

KANSAS INSURANCE DEPARTMENT

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Operating Expenditures:					
State General Fund	\$ 0	\$ 0	\$ 976,666	\$ 0	\$ 0
Other Funds	32,585,681	34,694,968	34,694,968	34,777,574	34,777,574
<i>Subtotal</i>	<u>\$ 32,585,681</u>	<u>\$34,694,968</u>	<u>\$ 35,671,634</u>	<u>\$ 34,777,574</u>	<u>\$ 34,777,574</u>
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 32,585,681</u>	<u>\$ 34,694,968</u>	<u>\$ 35,671,634</u>	<u>\$ 34,777,574</u>	<u>\$ 34,777,574</u>
Percentage Change:					
Operating Expenditures					
State General Fund	-- %	-- %	-- %	-- %	(100.0) %
All Funds	11.9	6.5	9.5	0.2	(2.5)
FTE Positions	135.6	136.0	136.0	136.0	136.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

The mission of the Kansas Insurance Department is to protect the insurance consumers of Kansas and serve the public interest through the supervision, control, and regulation of persons and organizations transacting the business of insurance within the state. This mission will be accomplished by working to obtain an affordable, accessible, and competitive insurance market.

The mission of the Office of the Securities Commissioner, a division of the Insurance Department, is to protect and inform Kansas investors; promote integrity, fairness, and full disclosure in financial services; and foster capital information.

The Commissioner of Insurance is an elected official who supervises all transactions relating to insurance companies in the state. The Commissioner also oversees several programs related to insurance. The agency has five programs: Insurance Company Examination; Insurance Company Regulation; Firefighters Relief; Workers Compensation; and Office of the Securities Commissioner. From fiscal year (FY) 2013 to FY 2017 budget requests, the Insurance Department has had eight programs: General Administration; Financial Surveillance; Producers Division; Property and Casualty; Firefighters Relief; Workers Compensation; Accident and Health; and Life. Prior to the FY 2013 budget submission, the

agency was organized into six divisions: Firefighters Relief; Insurance Company Regulation; Insurance Company Examination; Workers Compensation; Group-Funded Workers Compensation; and Municipal Group-Funded Pools. Prior to FY 1993, the Insurance Department was partly funded by the State General Fund (SGF). The 1992 Legislature made the agency entirely fee-funded. Some fees that had been collected for credit to the SGF as well as additional assessments against insurers are now credited to the Insurance Department Service Regulation Fund.

The Office of the Kansas Securities Commissioner regulates and monitors the offering of securities and financial services within Kansas by registering securities, broker-dealers and their agents, investment advisers, loan brokers, and certain land subdivisions. Agency staff also investigate potential violations of the laws and ensure registered persons and entities comply with industry, legal, and accounting standards. The staff has the authority to investigate any investment-related activity that has occurred in Kansas, even if companies or individuals from outside of the state are involved.

The Securities Commissioner administers the Kansas Uniform Securities Act, the Uniform Land Sales Practices Act, and the Loan Brokers Act. The Securities Commissioner enforces these laws through administrative, civil, and criminal proceedings. As defined by statute, a “security” includes virtually any type of passive investment, not just stocks and bonds. Companies and individuals offering securities are subject to certain ethical and industry standards and must abide by federal and state laws and regulations.

The division provides three primary services:

- **Regulation Services.** Regulation Services includes the registration of securities offerings, broker-dealers, agents, investment advisers, loan brokers and subdivided land offerings, and continuous monitoring of registrants for compliance with the requirements of related statutes and administrative regulations;
- **Enforcement Services.** Enforcement Services involve the investigation of alleged violations of the Kansas Uniform Securities Act, the Uniform Land Sales Practice Act, and the Kansas Loan Brokers’ Act; field examinations of registrants where there is reason to suspect violations; and remedial provisions of the statutes for cases where evidence of violations exist; and
- **Education Services.** Education Services provides education and information to Kansans who are investing or raising capital. Most education services are provided through the agency’s website, and through publications, speeches, and presentations by staff and the Commissioner at small conferences for various investor groups, professional and business organizations throughout the state, and various special events. The goal of these services is to reduce the extent of investment problems, losses, and violations due to a lack of awareness and increase knowledge of securities laws and regulations. Funding for investor education comes from fines and other civil penalties plus funds designated for investor education as a condition in settlements of enforcement or compliance cases as specified under KSA §17-12a601(d)(2). The Investor Education Fund is “no limit” and is to be used at the discretion of the Securities Commissioner for the purposes of the Fund authorized under KSA §17-12a601(d)(1). The agency also provides educational services to attorneys and owners of small businesses in Kansas in order to foster capital formation.

The Office of the Kansas Securities Commissioner is a division of the Insurance Department funded entirely by industry fees, which fund the Securities Act Fee Fund, and fines and settlements, which fund the Investor Education Fund.

MAJOR ISSUES FROM PRIOR YEARS

The **2013 Legislature** transferred \$15.0 million from the Insurance Department Service Regulation Fund to the SGF in FY 2013 and \$5.0 million in FY 2014 and FY 2015, leaving a balance in the account of \$8.4 million in FY 2013 and an agency estimated balance of \$7.5 million in FY 2014 and \$6.6 million in FY 2015.

The **2015 Legislature** transferred \$8.0 million from the Insurance Department Service Regulation Fund to the SGF in FY 2016 and FY 2017, leaving an agency estimated balance of \$6.7 million for FY 2016 and \$4.2 million for FY 2017.

The **2016 Legislature** transferred \$1.0 million from the Service Regulation Fund to the SGF for FY 2017. This transfer was in addition to the \$8.0 million transfer from the Service Regulation Fund to the SGF for FY 2017, approved by the 2015 Legislature.

