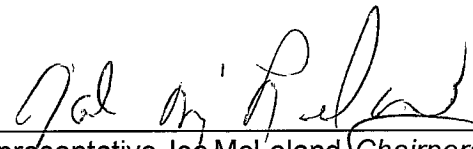




FY 2011
FY 2012

HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE


Board of Pharmacy
Department of Administration
Department of Labor
Kansas Lottery
Kansas Racing and Gaming Commission
Office of Administrative Hearings



Representative Joe McLeland, Chairperson

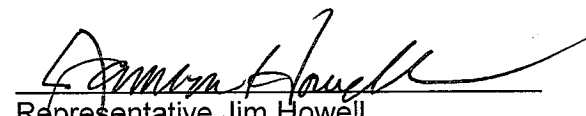
Representative Tom Burroughs

Representative Kyle Hoffman

Representative Ramon Gonzalez

Representative Nile Dillmore

Representative Pete DeGraaf, Vice-Chair

Representative Don Hineman

Representative Jim Howell

Representative Ron Ryckman

Senate Subcommittee Report

Agency: Board of Pharmacy

Bill No. --

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 506

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,262,236	1,261,486	750
Subtotal	<u>\$ 1,262,236</u>	<u>\$ 1,261,486</u>	<u>\$ 750</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,262,236</u></u>	<u><u>\$ 1,261,486</u></u>	<u><u>\$ 750</u></u>
FTE positions			
FTE positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	<u><u>11.0</u></u>	<u><u>11.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2012 operating expenditures of \$1,262,236, an increase of \$13,314, or 1.1 percent, above the agency's FY 2011 revised estimate. The increase is attributable to an increase of \$10,558, or 1.7 percent, in salaries and wages, an increase of \$22,969, or 8.4 percent, in contractual services, a decrease of \$1,800, or 8.0 percent, in commodities, and a decrease of \$18,413, or 5.3 percent, in capital outlay. The agency's requested increase in contractual services is primarily attributable to an increase of \$10,638 for professional services fees, an increase of \$5,343 in printing and advertising, and an increase of \$11,050 in travel. The decrease in capital outlay is primarily attributable to a supplemental request in FY 2011 for replacement vehicles, which totaled \$32,000 in FY 2011. The agency's request maintains 8.0 FTE positions.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$1,261,486, an all funds decrease of \$750, or less than 0.1 percent, below the agency's FY 2012 request. The recommendation includes a reduction of \$750 all from the Pharmacy Fee Fund for hospitality expenditures.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-2

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2012, with the following adjustment:

1. Add \$750, all from the Pharmacy Fee Fund, for hospitality expenditures, due to the increase from four board meetings to six board meetings annually.

Senate Committee Recommendation

House Budget Committee Report

Agency: Board of Pharmacy

Bill No. --

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 506

<u>Expenditure Summary</u>	<u>Agency Request FY 2012</u>	<u>Governor Recommendation FY 2012</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,262,236	1,261,486	0
Subtotal	\$ 1,262,236	\$ 1,261,486	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,262,236	\$ 1,261,486	\$ 0
FTE positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	11.0	11.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures of \$1,262,236, an increase of \$13,314, or 1.1 percent, above the agency's FY 2011 revised estimate. The increase is attributable to an increase of \$10,558, or 1.7 percent, in salaries and wages, an increase of

Appropriations Committee

Date March 2-3, 2011

Attachment 1-3

\$22,969, or 8.4 percent, in contractual services, a decrease of \$1,800, or 8.0 percent, in commodities, and a decrease of \$18,413, or 5.3 percent, in capital outlay. The agency's requested increase in contractual services is primarily attributable to an increase of \$10,638 for professional services fees, an increase of \$5,343 in printing and advertising, and an increase of \$11,050 in travel. The decrease in capital outlay is primarily attributable to a supplemental request in FY 2011 for replacement vehicles, which totaled \$32,000 in FY 2011. The agency's request maintains 8.0 FTE positions.

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$1,261,486, an all funds decrease of \$750, or less than 0.1 percent, below the agency's FY 2012 request. The recommendation includes a reduction of \$750 all from the Pharmacy Fee Fund for hospitality expenditures.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2012, with the following adjustments:

1. The Budget Committee recommends the suspension of the statutory requirement to remit 20.0 percent, up to a maximum of \$200,000, of the agency's fee receipts to the State General Fund for FY 2012. This would result in a decrease of \$200,000 to the State General Fund in FY 2012.
2. Appropriate a new fund to receive grants from nonprofit agencies or the federal government, with the intent of utilizing funds as intended by the grant application.
3. The Budget Committee is concerned that the agency's ending balance is a high percentage in relation to the agency's expenditures. The Budget Committee recommends that the agency lowers its fees.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-4

Senate Subcommittee Report

Agency: Board of Pharmacy

Bill No. --

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 506

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	823,771	823,021	16,750
Subtotal	\$ 823,771	\$ 823,021	\$ 16,750
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 823,771	\$ 823,021	\$ 16,750
FTE positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	11.0	11.0	0.0

Agency Request

The **agency** requests operating expenditures of \$823,771, all from the State Board of Pharmacy Fee Fund, a decrease of \$438,465, or 34.7 percent, below the FY 2012 agency request. The decrease is attributable to the expiration of the National All Schedules Prescription Electronic Reporting Act Grant, and the Harold Rogers Prescription Drug Monitoring Program Training and Technical Assistance Grant. The agency states that, in the future, it will apply for FY 2013 grants for funding of the Prescription Drug Monitoring Program. The agency's request maintains 8.0 FTE positions.

