Senate Subcommittee Report

Agency: Department of Administration **Bill No.** -- **Bill Sec.** --

Analyst: Dear **Analysis Pg. No.** -- **Budget Page No.** 18

Expenditure Summary		Agency Estimate FY 2015		Governor Recommendation FY 2015		Senate Subcommittee Adjustments
Operating Expenditures:						
State General Fund	$	33,029,469	$	33,013,515	$	0
Other Funds		51,407,037		51,367,515		0
Subtotal	$	84,436,506	$	84,381,030	$	0
Capital Improvements:						
State General Fund	$	6,354,919	$	6,297,975	$	0
Other Funds		12,140,000		12,140,000		0
Subtotal	$	18,494,919	$	18,437,975	$	0
TOTAL	$	102,931,425	$	102,819,005	$	0
FTE positions		390.7		390.7		0.0
Non FTE Uncl. Perm. Pos.		167.1		167.1		0.0
TOTAL		557.8		557.8		0.0

Agency Estimate

The **Department of Administration** estimates a FY 2015 budget of $102.9 million, including $39.4 million from the State General Fund, an all funds increase of $2.2 million and a State General Fund increase of $2.5 million from the FY 2015 approved budget. The State General Fund increase is attributable to allotments totaling $2.6 million including a 2.0 percent operating reduction of $194,391, a $2.3 million negative adjustment to debt service, a reduction in employer retirement contributions, and a reappropriation lapse. The increase is partially offset by the Governor not including the full amount of the $181,141 added to the FY 2015 budget as a result of the reappropriation from FY 2014 to FY 2015.

Governor's Recommendation

The **Governor** recommends expenditures of $102.8 million, including $39.3 million from the State General Fund. This is an all funds reduction of $112,420, or 0.1 percent, and a State General Fund reduction of $72,898, or 0.2 percent, from the FY 2015 agency estimate.

The reduction is attributable to a supplemental of $2.5 million, all from the State General Fund, recommended by the Governor to compensate the federal government due to irregularities in accounting for expenditures within the Office of Information Technology Services. That increase was offset by a reduction of $2.3 million for bond refinancing on the Statehouse, and the allotment reductions.

Senate Ways and Means Committee
Date: 02-11-2015
Attachment #: 4

Senate Subcommittee Recommendation

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

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 2016		Governor Recommendation FY 2016		Senate Subcommittee Adjustments
Operating Expenditures:						
State General Fund	$	42,925,731	$	36,272,027	$	0
Other Funds		41,656,212		48,845,508		0
Subtotal	$	84,581,943	$	85,117,535	$	0
Capital Improvements:						
State General Fund	$	19,101,351	$	18,491,851	$	0
Other Funds		2,735,800		13,115,000		0
Subtotal	$	21,837,151	$	31,606,851	$	0
TOTAL	$	106,419,094	$	116,724,386	$	0
FTE positions		390.7		390.7		0.0
Non FTE Uncl. Perm. Pos.		167.1		167.1		0.0
TOTAL		557.8		557.8		0.0

Agency Request

The **agency** requests operating expenditures of $84.6 million, including $42.9 million from the State General Fund, an all funds increase of $145,437, or 0.2 percent, from the FY 2015 agency estimate. The request is a State General Fund increase of $9.9 million, or 30.0 percent, and a special revenue fund reduction of $9.8 million, or 19.0 percent.

The State General Fund increase is attributable to an increase of $10.1 million in debt service principal payments for the Statehouse. In FY 2015, debt service on the statehouse was predominantly funded from the State Highway Fund. The increase was partially offset by reductions in debt service on the KPERS pension obligation bonds ($50,053) and National Bio and Agro-Defense Facility bonds ($95,742).

Governor's Recommendation

The **Governor** recommends operating expenditures of $85.2 million, including $36.3 million from the State General Fund. With the addition of capital improvements, the Governor recommends expenditures of $116.7 million, including $54.8 million from the State General Fund. This is an all funds increase of $10.3 million, or 9.7 percent, partially offset by a State General Fund reduction of $7.3 million, or 11.7 percent, from the FY 2015 agency estimate.