The **2017 Legislature** approved a transfer of \$2.9 million for FY 2018 and \$2.6 million for FY 2019, all from special revenue funds, and 30.0 FTE positions to merge the Office of the Securities Commissioner with the Kansas Insurance Department, authorized by 2017 SB 23, for FY 2018 and FY 2019. The merger included a transfer to the SGF of \$125,000, all from the Service Regulation Fund, and \$125,000, all from the Securities Act Fee Fund, for FY 2018, and \$250,000, all from the Service Regulation Fund, and \$250,000, all from the Securities Act Fee Fund, for FY 2019 due to expected cost savings from the merger. The merger also included a transfer of \$200,000, all from the Service Regulation Fund, and \$200,000, all from the Securities Act Fee Fund, to the Fraud and Abuse Criminal Prosecution Fund of the Office of the Attorney General for consolidation of criminal prosecutions for fraud and abuse for FY 2018 and FY 2019.

The **2018 Legislature** reduced the transfer from the Insurance Department Service Regulation Fund to the SGF by \$8.0 million for FY 2019; however, this was line-item vetoed by the Governor in House Sub. for SB 109. The agency filed suit to prevent the FY 2019 transfer from happening in full. Currently \$2.0 million is being transferred from the Fund each quarter. In Fall 2018, the agency proposed a settlement and the State filed for a 60-day continuance on the case.

The **2018 Legislature** added \$35,000, all from the Insurance Department Service Regulation Fund, for implementation of SB 410, which created the Captive Insurance Act under the Insurance Code by amending law and creating law related to captive insurance companies. The bill created two new captive insurance types, branch captive insurance company and special purpose captive, and specifies the regulatory structure for each.

The **2019 Legislature** added \$210,668, all from special revenue funds, for the 2.5 percent Legislative Pay Plan for FY 2020. Additionally, the Legislature approved transfers of \$5.4 million from the SGF to the Insurance Department Service Regulation Fund for FY 2019, FY 2020, and FY 2021 to settle a pending lawsuit over the \$16.1 million transferred from the Insurance Department Service Regulation Fund in FY 2017 and FY 2018.

The **2020 Legislature** added \$976,666 SGF for a refund of privilege fees to Amerigroup Kansas. This was a refund of privilege fees that Amerigroup Kansas paid to do business within the state prior to ceasing business in the state. The privilege fee would normally offset any fees for the next year, however since the company no longer does business in Kansas, a refund was approved.

BUDGET SUMMARY AND KEY POINTS

FY 2021 – Current Year. The **agency** estimates revised expenditures of \$34.7 million, all from special revenue funds, in FY 2021. This is an all funds increase of \$707,822, or 2.1 percent, above the FY 2021 approved amount. The increase is primarily attributable to increased expenditures for accounting services, litigation support services, and advertising the new anti-fraud and investor education campaign. The revised estimate includes 136.0 FTE positions, which is an increase of 0.4 FTE positions above the approved number.

The **Governor** recommends FY 2021 expenditures of \$35.7 million, including \$976,666 SGF. This is an increase of \$976,666, all SGF, or 2.8 percent, above the agency's FY 2021 revised estimate. The SGF increase is the same amount as the FY 2020 lapsed funds from the Privilege Fee account of the SGF. This refund for an overpayment of the privilege fee was authorized for a company that is no longer doing business in Kansas.

FY 2022 – Budget Year. The **agency** requests \$34.8 million, all from special revenue funds, for FY 2022. This is an all funds increase of \$82,606, or 0.2 percent, above the FY 2021 revised estimate. The increase is primarily attributable to increased expenditures for salaries and wages and fringe benefits. The agency's request includes 136.0 FTE positions, which is the same as the FY 2021 revised estimate.

The **Governor** concurs with the agency's FY 2022 request.

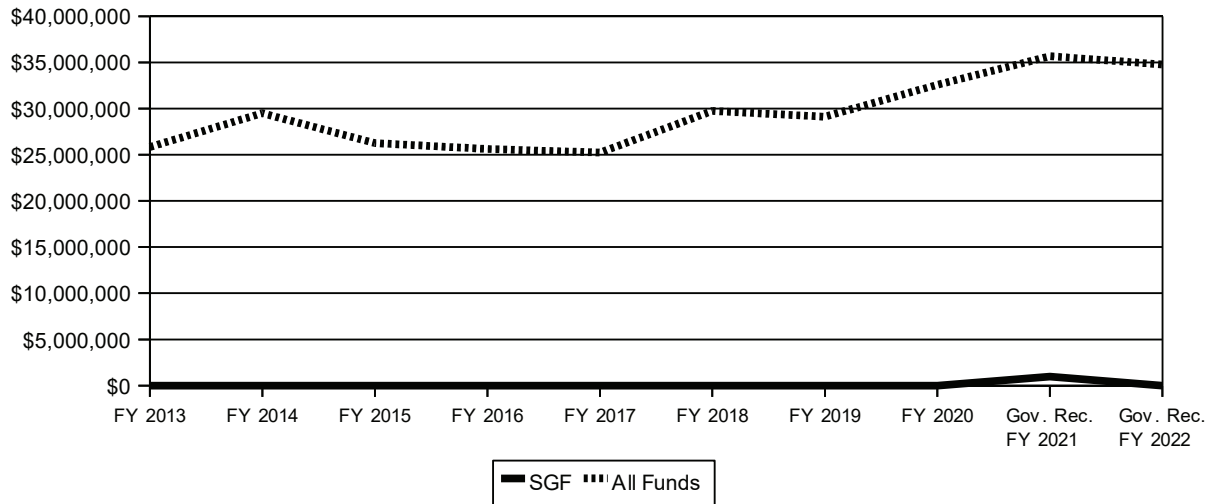
PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Total Amount Recovered for Kansas Consumers from Consumer Complaints (Dollars in Millions)	4.3	\$ 4.3	\$ 3.0	\$ 1.8	\$ 2.0	\$ 2.0
Number of Insurance Financial Examinations Performed Per Year	6	13	10	8	12	11
Number of Open Workers Compensation Cases	1,920	1,948	1,970	1,837	1,750	1,650
Number of Securities Company License Applications Approved Per Year*	25	25	26	10	25	25
Number of Examinations of Broker-dealers and Investment Advisors*	29	19	30	57	59	59
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 30.0	\$ 29.1	\$ 36.0	\$ 32.6	\$ 35.7	\$ 34.8
FTE Positions	131.8	135.6	135.6	135.6	136.0	136.0
* The Governor's Office does not utilize this measure for evaluation purposes.						