Governor's Recommendation

The **Governor** recommends FY 2013 operating expenditures of \$823,021, an all funds decrease of \$750, or less than 0.1 percent, below the agency's FY 2013 request. The recommendation includes a reduction of \$750 all from the Pharmacy Fee Fund for hospitality expenditures.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2013, with the following adjustments:

Appropriations Committee

Date March 2-3, 2011

Attachment 1-5

1. Add \$16,000 for the replacement of one agency vehicle in FY 2013.
2. Add \$750, all from the Pharmacy Fee Fund, for hospitality expenditures, due to the increase from four board meetings to six board meetings annually.

Senate Committee Recommendation

House Budget Committee Report

Agency: Board of Pharmacy

Bill No. --

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 506

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	823,771	823,021	0
Subtotal	<u>\$ 823,771</u>	<u>\$ 823,021</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 823,771</u></u>	<u><u>\$ 823,021</u></u>	<u><u>\$ 0</u></u>
FTE positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	3.0	3.0	0.0
TOTAL	<u><u>11.0</u></u>	<u><u>11.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests operating expenditures of \$823,771, all from the State Board of Pharmacy Fee Fund, a decrease of \$438,465, or 34.7 percent, below the FY 2012 agency request. The decrease is attributable to the expiration of the National All Schedules Prescription Electronic Reporting Act Grant, and the Harold Rogers Prescription Drug Monitoring Program Training and Technical Assistance Grant. The agency states that, in the future, it will apply for FY 2013 grants for funding of the Prescription Drug Monitoring Program. The agency's request maintains 8.0 FTE positions.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-6

Governor's Recommendation

The **Governor** recommends FY 2013 operating expenditures of \$823,021, an all funds decrease of \$750, or less than 0.1 percent, below the agency's FY 2013 request. The recommendation includes a reduction of \$750 all from the Pharmacy Fee Fund for hospitality expenditures.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2013, with the following adjustment:

1. The Budget Committee recommends the suspension of the statutory requirement to remit 20.0 percent, up to a maximum of \$200,000, of the agency's fee receipts to the State General Fund for FY 2013. This would result in a decrease of \$200,000 to the State General Fund in FY 2013.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-7

Senate Subcommittee Report

Agency: Department of Administration

Bill No. --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. --

Budget Page No. 18

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 77,203,006	\$ 74,460,206	\$ 0
Other Funds	11,182,047	11,541,037	0
Subtotal	<u>\$ 88,385,053</u>	<u>\$ 86,001,243</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 28,778,465	\$ 18,972,774	\$ 0
Other Funds			0
Subtotal	<u>\$ 28,778,465</u>	<u>\$ 18,972,774</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 117,163,518</u></u>	<u><u>\$ 104,974,017</u></u>	<u><u>\$ 0</u></u>
FTE positions	747.0	568.3	0.0
Non FTE Uncl. Perm. Pos.	80.5	81.5	0.0
TOTAL	<u><u>827.5</u></u>	<u><u>649.8</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$88.4 million, an increase of \$8.4 million, or 10.5 percent, above the current year revised estimate. The request includes \$77.2 million from the State General Fund, an increase of \$9.4 million, or 13.9 percent, above the current year revised estimate.

The agency's request includes \$65.1 million, all from the State General Fund, for debt service payments. The request is an increase of \$9.0 million, or 16.0 percent, above the current year revised estimate. The increase is attributable to additional interest payments of \$6.7 million for the statehouse renovation and a \$2.8 million interest payment on the bond for the National Bio and Agro Defense Facility. **Without debt service**, the agency requests FY 2011 State General Fund operating expenditures totaling \$12.1 million, an increase of \$440,769, or 3.8 percent, above the current year revised estimate.

The agency's request includes a supplemental operating enhancement of \$524,900, all from the State General Fund, for public broadcasting improvements. **Eliminating both the enhancement and debt service**, the agency State General Fund request is a decrease of \$84,131, or less than 0.7 percent, below the FY 2011 revised request.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-8

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$86.0 million, including \$74.5 million from the State General Fund. The recommendation is a State General Fund increase of \$7.0 million, or 10.4 percent, above the FY 2011 Governor's recommendation and a special revenue fund reduction of \$655,051, or 5.4 percent, below the FY 2011 Governor's recommendation.

