Senate Subcommittee Report

Agency: Kansas Department of Revenue **Bill No.** House Sub for SB 4 **Bill Sec.** 33

Analyst: Dapp **Analysis Pg. No.** 1395 **Budget Page No.** 86

Expenditure Summary		Agency Estimate FY 2015		Governor Recommendation FY 2015		Senate Subcommittee Adjustments
Operating Expenditures:						
State General Fund	$	14,561,407	$	14,111,931	$	0
Other Funds		111,778,820		110,455,452		0
Subtotal	$	126,340,227	$	124,567,383	$	0
Capital Improvements:						
State General Fund	$	0	$	0	$	0
Other Funds		0		0		0
Subtotal	$	0	$	0	$	0
TOTAL	$	126,340,227	$	124,567,383	$	0
FTE positions		944.0		944.0		0.0
Non FTE Uncl. Perm. Pos.		128.0		128.0		0.0
TOTAL		1,072.0		1,072.0		0.0

Agency Estimate

The **agency** estimates FY 2015 expenditures of $126,340,227, including $14,561,407 from the State General Fund. The revised estimate is an all funds increase of $3,835,994, or 3.1 percent, and a State General Fund increase of $32,321, or 0.2 percent, above the amount approved by the 2014 Legislature. The increase is attributable to increased salary and wage expenditures, specifically in the classified regular wages and employer KPERS contributions, partially offset by reduced unclassified regular and temporary wages. Additionally, the agency is estimating increased contractual service and capital outlay expenditures, specifically in the area of computer programming, software and communication expenditures. These increases are partially offset by reduced aid to local units, namely lower than projected distributions from the Oil and Gas Valuation Depletion Trust Fund. The agency requests 944.0 FTE positions, which is the same amount approved by the 2014 Legislature.

Governor's Recommendation

The **Governor** recommends FY 2015 expenditures of $124,567,383, including $14,11,931 from the State General Fund. The recommendation is an all funds decrease of $1,772,844, or 1.4 percent, and a State General Fund decrease of $449,476, or 3.1 percent, below the agency's revised FY 2015 estimate. The decrease is attributable to the Governor's December 2014 allotment, specifically a 4.0 percent (6 month) State General Fund and State

Highway Fund allotment and a reduction to the KPERS employer contribution rate. The Governor recommends lapsing the agency's State General Fund reappropriation.

House Sub. for Senate Bill 4

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

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following notation:

1. The Department of Revenue current year budget should be further reviewed during the Omnibus session.

Senate Subcommittee Report

Agency: Kansas Department of Revenue **Bill No.** SB 237 **Bill Sec.** 62

Analyst: Dapp **Analysis Pg. No.** 1395 **Budget Page No.** 86

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	$ 60,397,553	$ 13,741,202	$ 0
Other Funds	61,312,341	104,929,372	0
Subtotal	$ 121,709,894	$ 118,670,574	$ 0
Capital Improvements:			
State General Fund	$ 0	$ 0	$ 0
Other Funds	0	0	0
Subtotal	$ 0	$ 0	$ 0
TOTAL	$ 121,709,894	$ 118,670,574	$ 0
FTE positions	944.0	944.0	0.0
Non FTE Uncl. Perm. Pos.	129.0	129.0	0.0
TOTAL	1,073.0	1,073.0	0.0

Agency Request

The **agency** requests FY 2016 expenditures of $121,709,894, including $60,397,553 from the State General Fund. The request is an all funds decrease of $4,630,333, or 3.7 percent, below the revised FY 2015 estimate, and a State General Fund increase of $45,836,146, or 314.8 percent, above the revised FY 2015 estimate. The request includes decreased contractual service, commodities and capital outlay expenditures, partially offset by increased salaries and wages expenditures of $1,111,062, or 2.0 percent, due to increased employer KPERS contributions rate and reduced salaries and wages shrinkage. The increased State General Fund amount is a replacement of revenue received from the State Highway Fund in the proceeding years, used predominately for agency administration and the motor vehicles program.

Governor's Recommendation

The **Governor** recommends FY 2016 operating expenditures of $118,670,574, including $13,741,202 from the State General Fund. The recommendation is an all funds decrease of $3,039,320, or 2.5 percent, including a State General Fund decrease of $46,656,351, or 77.2 percent, below the agency's FY 2016 request. The all funds decrease is attributable to reduced employer contributions for state employee health insurance and a recommended 4.0 percent reduction in State General Fund and State Highway Fund expenditures. The State General Fund decrease is attributable to the Governor's recommendation that motor vehicle related expenditures continue to be funded through a transfer from the State Highway Fund instead of the State General Fund.

Senate Subcommittee Recommendation

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

Senate Subcommittee Report

Agency: Kansas Department of Revenue **Bill No.** SB 237 **Bill Sec.** 63

Analyst: Dapp **Analysis Pg. No.** 1395 **Budget Page No.** 86

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	$ 62,237,378	$ 15,487,937	$ 0
Other Funds	42,456,422	86,075,131	0
Subtotal	$ 104,693,800	$ 101,563,068	$ 0
Capital Improvements:			
State General Fund	$ 0	$ 0	$ 0
Other Funds	0	0	0
Subtotal	$ 0	$ 0	$ 0
TOTAL	$ 104,693,800	$ 101,563,068	$ 0
FTE positions	944.0	944.0	0.0
Non FTE Uncl. Perm. Pos.	129.0	129.0	0.0
TOTAL	1,073.0	1,073.0	0.0

Agency Request

The **agency** requests FY 2017 expenditures of $104,693,800, including $62,237,378 from the State General Fund. The request is an all funds decrease of $17,016,094, or 14.0 percent, below the agency's FY 2016 request, and a State General Fund increase of $1,839,825, or 3.0 percent, above the agency's FY 2016 request. The all funds decrease is attributable to reduced contractual service and aid to local units expenditures, specifically the discontinuation of distribution to local units from the Oil and Gas Valuation Depletion Trust Fund. These decreases are partially offset by increased salary and wage expenditures, due to a 27th pay period that occurs in the fiscal year.

Governor's Recommendation

The **Governor** recommends FY 2017 operating expenditures of $101,563,068, including $15,487,937 from the State General Fund. The recommendation is an all funds decrease of $3,130,732, or 3.0 percent, including a State General Fund decrease of $46,749,441, or 75.1 percent, below the agency's FY 2017 request. The all funds decrease is attributable to reduced employer contributions for state employee health insurance and a recommended 4.0 percent reduction in State General Fund and State Highway Fund expenditures. The State General Fund decrease is attributable to the Governor's recommendation that motor vehicle related expenditures continue to be funded through a transfer from the State Highway Fund instead of the State General Fund.

Senate Subcommittee Recommendation

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