BUDGET TRENDS

OPERATING EXPENDITURES FY 2013 – FY 2022



OPERATING EXPENDITURES FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 0	-- %	\$ 25,837,213	4.0 %	126.0
2014	0	--	29,498,735	14.2	126.0
2015	0	--	26,267,089	(11.0)	126.0
2016	0	--	25,627,280	(2.4)	109.0
2017	0	--	25,239,117	(1.5)	109.0
2018	0	--	29,744,735	17.9	131.8
2019	0	--	29,122,807	(2.1)	135.6
2020	0	--	32,585,681	11.9	135.6
2021 Gov. Rec.	976,666	100.0	35,671,634	9.5	136.0
2022 Gov. Rec.	0	(100.0)	34,777,574	(2.5)	136.0
Ten-Year Change Dollars/Percent	\$ 0	-- %	\$ 8,940,361	34.6 %	10.0

Summary of Operating Budget FY 2020 - FY 2022

	Actual FY 2020			Agency Estimate			Governor's Recommendation		
	Actual FY 2020	Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21
By Program:									
Insurance Company Regulation	\$ 9,945,728	\$ 9,663,899	\$ 9,658,909	\$ (4,990)	(0.1)%	\$ 9,658,909	\$ 9,658,909	\$ (999,723)	(9.4)%
Insurance Company Examination	622,631	722,014	745,026	23,012	3.2	745,026	745,026	23,012	3.2
Firefighters Relief	14,747,525	14,573,769	14,576,092	2,323	0.0	14,576,092	14,576,092	2,323	0.0
Workers Compensation	3,968,649	6,223,859	6,231,680	7,821	0.1	6,231,680	6,231,680	7,821	0.1
Securities Regulation	3,301,148	3,511,427	3,565,867	54,440	1.6	3,565,867	3,565,867	72,507	2.1
TOTAL	\$ 32,585,681	\$ 34,694,968	\$ 34,777,574	\$ 82,606	0.2 %	\$ 34,777,574	\$ 34,777,574	\$ (894,060)	(2.5)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 10,010,832	\$ 10,924,693	\$ 11,275,499	\$ 350,806	3.2 %	\$ 11,275,499	\$ 11,275,499	\$ 350,806	3.2 %
Contractual Services	4,889,757	4,839,075	4,670,875	(168,200)	(3.5)	4,670,875	4,670,875	(168,200)	(3.5)
Commodities	219,415	200,100	195,100	(5,000)	(2.5)	195,100	195,100	(5,000)	(2.5)
Capital Outlay	794,666	169,100	74,100	(95,000)	(56.2)	74,100	74,100	(95,000)	(56.2)
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	<i>\$ 15,914,670</i>	<i>\$ 16,132,968</i>	<i>\$ 16,215,574</i>	<i>\$ 82,606</i>	<i>0.5 %</i>	<i>\$ 16,215,574</i>	<i>\$ 16,215,574</i>	<i>\$ 82,606</i>	<i>0.5 %</i>
Aid to Local Units	14,674,593	14,500,000	14,500,000	0	0.0	14,500,000	14,500,000	0	0.0
Other Assistance	1,996,418	4,062,000	4,062,000	0	0.0	4,062,000	4,062,000	(976,666)	(19.4)
TOTAL	\$ 32,585,681	\$ 34,694,968	\$ 34,777,574	\$ 82,606	0.2 %	\$ 34,777,574	\$ 34,777,574	\$ (894,060)	(2.5)%
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ (976,666)	(100.0)%
Insurance Company Examination Fund	420,252	718,014	741,026	23,012	3.2	741,026	741,026	23,012	3.2
Insurance Department Services Regulation Fund	10,076,718	9,644,173	9,638,634	(5,539)	(0.1)	9,638,634	9,641,134	56,394	0.6
Securities Act Fee Fund	3,256,034	3,359,852	3,414,292	54,440	1.6	3,414,292	3,416,292	72,507	2.2
All Other Funds	18,832,677	20,972,929	20,983,622	10,693	0.1	20,983,622	20,979,122	(69,307)	(0.3)
TOTAL	\$ 32,585,681	\$ 34,694,968	\$ 34,777,574	\$ 82,606	0.2 %	\$ 34,777,574	\$ 34,777,574	\$ (894,060)	(2.5)%

BUDGET OVERVIEW

A. FY 2021 – Current Year

Adjustments to Approved State General Fund Budget

The agency’s revised estimate does not include any State General Fund (SGF) expenditures.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 976,666	\$ 976,666
All Other Funds	33,987,146	34,694,968	707,822	34,694,968	707,822
TOTAL	\$ 33,987,146	\$ 34,694,968	\$ 707,822	\$ 35,671,634	\$ 1,684,488
FTE Positions	135.6	136.0	0.4	136.0	0.4

The **agency** estimates revised expenditures of \$34.7 million, all from special revenue funds, in FY 2021. This is an all funds increase of \$707,822, or 2.1 percent, above the FY 2021 approved amount. The increase is primarily attributable to increased expenditures for accounting services, litigation support services, and advertising the new anti-fraud and investor education campaign. The revised estimate includes 136.0 FTE positions, which is an increase of 0.4 FTE positions above the approved number. The revised estimate is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency estimates revised expenditures of \$10.9 million, all from special revenue funds, for salaries and wages. This is an all funds increase of \$30,672, or 0.3 percent, above the FY 2021 approved amount. This is attributable to the increased expenditures for group health insurance;
- **Contractual Services.** The agency estimates revised expenditures of \$4.8 million, all from special revenue funds, for contractual services. This is an all funds increase of \$808,500, or 20.1 percent, above the FY 2021 approved amount. This is primarily attributable to accounting services, litigation support services, and advertising the new anti-fraud and investor education campaign;
- **Commodities.** The agency estimates revised expenditures of \$200,100, all from special revenue funds, for commodities. This is an all funds increase of \$29,550, or 17.3 percent, above the FY 2021 approved amount. This is primarily attributable to increased expenditures to replace stationery and office supplies that include the agency’s previous address and scientific supplies;
- **Capital Outlay.** The agency estimates revised expenditures of \$169,100, all from special revenue funds, for capital outlay. This is an all funds increase of \$34,600,

or 25.7 percent, above the FY 2021 approved amount. The increase is primarily attributable to the agency replacing computer equipment on a rolling 4 to 5 year period;

- **Aid to Local Units of Government.** The agency estimates revised expenditures of \$14.5 million, all from special revenue funds, for aid to local units of government. This is an all funds increase of \$500,000, or 3.6 percent, above the FY 2021 approved amount. The increase is attributable to the agency anticipating an increase in revenue from the Firefighters Relief Fund, which is then passed along to local units of government; and
- **Other Assistance.** The agency estimates revised expenditures of \$4.1 million, all from special revenue funds, for other assistance. This is an all funds decrease of \$695,500, or 14.6 percent, below the FY 2021 approved amount. The decrease is attributable to a reduction in grants given by the Securities Regulation Division for educational programs and director certifications.