The recommendation is decrease of \$2.4 million, or 2.7 percent, below the FY 2012 agency estimate, including a State General Fund reduction of \$2.7 million, or 3.6 percent. The State General Fund reduction is attributable to the following factors:

- Adoption of the agency reduced resources plan for an operating reduction of \$579,776 or 5.0 percent.
- Deletion of Public Broadcasting Operating Grants of \$1.7 million, the debt service payments for the digital transition remain part of the Governor's recommendation; and
- A reduction in operating expenditures of \$100,000 in order to offset expenditures for the new budget director
- Addition of \$132,078 in order to fund the salary of the new Director of the Division of the Budget. The former director, occupied the role of both the Secretary of Administration and Director of the Division of budget but only drew a salary for the Secretarial role.

The recommendation is a special revenue fund increase of \$358,990, or 3.2 percent, above the FY 2012 agency estimate. These recommendations are dependent on the Legislature adopting the Governor's Executive Reorganization Order. The special revenue fund increase is attributable to:

- Addition of \$200,000 in Economic Development Initiative Funds (EDIF), to the Administration Program and creation of the Governor's Economic Council. The Governor's Economic Council is recommended to replace Kansas, Inc. and the program objectives of that agency would be transferred to the Department of Administration along with 2.0 FTE positions.
- Addition of \$158,990 in EDIF funds to the Administration Program and the incorporation of the Information Network of Kansas (INK) into the Department of Administration along with 1.0 FTE positions.

The Governor further recommended deleting 181.2 vacant and non-funded FTE positions in the Department of Administration, for a total FTE limitation of 107.6 reportable and 449.6 non-reportable.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendations with the following adjustments and recommendations:

Appropriations Committee

Date March 2-3, 2011

Attachment 1-9

1. Delete \$1,484,995, all from the Department of Administration Systems Account of the State General Fund, in FY 2012. The Subcommittee notes that these contractual services fees are used by the Department of Administration for software contracts and encourages the agency to explore alternative sources of revenue other than the State General Fund to pay these expenses.
2. Add \$1,484,995, all from the State General Fund, to the Public Broadcasting Council Grants account of the Department of Administration, in FY 2012. This amount reflects an eighteen percent reduction from the FY 2011 agency request.
3. The committee notes that if this reduction is shifted off-budget the agency has the option reducing their overall expenditures or charging other state agencies for these expenses. Funding for DISC would increase sixteen percent between FY 2010 and FY 2012 without this reduction and will increase twelve percent between FY 2010 and FY 2012 even with this reduction.
4. The Subcommittee notes that the Public Broadcasting Council Grants program is vital to the dissemination of public and emergency information in western Kansas, where the low population density limits the viability of commercial radio and television. The subcommittee further notes that public broadcasting is a critical educational tool and its loss would be felt across the state but fall particularly heavily on the western region.
5. The Subcommittee recognizes that in the event SB 50, otherwise known as the Kansas 911 Act, becomes law that the role the Department of Administration currently has in distributing e-911 funds will be curtailed and the grant funds will be managed by the 911 Coordinating Council. If SB 50 does not become law, the Department of Administration will receive approximately \$7.3 million in Wireless Enhanced 911 grants to be distributed by the Attorney General's Office, in FY 2012.

Senate Ways and Means Committee Recommendation

The **Committee** concurs with the Subcommittee recommendation.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-10

House Budget Committee Report

Agency: Department of Administration

Bill No. --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. --

Budget Page No. 18

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 77,203,006	\$ 74,460,206	\$ 0
Other Funds	11,182,047	11,541,037	0
Subtotal	\$ 88,385,053	\$ 86,001,243	\$ 0
Capital Improvements			
State General Fund	\$ 28,778,465	\$ 18,972,774	\$ 0
Other Funds			0
Subtotal	\$ 28,778,465	\$ 18,972,774	\$ 0
TOTAL	\$ 117,163,518	\$ 104,974,017	\$ 0
FTE positions	747.0	568.3	0.0
Non FTE Uncl. Perm. Pos.	80.5	81.5	0.0
TOTAL	827.5	649.8	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$88.4 million, an increase of \$8.4 million, or 10.5 percent, above the current year revised estimate. The request includes \$77.2 million from the State General Fund, an increase of \$9.4 million, or 13.9 percent, above the current year revised estimate.

The agency's request includes \$65.1 million, all from the State General Fund, for debt service payments. The request is an increase of \$9.0 million, or 16.0 percent, above the current year revised estimate. The increase is attributable to additional interest payments of \$6.7 million for the statehouse renovation and a \$2.8 million interest payment on the bond for the National Bio and Agro Defense Facility. **Without debt service**, the agency requests FY 2011 State General Fund operating expenditures totaling \$12.1 million, an increase of \$440,769, or 3.8 percent, above the current year revised estimate.

The agency's request includes an enhancement request of \$524,900, all from the State General Fund, for public broadcasting improvements. **Eliminating both the enhancement and debt service**, the agency State General Fund request is a decrease of \$84,131, or less than 0.7 percent, below the FY 2011 revised request.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-11

Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures totaling \$86.0 million, including \$74.5 million from the State General Fund. The recommendation is a State General Fund increase of \$7.0 million, or 10.4 percent, above the FY 2011 Governor's recommendation and a special revenue fund reduction of \$655,051, or 5.4 percent, below the FY 2011 Governor's recommendation.

