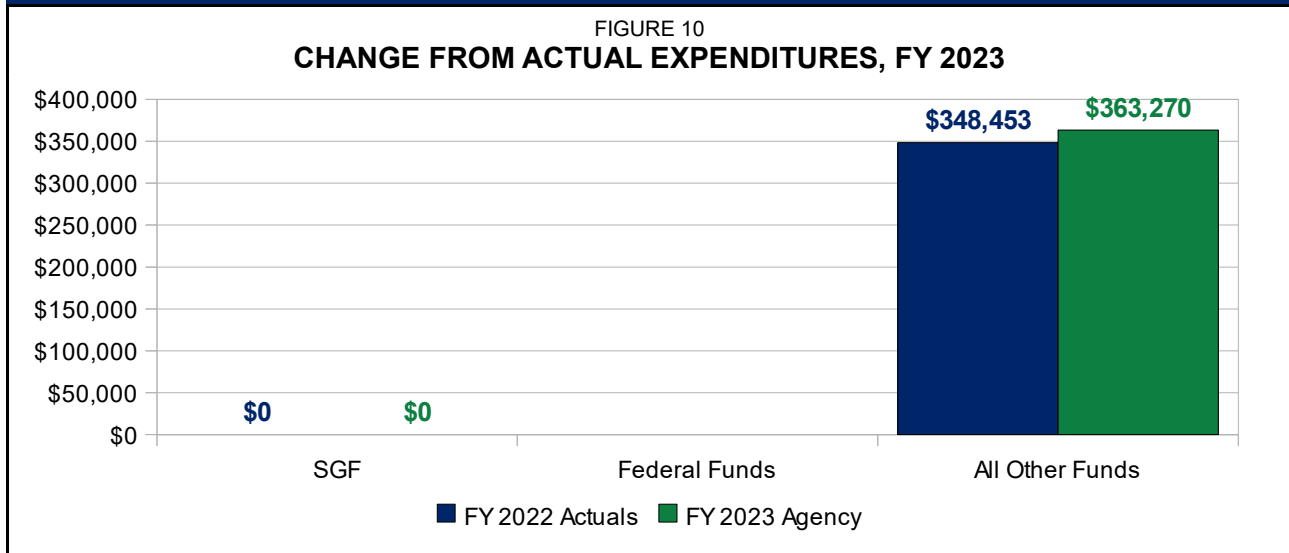
2. **NO CHANGES.** The agency has not requested any changes to the approved budget.

GOVERNOR'S RECOMMENDATION

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

3. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$363,270, all from the Veterinary Examiners Fee Fund, in FY 2023. This is an all funds increase of \$14,817, or 4.3 percent, above the FY 2022 actual expenditures. This increase is primarily due to increased employer contributions for fringe benefits, specifically group health insurance paid by the agency.

FY 2024 ANALYSIS

FIGURE 11
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2023:	\$ -	\$ 363,270	\$ 363,270	3.8
Agency Request:				
1. Fringe Benefits	\$ -	\$ 3,933	\$ 3,933	--
2. Attorney Fees	-	1,000	1,000	--
3. All Other Adjustments	-	309	309	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 368,512	\$ 368,512	3.8
Governor's Recommendation:				
4. No Changes	\$ -	\$ -	\$ -	--
TOTAL	<u>\$ -</u>	<u>\$ 368,512</u>	<u>\$ 368,512</u>	<u>3.8</u>

AGENCY REQUEST

The **agency** requests \$368,512, all from the Veterinary Examiners Fee Fund, in expenditures and 3.8 FTE positions for FY 2024. This is an increase of \$5,242, or 1.4 percent, above the FY 2023 revised estimate. This increase is primarily due to increased costs for benefits such as group health insurance.

- FRINGE BENEFITS.** The agency's FY 2024 estimates include adjustments for group health insurance rates paid by the agency. The agency estimates expenditures for group health insurance to increase by \$3,933 over FY 2023 estimates.
- ATTORNEY FEES.** The agency's FY 2024 estimates include increased costs associated with attorney and lawyer fees totaling \$1,000 when compared to the agency's FY 2023 revised request.
- ALL OTHER ADJUSTMENTS.** Other adjustments made by the agency in FY 2024 total \$309 and span various expenditure categories, including some changes to certain contractual expenditures by the agency.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

- NO CHANGES.** The Governor recommends no changes to the agency's FY 2024 request.

FY 2025 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	Special Revenue Funds	All Funds	FTE
Agency Request, FY 2024:	\$ -	\$ 368,512	\$ 368,512	3.8
Agency Request:				
1. Rents	\$ -	\$ 1,200	\$ 1,200	--
2. Attorney Fees	-	1,500	1,500	--
3. All Other Adjustments	-	1,991	1,991	--
<i>Subtotal—Agency Request</i>	\$ -	\$ 373,203	\$ 373,203	3.8
Governor's Recommendation:				
4. No Changes	-	-	-	--
TOTAL	<u>\$ -</u>	<u>\$ 373,203</u>	<u>\$ 373,203</u>	<u>3.8</u>

AGENCY REQUEST

The **agency** requests \$373,203, all from the Veterinary Examiners Fee Fund, in expenditures and 3.8 FTE positions for FY 2025. This is an increase of \$4,691, or 1.3 percent, above the FY 2024 request. This increase is primarily due to increased employer contributions for fringe benefits such as group health insurance.