The **Governor** recommends FY 2021 expenditures of \$35.7 million, including \$976,666 SGF. This is an increase of \$976,666, all SGF, or 2.8 percent, above the agency's FY 2021 revised estimate. The SGF increase is the same amount as the FY 2020 lapsed funds from the Privilege Fee account of the SGF. This refund for an overpayment of the privilege fee was authorized for a company that is no longer doing business in Kansas.

B. FY 2022 – Budget Year

FY 2022 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 34,777,574	\$ 34,777,574	\$ 0
FTE Positions	136.0	136.0	0.0
Change from FY 2021:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ (976,666)	
All Other Funds	82,606	82,606	
TOTAL	\$ 82,606	\$ (894,060)	
<i>Percent Change:</i>			
State General Fund	0.0 %	(100.0) %	
All Other Funds	0.2	0.2	
TOTAL	0.2 %	(2.5) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$34.8 million, all from special revenue funds, for FY 2022. This is an all funds increase of \$82,606, or 0.2 percent, above the FY 2021 revised estimate. The increase is primarily attributable to increased expenditures for salaries and wages and fringe

benefits. The agency's request includes 136.0 FTE positions, which is the same number as the FY 2021 revised estimate. The request is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests \$11.3 million, all from special revenue funds, for salaries and wages expenditures. This is an all funds increase of \$350,806, or 3.2 percent, above the FY 2021 revised estimate. The increase is primarily due to increased expenditures for fringe benefits;
- **Contractual Services.** The agency requests \$4.7 million, all from special revenue funds, for contractual services expenditures. This is an all funds decrease of \$168,200, or 3.5 percent, below the FY 2021 revised estimate. The decrease is primarily attributable to decreased expenditures for accountants, auditors, utilities, and computer repair and servicing;
- **Commodities.** The agency requests \$195,100, all from special revenue funds, for commodities expenditures. This is an all funds decrease of \$5,000, or 2.5 percent, below the FY 2021 revised estimate. The decrease is primarily attributable to the purchase of wall signs, door plaques, and name plates made in FY 2021 that will not need to be made in FY 2022;
- **Capital Outlay.** The agency requests \$74,100, all from special revenue funds, for capital outlay expenditures. This is an all funds decrease of \$95,000, or 56.2 percent, below the FY 2021 revised estimate. The decrease is primarily attributable to decreased expenditures on office and computer equipment;
- **Aid to Local Units of Government.** The agency requests \$14.5 million, all from special revenue funds, for aid to local units of government expenditures, which is the same as the FY 2021 revised estimate. These expenditures are attributable to the revenue from the Firefighters Relief Fund, which is then distributed to local governments; and
- **Other Assistance.** The agency requests \$4.1 million, all from special revenue funds for other assistance expenditures, which is the same as the FY 2021 revised estimate. The expenditures are attributable to educational grants in the Securities Regulation division and workers' compensation claims.

The **Governor** concurs with the agency's request for FY 2022.

Governor's Recommended Salary and Wage Adjustments

For FY 2022, the Governor recommends adding \$31.5 million, including \$11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding \$10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

Longevity Bonus Payments. In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is \$3.0 million, including \$1.1 million SGF. For FY 2022, the estimated cost is \$3.1 million, including \$1.1 million SGF. **This agency does not have any longevity payments in FY 2021 and \$1,000, all from special revenue funds, for FY 2022.**

Kansas Public Employees Retirement System (KPERs). The employer retirement contribution rate, including Death and Disability contributions, for the KPERs State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The FY 2021 rate excludes the 1.0 percent KPERs Death and Disability contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERs State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of \$177.3 million, including \$158.7 million SGF, for FY 2022. The Governor's recommendation would also incorporate \$25.8 million in KPERs layering payments into the amortization schedules. **No savings from this policy are currently included in this agency's budget.**

KPERs Death and Disability Group Insurance Fund. During FY 2021, a moratorium on employer contributions to the KPERs Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented *via* the Governor's allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at \$46.7 million in contributions from the SGF. Included in this amount were savings of approximately \$40.3 million from KPERs School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of \$46.7 million to annualize the payments for the full fiscal year.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2022	Gov. Rec. Percent of Total FY 2022
State General Fund	0.0 %	0.0 %
Insurance Company Examination Fund	2.1	2.1
Insurance Department Service Regulation Fund	27.7	27.7
Securities Act Fee Fund	9.8	9.8
All Other Funds	60.3	60.3
TOTAL	100.0 %	100.0 %

(Note: Totals may not add due to rounding.)