The recommendation is decrease of \$2.4 million, or 2.7 percent, below the FY 2012 agency estimate, including a State General Fund reduction of \$2.7 million, or 3.6 percent. The State General Fund reduction is attributable to the following factors:

- Adoption of the agency reduced resources plan for an operating reduction of \$579,776 or 5.0 percent.
- Deletion of Public Broadcasting Operating Grants of \$1.7 million, the debt service payments for the digital transition remain part of the Governor's recommendation; and
- A reduction in operating expenditures of \$100,000 in order to offset expenditures for the new budget director
- Addition of \$132,078 in order to fund the salary of the new Director of the Division of the Budget. The former director, occupied the role of both the Secretary of Administration and Director of the Division of budget but only drew a salary for the Secretarial role.

The recommendation is a special revenue fund increase of \$358,990, or 3.2 percent, above the FY 2012 agency estimate. These recommendations are dependent on the Legislature adopting the Governor's Executive Reorganization Order. The special revenue fund increase is attributable to:

- Addition of \$200,000 in Economic Development Initiative Funds (EDIF), to the Administration Program and creation of the Governor's Economic Council. The Governor's Economic Council is recommended to replace Kansas, Inc. and the program objectives of that agency would be transferred to the Department of Administration along with 2.0 FTE positions.
- Addition of \$158,990 in EDIF funds to the Administration Program and the incorporation of the Information Network of Kansas (INK) into the Department of Administration along with 1.0 FTE positions.

The Governor further recommended deleting 181.2 vacant and non-funded FTE positions in the Department of Administration, for a total FTE limitation of 107.6 reportable and 449.6 non-reportable.

Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments and recommendations:

Appropriations Committee

Date March 2-3, 2011

Attachment 1-12

1. Delete \$666,211, all from the Department of Administration Systems Account of the State General Fund, for FY 2012. The Budget Committee notes that these contractual services fees are used by the Department of Administration for software contracts and encourages the agency to explore alternative sources of revenue other than the State General Fund to pay these expenses.
2. Add \$666,211, all from the State General Fund, to the Public Broadcasting Council Grants account of the Department of Administration, for FY 2012. This amount reflects an eighteen percent reduction from the FY 2011 agency request, a deletion of the proportional funding for Kansas City Public Television (KCPT), and a fifty percent reduction of the remaining funds.
3. The Budget Committee recommends that the \$666,211 credited to the Public Broadcasting Council Grants account above be distributed to the Kansas public radio and television stations with the exception of KCPT. Notwithstanding KSA 75-4914, KCPT shall not be considered an eligible station to receive grants. It is the opinion of the Committee that KCPT is a Missouri public broadcaster and should rely on Missouri not Kansas funds for their operations.
4. The Budget Committee is concerned regarding the volume of non-reportable expenditures in the Division of Information Services and Communications (DISC) budget; particularly, in light of the fact that a Chief Information Officer (CIO) has not been appointed by the Governor. The Budget Committee recommends the agency request the retention of a qualified CIO to oversee the DISC budget and manage growing expenditures by the agency.
5. The Budget Committee notes that \$65.4 million, over 62.3 percent, of the Department of Administration reportable budget is consumed by debt service payments. The Budget Committee is concerned regarding the growth of state indebtedness and recommends against interest only refinancing measures like those adopted in FY 2009.
6. The Budget Committee further notes that despite the fact that the Department of Administration debt service represents 62.3 percent of the agency budget that the Department of Administration budget contains only 27.5 percent of the \$166.8 million in total state debt service interest payments and 16.7 percent of the total \$392.1 million in total state debt.
7. The Budget Committee is concerned that 29 state agencies are not fully utilizing the newly implemented financial management system (FMS); including, the Department on Aging, the Attorney General, Regents, the Department of Transportation, the Department of Social and Rehabilitative Services and the Department of Education. The FMS system was developed to accurately tracking expenditures and revenue for the State and without full integration the system will be unable to effectively monitor state budgets.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-13

Senate Subcommittee Report

Agency: Department of Labor

Bill No. ---

Bill Sec. ---

Analyst: Morrow

Analysis Pg. No. ---

Budget Page No. 240

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee FY 2012 Adjustments
Operating Expenditures:			
State General Fund	\$ 448,409	\$ 425,989	\$ 0
Other Funds	553,939,246	729,788,246	0
Subtotal	<u>\$ 554,387,655</u>	<u>\$ 730,214,235</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	818,663	818,663	0
Subtotal	<u>\$ 818,663</u>	<u>\$ 818,663</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 555,206,318</u></u>	<u><u>\$ 731,032,898</u></u>	<u><u>\$ 0</u></u>
FTE positions	552.0	499.0	0.0
Non FTE Uncl. Perm. Pos.	176.8	176.8	0.0
TOTAL	<u><u>728.8</u></u>	<u><u>675.8</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests an FY 2012 budget of \$554,387,655 for operating expenditures, a decrease of \$601,409,674, or 52.0 percent, below the revised FY 2011 estimate. The decrease is primarily attributable to a reduction in the projected Unemployment Insurance benefits in FY 2012. The request includes 552.0 FTE positions.

