

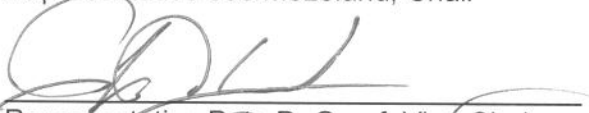
FY 2012

General Government Budget Committee

Attorney General
Kansas Insurance Department



Representative Joe McLeland, Chair



Representative Pete DeGraaf, Vice-Chair



Representative Tom Burroughs, Ranking
Minority Member



Representative Nile Dillmore



Representative Ramon Gonzalez



Representative Don Hineman



Representative Kyle Hoffman



Representative Trent LeDoux

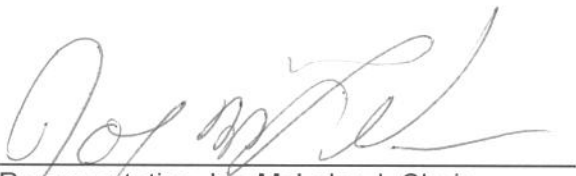


Representative Ronald Ryckman

FY 2013

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Attorney General
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Office of the Governor
Office of the Lieutenant Governor
Office of the State Treasurer
Secretary of State



Representative Joe McLeland, Chair



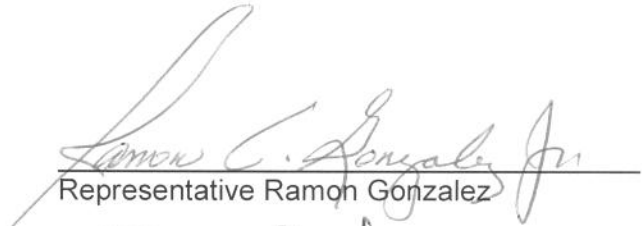
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Representative Ronald Ryckman

House Budget Committee Report

Agency: Attorney General

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 118

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,639,805	\$ 1,639,805	\$ 0
Other Funds	19,801,681	19,953,681	(51,999)
Subtotal	<u>\$ 21,441,486</u>	<u>\$ 21,593,486</u>	<u>\$ (51,999)</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>\$ 21,441,486</u></u>	<u><u>\$ 21,593,486</u></u>	<u><u>\$ (51,999)</u></u>
FTE positions	106.5	106.5	0.0
Non FTE Uncl. Perm. Pos.	11.7	11.7	0.0
TOTAL	<u><u>118.2</u></u>	<u><u>118.2</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** requests a revised current year budget totaling \$21.4 million, an increase of \$995,796, or 4.9 percent, above the amount approved by the 2011 Legislature, as adjusted by State General Fund reappropriations. Requested State General Fund expenditures total \$1.6 million, the same amount as approved by the 2011 Legislature, as adjusted by State General Fund reappropriations. The request includes 106.5 FTE positions, a decrease of 2.9 FTE below the currently approved number.

Governor's Recommendation

The **Governor** recommends a total of \$21.6 million for FY 2012, an increase of \$1.1 million, or 5.6 percent, above the amount approved by the 2011 Legislature, as adjusted by State General Fund reappropriations. The Governor's recommendation is an increase of \$152,000, all from special revenue funds, above the amount requested by the agency. The Governor recommends a total of \$791,104 of the \$989,014 in current year supplemental expenditures requested by the agency. In addition, the Governor recommends increasing expenditures by an additional \$350,000 from the Tort Claims Fund, based on actual expenditures of the fund. The Governor concurs with the agency's request for expenditures from the State General Fund, and with the number of FTE positions requested by the agency.

House Budget Committee Recommendation

The **Budget Committee** concurs with the recommendations of the Governor, with the following adjustment:

1. Delete \$51,999, all from special revenue funds, for the purchase of three vehicles in FY 2012. The Budget Committee recommends that funding for the vehicles be reviewed during Omnibus.

House Budget Committee Report

Agency: Attorney General

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 118

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,575,192	\$ 1,771,432	\$ 450,000
Other Funds	19,310,542	19,384,517	(17,800)
Subtotal	<u>\$ 20,885,734</u>	<u>\$ 21,155,949</u>	<u>\$ 432,200</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>\$ 20,885,734</u></u>	 <u><u>\$ 21,155,949</u></u>	 <u><u>\$ 432,200</u></u>
 FTE positions	 106.5	 108.5	 0.0
Non FTE Uncl. Perm. Pos.	11.7	11.7	0.0
TOTAL	<u><u>118.2</u></u>	<u><u>120.2</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests \$20.9 million for FY 2013, a decrease of \$555,752, or 2.6 percent, below the revised current fiscal year estimate. The request includes State General Fund expenditures of \$1.6 million, a decrease of \$64,613, or 3.9 percent, below the revised current fiscal year estimate. The request includes 106.5 FTE positions, unchanged from the revised current fiscal year estimate.

