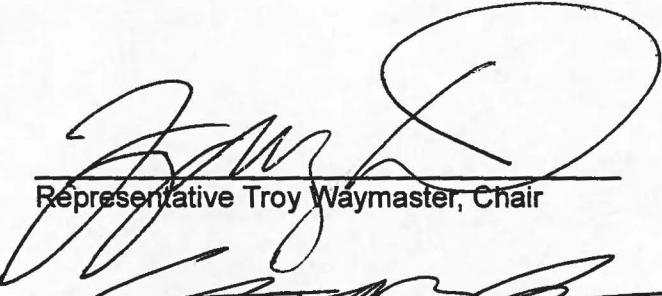

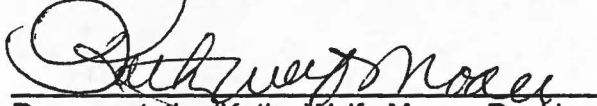
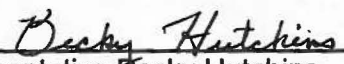
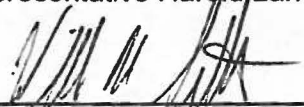


FY 2015, FY 2016, and FY 2017

General Government Budget Committee

Board of Barbering
Board of Cosmetology
Kansas Insurance Department


Representative Troy Waymaster, Chair
Representative Craig McPherson, Vice-Chair
Representative Kathy Wolfe Moore, Ranking
Minority Member
Representative Pete DeGraaf
Representative Randy Garber
Representative Don Hineman
Representative Becky Hutchins
Representative Harold Lane
Representative William Sutton

House Budget Committee Report

Agency: Board of Barbering

Bill No. House Sub. for Senate Bill 4

Bill Sec. 5

Analyst: Savoy

Analysis Pg. No. 1630

Budget Page No. 438

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2015</u>	<u>Governor Recommendation FY 2015</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	161,881	156,849	0
Subtotal	\$ 161,881	\$ 156,849	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 161,881	 \$ 156,849	 \$ 0
 FTE positions	 1.0	 1.0	 0.0
Non FTE Uncl. Perm. Pos.	1.5	1.5	0.0
TOTAL	2.5	2.5	0.0

Agency Estimate

The **agency** requests a revised FY 2015 estimate of \$161,881, all from the Board of Barbering Fee Fund, which is an increase of \$7,970 above the amount approved by the 2014 Legislature. The increase is due to the agency's supplemental request for expenditures for one employee's participation in a state health insurance plan.

Governor's Recommendation

The **Governor** recommends operating expenditures of \$156,849, all from the Board of Barbering Fee Fund, which is an increase of \$2,938, or 1.9 percent, above the amount approved by the 2014 Legislature. The Governor concurs with the agency's revised estimate, with the following adjustments.

- A reduction of \$3,985, all from the Board of Barbering Fee fund, for a supplemental request for health insurance for an inspector position in half of FY 2015.
- A reduction of \$1,047, as a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 11.75 percent to 8.65 percent.

House Sub. for Senate Bill 4

House Sub. for SB 4 adopted the Governor's recommendation in FY 2015 with the following adjustment:

1. Delete \$3,985, all from the Board of Barbering Fee Fund, for a supplemental request for health insurance for an inspector position in half of FY 2015.

House Budget Committee Recommendation

The **Budget Committee** concurs with Governor's recommendation in FY 2015 with the following recommendations and notations.

1. Add \$3,985, all from the Board of Barbering Fee Fund, to fund health insurance for a barber inspector in FY 2015. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.
2. The Committee expressed concern with the agency's inability to levy fines against barbers, barbering educators and barbering institutions that violate its rules and encourages the agency to investigate and determine the changes that would allow (both statutorily and administratively) the agency to enforce and levy fines against barbers and barbering institutions that fail to comply with its regulations. The Committee is instructing the agency to report its findings to the House Appropriations Committee prior to Omnibus.
3. Encourage the agency to further review the actions necessary to reduce its existing fee structure.