The request includes \$448,409 from the State General Fund, an increase of \$6,831, or 1.5 percent, above the revised FY 2011 estimate. The increase is attributable to an increase in Labor Relations Program expenditures for state employee group health insurance, retirement costs, and miscellaneous contractual services.

The request also includes an enhancement request totaling \$151,000, all from special revenue funds, for the replacement of ten vehicles with over 100,000 miles. Absent the enhancement, the estimate is \$554,236,655, a decrease of \$601,560,674, or 52.0 percent, from the revised FY 2011 estimate.

Governor's Recommendation

The **Governor** recommends \$730,214,235 for operating expenditures for FY 2012. This is an increase of \$175,826,580, or 31.7 percent, above the agency's request. The increase is

Appropriations Committee

Date March 2-3, 2011

Attachment 1-14

mainly attributable to the Governor's increase in the Unemployment Insurance Program by \$176,000,000, or 35.8 percent, due to the federal Unemployment Insurance Benefit extension which occurred after the agency submitted the budget request. The recommendation is a decrease of \$425,490,578, or 36.8 percent, below the Governor's FY 2011 recommendation. The decrease is attributable to an overall decrease in unemployment insurance benefits expected to be paid out in FY 2012.

The Governor recommends \$425,989, all from the State General Fund, a decrease of \$22,420, or 5.0 percent, below the agency's FY 2012 request, and \$15,589, or 3.5 percent, below the Governor's FY 2011 recommendation. The Governor recommends a reduction of 53.0 vacant FTE positions. The Governor does not recommend the enhancement request.

Senate Subcommittee Recommendations

The **Subcommittee** concurs with the Governor's recommendation.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee recommendation.

House Budget Committee Report

Agency: Department of Labor

Bill No. ---

Bill Sec. ---

Analyst: Morrow

Analysis Pg. No. ---

Budget Page No. 240

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee FY 2012 Adjustments
Operating Expenditures:			
State General Fund	\$ 448,409	\$ 425,989	\$ 0
Other Funds	553,939,246	729,788,246	0
Subtotal	<u>\$ 554,387,655</u>	<u>\$ 730,214,235</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	818,663	818,663	0
Subtotal	<u>\$ 818,663</u>	<u>\$ 818,663</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 555,206,318</u></u>	<u><u>\$ 731,032,898</u></u>	<u><u>\$ 0</u></u>
FTE positions	552.0	499.0	0.0
Non FTE Uncl. Perm. Pos.	176.8	176.8	0.0
TOTAL	<u><u>728.8</u></u>	<u><u>675.8</u></u>	<u><u>0.0</u></u>

Appropriations Committee

Date March 2-3, 2011

Attachment 1-15

Agency Request

The **agency** requests an FY 2012 budget of \$554,387,655 for operating expenditures, a decrease of \$601,409,674, or 52.0 percent, below the revised FY 2011 estimate. The decrease is primarily attributable to a reduction in the projected Unemployment Insurance benefits in FY 2012. The request includes 552.0 FTE positions.

The request includes \$448,409 from the State General Fund, an increase of \$6,831, or 1.5 percent, above the revised FY 2011 estimate. The increase is attributable to an increase in Labor Relations Program expenditures for state employee group health insurance, retirement costs, and miscellaneous contractual services.

The request also includes an enhancement request totaling \$151,000, all from special revenue funds, for the replacement of ten vehicles with over 100,000 miles. Absent the enhancement, the estimate is \$554,236,655, a decrease of \$601,560,674, or 52.0 percent, from the revised FY 2011 estimate.

Governor's Recommendation

The **Governor** recommends \$730,214,235 for operating expenditures for FY 2012. This is an increase of \$175,826,580, or 31.7 percent, above the agency's request. The increase is mainly attributable to the Governor's increase in the Unemployment Insurance Program by \$176,000,000, or 35.8 percent, due to the federal Unemployment Insurance Benefit extension which occurred after the agency submitted the budget request. The recommendation is a decrease of \$425,490,578, or 36.8 percent, below the Governor's FY 2011 recommendation. The decrease is attributable to an overall decrease in unemployment insurance benefits expected to be paid out in FY 2012.

The Governor recommends \$425,989, all from the State General Fund, a decrease of \$22,420, or 5.0 percent, below the agency's FY 2012 request, and \$15,589, or 3.5 percent, below the Governor's FY 2011 recommendation. The Governor recommends a reduction of 53.0 vacant FTE positions. The Governor does not recommend the enhancement request.