Governor's Recommendation

The **Governor** recommends FY 2013 expenditures of \$21.2 million, a decrease of \$437,537, or 2.0 percent, below the current year recommendation. The recommendation includes \$1.8 million from the State General Fund, an increase of \$131,627, or 8.0 percent, above the revised current year recommendation. The recommendation includes 108.5 FTE positions, an increase of 2.0 FTE positions above the current year recommendation. The Governor recommends \$546,563, all from special revenue funds in enhancements requested by the agency, and recommends accepting the agency's reduced resources budget. In addition, the Governor recommends transferring responsibility for the the Kansas Commission on Peace Officers' Standards and Training (KCPOST) from a stand-alone agency to the Attorney General. That recommendation would add \$455,000, including \$175,000 from the State General Fund, and 2.0 FTE position to the Attorney General's budget. The Governor also recommends \$100,000, all from the State General Fund for a laboratory feasibility study.

House Budget Committee Recommendation

The **Budget Committee** concurs with the recommendations of the Governor with the following adjustments and observations:

1. Add \$450,000, all from the State General Fund, for FY 2013, and include language in the appropriations bill directing the Attorney General to expend the funding for domestic violence prevention programs and children's advocacy centers. This would increase funding for these programs in the Attorney General's FY 2013 budget to \$650,000. The Budget Committee would also note that a total of \$4.4 million, all from the State General Fund, is included in the budget of the Office of the Governor for these purposes, bringing total FY 2013 funding to \$5.0 million. This amount is slightly below FY 2009 actual expenditures of \$5.3 million, but slightly above FY 2010 actual expenditure levels of \$4.99 million. The Budget Committee believes that these programs are vital and deserving of restoration to historical funding levels for the programs.

2. Delete \$17,800, all from special revenue funds, for the purchase of one vehicle for FY 2013. The Budget Committee recommends that funding for the vehicles be reviewed during Omnibus.

3. The Budget Committee notes that the Governor's recommendation for the agency includes \$455,000, including \$175,000 from the State General Fund, and 2.0 FTE positions, to shift responsibilities of the Kansas Commission on Peace Officers' and Standards (KCPOST), currently a stand alone state agency, to the Office of the Attorney General. The Budget Committee notes that the Transportation and Public Safety Budget Committee has made a tentative recommendation to continue the agency. While the Budget Committee makes no recommendation on the issue, if that recommendation is adopted by the full Committee, a corresponding adjustment would need to be made to the Attorney General's budget.

4. During testimony to the Budget Committee, the Attorney General expressed concerns with the increased used of litigation recoveries, particularly in the area of consumer protection and Medicaid fraud recoveries, for operating expenditures of the agency. The Attorney General noted that while the agency's budget has remained relatively flat, the amount of funding appropriated from the State General Fund has declined sharply over the last four fiscal years. The Attorney General noted that while reliance on litigation recoveries may have been necessary as a result of the economic downturn, he believes that continued usage of this funding source is poor public policy over the long term. The Budget Committee is generally supportive of the Attorney General's position and notes that beginning with the FY 2014 budget submission the Attorney General will propose changes in funding, particularly in three areas:

- The Attorney General will propose that the costs of operating the Criminal Litigation Division be funded with State General Fund appropriations, based on the belief that criminal prosecution is a core function of state government;
- The Attorney General will request that the Civil Litigation Division be authorized to utilize funding from the Tort Claims Fund to pay for additional staff to handle tort defense litigation for the state.
- The Attorney General will propose the development of an appropriate fee structure that, over time, would require state agencies that routinely rely on the Attorney General's office for legal services to make payment in support of the cost of these services. The

agency will request, in the alternative, that the agency's State General Fund appropriation be increased to cover the costs of providing these services to state agencies.