Insurance Company Examination Fund Analysis

The Insurance Company Examination Fund receives its revenue from collections generated during the course of audits and investigations of foreign (non-Kansas) and domestic insurance companies. The funds are used for expenses and salaries incurred for audits and examinations. In addition to the Insurance Company Examination Fund, there are several other funds utilized for the examination process, including the Insurance Company Annual Statement Examination Fund, Insurance Company Examiner Training Fund, Municipal Group-Funded Pools Fee Fund, and Group-Funded Workers' Compensation Pools Fee Fund.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 34,331	\$ 60,221	\$ 60,221	\$ 42,207	\$ 42,207
Revenue	446,142	700,000	700,000	735,000	735,000
Transfers in	0	0	0	0	0
Funds Available	\$ 480,473	\$ 760,221	\$ 760,221	\$ 777,207	\$ 777,207
Less:					
Expenditures	\$ 420,252	\$ 718,014	\$ 718,014	\$ 741,026	\$ 741,026
Transfers Out	0	0	0	0	0
Off-Budget Expenditures	0	0	0	0	0
Ending Balance	\$ 60,221	\$ 42,207	\$ 42,207	\$ 36,181	\$ 36,181
Ending Balance as Percent of Expenditures	14.3%	5.9%	5.9%	4.9%	4.9%
Month Highest Ending Balance	June \$ 95,662	June \$ 67,047	June \$ 67,047	June \$ 57,474	June \$ 57,474
Month Lowest Ending Balance	January \$ 31,019	January \$ 21,740	January \$ 21,740	January \$ 18,636	January \$ 18,636

Insurance Department Service Regulation Fund Analysis

KSA 40-112 established the Insurance Department Service Regulation Fund for the purpose of maintaining the operations of the agency. The Fund consists of fees collected by the

agency, 1.0 percent of premium taxes received from insurance companies pursuant to KSA 40-252, and an annual assessment imposed as deemed necessary by the Commissioner of Insurance to fund operations.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 17,270,555	\$ 31,393,707	\$ 31,393,707	\$ 46,939,034	\$ 47,000,967
Revenue	19,156,237	20,017,000	20,017,000	20,392,000	20,392,000
Transfers in	5,375,000	5,375,000	5,375,000	0	0
Funds Available	\$ 41,801,792	\$ 56,785,707	\$ 56,785,707	\$ 67,331,034	\$ 67,392,967
Less:					
Expenditures	\$ 10,077,284	\$ 9,646,673	\$ 9,584,740	\$ 9,641,134	\$ 9,641,134
Transfers Out	330,801	200,000	200,000	200,000	200,000
Off-Budget Expenditures	0	0	0	0	0
Ending Balance	\$ 31,393,707	\$ 46,939,034	\$ 47,000,967	\$ 57,489,900	\$ 57,551,833
Ending Balance as Percent of Expenditures	311.5%	486.6%	490.4%	596.3%	596.9%
Month Highest Ending Balance	April \$ 46,779,614	April \$ 69,943,633	April \$ 70,035,919	April \$ 85,665,428	April \$ 93,766,977
Month Lowest Ending Balance	December \$ 32,929,967	December \$ 53,721,529	December \$ 53,792,411	December \$ 65,796,951	December \$ 72,019,498

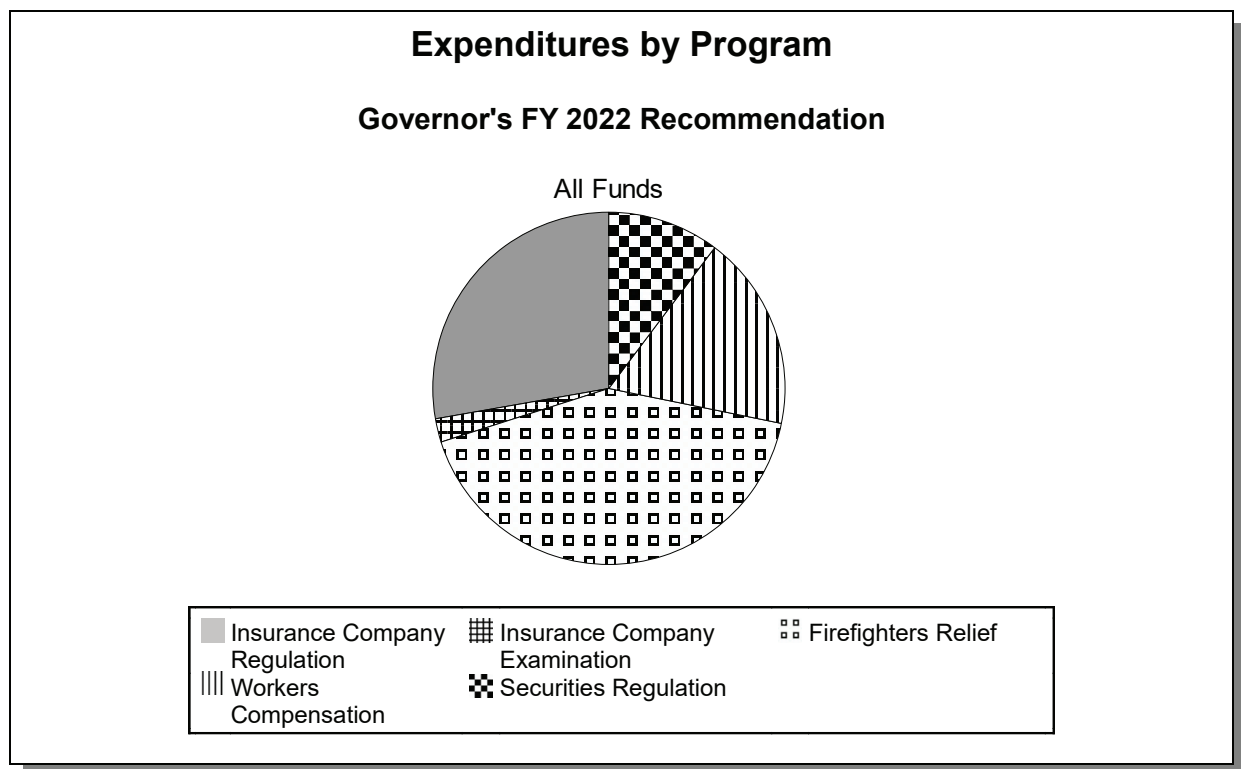
Securities Act Fee Fund Analysis

The Securities Act Fee Fund is financed by fees received from security agents, investor adviser representatives, broker-dealers, investment adviser firms, mutual fund portfolios, and investment trusts. The authority for the Commissioner of Insurance to set rates are specified in KSA §17-12a205, 17-12a302, 17-12a305, and 17-12a410. Most current rates specified in regulations are below the statutory maximum rates.

