Senate Subcommittee Report

Agency: Department for Children and Families **Bill No.** -- **Bill Sec.** --

Analyst: Deckard **Analysis Pg. No.** 2474 **Budget Page No.** 156

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	$ 218,833,952	$ 224,315,934	$ 0
Other Funds	400,080,708	380,714,988	0
Subtotal	$ 618,914,660	$ 605,030,922	$ 0
Capital Improvements:			
State General Fund	$ 0	$ 0	$ 0
Other Funds	0	0	0
Subtotal	$ 0	$ 0	$ 0
TOTAL	$ 618,914,660	$ 605,030,922	$ 0
FTE positions	2,251.5	2,251.5	0.0
Non FTE Uncl. Perm. Pos.	278.5	278.5	0.0
TOTAL	2,530.0	2,530.0	0.0

Agency Estimate

The **agency** estimates expenditures of $618.9 million, including $218.8 million from the State General Fund in FY 2015. The revised estimate is an increase of $16.9 million, or 2.8 percent, from all funding sources above the amount approved by the 2014 Legislature, and an increase of $3.2 million from the State General Fund, or 1.5 percent, above the amount approved by the 2014 Legislature, adjusted for Governor's allotments. The agency's budget was submitted prior to the December allotment, so the agency's revised budget estimates do not incorporate the allotments.

The agency's revised estimate includes increased expenditures for rent of $1.9 million and $9.8 million in additional computer programming and software expenditures. The increased expenditures for software includes $6.6 million to move legacy systems off the mainframe system and $1.4 million in additional mainframe charges in FY 2015. Additional increases in estimated federal funds are also included. The agency's revised 2015 estimate includes a lapse of $661,000 of the total $4,331,000 reappropriated into FY 2015 from FY 2014.

The agency estimate includes State Operations expenditures totaling $232.2 million, including $133.2 million for salaries and wages and $96.2 million for contractual services. The agency estimate also includes $386.8 million for other assistance expenditures. These expenditures include cash assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

Senate Ways and Means Committee
Date: 02-12-2013
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The agency estimate includes $218.8 million from the State General Fund, $32.3 million from the Children's Initiatives Fund, and $340.9 million from federal funding sources. The agency's revised estimate includes 2,251.5 FTE positions and 278.5 non-FTE positions. This is an increase of 124.0 non-FTE positions.

Governor's Recommendation

The **Governor** recommends FY 2015 expenditures totaling $605.0 million, including $224.3 million from the State General Fund. The recommendation is an all funds decrease of $13.9 million, or 2.2 percent, and an increase of $5.5 million from the State General Fund, or 2.5 percent, from the agency's request.

The recommendation includes a reduction of $12,000,533, including $3,980,880, to agency operations as the result of the Governor's December 9th State General Fund allotment. A reduction of $737,138 from the State General Fund is 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 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency operations, but is reflective of a reduction of expenditures. An additional $646,067 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of $1,383,205.

The Governor's recommendation fully funds the fall human services consensus caseload estimates, which includes an all funds reduction of $500,000 and a State General Fund increase of $10.2 million from the State General Fund.

Also included in the Governor's recommendation was a transfer of $500,000, all from the Children's Initiatives Fund, to the State General Fund in FY 2015. The Governor's recommendation also includes a transfer of $14.5 million from the Kansas Endowment for Youth Fund (located within Kansas Public Employees Retirement System) to the State General Fund in FY 2015.

House Sub. for Senate Bill 4

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

1. Reduce the transfer from the Kansas Endowment for Youth Fund to the State General Fund by $2.5 million, for a total transfer of $12.0 million in FY 2015 and review later during the budget process. In addition, add language to delay transferring $5.0 million of the total transfer until April 2015.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation as adjusted by House Sub. for SB 4 with the following further adjustment:

1. Recommends whenever allowable under contract and law, the agency convert any classified positions which have been vacant for more than 150 days into either unclassified positions or non-FTE unclassified positions, whichever is appropriate.

Senate Subcommittee Report

Agency: Department for Children and Families **Bill No.** -- **Bill Sec.** --

Analyst: Deckard **Analysis Pg. No.** 2474 **Budget Page No.** 156

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	$ 228,014,716	$ 218,242,880	$ 0
Other Funds	399,011,393	385,261,947	0
Subtotal	$ 627,026,109	$ 603,504,827	$ 0
Capital Improvements:			
State General Fund	$ 0	$ 0	$ 0
Other Funds	0	0	0
Subtotal	$ 0	$ 0	$ 0
TOTAL	$ 627,026,109	$ 603,504,827	$ 0
FTE positions	2,251.5	2,251.5	0.0
Non FTE Uncl. Perm. Pos.	260.5	260.5	0.0
TOTAL	2,512.0	2,512.0	0.0

