

February 11, 2025

The Honorable Renee Erickson, Chairperson
Senate Committee on Government Efficiency
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Erickson:

SUBJECT: Fiscal Note for SB 99 by Senate Committee on Government Efficiency

In accordance with KSA 75-3715a, the following fiscal note concerning SB 99 is respectfully submitted to your committee.

SB 99 would require the head of each state agency and the Director of the Budget to consult and jointly certify to the Secretary of Administration the number of vacant positions in each state agency paid from the State General Fund that have been vacant for more than 180 calendar days as of June 30, 2025. Upon certification, the Secretary of Administration would be required to abolish the vacant positions on July 1, 2025. On July 1, 2025, the amount in each account of the State General Fund of each agency for FY 2026, budgeted for payment of salaries and wages, including fringe benefits, would be lapsed. The bill would require the Director of the Budget to certify the lapses to the Director of Accounts and Reports and transmit a copy of the certification to the Director of Legislative Research.

The Department of Administration indicates enactment of the bill would have a twofold effect on the agency. The first effect would come from providing agencies with listings of all active, vacant positions from the personnel system that have been vacant for more than 180 days. Agencies would then be responsible for identifying the positions from those lists that are funded with State General Funds to include in their certification to the Secretary of Administration. While this would require additional staff time for Department employees to complete, the agency indicates it could be accomplished within existing resources with no adverse effect on other responsibilities. The second effect on the Department would be with respect to the loss of positions and funding. Currently, the Department states it has two positions funded with State General Funds that have been vacant for more than 180 days and two more that will be vacant for more than 180 days by June 30, 2025, if they are not filled. Two of those positions are currently posted and will

be filled before June 30, 2025, and one position is in the process of being posted and will also likely be filled by June 30, 2025. The agency states enactment of the bill would result in the abolition of one position and the lapsing of associated State General Funds for a total loss in funding of \$156,513 in FY 2026.

The Department for Children and Families (DCF) indicates enactment of the bill would result in a cut in budgeted expenditures of \$11,018,039, including \$5,176,988 from the State General Fund, to abolish 199 positions in FY 2026. DCF states it currently has 199 full time positions which have at least a portion of their salaries funded by the State General Fund and have been vacant for longer than 180 days. DCF budgets shrinkage to account for turnover and available resources. In the FY 2026 budget, \$17.1 million in potential salaries and wages expenditures for available positions was not budgeted and reallocated to other categories of expenditure. The agency states that if funding is removed through abolishing certain vacant positions, the agency would have to leave other positions vacant. The agency indicates 53 of the 199 vacant positions are related to the Disability Determination Services Program, which is a program the State of Kansas administers for the Social Security Administration and is primarily funded with federal funds. However, some employees in this program perform medical services, which results in approximately 0.03 percent of such salaries being paid with State General Funds. Although the positions are primarily funded with federal funds, the agency notes that the bill would require such positions to be abolished as well. DCF also indicates enactment of the bill would disproportionately affect its Kansas City Prevention and Protection Services Subdivision (24 positions), its IT Subdivision (23 positions), and its West Prevention and Protection Services Subdivision (13 positions). The agency notes that if such positions were abolished, the service provision of the associated subdivisions would be negatively affected. The agency states its IT subdivision would be significantly affected by the loss of positions and that its 15.0 percent shrinkage rate would have to be adjusted.

The Office of Judicial Administration indicates enactment of the bill could result in a decrease in available funding and associated expenditures. The Office estimates it will have 4.00 positions that will have been open for more than 180 days by June 30, 2025, and has budgeted \$372,947 for salaries and wages for the positions. The Office states it will make every effort to fill the positions, but if highly qualified individuals are not identified during the hiring process, it is possible the positions will not be filled. In addition, the Office notes that the Judicial Branch has budgeted \$9.7 million in shrinkage in FY 2025, which requires positions to be held open for significant periods of time over the course of the fiscal year. The Office also states that there are unique conditions associated with hiring new attorneys to the profession if being licensed to practice in Kansas is a requirement for the position. The bar exam is traditionally administered in July and February each year. Job offers may be extended to new graduates in the spring or earlier with the condition that the individual does not begin working until successful completion of the bar exam. May graduates, who take the first available bar exam in July, do not learn the results until September. The Office states that the job market for qualified attorneys is highly competitive, and the exam cycle requires employers to hold open positions to attract the most qualified candidates.

The Department of Agriculture indicates enactment of the bill would limit its ability to hire applicants quickly upon finding suitable candidates. The agency states that in order to fulfill its statutory obligations, it needs to hire technical positions with advanced degrees, which often takes a considerable amount of time to find qualified candidates. The agency indicates it faces challenges in attracting qualified candidates due to the salary amounts it can offer compared to the private sector. The Department states the bill would affect its ability to fulfill its statutory obligations in a timely fashion and at a lower cost to the regulated community than the market rate for similar services. The positions in the Department that would be primarily affected by enactment of the bill are licensed and professional staff positions that are difficult to hire at the rates it is authorized to offer. The agency indicates that if such positions were abolished, the agency would have to rely on private contractors to carry out its statutory requirements, which would cost significantly more than similar work performed in-house. However, a precise fiscal effect cannot be estimated.

The Department of Health and Environment states it currently has 34 positions that have been vacant for at least 180 days. Approximately half of these positions are not funded with State General Funds and the remainder are only partially funded with State General Funds. However, a precise fiscal effect cannot be estimated because the agency cannot predict the number or type of positions that will have been vacant for at least 180 days on June 30, 2025.

The Kansas Bureau of Investigation indicates it has approximately 25 positions that have been vacant for longer than 180 days. However, many of these are currently awaiting completion of the extensive background checking process of applicants before being filled. The Bureau notes that enactment of the bill would make hiring special agents extremely difficult as the hiring process can take up to nine months to perform interviews, background checks, polygraph testing, psychological review, and medical review prior to the start of its annual academy.

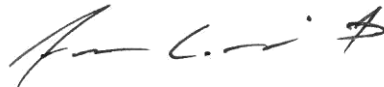
The Department of Corrections states enactment of the bill would not have a fiscal effect on the agency. The agency indicates the operation of the correctional facilities and parole offices requires the agency to keep positions filled. The agency maintains continual job postings for critical security positions, generating a consistent flow of new hires and a minimal amount of time these positions remain open. As non-security positions become vacant, they are reviewed to determine if they are still necessary. If so, the positions are posted and normally filled within 90 days. If the position is no longer needed, it will be reclassified to meet another need within the Department.

The Department of Education indicates enactment of the bill could reduce funding from the State General Fund for the agency, but a precise fiscal effect cannot be estimated. The Department states that any reduction in State General Funds from the Department's operating budget would result in the inability for it to fulfill essential functions such as accrediting schools, dispersing state aid payments to school districts, and ensuring student data is secure.

The Board of Regents indicates enactment of the bill would have a minimal fiscal effect on the agency because it currently has no positions that have been vacant for more than 180 days. However, the agency notes that the bill would increase the administrative workload for state

universities' human resources personnel, which could increase expenditures. However, a precise fiscal effect cannot be estimated. Any fiscal effect associated with SB 99 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Samir Arif, Department of Administration
Amy Penrod, Department of Health & Environment
Kim Holter, Department for Children & Families
Becky Pottebaum, Board of Regents
Gabrielle Hull, Department of Education
Jennifer King, Department of Corrections
Paul Weisgerber, Kansas Bureau of Investigation
Trisha Morrow, Judiciary
Lita Biggs, Department of Agriculture