KSA §17-12a-601 provides that 90.0 percent of fees received by the Commissioner of Insurance are credited to the Securities Act Fee Fund, and 10.0 percent of receipts are credited to the SGF, up to a maximum of \$100,000. There is an annual transfer of \$200,000 to the Fraud and Abuse Criminal Prosecution Fund for services provided by the Kansas Office of the Attorney General. Furthermore, on the last day of the fiscal year, the Director of Accounts and Reports is required to transfer all unencumbered funds in excess of \$50,000 into the SGF for reimbursement for services provided to the agency by the Department of Administration.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 48,938	\$ 483,728	\$ 483,728	\$ 31,933	\$ 50,000
Revenue	16,225,768	16,401,700	16,401,700	16,401,700	16,401,700
Transfers in	0	0	0	0	0
<i>Funds Available</i>	<u>\$ 16,274,706</u>	<u>\$ 16,885,428</u>	<u>\$ 16,885,428</u>	<u>\$ 16,433,633</u>	<u>\$ 16,451,700</u>
Less:					
Expenditures	\$ 3,256,034	\$ 3,361,852	\$ 3,343,785	\$ 3,416,292	\$ 3,416,292
Transfers Out	12,534,944	13,491,643	13,491,643	12,985,408	12,985,408
Off-Budget Expenditures	0	0	0	0	0
Ending Balance	<u>\$ 483,728</u>	<u>\$ 31,933</u>	<u>\$ 50,000</u>	<u>\$ 31,933</u>	<u>\$ 50,000</u>
Ending Balance as Percent of Expenditures	14.9%	0.9%	1.5%	0.9%	1.5%
Month Highest Ending Balance	May <u>\$ 12,549,320</u>	May <u>\$ 828,435</u>	May <u>\$ 1,297,146</u>	May <u>\$ 828,435</u>	May <u>\$ 1,297,146</u>
Month Lowest Ending Balance	July \$ 693,374	July \$ 45,773	July \$ 71,670	July \$ 45,773	July \$ 71,670

PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Insurance Company Regulation	\$ 9,658,909	27.8 %	\$ 0	-- %
Insurance Company Examination	745,026	2.1	0	--
Firefighters Relief	14,576,092	41.9	0	--
Workers Compensation	6,231,680	17.9	0	--
Securities Regulation	3,565,867	10.3	0	--
TOTAL	\$ 34,777,574	100.0 %	\$ 0	-- %

FTE POSITIONS BY PROGRAM FY 2020 – FY 2022					
Program	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Insurance Company Regulation	94.0	95.5	95.5	95.5	95.5
Insurance Company Examination	6.0	6.0	6.0	6.0	6.0
Firefighters Relief	2.0	2.0	2.0	2.0	2.0
Workers Compensation	2.7	2.7	2.7	2.7	2.7
Securities Regulation	30.9	29.8	29.8	29.8	29.8
TOTAL	135.6	136.0	136.0	136.0	136.0

(Note: For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.)

A. Insurance Company Regulation

The Insurance Company Regulation Division detects insurance companies, which are in or have the potential to be in hazardous financial condition; protects Kansas insurance consumers from insurance fraud; better informs and assists Kansas insurance consumers; educates consumers about insurance products they are purchasing and communicates consumer information, regulatory developments, and other news to the public; provides advice and counsel to the Commissioner of Insurance and various divisions of the Insurance Department, defends the Department in forums, and supervises the adoption of rules and regulations; ensures all individuals selling, soliciting, and negotiating insurance contracts in Kansas are knowledgeable, competent, and properly licensed and certified; monitors and regulates matters relating to the writing of health, life and property, and casualty insurance in Kansas by ensuring that policy forms comply with applicable laws and regulations; and ensures the proper and timely analysis and collection of applicable taxes and fees due from companies.

Beginning in FY 2018, the agency merged the General Administration, Licensing and Market Regulation, Property and Casualty, and Health and Life programs into the Insurance Company Regulation program.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Active Licensed Producers, Adjusters, and Agencies	150,925	158,948	166,000	168,294	176,000	183,000
Amount of Money Recovered from Consumer Complaints (Dollars in Millions)	\$ 4.5	\$ 1.9	\$ 3.0	\$ 1.8	\$ 2.0	\$ 2.0
Number of Fraud Investigations Submitted for Criminal Disposition	4	14	24	14	14	14
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 7.5	\$ 8.1	\$ 11.2	\$ 9.9	\$ 10.7	\$ 9.7
FTE Positions	92.9	94.0	94.0	94.0	95.5	95.5

**INSURANCE COMPANY REGULATION DIVISION
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Revised Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 6,539,258	\$ 7,194,599	\$ 7,194,599	\$ 7,421,809	\$ 7,421,809
Contractual Services	2,743,721	2,292,200	2,294,200	2,139,000	2,139,000
Commodities	52,372	55,500	55,922	51,500	51,500
Capital Outlay	610,377	121,600	137,245	46,600	46,600
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 9,945,728</u>	<u>\$ 9,663,899</u>	<u>\$ 9,681,966</u>	<u>\$ 9,658,909</u>	<u>\$ 9,658,909</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	976,666	0	0
TOTAL	<u>\$ 9,945,728</u>	<u>\$ 9,663,899</u>	<u>\$ 10,658,632</u>	<u>\$ 9,658,909</u>	<u>\$ 9,658,909</u>
Financing:					
State General Fund	\$ 0	\$ 0	\$ 976,666	\$ 0	\$ 0
All Other Funds	9,945,728	9,663,899	9,681,966	9,658,909	9,658,909
TOTAL	<u>\$ 9,945,728</u>	<u>\$ 9,663,899</u>	<u>\$ 10,658,632</u>	<u>\$ 9,658,909</u>	<u>\$ 9,658,909</u>
FTE Positions	94.0	95.5	95.5	95.5	95.5

The **agency** requests \$9.7 million, all from special revenue funds, for FY 2022 Insurance Company Regulation program expenditures. This is an all funds decrease of \$4,990, or 0.1 percent, below the FY 2021 revised estimate. The revised estimate includes 95.5 FTE positions, which is the same as the FY 2021 revised estimate. Major expenditure changes are detailed below:

- **Salaries and Wages.** The agency requests expenditures of \$7.4 million, all from special revenue funds, for FY 2022. The request is an all funds increase of \$227,210, or 3.2 percent, above the FY 2021 revised estimate. The increase is primarily attributable to increased expenditures on fringe benefits;
- **Contractual Services.** The agency requests expenditures of \$2.1 million, all from special revenue funds, for FY 2022. The request is an all funds decrease of \$153,200, or 6.7 percent, below the FY 2021 revised estimate. The decrease is primarily attributable to decreased expenditures on travel, OITS-provided services, and legal fees. This is partially offset by increased expenditures for accountants and auditors;
- **Commodities.** The agency requests expenditures of \$51,500, all from special revenue funds, for FY 2022. The request is an all funds decrease of \$4,000, or 7.2 percent, below the FY 2021 revised estimate. The decrease is attributable to one time purchase of signage in FY 2021; and
- **Capital Outlay.** The agency requests expenditures of \$46,600, all from special revenue funds, for FY 2022. The request is an all funds decrease of \$75,000, or 7.5 percent, below the FY 2021 revised estimate. The decrease is primarily attributable to decreased expenditures for computers and office equipment.

The **Governor** concurs with the agency's request for FY 2022 expenditures for the Insurance Company Regulation Division.

B. Insurance Company Examination

The Insurance Company Examination Division detects, through on-site financial examinations, those companies that are experiencing financial difficulty and those companies that are operating in violation of any Kansas insurance law or regulation. Also, this program performs in-house examinations of all insurance company annual financial statements and securities deposits held under the custody of the Insurance Department. Salaries and wages for examiners, as well as expenditures for travel and subsistence incurred while working on examination of a company, are billed to and reimbursed by that company. Prior to FY 2018, the title of this program was Financial Surveillance.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Financial Examinations Performed	6	13	10	8	12	11
Agency Expenditures						
All Funds (Dollars in Thousands)	\$ 832.8	\$ 729.0	\$ 729.0	\$ 622.6	\$ 722.0	\$ 745.0
FTE Positions	8.0	6.0	6.0	6.0	6.0	6.0

INSURANCE COMPANY EXAMINATION DIVISION SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Revised Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 613,895	\$ 713,814	\$ 713,814	\$ 736,826	\$ 736,826
Contractual Services	8,537	8,000	8,000	8,000	8,000
Commodities	199	200	200	200	200
Capital Outlay	0	0	0	0	0
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 622,631</i>	<i>\$ 722,014</i>	<i>\$ 722,014</i>	<i>\$ 745,026</i>	<i>\$ 745,026</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	\$ 622,631	\$ 722,014	\$ 722,014	\$ 745,026	\$ 745,026
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	622,631	722,014	722,014	745,026	745,026
TOTAL	\$ 622,631	\$ 722,014	\$ 722,014	\$ 745,026	\$ 745,026
FTE Positions	6.0	6.0	6.0	6.0	6.0

The **agency** requests FY 2022 expenditures of \$745,026, all from special revenue funds. The request is an all funds increase of \$23,012, or 3.2 percent, above the agency's FY 2021 revised estimate. The request includes 6.0 FTE positions, which is the same as the revised FY 2021 number. This increase is attributable to a salaries and wages expenditure

increase due to increased unclassified regular pay, employer contributions to KPERS, and group health insurance.

The **Governor** concurs with the agency's request for FY 2022 expenditures for the Insurance Company Examination Division.

C. Firefighters Relief Division

The Firefighters Relief Division administers the Firefighters Relief Act as it applies to all insurance companies, corporations, firms, or associations transacting business of fire insurance in the state. KSA 40-1703 requires every insurance company that writes fire and lightning insurance to pay 2.0 percent of the total amount of annual premiums written in Kansas to the Insurance Department. The amounts collected are credited to the Firefighters Relief Fund and distributed to cities, townships, fire districts, and county firefighters relief associations.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Firefighter Relief Associations receiving a distribution each year*	-	563	-	561	561	561
Number of Firefighter Relief Associations requesting a redetermination hearing each year	-	18	-	9	10	10
Number of Firefighter Relief Association presentations given each year	-	7	-	3	7	7
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 13.6	\$ 14.0	\$ 14.1	\$ 14.7	\$ 14.6	\$ 14.6
FTE Positions	2.0	2.0	2.0	2.0	2.0	2.0

*In order for an FRA to receive their distribution each year they must, on or before April 1 each year, submit their financial statement showing receipts, disbursements and general condition of the FRA for the year ending the preceding December 31.

**FIREFIGHTERS RELIEF DIVISION
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Revised Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 71,912	\$ 72,769	\$ 72,769	\$ 75,092	\$ 75,092
Contractual Services	879	700	700	700	700
Commodities	141	300	300	300	300
Capital Outlay	0	0	0	0	0
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 72,932</i>	<i>\$ 73,769</i>	<i>\$ 73,769</i>	<i>\$ 76,092</i>	<i>\$ 76,092</i>
Aid to Local Units	14,674,593	14,500,000	14,500,000	14,500,000	14,500,000
Other Assistance	0	0	0	0	0
TOTAL	\$ 14,747,525	\$ 14,573,769	\$ 14,573,769	\$ 14,576,092	\$ 14,576,092
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	14,747,525	14,573,769	14,573,769	14,576,092	14,576,092
TOTAL	\$ 14,747,525	\$ 14,573,769	\$ 14,573,769	\$ 14,576,092	\$ 14,576,092
FTE Positions	2.0	2.0	2.0	2.0	2.0

The **agency** requests \$14.6 million, all from special revenue funds, for FY 2022 Firefighters Relief Division expenditures. This is an all funds increase of \$2,323, or less than 0.1 percent, above the FY 2021 revised estimate. The increase is entirely attributable to a salary increase for the Division's employees. The request also includes 2.0 FTE positions, which is the same as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for FY 2022 expenditures for the Firefighters Relief Division.