House Budget Committee Report

Agency: Board of Barbering

Bill No. HB 2370

Bill Sec. 9

Analyst: Savoy

Analysis Pg. No. 1630

Budget Page No. 438

<u>Expenditure Summary</u>	<u>Agency Request FY 2016</u>	<u>Governor Recommendation FY 2016</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	178,171	175,789	0
Subtotal	\$ 178,171	\$ 175,789	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 178,171	 \$ 175,789	 \$ 0
 FTE positions	 1.0	 1.0	 0.0
Non FTE Uncl. Perm. Pos.	1.5	1.5	0.0
TOTAL	2.5	2.5	0.0

Agency Request

The **agency** requests a FY 2016 budget totaling \$178,171, all from the Board of Barbering Fee Fund, an increase of \$16,290, or 10.1 percent, above the FY 2015 revised estimate. The budget increases in order to cover increases in the following: KPERS retirement and death and disability employer contributions; state leave payment assessment; monumental building surcharge; and email services.

According to the agency, expenditure increases are to perform more potential exams, contingent on the founding of several new barbering schools that may emerge once Kansas Administrative Regulation (K.A.R.) 61-3-7 and K.A.R 61-3-22 are amended to allow barbering schools to be located in buildings with businesses that do not concern barbering education. The agency states that another six barber colleges may be operational by late FY 2015 and FY 2016, increasing the number of graduates from roughly 100 to 300 students per year, thereby driving up the expenditures needed to license the graduating barbers.

Governor's Recommendation

The **Governor** recommends \$175,789, all from the Board of Barbering Fee Fund, a decrease of \$2,382, or a 1.3 percent, below the agency's FY 2016 request. The Governor concurs with the agency's request, with the following adjustments.

- A reduction of \$2,382, with no dollars coming from the State General Fund, to reduce employer contributions for state employee health insurance.
- An increase for the amount withheld from the agency's fee fund revenue from 10 percent or \$100,000 to 20 percent or \$200,000 and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at \$27,829 for FY 2016.

House Budget Committee Recommendation

The **Budget Committee** concurs with Governor's recommendation for FY 2016.

House Budget Committee Report

Agency: Board of Barbering

Bill No. HB 2370

Bill Sec. 9

Analyst: Savoy

Analysis Pg. No. 1630

Budget Page No. 438

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	181,652	179,222	0
Subtotal	\$ 181,652	\$ 179,222	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 181,652	\$ 179,222	\$ 0
FTE positions	1.0	1.0	0.0
Non FTE Uncl. Perm. Pos.	1.5	1.5	0.0
TOTAL	2.5	2.5	0.0

Agency Request

The **agency** requests a FY 2017 budget totaling \$181,652, all from the Board of Barbering Fee Fund, an increase of \$3,481, or 2.0 percent, over the FY 2016 request. The increase is primarily (\$3,402) in salaries and wages, for the 27th payroll period.

Governor's Recommendation

The **Governor** recommends \$179,222, all from the Board of Barbering Fee Fund, a decrease of \$2,430, or 1.3 percent, below the agency's FY 2017 request. The Governor concurs with the agency's request, with the following adjustments.

- A reduction of \$2,420, with no dollars coming from the State General Fund, to reduce employer contributions for state employee health insurance.
- An increase for the amount withheld from the agency's fee fund revenue from 10 percent or \$100,000 to 20 percent or \$200,000 and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at \$28,589 for FY 2017.

House Budget Committee Recommendation

The **Budget Committee** concurs with Governor's recommendation for FY 2017.

House Budget Committee Report

Agency: Board of Cosmetology

Bill No. House Sub. for SB 4

Bill Sec. 8

Analyst: Savoy

Analysis Pg. No. 1666

Budget Page No. 442

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	937,055	931,281	0
Subtotal	\$ 937,055	\$ 931,281	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 937,055	\$ 931,281	\$ 0
FTE positions	11.0	11.0	0.0
Non FTE Uncl. Perm. Pos.	2.8	2.8	0.0
TOTAL	13.8	13.8	0.0

Agency Estimate

The **agency's** revised FY 2015 estimate totals \$937,055, all from the Cosmetology Fee Fund, which is the same as the amount approved by the FY 2014 Legislature.

