

January 28, 2016

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 235-E
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 340 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 340 is respectfully submitted to your committee.

Under current law, the Securities Commissioner is appointed by and serves at the pleasure of the Governor. SB 340 would have the position appointed by the Commissioner of Insurance and would outline the terms of appointment. The bill would provide that all positions appointed by the Securities Commissioner would have compensation approved by the Commissioner of Insurance.

In addition, the Office of the Securities Commissioner would cooperate with the Kansas Insurance Department to consolidate administrative functions and cross-appoint employees as necessary to provide efficiency.

Estimated State Fiscal Effect				
	FY 2016 SGF	FY 2016 All Funds	FY 2017 SGF	FY 2017 All Funds
Revenue	--	--	\$315,000	--
Expenditure	--	--	--	(\$315,000)
FTE Pos.	--	--	--	--

According to the Office of the Securities Commissioner estimates, enactment of the bill would reduce FY 2017 agency expenditures for personnel by approximately 10.0 percent through efficiencies of cross-appointing employees, resulting in \$315,000 in savings per year. However, the agency did not provide an estimate on the number of reduced FTE positions. Based on the above savings estimate, enactment of SB 315 would increase revenues to the State

The Honorable Jeff Longbine, Chairperson

January 28, 2016

Page 2—SB 340

General Fund by \$315,000 in FY 2017, as any amount greater than \$50,000 in the agency fee fund is transferred to the State General Fund at the end of the fiscal year.

The Kansas Insurance Department indicates that long-term savings may increase by \$1.0 million to \$1.5 million after a thorough analysis of operations by both agencies. Any fiscal effect associated with SB 340 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Glenda Haverkamp, Insurance
Steve Wassom, Office of the Securities Commissioner