Agency Request

The **agency** requests expenditures of $627.0 million, including $228.0 million from the State General Fund for FY 2016. The request is an increase of $8.1 million, or 1.3 percent, from all funding sources, including $9.2 million, or 4.2 percent, from the State General Fund, above the FY 2015 revised estimate. The request includes an increase of $7.1 million, including $5.0 million from the State General Fund, in expenditures for Kansas Eligibility Enforcement System (KEES) above the amount requested for FY 2015. These increases reflect a transition from the development phase to the operational phase of the project. Also associated with KEES was a change in the payment methodology with the Kansas Department for Health and Environment. Also included in the request is $375,000 for expenses associated with the agency's relocation to a new office location in FY 2016 and an anticipated increase of $626,000 in Accounting, Payroll and Budget Systems Support fees paid to the Department of Administration.

The FY 2016 request includes the addition of $2.2 million from the State General Fund to replace fee funds which are not available in FY 2016 and the addition of $3.7 million from the State General Fund to maintain base funding from FY 2015.

The agency request includes State Operations expenditures totaling $239.8 million, including $133.0 million for salaries and wages and $104.0 million for contractual services. The agency estimate also includes $387.3 million for other assistance expenditures. These expenditures include cash assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

The agency request includes $228.0 million from the State General Fund, $32.3 million from the Children's Initiatives Fund, and $342.7 million from federal funding sources.

Governor's Recommendation

The **Governor** recommends FY 2016 expenditures of $603.5 million, including $218.2 million from the State General Fund. The recommendation is a decrease of $23.5 million, or 3.8 percent, including $9.8 million, or 4.3 percent, from the State General Fund, below the agency's request. The recommendation is a reduction of $1.5 million, or 0.3 percent, from all funding sources, including $6.1 million, or 2.7 percent, from the State General Fund, below the Governor's FY 2015 recommendation.

The FY 2016 recommendation includes adjustments totaling $23.5 million to the agency's request. These changes include the addition of $1.0 million from all funding sources and reduction of $903,379 from the State General Fund, to fully fund the fall human services consensus caseload estimate for this agency. In addition, the recommendation includes a reduction of $25,000, all from the Children's Initiatives Fund, from the Children's Initiatives Accountability Fund. Also included is a reduction of $6.0 million, all from the Children's Initiatives Fund to eliminate funding for the Kansas Reads to Succeed program, which contracted with the Lexia reading program.

The Governor's recommendation also includes a transfer of $9.2 million from the Kansas Endowment for Youth Fund (located within Kansas Public Employees Retirement System) to the State General Fund in FY 2016.

The Governor's recommendation includes a reduction of $1,703,340, including $924,515 from the State General Fund, to reduce employer contributions for state employee health insurance.

The recommendation also includes a reduction of $16.8 million, including $8.0 million from the State General Fund, to continue the 4.0 percent State General Fund reduction. This reduction will be managed by eliminating funding for the migration of legacy systems from the mainframe, a reduction in the amount for rehabilitation case services and the consolidation of the Strategic Development and Faith Based Initiatives program into other programs within the agency in FY 2016. Additionally, included in the reductions is an increase in salaries and wages shrinkage savings, a decrease in operating expenditures, and a reorganization of Information Technology Services within the agency.

The Governor issued Executive Reorganization Order (ERO) No. 43 to transfer the responsibility for Medicaid eligibility determination and associated employees from the Department for Children and Families to the Department of Health and Environment effective January 1, 2016. The Governor indicates this reorganization is anticipated to increase accuracy in Medicaid eligibility determination and reduce program expenditures partially through uniform implementation of policy and processing changes. The associated saving will be split between this Department and the Department for Aging and Disabilities Services. In addition, ERO No. 43 will transfer foster care licensing responsibilities from the Department of Health and Environment to the Department for Children and Families effective July 1, 2015. The Governor indicated the reorganization is anticipated to streamline the licensing process.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Delete the below proviso language which was included in previous years if the Governor chooses to include it in the appropriations bill:

   Provided, That expenditures may be made from the Rehabilitation Services account for the acquisition of durable medical equipment and assistive technology devices: *Provided, however,* That all such expenditures for durable equipment or assistive technology devices shall require a $1 for $1 match from non-state sources;

   During the fiscal year ending June 30, 2015, in addition to the other purposes for which expenditures may be made by the Kansas department for children and families from moneys appropriated from the state general fund or any special revenue fund or funds for fiscal year 2015 for the Kansas department for children and families as authorized by this or other appropriation act of the 2013 or 2014 regular session of the legislature, expenditures shall be made by the secretary for children and families for fiscal year 2015 to fix, charge and collect fees from parents for services provided to their children by an institution or program of the Kansas department for children and families: *Provided,* That all moneys received by the Kansas department for children and families for such fees shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the social welfare fund.