Governor's Recommendation

The **Governor** recommends a FY 2015 budget of \$931,281, all from the Cosmetology Fee Fund, which is a decrease of \$5,774, or 0.6 percent, below the amount approved by the 2014 Legislature. The Governor concurs with the agency's revised estimate, with one adjustment, a reduction of \$5,774, all from the Cosmetology Fee Fund, as part of the Governor's allotment plan reducing the Kansas Public Employer Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.

House Sub. for Senate Bill 4

House Sub. for SB 4 adopted the Governor's recommendation in FY 2015.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2015.

House Budget Committee Report

Agency: Board of Cosmetology

Bill No. HB 2370

Bill Sec. 12

Analyst: Savoy

Analysis Pg. No. 1666

Budget Page No. 442

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	960,335	909,129	0
Subtotal	\$ 960,335	\$ 909,129	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
TOTAL	\$ 960,335	\$ 909,129	\$ 0
FTE positions	11.0	11.0	0.0
Non FTE Uncl. Perm. Pos.	3.5	3.3	0.0
TOTAL	14.5	14.3	0.0

Agency Request

The **agency** requests \$960,335, all from the Cosmetology Fee Fund, an increase of \$23,280, or 2.5 percent, above the FY 2015 revised estimate. The increase is attributable to a \$19,441, 3.0 percent, in its salaries and wages, a \$35,293, or 16.5 percent, increase in contractual services, and a \$1,780, or 7.9 percent, increase in commodities above its FY 2015 request. These increases are partially offset by a decrease of \$33,234, or 63.5 percent, in the agency's capital outlay expenditures below the FY 2015 revised estimate.

Governor's Recommendation

The **Governor** recommends \$909,129, all from the Cosmetology Fee Fund, a decrease of \$51,206, or 5.3 percent, below the agency's FY 2016 request. The Governor concurs with the agency's request, with the following adjustments.

- A reduction of \$6,637, all from the Cosmetology Fee Fund, to reduce employer contributions for state employee health insurance.
- The Governor does not recommend funding the agency's enhancement request for document conversion (\$25,000) or its enhancement to fund the difference for a full-time inspector (\$19,569) for FY 2016.

- An increase for the amount withheld from the agency's fee fund revenue from 10.0 percent or \$100,000 to 20.0 percent or \$200,000 and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at \$100,000 for FY 2016.

House Budget Committee Recommendation

The **Budget Committee** concurs the Governor's recommendation for FY 2016.

House Budget Committee Report

Agency: Board of Cosmetology

Bill No. 2370

Bill Sec. 12

Analyst: Savoy

Analysis Pg. No. 1666

Budget Page No. 442

<u>Expenditure Summary</u>	<u>Agency Request FY 2017</u>	<u>Governor Recommendation FY 2017</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	966,087	924,085	0
Subtotal	\$ 966,087	\$ 924,085	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 966,087	 \$ 924,085	 \$ 0
 FTE positions	 11.0	 11.0	 0.0
Non FTE Uncl. Perm. Pos.	3.5	3.5	0.0
TOTAL	14.5	14.5	0.0

Agency Request

The **agency** requests \$966,087, all from the Cosmetology Fee Fund, an increase of \$5,752, or 0.6 percent, above the FY 2016 request. This increase is attributable to a salaries and wages increase of \$29,718 and a commodities increase of \$500 above the FY 2016 request, partially offset by a \$20,800, or 8.4 percent, decrease in contractual services, and a capital outlay decrease of \$3,666, or 19.2 percent, from the agency's FY 2016 request.