House Budget Committee Recommendations

The **Budget Committee** concurs with the Governor's recommendation with the following comments:

1. The Budget Committee is concerned with the management and number of computer programmers within the Unemployment Insurance Modernization project. The Budget Committee recommends the Secretary review the management and number of programmers related to this project.
2. The Budget Committee heard testimony regarding the borrowing of federal funds from the unemployment insurance Trust Fund. As of February 19, 2011, the state has borrowed an estimated \$103.1 million. The estimated interest payment due September 30, 2011 will be over \$6.2 million. The Budget Committee recommends the Secretary review this borrowing and make recommendations to avoid borrowing funds in the future.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-16

3. The Budget Committee encourages the Department of Labor to review personnel levels as the new Secretary reevaluates staffing needs for the agency.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-17

Senate Subcommittee Report

Agency: Kansas Lottery

Bill No. --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. --

Budget Page No. 92

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	128,456,349	113,095,061	0
Subtotal	\$ 128,456,349	\$ 113,095,061	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 128,456,349	\$ 113,095,061	\$ 0
FTE positions	99.0	99.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	99.0	99.0	0.0

Agency Request

The **agency** requests a FY 2012 budget totaling \$128.5 million, an increase of \$51.1 million, or 66.0 percent, above the FY 2011 revised request. All expenditures requested would come from special revenue funds. The majority of the increase, (\$47.5 million) is to cover Casino Management Facility Fees and increased staff costs for casino oversight (\$515,153). Under the contract with the Lottery Gaming Facility Managers the on-site administrator receives 73 percent of all expanded lottery revenue. The agency also requests enhanced funding for 7.0 replacement vehicles, totaling \$140,500. **Without the enhancements**, the agency's request is \$50.9 million, or 65.8 percent, above the agency's revised FY 2011 request. The request includes 99.0 FTE positions.

Governor's Recommendation

The **Governor** recommends a FY 2012 budget of \$113.1 million, all from special revenue funds, an increase of \$35.4 million, or 45.5 percent, above the FY 2011 Governor's recommendation. The Governor endorsed the agency requests for \$515,153 for increased staff for casino oversight with the opening of the Southcentral and Northeast casinos; however, the recommendation utilized the October Consensus Revenue Estimate for ELARF which reflects a delay in the opening of the Northeast Casino to April 1st with a commensurate reduction in revenue and projects flat revenue for the Dodge City casino from FY 2011 to FY 2012. These changes result in a lower projected contractual services payment to the Gaming Facility

Appropriations Committee

Date March 2-3, 2011

Attachment 1-18

Managers and to local units of government accounting for the smaller increase from FY 2011 as compared to the agency request.

The recommendation is a decrease of \$15.4 million, or 12.0 percent, below the FY 2012 agency request. The decrease from the agency request is attributable to the modified Consensus Revenue Estimate discussed above, and not recommending adoption of the enhancement request of \$140,500 for the purchase of six minivans for regular lottery and one vehicle for expanded lottery. The Governor recommends that the agency approach the Division of Budget on an ad-hoc basis to request approval to purchase a vehicle from within existing funds.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendations with the following adjustments and recommendations:

1. The Subcommittee recognizes the need for replacement vehicles in FY 2012 but recommends the decision on the purchase of those vehicles be delayed until they have all exceeded 100,000 miles.
2. The Subcommittee notes the use of marketing partnerships between the State Lottery and private businesses to encourage instant lottery sales and promote Kansas businesses and encourages the Lottery to further pursue these partnerships in the future.
3. The Subcommittee concurs with the Governor's recommendation and recommends the Legislature transfer the balance of the Expanded Lottery Act Revenue Fund, \$18.04 million, to the State General Fund in FY 2012.

Senate Ways and Means Committee Recommendation

The **Committee** concurs with the Subcommittee recommendation.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-19

House Budget Committee Report

Agency: Kansas Lottery

Bill No. --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. --

Budget Page No. 92

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	128,456,349	113,095,061	0
Subtotal	\$ 128,456,349	\$ 113,095,061	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 128,456,349	\$ 113,095,061	\$ 0
FTE positions	99.0	99.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	99.0	99.0	0.0

Agency Request

The **agency** requests a FY 2012 budget totaling \$128.5 million, an increase of \$51.1 million, or 66.0 percent, above the FY 2011 revised request. All expenditures requested would come from special revenue funds. The majority of the increase, (\$47.5 million) is to cover Casino Management Facility Fees and increased staff costs for casino oversight (\$515,153). Under the contract with the Lottery Gaming Facility Managers the on-site administrator receives 73 percent of all expanded lottery revenue. The agency also requests enhanced funding for 7.0 replacement vehicles, totaling \$140,500. **Without the enhancements**, the agency's request is \$50.9 million, or 65.8 percent, above the agency's revised FY 2011 request. The request includes 99.0 FTE positions.

