

Senate Subcommittee Report

Agency: Office of the Attorney General

Bill No. SB 444

Bill Sec. 19

Analyst: Wu

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Budget Page No. 154

Expenditure Summary	Agency Estimate FY 2022	Governor Recommendation FY 2022	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,712,584	\$ 6,669,265	\$ -
Federal Funds	3,487,365	3,487,365	-
Other Funds	21,072,455	21,072,455	7,446,334
<i>Subtotal</i>	<u>\$ 31,272,404</u>	<u>\$ 31,229,085</u>	<u>\$ 7,446,334</u>
Capital Improvements:			
State General Fund	\$ -	\$ -	\$ -
Federal Funds	-	-	-
Other Funds	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 31,272,404</u>	<u>\$ 31,229,085</u>	<u>\$ 7,446,334</u>
FTE positions	177.4	175.4	0.0

Agency Estimate

The **agency** requests \$31.3 million, including \$6.7 million SGF, in FY 2022. This is an all funds increase of \$3.9 million, including an SGF decrease of \$211,385, from the FY 2022 approved amount. The all funds increase is primarily attributable to the receipt of opioid litigation settlement funds through the Kansas Fights Addiction (KFA) Fund and Municipalities Fight Addiction (MFA) Fund.

Both funds were established pursuant to 2021 HB 2079, the Kansas Fights Addiction Act, for the receipt of opioid litigation settlement moneys. The bill requires that 75.0 percent of all moneys received by the State pursuant to opioid litigation in which the Attorney General is involved for the abatement or remediation of substance abuse or addiction be deposited into the KFA Fund and 25.0 percent of all moneys received be deposited into the MFA Fund. The KFA Fund moneys will be used as grants to qualified applicants for projects and activities that reduce, treat, or mitigate the effects of substance abuse and addiction and provide support to the prescription drug monitoring program administered by the State Board of Pharmacy. The agency's revised estimate includes \$2.6 million in expenditures, all from the KFA Fund, for this purpose in FY 2022. The agency's revised estimate also includes \$995,834 in expenditures, all from the MFA Fund, in FY 2022. Moneys in the MFA Fund are to be expended subject to an agreement among the Attorney General, the Kansas Association of Counties, and the League of Kansas Municipalities, for projects and activities that prevent, reduce, treat, or mitigate the effects of substance abuse and addiction, or to reimburse a municipality for expenses related to previous substance abuse mitigation.

The agency request also includes 177.4 FTE positions, which is an increase of 2.1 FTE positions above the FY 2022 approved number. In FY 2022, 2.0 FTE positions are requested for additional auditors in the Office of the Medicaid Inspector General and 0.1 FTE is requested for the Consumer Protection Division.

Governor's Recommendation

The **Governor** recommends expenditures of \$31.2 million, including \$6.7 million SGF, in FY 2022. This is an all funds decrease of \$43,319, or 0.1 percent, below the agency's revised estimate, and is due to the Governor's recommendation not to adopt the agency's supplemental request of \$43,319 SGF and 2.0 FTE positions for additional personnel in the Office of the Medicaid Inspector General in FY 2022.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation in FY 2022 with the following adjustment:

1. Add \$7.4 million, all from special revenue funds, to adjust receipts of opioid litigation settlement moneys in FY 2022. Based on litigation developments after submission of its budget, the Office of the Attorney General now anticipates significantly larger recoveries than originally estimated. In particular, the agency estimates an increase of \$7.4 million in FY 2022 and \$34.3 million for FY 2023. Pursuant to the Kansas Fights Addiction Act, these settlement moneys are deposited into the Kansas Fights Addiction Fund and the Municipalities Fight Addiction Fund before passing through to applicants and local governments.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation in FY 2022.

Senate Committee of the Whole Recommendation (Sub. for SB 444)

The Committee of the Whole concurs with the Committee's recommendation in FY 2022.

House Budget Committee Report

Agency: Office of the Attorney General

Bill No. HB 2592

Bill Sec. 19

Analyst: Wu

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Budget Page No. 154

Expenditure Summary	Agency Estimate FY 2022	Governor Recommendation FY 2022	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,712,584	\$ 6,669,265	\$ 43,319
Federal Funds	3,487,365	3,487,365	-
Other Funds	21,072,455	21,072,455	7,446,334
<i>Subtotal</i>	<u>\$ 31,272,404</u>	<u>\$ 31,229,085</u>	<u>\$ 7,489,653</u>
Capital Improvements:			
State General Fund	\$ -	\$ -	\$ -
Federal Funds	-	-	-
Other Funds	-	-	-
<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 31,272,404</u>	<u>\$ 31,229,085</u>	<u>\$ 7,489,653</u>

FTE positions	177.4	175.4	2.0
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Agency Estimate

The **agency** requests \$31.3 million, including \$6.7 million SGF, in FY 2022. This is an all funds increase of \$3.9 million, including an SGF decrease of \$211,385, from the FY 2022 approved amount. The all funds increase is primarily attributable to the receipt of opioid litigation settlement funds through the Kansas Fights Addiction (KFA) Fund and Municipalities Fight Addiction (MFA) Fund.