   On July 1, 2014, October 1, 2014, January 1, 2015, and April 1, 2015, or as soon after each such date as moneys are available, the director of accounts and reports shall transfer $559,307 from the child care/development block grant federal fund of the Kansas department for children and families to the child care and development block grant — federal fund of the department of health and environment — division of health.

   On August 1, 2014, the director of accounts and reports shall transfer $20,400 from the social welfare fund and $39,600 from the federal child support enforcement fund of the Kansas department for children and families to the child support enforcement contractual agreement fund of the department of revenue to reimburse costs of administrative expenses of child support enforcement activities under the agreement.

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Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	$ 234,745,930	$ 226,656,275	$ 0
Other Funds	393,848,403	382,238,510	0
Subtotal	$ 628,594,333	$ 608,894,785	$ 0
Capital Improvements:			
State General Fund	$ 0	$ 0	$ 0
Other Funds	0	0	0
Subtotal	$ 0	$ 0	$ 0
TOTAL	$ 628,594,333	$ 608,894,785	$ 0
FTE positions	2,251.5	2,251.5	0.0
Non FTE Uncl. Perm. Pos.	260.5	260.5	0.0
TOTAL	2,512.0	2,512.0	0.0

Agency Request

The **agency** expenditures of $628.6 million, including $234.7 million from the State General Fund for FY 2017. The request is an increase of $1.6 million, or 0.3 percent, from all funding sources, including $6.7 million, or 3.0 percent, from the State General Fund, above the FY 2016 request. The request includes funding for the 27th payroll period of approximately $4.6 million, including $2.5 million from the State General Fund. The FY 2017 request includes the addition of $5.0 million from the State General Fund to replace fee funds which are not available in FY 2017.

The agency request includes State Operations expenditures totaling $239.3 million, including $139.0 million for salaries and wages and $97.6 million for contractual services. The agency estimate also includes $389.3 million for other assistance expenditures. These expenditures include cash assistance, employment assistance, and energy assistance. Other expenditures include foster care assistance, child care assistance and adoption assistance.

The agency request includes $234.7 million from the State General Fund, $32.3 million from the Children's Initiatives Fund, and $342.9 million from federal funding sources.

Governor's Recommendation

The **Governor** recommends FY 2017 expenditures of $608.9 million, including $226.7 million from the State General Fund. The recommendation is a decrease of $19.7 million, or 3.1 percent, including $8.1 million, or 3.4 percent, from the State General Fund, below the agency's request. The recommendation is an increase of $5.4 million, or 0.9 percent, from all funding sources, including $8.4 million, or 3.9 percent from the State General Fund, above the Governor's FY 2016 recommendation.

The FY 2016 recommendation includes adjustments totaling $19.7 million to the agency's request. These changes include the addition of $2.3 million from all funding sources, including $796,621 from the State General Fund, to fully fund the fall human services consensus caseload estimate for this agency. In addition, the recommendation includes a reduction of $25,000, all from the Children's Initiatives Fund, from the Children's Initiatives Accountability Fund. Also included is a reduction of $6.0 million, all from the Children's Initiatives Fund to eliminate funding for the Kansas Reads to Succeed program, which contracted with the Lexia reading program.

The Governor's recommendation also includes a transfer of $8.1 million from the Kansas Endowment for Youth Fund (located within Kansas Public Employees Retirement System) to the State General Fund in FY 2017.

The Governor's recommendation includes a reduction of $1,703,340, including $924,515 from the State General Fund, to reduce employer contributions for state employee health insurance.

The recommendation also includes a reduction of $14.3 million, including $8.0 million from the State General Fund, to continue the 4.0 percent State General Fund reduction. This reduction will be managed by eliminating funding for the migration of legacy systems from the mainframe, a reduction in the amount for rehabilitation case services and the consolidation of the Strategic Development and Faith Based Initiatives program into other programs within the agency in FY 2016. Additionally, included in the reductions is an increase in salaries and wages shrinkage savings, decrease operating expenditures and grants and contracts, and a reorganization of Information Technology Services within the agency.

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    During the fiscal year ending June 30, 2015, in addition to the other purposes for which expenditures may be made by the Kansas department for children and families from moneys appropriated from the state general fund or any special revenue fund or funds for fiscal year 2015 for the Kansas department for children and families as authorized by this or other appropriation act of the 2013 or 2014 regular session of the legislature, expenditures shall be made by the secretary for children and families for fiscal year 2015 to fix, charge and collect fees from parents for services provided to their children by an institution or program of the Kansas department for children and families: *Provided*, That all moneys received by the Kansas department for children and families for such fees shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the social welfare fund.

    On July 1, 2014, October 1, 2014, January 1, 2015, and April 1, 2015, or as soon after each such date as moneys are available, the director of accounts and reports shall transfer $559,307 from the child care/development block grant federal fund of the Kansas department for children and families to the child care and development block grant — federal fund of the department of health and environment — division of health.

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