Governor's Recommendation

The **Governor** recommends a FY 2012 budget of \$113.1 million, all from special revenue funds, an increase of \$35.4 million, or 45.5 percent, above the FY 2011 Governor's recommendation. The Governor endorsed the agency requests for \$515,153 for increased staff for casino oversight with the opening of the Southcentral and Northeast casinos; however, the recommendation utilized the October Consensus Revenue Estimate for the Expanded Lottery Act Revenue Fund which reflects a delay in the opening of the Northeast Casino to April 1st with

Appropriations Committee

Date March 2-3, 2011

Attachment 1-20

a commensurate reduction in revenue and projects flat revenue for the Dodge City casino from FY 2011 to FY 2012. These changes result in a lower projected contractual services payment to the Gaming Facility Managers and to local units of government accounting for the smaller increase from FY 2011 as compared to the agency request.

The recommendation is a decrease of \$15.4 million, or 12.0 percent, below the FY 2012 agency request. The decrease from the agency request is attributable to the modified Consensus Revenue Estimate discussed above, and not recommending adoption of the enhancement request of \$140,500 for the purchase of six minivans for regular lottery and one vehicle for expanded lottery. The Governor recommends that the agency approach the Division of Budget on an ad-hoc basis to request approval to purchase a vehicle from within existing funds.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendations with the following notations:

1. The Budget Committee notes that the Kansas Lottery Commission should operate above reproach in their compliance to Kansas statutes and accounting rules regulating lottery operations.
2. The Budget Committee encourages the Kansas Lottery Commission to swiftly address the concerns raised by the December Legislative Post Audit Report regarding retailer security, physical security and control of network equipment risking system intrusion and fraud, and the fire suppression systems in lottery warehouses.
3. The Budget Committee notes that the agency requests the expenditure authority to retain eight additional employees and to equip these personnel in order to manage the Northeast and Southcentral casinos. The Committee recommends the Lottery reevaluate the need to retain these personnel and the timing of their hiring in light of the delayed opening of these gaming facilities.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-21

Senate Subcommittee Report

Agency: Kansas Racing and Gaming Commission

Bill No. --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. --

Budget Page No. 94

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	8,488,001	8,490,501	0
Subtotal	\$ 8,488,001	\$ 8,490,501	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 8,488,001	\$ 8,490,501	\$ 0
FTE positions	99.5	99.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	99.5	99.5	0.0

Agency Request

The **agency** requests a FY 2012 budget totaling \$8.5 million, all from special revenue funds and 99.5 FTE positions. The request is an increase of \$2.1 million, or 32.4 percent, above the agency's FY 2011 revised budget estimate. The agency made several enhancement requests totaling \$1,320,710 and 26.0 FTE positions. The enhancements are related to casino regulatory activity in the Northeast and South-central gaming zones. **Without the enhancements**, the agency's request is an increase of \$758,410, or 11.8 percent, above the current year revised estimate. The increase is attributable to a \$1.2 million debt service payment partially offset by reductions in contractual services costs incurred during the casino approval process (\$576,105) that will not reoccur in FY 2012.

The major changes from FY 2011 include: salaries and wages of \$977,974, primarily for 26.0 new FTE positions, capital outlay of \$209,900 for those positions and debt service of \$1.2 Million partially offset by two reduction in contractual services of \$359,386.

Governor's Recommendation

The **Governor** recommends a FY 2012 budget totaling \$8.5 million, all from special revenue funds, an increase of \$2.1 million or 32.4 percent, above the FY 2011 Governor's recommended budget. With the exception of an additional \$2,500 appropriation for illegal

Appropriations Committee
Date March 2-3, 2011
Attachment 1-22

gaming enforcement, the Governor concurs with the agency request including the enhancements of \$1.3 million and 26.0 FTE positions.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's recommendations with the following notations and recommendations:

1. The Subcommittee notes the recommended appropriation of the Illegal Gaming Enforcement Fund in FY 2011 by the Governor and commends the agency for increasing enforcement of regulations against illegal internet gambling in Kansas.
2. The Subcommittee recommends the agency provide regular updates to the Legislature on the progress of gaming facility construction in the Northeast and Southcentral zones.

Senate Ways and Means Committee Recommendation

The **Committee** concurs with the Subcommittee recommendation.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-23

House Budget Committee Report

Agency: Kansas Racing and Gaming Commission

Bill No. --

Bill Sec. --

Analyst: Dear

Analysis Pg. No. --

Budget Page No. 94

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	8,488,001	8,490,501	0
Subtotal	\$ 8,488,001	\$ 8,490,501	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 8,488,001	\$ 8,490,501	\$ 0
FTE positions	99.5	99.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	99.5	99.5	0.0

Agency Request

The **agency** requests a FY 2012 budget totaling \$8.5 million, all from special revenue funds and 99.5 FTE positions. The request is an increase of \$2.1 million, or 32.4 percent, above the agency's FY 2011 revised budget estimate. The agency made several enhancement requests totaling \$1,320,710 and 26.0 FTE positions. The enhancements are related to casino regulatory activity in the Northeast and South-central gaming zones. **Without the enhancements**, the agency's request is an increase of \$758,410, or 11.8 percent, above the current year revised estimate. The increase is attributable to a \$1.2 million debt service payment partially offset by reductions in contractual services costs incurred during the casino approval process (\$576,105) that will not reoccur in FY 2012.