House Budget Committee Report

Agency: Kansas Insurance Department

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 136

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	32,373,908	32,373,908	0
Subtotal	\$ 32,373,908	\$ 32,373,908	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	478,597	478,957	0
Subtotal	\$ 478,597	\$ 478,957	\$ 0
 TOTAL	 \$ 32,852,505	 \$ 32,852,865	 \$ 0
 FTE positions	 123.4	 123.4	 0.0
Non FTE Uncl. Perm. Pos.	3.6	3.6	0.0
TOTAL	127.0	127.0	0.0

Agency Estimate

The **agency** requests a revised FY 2012 operating budget of \$32.4 million, all from special revenue funds, a net increase of \$915,158, or 2.9 percent, above the amount approved by the 2011 Legislature. Most of the increase is the result of the agency receiving federal grants under the Affordable Care Act. Expenditures from those federal grants are estimated at \$1.9 million. This increase is partially offset by a reduction of \$1.0 million in estimated disbursements from the Firefighters Relief Fund. The revised estimate includes 123.4 FTE positions, the same number as approved by the 2011 Legislature.

Governor's Recommendation

The **Governor** concurs with the agency's revised current year estimate.

House Budget Committee Recommendation

The **Budget Committee** concurs with the recommendations of the Governor, with the following adjustment:

1. Include language in the appropriations bill prohibiting the agency, on the effective date of the appropriations bill, from making any further FY 2012 expenditures from federal funds

associated with the federal Affordable Care Act (ACA). The Budget Committee believes that, with legal challenges to the Act pending before the United States Supreme Court, it would be inappropriate for the agency to expend any funding connected to the implementation of the Act. The Budget Committee notes that \$1.9 million in federal ACA funding is recommended in the Governor's current year recommended budget from these funds. According to the agency, \$1.1 million of the funding has been expended or encumbered to-date in FY 2012.

House Budget Committee Report

Agency: Kansas Insurance Department

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 136

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	31,169,347	31,070,916	(150,749)
Subtotal	<u>\$ 31,169,347</u>	<u>\$ 31,070,916</u>	<u>\$ (150,749)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	95,000	95,000	0
Subtotal	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 31,264,347</u></u>	<u><u>\$ 31,165,916</u></u>	<u><u>\$ (150,749)</u></u>
FTE positions	123.4	122.4	0.0
Non FTE Uncl. Perm. Pos.	3.6	3.6	0.0
TOTAL	<u><u>127.0</u></u>	<u><u>126.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2013 operating expenditures of \$31.2 million, a decrease of \$1.2 million, or 3.7 percent, below the revised current year estimate. Most of the reduction is the result of one time expenditures for computer consulting services that are not estimated to repeat for FY 2013. The request includes 123.4 FTE positions, the same as the revised current year estimate.

Governor's Recommendation

The **Governor** recommends FY 2013 operating expenditures of \$31.1 million, a decrease of \$1.3 million, or 4.0 percent, below the revised current year recommendation. The recommendation is a decrease of \$98,431, or 0.3 percent, below the agency's request. The entire reduction is in salaries and wages and reflects the reduction of \$98,431 and 1.0 FTE position to capture savings from the Voluntary Retirement Incentive Program. The Governor's recommendation includes 122.4 FTE positions, a decrease of 1.0 FTE below the agency's request.

House Budget Committee Recommendation

The **Budget Committee** concurs with the recommendations of the Governor, with the following adjustment:

1. Delete \$150,749, all from special revenue funds, for FY 2013 and include language in the bill prohibiting the agency from making expenditures from federal funds associated with the federal Affordable Care Act. The Budget Committee believes that, with legal challenges to the Act pending before the United States Supreme Court, it would be inappropriate for the agency to expend any funding connected to the implementation of the Act.

House Budget Committee Report

Agency: Office of the Governor

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 114

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,684,773	\$ 6,684,773	\$ 0
Other Funds	9,287,276	9,287,276	0
Subtotal	<u>\$ 15,972,049</u>	<u>\$ 15,972,049</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>\$ 15,972,049</u></u>	 <u><u>\$ 15,972,049</u></u>	 <u><u>\$ 0</u></u>
 FTE positions	 40.0	 40.0	 0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u><u>41.0</u></u>	<u><u>41.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests operating expenditures of \$16.0 million, including \$6.7 million from the State General Fund for FY 2013. The all funds request is a decrease of \$1.1 million, or 6.2 percent, below the revised current year estimate. The State General Fund amount is a decrease of \$39,092, or 0.6 percent, below the revised FY 2012 estimate. Most of the all funds decrease is the result of reduced federal funding, including federal American Recovery and Reinvestment Act (ARRA) funding. The request includes 40.0 FTE positions, an increase of 0.5 FTE positions over the revised current year estimate.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2013 request.