1. **RENTS.** The agency's request for FY 2025 contains expenditures for building rental space that are \$1,200 above the agency's FY 2024 request.
2. **ATTORNEY FEES.** The agency's FY 2025 request includes increased costs associated with attorney and lawyer fees totaling \$1,200 when compared to the agency's FY 2024 request.
3. **ALL OTHER ADJUSTMENTS.** Other adjustments made by the agency in FY 2025 total \$1,991 and span various expenditure categories, including some changes to certain contractual expenditures by the agency.

GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's FY 2024 request.

4. **NO CHANGES.** The Governor recommends no changes to the agency's FY 2025 request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

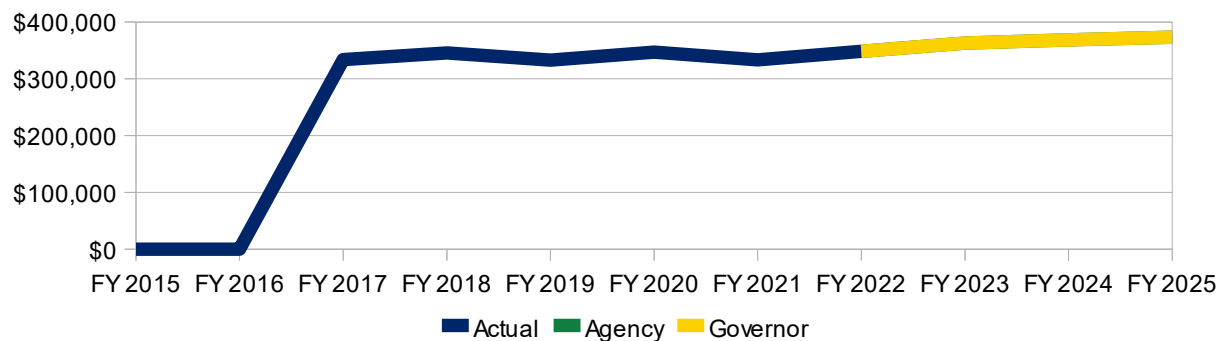
FIGURE 13 EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2025							
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:							
Administration	\$ 348,453	\$ 363,270	\$ 363,270	\$ 368,512	\$ 368,512	\$ 373,203	\$ 373,203
FTE Positions:							
Administration	3.8	3.8	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 14
ADMINISTRATION EXPENDITURES, FY 2015 – FY 2025



STATUTORY BASIS: • KSA 47-814, 47-816, 47-821, 47-829, 47-834(b), 47-847

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.

PROGRAM DESCRIPTION

The agency utilizes one budgetary program but categorizes its goals and performance measures into four different areas.

protect public welfare against negligent and fraudulent practices and ensures that licensees practice in a manner that prevents animal diseases communicable to humans.

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.

REVISION OF STATUTES AND REGULATIONS

Rules and regulations authority for the Board was implemented in 1969.

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 follow minimum standard regulations and registers new premises and premises that change ownership.

INVESTIGATION OF COMPLAINTS

Statutes relating to impaired veterinarians were implemented in 1989. This area aims to

FIGURE 15
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Licensure of New Qualified Veterinarians Per Year	158	167	161	165	165
2. Registration of New Qualified Veterinary Technicians Per Year*	60	62	61	60	60
3. Reduce the Percent of Premises that are Not Registered*	1.0 %	2.0 %	1.3 %	1.0 %	1.0 %
4. Reduce the Percent of Premises that Do Not Meet Minimum Standards*	1.0 %	1.0 %	0.9 %	1.0 %	1.0 %
5. Percent of Allegations of Impairment, Misuse of Drugs, and Negligence Investigated*	100 %	100 %	100 %	100 %	100 %
Output Measure:					
6. Registration of New Veterinary Premises	15	35	21	20	20
7. Percent of New Premises Registered*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
8. Registration of Mobile Premises	49	63	37	63	73
9. Number of Non-complying Premises Brought into Compliance*	1	4	3	8	8
10. Actual Number of Verified Instances of Negligence and Fraudulent Veterinary Practices	25	22	20	15	15
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	3,304	-		-	-
All Other Funds	330,086	348,453		363,270	368,512
TOTAL	\$ 333,390	\$ 348,453		\$ 363,270	\$ 368,512
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(3.9) %	4.5 %		4.3 %	1.4 %
FTE Positions	3.8	3.8		3.8	3.8

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

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