The major changes from FY 2011 include: salaries and wages of \$977,974, primarily for 26.0 new FTE positions, capital outlay of \$209,900 for those positions and debt service of \$1.2 Million partially offset by two reduction in contractual services of \$359,386.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-24

Governor's Recommendation

The **Governor** recommends a FY 2012 budget totaling \$8.5 million, all from special revenue funds, an increase of \$2.1 million or 32.4 percent, above the FY 2011 Governor's recommended budget. With the exception of an additional \$2,500 appropriation for illegal gaming enforcement, the Governor concurs with the agency request including the enhancements of \$1.3 million and 26.0 FTE positions.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following notations and recommendations:

1. The Budget Committee notes that the Kansas Racing and Gaming Commission should function above reproach in their compliance with Kansas laws, accounting principles, and statutes governing expanded gaming regulation.
2. The Budget Committee recommends the agency report to the House General Government Budget Committee prior to Omnibus regarding the status of the \$5.0 million Pooled Money Investment Board loan to the agency to defray the costs of developing expanded gaming in Kansas.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-25

Senate Subcommittee Report

Agency: Office of Administrative Hearings

Bill No. --

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 40

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	910,472	910,472	0
Subtotal	<u>\$ 910,472</u>	<u>\$ 910,472</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 910,472</u></u>	<u><u>\$ 910,472</u></u>	<u><u>\$ 0</u></u>
FTE positions			
FTE positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>13.0</u></u>	<u><u>13.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates revised FY 2011 non-reportable operating expenditures totaling \$910,472, all from the Administrative Hearings Office Fund. The independent Office of Administrative Hearings commenced operations at the beginning of FY 2010; and other state agencies are billed for services provided by the agency, which results in all agency expenditures being non-reportable. The agency's estimate includes 13.0 FTE positions

Governor's Recommendation

The **Governor** concurs with the agency's FY 2011 estimate and further approves appropriation bill language giving the agency authority to spend up to \$100, beginning with FY 2011 and each year after, for official hospitality expenditures.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2011.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-26

House Budget Committee Report

Agency: Office of Administrative Hearings

Bill No. --

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 40

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	910,472	910,472	0
Subtotal	<u>\$ 910,472</u>	<u>\$ 910,472</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 910,472</u></u>	<u><u>\$ 910,472</u></u>	<u><u>\$ 0</u></u>
FTE positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>13.0</u></u>	<u><u>13.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates revised FY 2011 non-reportable operating expenditures totaling \$910,472, all from the Administrative Hearings Office Fund. The independent Office of Administrative Hearings commenced operations at the beginning of FY 2010; and other state agencies are billed for services provided by the agency, which results in all agency expenditures being non-reportable. The agency's estimate includes 13.0 FTE positions

Governor's Recommendation

The **Governor** concurs with the agency's FY 2011 estimate and further approves appropriation bill language giving the agency authority to spend up to \$100, beginning with FY 2011 and each year after, for official hospitality expenditures.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2011, provided that expenditures from the administrative hearings office fund for official hospitality shall not exceed \$100.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-27

Senate Subcommittee Report

Agency: Office of Administrative Hearings

Bill No. --

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 40

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	923,092	923,092	0
Subtotal	\$ 923,092	\$ 923,092	\$ 0
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 923,092	\$ 923,092	\$ 0
FTE positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$923,092, all from the Administrative Hearings Office Fund. The request is an increase of \$12,620, or 1.4 percent, above the FY 2011 revised estimate. The request includes funding for the 13.0 FTE positions allocated to the Office of Administrative Hearings, no change from the FY 2011 revised estimate.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2012 request and further approves appropriation bill language giving the agency authority to spend up to \$100, beginning with FY 2011 and each year after, for official hospitality expenditures.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2012.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-28

House Budget Committee Report

Agency: Office of Administrative Hearings

Bill No. --

Bill Sec. --

Analyst: Weir

Analysis Pg. No. --

Budget Page No. 40

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	923,092	923,092	0
Subtotal	<u>\$ 923,092</u>	<u>\$ 923,092</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 923,092</u></u>	<u><u>\$ 923,092</u></u>	<u><u>\$ 0</u></u>
FTE positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>13.0</u></u>	<u><u>13.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2012 operating expenditures totaling \$923,092, all from the Administrative Hearings Office Fund. The request is an increase of \$12,620, or 1.4 percent, above the FY 2011 revised estimate. The request includes funding for the 13.0 FTE positions allocated to the Office of Administrative Hearings, no change from the FY 2011 revised estimate.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2012 request and further approves appropriation bill language giving the agency authority to spend up to \$100, beginning with FY 2011 and each year after, for official hospitality expenditures.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2012, provided that expenditures from the administrative hearings office fund for official hospitality shall not exceed \$100.

Appropriations Committee

Date March 2-3, 2011

Attachment 1-29