Both funds were established pursuant to 2021 HB 2079 for the receipt of opioid litigation settlement moneys. The bill requires that 75.0 percent of all moneys received by the State pursuant to opioid litigation in which the Attorney General is involved for the abatement or remediation of substance abuse or addiction be deposited into the KFA Fund and 25.0 percent of all moneys received be deposited into the MFA Fund. The KFA Fund moneys will be used as grants to qualified applicants for projects and activities that reduce, treat, or mitigate the effects of substance abuse and addiction and provide support to the prescription drug monitoring program administered by the State Board of Pharmacy. The agency's revised estimate includes \$2.6 million in expenditures, all from the KFA Fund, for this purpose in FY 2022. The agency's revised estimate also includes \$995,834 in expenditures, all from the MFA Fund, in FY 2022. Moneys in the MFA Fund are to be expended subject to an agreement among the Attorney General, the Kansas Association of Counties, and the League of Kansas Municipalities, for projects and activities that prevent, reduce, treat, or mitigate the effects of substance abuse and

addiction, or to reimburse a municipality for expenses related to previous substance abuse mitigation.

The agency request also includes 177.4 FTE positions, which is an increase of 2.1 FTE positions above the FY 2022 approved number. In FY 2022, 2.0 FTE positions are requested for additional auditors in the Office of the Medicaid Inspector General and 0.1 FTE is requested for the Consumer Protection Division.

Governor's Recommendation

The **Governor** recommends expenditures of \$31.2 million, including \$6.7 million SGF, in FY 2022. This is an all funds decrease of \$43,319, or 0.1 percent, below the agency's revised estimate, and is due to the Governor's recommendation not to adopt the agency's supplemental request of \$43,319 SGF and 2.0 FTE positions for additional personnel in the Office of the Medicaid Inspector General in FY 2022.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2022 with the following adjustments:

1. Add \$7.4 million, all from special revenue funds, to adjust receipts of opioid litigation settlement moneys in FY 2022. Based on litigation developments after submission of its budget, the Office of the Attorney General now anticipates significantly larger recoveries than originally estimated. In particular, the agency estimates an increase of \$7.4 million in FY 2022 and \$34.3 million for FY 2023. Pursuant to the Kansas Fights Addiction Act, these settlement moneys are deposited into the Kansas Fights Addiction Fund and the Municipalities Fight Addiction Fund before passing through to applicants and local governments.
2. Add \$43,319 SGF and 2.0 FTE positions for two new auditor positions within the Office of the Medicaid Inspector General in FY 2022. The Office currently has two auditors to inspect and review the state Medicaid program. The agency indicates adding two new positions would increase the number of audits and reviews the Office is able to complete each year as well as allow for continuity of ongoing audits if an auditor position becomes vacant. The agency requested supplemental funding for these positions, but the Governor did not include them in FY 2022. Funding for this request is included in both the agency request and Governor's recommendation for FY 2023.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation in FY 2022.

House Committee of the Whole Recommendation (House Sub. for Sub. for SB 267)

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2022.

Conference Committee Recommendation (House Sub. for Sub. for SB 267)

The **Conference Committee** concurs with the Governor's recommendation in FY 2022 with the following adjustments:

1. Add \$7.4 million, all from special revenue funds, to adjust receipts of opioid litigation settlement moneys in FY 2022.
2. Add \$43,319 SGF and 2.0 FTE positions for two new auditor positions within the Office of the Medicaid Inspector General in FY 2022.

	Governor's Recommendation FY 2022	Legislative Action	Legislative Approved FY 2022	Governor's Veto FY 2022	Final Legislative Approved FY 2022
All Funds					
State Operations	\$ 20,901,823	\$ 43,319	\$ 20,945,142	\$ 0	\$ 20,945,142
Aid to Local Units	1,120,834	1,861,583	2,982,417	0	2,982,417
Other Assistance	9,206,428	5,584,751	14,791,179	0	14,791,179
<i>Subtotal - Operations</i>	<i>\$ 31,229,085</i>	<i>\$ 7,489,653</i>	<i>\$ 38,718,738</i>	<i>\$ 0</i>	<i>\$ 38,718,738</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 31,229,085	\$ 7,489,653	\$ 38,718,738	\$ 0	\$ 38,718,738

State General Fund

State Operations	\$ 5,731,365	\$ 43,319	\$ 5,774,684	\$ 0	\$ 5,774,684
Aid to Local Units	0	0	0	0	0
Other Assistance	937,900	0	937,900	0	937,900
<i>Subtotal - Operating</i>	<i>\$ 6,669,265</i>	<i>\$ 43,319</i>	<i>\$ 6,712,584</i>	<i>\$ 0</i>	<i>\$ 6,712,584</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 6,669,265	\$ 43,319	\$ 6,712,584	\$ 0	\$ 6,712,584

FTE Positions	175.4	2.0	177.4	0.0	177.4
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