D. Workers Compensation

The Workers Compensation Division works to encourage the employment of persons disabled as a result of specific impairments by relieving employers, wholly or partially, of workers compensation liability resulting from compensable industrial accidents suffered by these employees and to pay claims of injured workers employed by employers who are insolvent, bankrupt, or cannot be located.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Total Number of Open Workers' Compensation Cases	1,431	1,948	1,970	1,837	1,750	1,650
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 5.3	\$ 3.7	\$ 6.2	\$ 4.0	\$ 6.2	\$ 6.2
FTE Positions	2.5	2.7	2.7	2.7	2.7	2.7

**WORKERS COMPENSATION DIVISION
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Revised Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 219,503	\$ 244,159	\$ 244,159	\$ 251,980	\$ 251,980
Contractual Services	1,637,701	1,854,100	1,854,100	1,854,100	1,854,100
Commodities	154,027	125,100	125,100	125,100	125,100
Capital Outlay	0	500	500	500	500
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 2,011,231</u>	<u>\$ 2,223,859</u>	<u>\$ 2,223,859</u>	<u>\$ 2,231,680</u>	<u>\$ 2,231,680</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	1,957,418	4,000,000	4,000,000	4,000,000	4,000,000
TOTAL	<u>\$ 3,968,649</u>	<u>\$ 6,223,859</u>	<u>\$ 6,223,859</u>	<u>\$ 6,231,680</u>	<u>\$ 6,231,680</u>
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,968,649	6,223,859	6,223,859	6,231,680	6,231,680
TOTAL	<u>\$ 3,968,649</u>	<u>\$ 6,223,859</u>	<u>\$ 6,223,859</u>	<u>\$ 6,231,680</u>	<u>\$ 6,231,680</u>
FTE Positions	2.7	2.7	2.7	2.7	2.7

The **agency** requests \$6.2 million, all from special revenue funds, for FY 2022 expenditures. This is an all funds increase of \$7,821, or 0.1 percent, above the FY 2021 revised estimate. The increase is attributable to a salary increase for the Division's employees. The request includes 2.0 FTE positions, which is the same as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for FY 2022 expenditures for the Workers Compensation Division

E. Securities Regulation

The Office of the Securities Commissioner is a division that regulates and monitors the offering of securities and financial services within Kansas by registering securities, broker-dealers, and their agents; investment advisers; loan brokers; and certain land subdivisions. Agency staff also investigate potential violations of the laws and ensure registered persons and entities comply with industry, legal, and accounting standards. The staff has the authority to investigate any investment-related activity that has occurred in Kansas, even if companies or individuals from outside of the state are involved.

The Office of the Securities Commissioner administers the Kansas Uniform Securities Act, the Uniform Land Sales Practices Act, and the Loan Brokers Act. The Securities Commissioner enforces these laws through administrative, civil, and criminal proceedings. As defined by statute, a "security" includes virtually any type of passive investment, not just stocks and bonds. Companies and individuals offering securities are subject to certain ethical and industry standards and must abide by federal and state laws and regulations. The Office of the Securities Commissioner provides three primary services: regulation, enforcement, and education.

The Office of the Securities Commissioner is funded entirely by industry fees, which fund the Securities Act Fee Fund, and fines and settlements, which fund the Investor Education Fund. Prior to FY 2018, the Office of the Securities Commissioner was an independent agency.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Amount of money recovered each year	\$ -	\$ 20,900	\$ -	\$ 58,586	\$ 204,100	\$ 54,100
Number of broker-dealers registrations and renewal filings per year	-	1,474	-	1,463	1,450	1,465
Number of enforcement and compliance cases opened	80	31	55	16	20	20
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 2.5	\$ 2.6	\$ 3.8	\$ 3.3	\$ 3.5	\$ 3.6
FTE Positions	26.5	30.9	30.9	30.9	29.8	29.8

SECURITIES REGULATION DIVISION SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Revised Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 2,566,264	\$ 2,699,352	\$ 2,699,352	\$ 2,789,792	\$ 2,789,792
Contractual Services	498,919	684,075	682,075	669,075	669,075
Commodities	12,676	19,000	18,578	18,000	18,000
Capital Outlay	184,289	47,000	31,355	27,000	27,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 3,262,148</i>	<i>\$ 3,449,427</i>	<i>\$ 3,431,360</i>	<i>\$ 3,503,867</i>	<i>\$ 3,503,867</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	39,000	62,000	62,000	62,000	62,000
TOTAL	\$ 3,301,148	\$ 3,511,427	\$ 3,493,360	\$ 3,565,867	\$ 3,565,867
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,301,148	3,511,427	3,493,360	3,565,867	3,565,867
TOTAL	\$ 3,301,148	\$ 3,511,427	\$ 3,493,360	\$ 3,565,867	\$ 3,565,867
FTE Positions	30.9	29.8	29.8	29.8	29.8

The **agency** requests \$3.6 million, all from special revenue funds, for FY 2022 expenditures. This is an all funds increase of \$54,440, or 1.6 percent, above the FY 2021 revised estimate. The request includes 29.8 FTE positions, which is the same as the FY 2021 revised estimate. Major expenditure changes are detailed below:

- **Salaries and Wages.** The agency requests expenditures of \$2.8 million, all from special revenue funds, for FY 2022. The request is an all funds increase of \$90,440, or 3.4 percent, above the FY 2021 revised estimate. The increase is primarily attributable to increased expenditures on fringe benefits;

- **Contractual Services.** The agency requests expenditures of \$669,075, all from special revenue funds, for FY 2022. The request is an all funds decrease of \$15,000, or 2.2 percent, below the FY 2021 revised estimate. The decrease is attributable to decreased expenditures on computer programming fees;
- **Commodities.** The agency requests expenditures of \$18,000, all from special revenue funds, for FY 2022. The request is an all funds decrease of \$1,000, or 5.3 percent, below the FY 2021 revised estimate. The decrease is attributable to decreased expenditures on office cleaning and maintenance supplies; and
- **Capital Outlay.** The agency requests expenditures of \$27,000, all from special revenue funds, for FY 2022. The request is an all funds decrease of \$20,000, or 42.6 percent, below the FY 2021 revised estimate. The decrease is primarily attributable to decreased expenditures on office furniture and cars.

The **Governor** concurs with the agency's request for FY 2022 expenditures for the Securities Regulation Division.