

Kansas Department of Revenue

Expenditure	Actual FY 2020	Approved FY 2021	Approved FY 2022
All Funds:			
State Operations	\$ 101,344,599	\$ 104,790,788	\$ 104,030,600
Aid to Local Units	3,557,420	3,220,000	3,620,000
Other Assistance	200	-	-
<i>Subtotal - Operating</i>	<u>\$ 104,902,219</u>	<u>\$ 108,010,788</u>	<u>\$ 107,650,600</u>
Capital Improvements	-	-	-
TOTAL	<u>\$ 104,902,219</u>	<u>\$ 108,010,788</u>	<u>\$ 107,650,600</u>
State General Fund:			
State Operations	\$ 15,961,209	\$ 15,274,649	\$ 14,799,725
Aid to Local Units	-	-	-
Other Assistance	200	-	-
<i>Subtotal - Operating</i>	<u>\$ 15,961,409</u>	<u>\$ 15,274,649</u>	<u>\$ 14,799,725</u>
Capital Improvements	-	-	-
TOTAL	<u>\$ 15,961,409</u>	<u>\$ 15,274,649</u>	<u>\$ 14,799,725</u>
Percent Change:			
Operating Expenditures			
All Funds	(13.6)%	3.0 %	(0.3)%
State General Fund	1.6	(4.3)	(3.1)
FTE Positions	1,089.2	1,049.2	1,049.2

The approved FY 2021 budget for the Department of Revenue is \$108.0 million, including \$15.3 million SGF, which is an all funds increase of \$3.1 million, or 3.0 percent, and an SGF decrease of \$686,760, or 4.3 percent, from the FY 2020 actual budget. The budget includes \$1.6 million in hardware and software implementation costs for the channel modernization project and an additional \$2.4 million in the Division of Motor Vehicles for service enhancements. The increases in the Division of Motor Vehicles are related to a new location in Salina and additional square footage in Phillipsburg, Garden City, and Ottawa. The agency also has increased contractual service fees for licensing and support fees for the Kansas Commercial Vehicle Registration System (KCoVRS) cashiering system and the Q-Flow queuing system. The increases were partially offset by a reduction of \$337,240 in Aid to Local Units of Government from the Special County Mineral Production Tax Fund, which receives an 8.0 percent excise tax on coal, oil, or gas produced in Kansas.

The approved FY 2021 budget includes 1,049.2 FTE positions, which is a decrease of 40.0 FTE positions below the FY 2020 actual number. The agency made adjustments to the approved budget in FY 2020, adding 17.0 additional FTE positions in the Division of Motor Vehicles for the Wichita West Driver's License location and 3.0 FTE roving positions in the Wichita region. The agency also added 4.0 FTE positions in the Tax Administration Division for information technology analysts who were transferred from the Department of Administration. The increases were partially offset by FTE position reductions in the Administration Division, mostly in information technology analysts. The Governor deleted a total of 40.0 vacant, unfunded FTE positions in FY 2021.

The approved FY 2022 budget for the Department of Revenue is \$107.7 million, including \$14.8 million SGF, which is an all funds decrease of \$360,188, or 0.3 percent, and an SGF decrease of \$474,924, or 3.1 percent, below the FY 2021 approved budget. The approved budget deleted \$1.0 million to hold 25.0 FTE positions vacant and to eliminate SGF-funded out-of-state travel. These reductions were partially offset by the addition of \$356,571 to implement 2021 SB 50 concerning marketplace facilitators, salaries and wages fringe benefit expenditures, and the end of the KPERS Death and Disability employer contributions suspension. The channel modernization project is anticipated to be completed in FY 2021, which results in a reduction of \$1.5 million in capital outlay and contractual services expenditures. The channel modernization project includes \$100,000 in annual software and hardware maintenance fees for FY 2022. The reduction in the channel modernization project was offset by an increase in estimated Aid to Local Units of Government of \$400,000 for the Special County Mineral Production Tax Fund. The request includes 1,049.2 FTE positions, the same number as the FY 2021 approved budget.

The budget also includes language directing the Department of Revenue to reopen all Driver's License Offices closed due to the COVID-19 public health emergency on or before June 1, 2021.

Kansas Department of Revenue

	FY 2021			FY 2022		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate	\$ 15,962,196	\$ 108,528,335	1,089.2	\$ 16,061,282	\$ 108,912,157	1,089.2
Governor's Changes:						
1. CRF Project	\$ -	\$ 170,000	-	\$ -	\$ -	-
2. Reduced Resources	(600,000)	(600,000)	-	(1,606,128)	(1,606,128)	-
3. SGF Reappropriations Lapse	(21,547)	(21,547)	-	-	-	-
4. FTE Adjustments	-	-	(40.0)	-	-	(40.0)
<i>Subtotal - Governor's Recommendation</i>	<i>\$ 15,340,649</i>	<i>\$ 108,076,788</i>	<i>1,049.2</i>	<i>\$ 14,455,154</i>	<i>\$ 107,306,029</i>	<i>1,049.2</i>
Change from Agency Est.	\$ (621,547)	\$ (451,547)	(40.0)	\$ (1,606,128)	\$ (1,606,128)	(40.0)
Percent Change from Agency Est.	(3.9)%	(0.4)%	(3.7)%	(10.0)%	(1.5)%	(3.7)%
Legislative Action:						
5. Operations Reductions	\$ (66,000)	\$ (66,000)	-	\$ (12,000)	\$ (12,000)	-
6. Marketplace Facilitator Bill - 2021 SB 50	-	-	-	356,571	356,571	-
7. Driver's License Offices Language	-	-	-	-	-	-
TOTAL APPROVED	\$ 15,274,649	\$ 108,010,788	1,049.2	\$ 14,799,725	\$ 107,650,600	1,049.2
Change from Gov. Rec.	\$ (66,000)	\$ (66,000)	-	\$ 344,571	\$ 344,571	-
Percent Change from Gov. Rec.	(0.4)%	(0.1)%	0.0 %	2.4 %	0.3 %	0.0 %
Change from Agency Est.	\$ (687,547)	\$ (517,547)	(40.0)	\$ (1,261,557)	\$ (1,261,557)	(40.0)
Percent Change from Agency Est.	(4.3)%	(0.5)%	(3.7)%	(7.9)%	(1.2)%	(3.7)%

1. The Governor added \$170,000, all from the federal Coronavirus Relief Fund, to assist the agency in implementing remote work in FY 2021.
2. The Governor deleted \$600,000, all SGF, in FY 2021, and \$1.6 million, all SGF, for FY 2022, to eliminate SGF-funded out-of-state travel and continue to hold approximately 25.0 additional FTE positions vacant.
3. The Governor deleted \$21,547, all SGF, to eliminate reappropriations in FY 2021.
4. The Governor deleted 40.0 FTE positions to eliminate vacant unfunded positions in FY 2021 and FY 2022.
5. The Legislature deleted \$66,000, all SGF, for operations reductions including: a renegotiated cellular phone contract (\$6,000), state vehicle maintenance (\$10,000), state vehicle fuel expenditures (\$20,000), and office supplies (\$30,000) in FY 2021; and \$12,000, all SGF, for the renegotiated cellular phone contract for FY 2022.
6. The Legislature added \$356,571, all SGF, to implement the provisions of 2021 SB 50 concerning marketplace facilitators and income tax deductions and exemptions for FY 2022.
7. The Legislature added language directing that all driver's license office locations closed to the public as a result of the COVID-19 public health emergency must reopen on or before June 1, 2021, with the same services as prior to the public health emergency in FY 2021.