

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. 106

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 Committee Recommendation

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

1. The Committee removes the Budget Committee's recommendation to consider reducing the amount of fees collected, under number one of the Budget Committee's recommendations.
-
-

Senate Subcommittee Report

Agency: Kansas Insurance Department

Bill No. House Sub. for SB 4

Bill Sec. --

Analyst: Fye

Analysis Pg. No. 1012

Budget Page No. 106

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation FY 2015	Senate Subcommittee 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 did 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.

Senate Subcommittee Recommendation

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

1. The Committee requests that the agency provide the projected ending balance in the Service Regulation Fund for FY 2018 and FY 2019, for review at Omnibus.

House Budget Committee Report

Agency: Kansas Insurance Department

Bill No. HB 2370

Bill Sec. 40

Analyst: Fye

Analysis Pg. No. 1012

Budget Page No. 106

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 Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas Insurance Department

Bill No. SB 237

Bill Sec. 40

Analyst: Fye

Analysis Pg. No. 1012

Budget Page No. 106

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee 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.

Senate Subcommittee Recommendation

The **Subcommittee** 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. HB 2370

Bill Sec. 41

Analyst: Fye

Analysis Pg. No. 1012

Budget Page No. 106

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	\$ 31,848,852	\$ 31,757,796	\$ 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 \$31.8 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.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas Insurance Department

Bill No. SB 237

Bill Sec. 41

Analyst: Fye

Analysis Pg. No. 1012

Budget Page No. 106

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee 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	\$ 31,848,852	\$ 31,757,796	\$ 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 \$31.8 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.

Senate Subcommittee Recommendation

The **Subcommittee** 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.