House Budget Committee Recommendation

The **Budget Committee** concurs with the recommendations of the Governor, with the following observation:

1. The Budget Committee is concerned with reduced funding for domestic violence prevention program grants and children's advocacy centers. Both grants are funded at 1.2

percent below the current year estimate. The Governor's recommendation is a reduction of \$42,170, all from the State General Fund, for domestic violence prevention program grants and \$9,990, all from the State General Fund, for children's advocacy centers. The Budget Committee recommends that funding for these programs be reviewed during Omnibus. The Budget Committee has also recommended the addition of funding for these programs in the budget of the Attorney General.

House Budget Committee Report

Agency: Office of the Lieutenant Governor **Bill No. --**

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 116

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 182,265	\$ 182,265	\$ 0
Other Funds	0	0	0
Subtotal	\$ 182,265	\$ 182,265	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 182,265	\$ 182,265	\$ 0
FTE positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request

The **agency** requests \$182,265, all from the State General Fund, for FY 2013, an increase of \$1,447, or 0.8 percent, above the revised current year estimate. Requested increases in expenditures for salaries and wages and commodities are partially offset by decreases in requested expenditures for contractual services. The request would fund 3.0 FTE positions, the same as requested for the current fiscal year. No enhancement funding is requested.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2013 request.

House Budget Committee Recommendation

The **Budget Committee** concurs with the recommendations of the Governor.

House Budget Committee Report

Agency: Office of the State Treasurer

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 158

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	26,367,679	26,367,679	0
Subtotal	<u>\$ 26,367,679</u>	<u>\$ 26,367,679</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>\$ 26,367,679</u></u>	<u><u>\$ 26,367,679</u></u>	<u><u>\$ 0</u></u>
FTE positions	48.5	46.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>48.5</u></u>	<u><u>46.5</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2013 operating expenditures of \$26.4 million, all from special revenue funds, an increase of \$3.3 million, or 14.4 percent, above the revised current year estimate. Most of the increase is in aid to local units and reflects increased unclaimed property claim payments. The request includes 48.5 FTE positions, unchanged from the revised FY 2012 estimate.

Governor's Recommendation

The **Governor** recommends FY 2013 operating expenditures of \$22.5 million, all from special revenue funds, an increase of \$892,783, or 4.1 percent, above the current year recommendation. Most of the increase is in other assistance and includes increases of \$780,000 for payments from unclaimed property, and \$75,000 for increased expenditures from the Kansas Investment Developing Scholars program. The recommendation is a decrease of \$3.9 million, or 14.8 percent, below the agency's request. The Governor's recommendation includes 46.5 FTE positions, unchanged from the current year recommendation, and a decrease of 2.0 FTE below the agency request.

House Budget Committee Recommendation

The **Budget Committee** concurs with the recommendations of the Governor.

House Budget Committee Report

Agency: Secretary of State

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. --

Budget Page No. 148

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	6,652,354	6,652,354	0
Subtotal	<u>\$ 6,652,354</u>	<u>\$ 6,652,354</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>\$ 6,652,354</u></u>	<u><u>\$ 6,652,354</u></u>	<u><u>\$ 0</u></u>
FTE positions	51.0	51.0	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.5	0.0
TOTAL	<u><u>51.5</u></u>	<u><u>51.5</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests a FY 2013 operating budget of \$6.7 million, a decrease of \$5,758, or 0.1 percent, below the revised current year request. Increases in salaries and wages (\$49,827), capital outlay (\$62,614), and commodities (\$5,200) are offset by decreases in contractual services (\$23,399) and aid to local units (\$100,000). The request includes 51.0 FTE positions, the same as the revised FY 2012 estimate.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2013 budget request.

House Budget Committee Recommendation

The **Budget Committee** concurs with the recommendations of the Governor, with the following observation:

1. The Budget Committee notes that for the past two fiscal years, language has been included in the appropriations bill that requires the agency to provide the House Appropriations and Senate Ways and Means Committees with estimates of the costs of publishing proposed Constitutional amendments that are under consideration by the Legislature. The FY 2013

appropriation bill has not yet been introduced, but the Budget Committee recommends that the language be added to the bill if it is not included in the bill as introduced.

2. The Budget Committee also notes that no funding is included in the agency's budget for the costs of publishing any proposed Constitutional amendments. A number of such amendments are under consideration by the Legislature, and the costs to the Secretary of State's budget will vary depending on the length of each amendment. The agency has requested consideration be given at Omnibus to providing the agency with a State General Fund appropriation to cover the costs which will be incurred by the agency should any of the amendments be adopted by the 2011 Legislature.