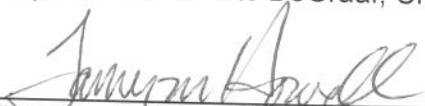


FY 2013, FY 2014, and FY 2015

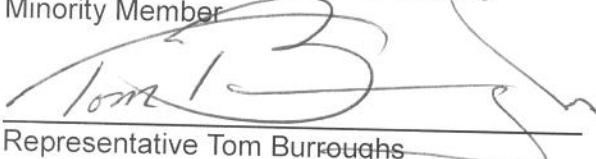
General Government Budget Committee

Kansas Department of Labor

  
\_\_\_\_\_  
Representative Pete DeGraaf, Chair

  
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Representative Jim Howell, Vice-Chair

  
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Representative Harold Lane, Ranking  
Minority Member

  
\_\_\_\_\_  
Representative Tom Burroughs

  
\_\_\_\_\_  
Representative Don Hineman

  
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Representative Mark Kahrs

  
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Representative Craig McPherson

  
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Representative Virgil Peck Jr.

  
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Representative William Sutton

## House Budget Committee Report

**Agency:** Kansas Department of Labor

**Bill No.** HB 2088

**Bill Sec.** --

**Analyst:** Carroll

**Analysis Pg. No.** 1227

**Budget Page No.** 224

Expenditure Summary	Agency Estimate FY 2013	Governor Recommendation FY 2013 *	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 338,003	\$ 338,003	\$ 0
Other Funds	645,814,240	645,814,240	0
Subtotal	<u>\$ 646,152,243</u>	<u>\$ 646,152,243</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,899,005	2,899,005	0
Subtotal	<u>\$ 2,899,005</u>	<u>\$ 2,899,005</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 649,051,248</u></u>	 <u><u>\$ 649,051,248</u></u>	 <u><u>\$ 0</u></u>
 FTE positions	 404.4	 443.4	 0.0
Non FTE Uncl. Perm. Pos.	61.3	61.3	0.0
TOTAL	<u>465.7</u>	<u>504.7</u>	<u>0.0</u>

**NOTE:** GBA No. 1, Item 9 added 39.0 FTE positions due to the agency understating its current position count in FY 2013.

### Agency Estimate

The **agency** estimates FY 2013 operating expenditures of \$646.2 million, including \$338,003 from the State General Fund. The estimate is an all funds increase of \$150.7 million, or 30.4 percent, above the 2012 Legislature approved amount. The increase is mainly attributable to an increase in Employment Security Administration Fund payments. The State General Fund revised estimate is \$338,003, a decrease of \$103,085 or 30.1 percent, below the FY 2012 Legislature approved amount. The reappropriation of \$58,440 is lapsed back into the State General Fund. The agency also reduced operating expenditures of \$44,645, primarily in the Administration program, by using more special revenue funds to pay for salaries and wages. The estimate includes 404.4 FTE positions, which is 84.6 less FTE positions approved by the FY 2013 Legislature approved amount. The agency was required to reduce vacant FTE positions as part of SB 294, the Appropriations Bill, that required any vacant position that has been unfilled for greater than 120 days as of June 30, 2012 be eliminated. This eliminated 50.7 FTE positions.

The agency requests a capital improvements budget of \$2.9 million, an increase of \$223,206, or 8.3 percent, above the approved FY 2013 capital improvements budget. The increase is mainly attributable to the agency reflecting the principal payment for the Unemployment Insurance Modernization bond with debt service. All expenditures in capital improvements for FY 2013 are funded by special revenue funds.

**Governor's Recommendation**

The **Governor** concurs with the agency's estimate.

**House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Kansas Department of Labor

**Bill No.** HB 2231

**Bill Sec.** 73

**Analyst:** Carroll

**Analysis Pg. No.** 1227

**Budget Page No.** 224

Expenditure Summary	Agency Request FY 2014	Governor Recommendation FY 2014 *	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 337,997	\$ 337,854	\$ 0
Other Funds	470,825,644	470,797,853	0
Subtotal	<u>\$ 471,163,641</u>	<u>\$ 471,135,707</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,840,000	2,840,000	0
Subtotal	<u>\$ 2,840,000</u>	<u>\$ 2,840,000</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 474,003,641</u></u>	<u><u>\$ 473,975,707</u></u>	<u><u>\$ 0</u></u>
FTE positions	404.5	443.4	0.0
Non FTE Uncl. Perm. Pos.	61.3	61.3	0.0
<b>TOTAL</b>	<u><u>465.8</u></u>	<u><u>504.7</u></u>	<u><u>0.0</u></u>

**NOTE:** GBA No. 1, Item 9 added 39.0 FTE positions due to the agency understating its current position count for FY 2014.