Governor's Recommendation

The **Governor** recommends \$924,085 all from the Cosmetology Fee Fund, a decrease of \$42,002 or 4.3 percent below the agency's FY 2017 request. The Governor concurs with the agency's request, with the following adjustments.

- A reduction of \$6,770, all from the Cosmetology Fee Fund, to reduce employer contributions for state employee health insurance.
- The Governor does not recommend funding the agency's enhancement request for tablet computers (\$15,000) or its enhancement that would fund the difference for a full-time inspector (\$20,232) for FY 2017.

- An increase for the amount withheld from the agency's fee fund revenue from 10.0 percent or \$100,000 to 20.0 percent or \$200,000 and deposited in the State General Fund to reimburse the State for administrative services described under KSA 75-3170a. For this agency, that amount is estimated at \$100,000 for FY 2017.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2017.

House Budget Committee Report

Agency: Kansas Insurance Department

Bill No. House Sub. for SB 4

Bill Sec. --

Analyst: Fye

Analysis Pg. No. 1012

Budget Page No. 200

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	30,047,640	29,967,048	0
Subtotal	\$ 30,047,640	\$ 29,967,048	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	95,000	95,000	0
Subtotal	\$ 95,000	\$ 95,000	\$ 0
TOTAL	\$ 30,142,640	\$ 30,062,048	\$ 0
FTE positions	122.4	122.4	0.0
Non FTE Uncl. Perm. Pos.	3.6	3.6	0.0
TOTAL	126.0	126.0	0.0

Agency Estimate

The **agency** estimates total revised expenditures of \$30.1 million, all from special revenue funds, for operational expenditures and capital improvements, in FY 2015. The agency estimates \$30.0 million for operational expenditures, all from special revenue funds, in FY 2015. This is a decrease of \$13,151, or less than 0.1 percent, below the amount approved by the 2014 Legislature. The decrease is attributable to a decrease in tuition grant and fringe benefits expenditures. The agency estimates capital improvement expenditures of \$95,000, all from special revenue funds, in FY 2015. This is the same amount approved by the 2014 Legislature. The budget includes 122.4 FTE positions and 3.6 non-FTE unclassified positions.

Governor's Recommendation

The **Governor** recommends total expenditures of \$30.1 million, all from special revenue funds, in FY 2015. Of this amount, the Governor recommends operational expenditures of \$30.0 million, all from special revenue funds, and capital improvements of \$95,000, all from special revenue funds, in FY 2015. The operational expenditures total is a decrease of \$80,592, or 0.3 percent, below the agency's revised estimate. The decrease is attributable to the Governor's recommendation to reduce KPERS employer contributions. The capital improvements total is the same amount as the agency's revised estimate. The Governor's recommendation also includes the transfer of \$3.0 million, all from the Workers Compensation Fund, to the State General Fund in FY 2015. It is noted that SB 4 does not include this \$3.0 million transfer.

House Sub. for Senate Bill 4

House Sub. for SB 4 adopted the Governor's recommendation for FY 2015, with the following adjustment:

1. Delete the transfer of \$3.0 million, all from the Worker's Compensation Fund, to the State General Fund in FY 2015.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation as adjusted by House Sub. for SB 4, with the following notation:

1. The Budget Committee encourages the agency to consider reducing the amount of fees collected for the Service Regulation Fund, so that the fund balance more closely aligns with yearly expenditures.

House Budget Committee Report

Agency: Kansas Insurance Department

Bill No. --

Bill Sec. --

Analyst: Fye

Analysis Pg. No. 1012

Budget Page No. 200

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	30,927,609	30,838,407	0
Subtotal	\$ 30,927,609	\$ 30,838,407	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	95,000	95,000	0
Subtotal	\$ 95,000	\$ 95,000	\$ 0
TOTAL	\$ 31,022,609	\$ 30,933,407	\$ 0
FTE positions	122.4	122.4	0.0
Non FTE Uncl. Perm. Pos.	3.6	3.6	0.0
TOTAL	126.0	126.0	0.0

Agency Request

The **agency** requests total expenditures of \$31.0 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2016. The agency requests operational expenditures of \$30.9 million, all from special revenue funds, for FY 2016. This is an increase of \$879,969, or 2.9 percent, above the agency's revised FY 2015 estimate. The increase is attributable to an increase in workers compensation and other claims payments; medical, pharmaceutical, and legal expenses related to claims; computer expenditures; and utilities. This is partially offset by a decrease in salaries and wages and associated fringe benefit expenditures due to salaries returning to a normalized rate absent the \$250 bonus for state employees in FY 2015. The agency requests capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2016. This is the same amount as the revised FY 2015 estimate. The budget includes 122.4 FTE positions and 3.6 non-FTE unclassified positions.

Governor's Recommendation

The **Governor** recommends total expenditures of \$30.9 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2016. The Governor recommends operational expenditures of \$30.8 million, all from special revenue funds, for FY 2016. This is a decrease of \$89,202, or 0.3 percent, below the agency's request. The decrease is attributable to a reduction of employer contributions for state employee health insurance. The Governor recommends capital improvement expenditures of \$95,000, all from special revenue

funds, for FY 2016. This is the same amount as the agency's request. The Governor's recommendation also includes the transfer of \$8.0 million, all from the Insurance Department Service Regulation Fund, to the State General Fund, for FY 2016.

House Budget Committee Recommendation

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

1. Add language to process the \$8.0 million transfer from the Service Regulation Fund to the State General Fund that was included in the Governor's recommendation, as four \$2.0 million quarterly transfers, to assist the agency with cash flow purposes for FY 2016.

House Budget Committee Report

Agency: Kansas Insurance Department

Bill No. --

Bill Sec. --

Analyst: Fye

Analysis Pg. No. 1012

Budget Page No. 200

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	31,753,852	31,662,796	0
Subtotal	\$ 31,753,852	\$ 31,662,796	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	95,000	95,000	0
Subtotal	\$ 95,000	\$ 95,000	\$ 0
TOTAL	<u>\$ 31,848,852</u>	<u>\$ 31,757,796</u>	<u>\$ 0</u>
FTE positions	122.4	122.4	0.0
Non FTE Uncl. Perm. Pos.	3.6	3.6	0.0
TOTAL	<u>126.0</u>	<u>126.0</u>	<u>0.0</u>

Agency Request

The agency requests total expenditures of \$31.8 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2017. The agency requests operational expenditures of \$31.8 million, all from special revenue funds, for FY 2017. This is an increase of \$826,242, or 2.7 percent, above the amount requested for FY 2016. The increase is primarily attributable to an increase in salaries and wages and fringe benefit expenditures associated with payment of the 27th payroll period in the fiscal year; increased workers compensation and other claims payments; medical, pharmaceutical, and legal expenses related to claims; computer expenditures; and utilities. The agency requests \$95,000, all from special revenue funds, for capital improvements for FY 2017. This is the same amount as the FY 2016 request. The budget includes 122.4 FTE positions and 3.6 non-FTE unclassified positions.

Governor's Recommendation

The Governor recommends total expenditures of \$31.8 million, all from special revenue funds, for operational expenditures and capital improvements, for FY 2017. The Governor recommends operational expenditures of \$31.7 million, all from special revenue funds, for FY 2017. This is a decrease of \$91,056, or 0.3 percent, below the agency's request. The decrease is attributable to a reduction of employer contributions for state employee health insurance. The Governor recommends capital improvement expenditures of \$95,000, all from special revenue funds, for FY 2017. This is the same amount as the agency's request. The Governor's

recommendation also includes the transfer of \$8.0 million, all from the Insurance Department Service Regulation Fund, to the State General Fund, for FY 2017.

House Budget Committee Recommendation

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

1. Add language to process the \$8.0 million transfer from the Service Regulation Fund to the State General Fund that was included in the Governor's recommendation, as four \$2.0 million quarterly transfers, to assist the agency with cash flow purposes for FY 2017.