The Governor recommends additional debt service for the National Bio and Agro-Defense Facility of $16.2 million, all from the State General Fund. The increase is offset by reducing the State General Fund for debt service payments on the Statehouse by $20.0 million and replacing it with moneys from the State Highway Fund.

The Governor also reduced agency expenditures by $391,597, for a 4.0 percent operating reduction, reduced employer contributions for state employee health insurance by 8.5 percent for a State General Fund reduction of $39,620, and refinanced bonds for a savings of $752,112.

The Governor further recommends that the Public Broadcasting program be relocated from the Department of Administration budget to the Department of Commerce. The Department of Administration has no functional control over the Public Broadcasting Council currently. This would reduce EDIF expenditures by $600,000.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation FY 2016.

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 2017		Governor Recommendation FY 2017		Senate Subcommittee Adjustments
Operating Expenditures:						
State General Fund	$	42,835,154	$	35,780,809	$	0
Other Funds		41,364,703		48,210,963		0
Subtotal	$	84,199,857	$	83,991,772	$	0
Capital Improvements:						
State General Fund	$	18,114,200	$	17,949,152	$	0
Other Funds		3,085,800		13,365,000		0
Subtotal	$	21,200,000	$	31,314,152	$	0
TOTAL	$	105,399,857	$	115,305,924	$	0
FTE positions		390.7		390.7		0.0
Non FTE Uncl. Perm. Pos.		166.1		166.1		0.0
TOTAL		556.8		556.8		0.0

Agency Request

The **agency** requests $84.2 million, including $42.8 million from the State General Fund, a decrease of $382,086, or 0.5 percent, including $90,577, or 0.2 percent, from the State General Fund for FY 2017.

The State General Fund reduction is primarily attributable to debt service interest for the Statehouse ($457,077), NBAF ($108,196), and debt restructuring expenditures ($56,470). The debt service reductions are partially offset by an increase in interest on the KPERS obligation bonds of $337,061 and salaries and wages largely due to the 27th payroll ($271,498).

The special revenue fund reduction of $291,509, or 0.7 percent, is attributable to no on-budget OITS requests for FY 2017 due to no allocated expenditures for the State and Local Implementation Grant fund (SLIGP) or the GIS Contracting Services Fund for law enforcement broadband services and no projected amount from the Ed Byrne Memorial Justice Fund. The agency also reduced Expanded Lottery Act Revenue Fund expenditures by $350,000 that were allocated for debt service interest on the Statehouse. The increases were partially offset by the EDIF enhancement for public broadcasting.

The reductions in both State General Fund and Special Revenue Funds were partially offset by increased expenditures in salaries and wages of $1.4 million due to the 27th payroll check, $0.9 million in utilities, and an additional $0.4 million in increased EDIF expenditures for Public Broadcasting. The request continues to reflect $3.4 million in enhancements, including

$1.2 million from the State General Fund, for the Long Term Care Office volunteer conference, public broadcasting, and Rehabilitation and Repair.

Governor's Recommendation

The **Governor** recommends operating expenditures of $84.0 million, including $35.8 million from the State General Fund. With the addition of capital improvements, the Governor recommends expenditures of $115.3 million, including $53.7 million from the State General Fund. This is an all funds increase of $9.9 million, or 9.4 percent, partially offset by a State General Fund reduction of $7.2 million, or 11.8 percent, from the FY 2017 agency estimate.

The Governor recommends additional debt service for the National Bio and Agro-Defense Facility of $16.2 million, all from the State General Fund. The increase is offset by reducing the State General Fund for debt service payments on the Statehouse by $20.0 million and replacing it with moneys from the State Highway Fund.

The Governor also reduced agency expenditures by $399,269, for a 4.0 percent operating reduction, reduced employer contributions for state employee health insurance by 8.5 percent for a State General Fund reduction of $40,413, and refinanced bonds for a savings of $1.8 million.

The Governor further recommends that the Public Broadcasting program be relocated from the Department of Administration budget to the Department of Commerce. The Department of Administration has no functional control over the Public Broadcasting Council currently. This would reduce EDIF expenditures by $600,000.

Senate Subcommittee Recommendation

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