### Agency Request

The **agency** requests FY 2014 operating expenditures of \$471.2 million, including \$337,997 from the State General Fund. The request is an all funds decrease of \$175.0 million, or 27.1 percent, and a State General Fund decrease of \$6 below the revised 2013 estimate. The decrease is primarily due to a reduction in the projected Unemployment Insurance benefit payments as the Emergency Unemployment Compensation federal program is phased out. The request includes 404.4 FTE positions, which is the same as the FY 2013 revised estimate.

The agency requests a capital improvements budget of \$2.8 million, a decrease of \$59,005, or 2.0 percent, below the revised FY 2013 estimate. The decrease is mainly attributable to less costly renovations at 2650 E Circle Dr South and 414, 416, 418, and 420 SW Jackson St for FY 2014. All expenditures for capital improvements for FY 2014 will be paid for by special revenue funds including \$170,000 in Sale of Building funds.

### Governor's Recommendation

The **Governor** recommends FY 2014 operating expenditures of \$471.1 million, including \$337,854 from the State General Fund. The recommendation is an all funds decrease of \$175.0 million, or 27.1 percent, and a State General Fund decrease of \$149 below the FY 2013 recommendation. The Governor's recommendation includes a decrease of \$28,287, including

\$143 from the State General Fund, to reflect the Governor's recommendation to reduce the Kansas Public Employees Retirement System (KPERS) death and disability employer contribution from the statutory 1.0 percent to 0.85 percent for FY 2014.

The Governor's recommendation is an all funds decrease of \$27,934, or less than 0.1 percent, and a State General Fund decrease of \$143 below the agency's FY 2014 request. The decrease is attributable to the Governor's reduction of KPERS death and disability employer contribution percentage rate.

The Governor concurs with the agency's capital improvement expenditures budget request.

### **House Budget Committee Recommendation**

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

1. The Budget Committee recommends the agency report, prior to Omnibus, on the status of the Unemployment Insurance Modernization project that began in FY 2008 and has yet to be completed for FY 2014.
2. The Budget Committee recommends the agency add a performance measure that evaluates the number of unemployment fraud cases evaluated each fiscal year for FY 2014.
3. The Budget Committee recommends an audit be completed prior to FY 2015 to assess the Unemployment Insurance Modernization project. The Budget Committee notes an audit will determine the best course of action for the project and the Unemployment Insurance program as a whole.

## House Budget Committee Report

**Agency:** Kansas Department of Labor

**Bill No.** HB 2231

**Bill Sec.** 74

**Analyst:** Carroll

**Analysis Pg. No.** 1227

**Budget Page No.** 224

Expenditure Summary	Agency Request FY 2015	Governor Recommendation FY 2015 *	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ --	\$ 337,854	\$ 0
Other Funds	--	435,849,303	0
Subtotal	\$ --	\$ 436,187,157	\$ 0
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ 0
Other Funds	--	2,715,000	0
Subtotal	\$ --	\$ 2,715,000	\$ 0
<b>TOTAL</b>	<b>\$ --</b>	<b>\$ 438,902,157</b>	<b>\$ 0</b>
FTE positions	--	443.4	0.0
Non FTE Uncl. Perm. Pos.	--	61.3	0.0
<b>TOTAL</b>	<b>--</b>	<b>504.7</b>	<b>0.0</b>

**NOTE:** GBA No. 1, Item 9 added 39.0 FTE positions due to the agency understating its current position count for FY 2015 and \$4.1 million, including \$63,150 from the State General Fund, to account for the agency's State General Fund needs and a Workers Compensation IT project budgeted for FY 2014 that will still be underway for FY 2015.

### Agency Request

There were no **agency** budget requests made for FY 2015 by any state agencies other than those agencies designated in statute as biennial budget agencies. The Governor's budget recommendations to the 2013 Legislature do, however, include funding recommendations for each state agency for FY 2015.

### Governor's Recommendation

The **Governor** recommends FY 2015 operating expenditures of \$432.1 million, including \$274,704 from the State General Fund. The recommendation is a decrease of \$39.1 million, or 8.3 percent, and a State General Fund decrease of \$63,150, or 18.7 percent, below the Governor's FY 2014 recommendation. The decrease is primarily attributable to a decrease of projected Unemployment Insurance benefit payments (\$33.7 million) and Worker's Compensation sizable one-time contractual obligations (\$5.2 million).

The Governor recommends FY 2015 capital improvement expenditures of \$2.7 million, all from special revenue funds. The recommendation is a decrease of \$125,000, or 4.4 percent, below the FY 2014 recommendation. The decrease is primarily due to renovations being completed in FY 2014.

**House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation.