

## House Budget Committee Report

**Agency:** Office of the State Treasurer

**Bill No.** HB 2588

**Bill Sec.** 8

**Analyst:** LaMunyon

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**Budget Page No.** 178

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	32,527,205	45,527,205	(13,000,000)
<i>Subtotal</i>	<u>\$ 32,527,205</u>	<u>\$ 45,527,205</u>	<u>\$ (13,000,000)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<b><u>\$ 32,527,205</u></b>	<b><u>\$ 45,527,205</u></b>	<b><u>\$ (13,000,000)</u></b>

FTE positions

40.0

40.0

0.0

### Agency Request

The **agency** requests \$32.5 million, all from special revenue funds, for FY 2023. This is an increase of \$320,661, or 1.0 percent, above the FY 2022 revised estimate. The agency estimates unclaimed property claim payments of \$27.4 million, which is an increase of \$200,000 above the FY 2022 revised estimate. The agency anticipates an increase in unclaimed property claims and payouts for FY 2023. The agency requests \$2.7 million for salaries and wages for FY 2023, which is an increase of \$116,444 above the FY 2022 revised estimate. This increase is primarily attributable to anticipated increases in employer contributions to employee fringe benefits such as group health insurance. The remaining increase is attributable to an anticipated increase in Kansas Investments Development Scholars (KIDS) Matching Grant Program matching funds. This increase is partially offset by a decrease (\$20,783) in contractual services for FY 2023.

### Governor's Recommendation

The **Governor** recommends expenditures of \$45.5 million, all from special revenue funds, for FY 2023. This is an increase of \$13.0 million, or 28.6 percent, above the agency's FY 2023 request. The increase is a SGF transfer, occurring on a quarterly basis, to the Sales Tax and Revenue (STAR) Bonds Food Sales Tax Revenue Replacement Fund. The funds would be used to hold STAR bond districts harmless from the elimination of the sales tax on food and food ingredients, as proposed by the Governor.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation for FY 2023 with the following adjustment:

1. Delete \$13.0 million, and the transfer from the SGF, from the STAR Bonds Food Sales Tax Revenue Replacement Fund for FY 2023 and review at Omnibus. These funds are provided to hold STAR bond districts harmless from the elimination of the sales tax on food. Bills in the House Committee on Taxation (HB 2487) and Senate Committee on Assessment and Taxation (SB 342) would implement the policy change for this food sales tax elimination.

### **House Committee Recommendation**

The **Committee** concurs with the Budget Committee's recommendation for FY 2023.

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

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

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## Senate Committee Report

**Agency:** Office of the State Treasurer

**Bill No.** SB 422

**Bill Sec.** 8

**Analyst:** LaMunyon

**Analysis Pg. No.** Vol. 1, pg. 105

**Budget Page No.** 178

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023	Senate Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	32,527,205	45,527,205	0
<i>Subtotal</i>	<u>\$ 32,527,205</u>	<u>\$ 45,527,205</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 32,527,205</b></u>	<u><b>\$ 45,527,205</b></u>	<u><b>\$ 0</b></u>
FTE positions	40.0	40.0	0.0

### Agency Request

The **agency** requests \$32.5 million, all from special revenue funds, for FY 2023. This is an increase of \$320,661, or 1.0 percent, above the FY 2022 revised estimate. The agency estimates unclaimed property claim payments of \$27.4 million, which is an increase of \$200,000 above the FY 2022 revised estimate. The agency anticipates an increase in unclaimed property claims and payouts for FY 2023. The agency requests \$2.7 million for salaries and wages for FY 2023, which is an increase of \$116,444 above the FY 2022 revised estimate. This increase is primarily attributable to anticipated increases in employer contributions to employee fringe benefits such as group health insurance. The remaining increase is attributable to an anticipated increase in Kansas Investments Development Scholars (KIDS) Matching Grant Program matching funds. This increase is partially offset by a decrease (\$20,783) in contractual services for FY 2023.

### Governor's Recommendation

The **Governor** recommends expenditures of \$45.5 million, all from special revenue funds, for FY 2023. This is an increase of \$13.0 million, or 28.6 percent, above the agency's FY 2023 request. The increase is a SGF transfer, occurring on a quarterly basis, to the Sales Tax and Revenue (STAR) Bonds Food Sales Tax Revenue Replacement Fund. The funds would be used to hold STAR bond districts harmless from the elimination of the sales tax on food and food ingredients, as proposed by the Governor.

**Senate Committee on Financial Institutions and Insurance Recommendation**

The **Committee** concurs with the Governor's recommendation for FY 2023.

**Senate Committee Recommendation**

The **Committee** concurs with the Committee on Financial Institutions and Insurance's recommendation for FY 2023.

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

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

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

The **Conference Committee** concurs with the Governor's recommendation for FY 2023, with the following adjustment:

1. Delete \$13.0 million, and the transfer from the SGF, from the STAR Bonds Food Sales Tax Revenue Replacement Fund for FY 2023 and review at Omnibus. These funds are provided to hold STAR bond districts harmless from the elimination of the sales tax on food.

**Omnibus Action (HB 2510)**

1. Add \$3.5 million to the STAR Bonds Food Sales Tax Revenue Replacement Fund, and a SGF transfer, to hold STAR bond holders harmless from elimination of the food sales tax for FY 2023. [Staff Note: The policy change for a phased elimination of the food sales tax was implemented pursuant to HB 2106.]

**State Finance Council**

1. Add \$99,669, all from special revenue funds, for a 5.0 percent salary adjustment for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.

	Governor's Recommendation FY 2023	Legislative Action	Legislative Approved FY 2023	Governor's Veto FY 2023	State Finance Council Action	Final Legislative Approved FY 2023
<b>All Funds</b>						
State Operations	\$ 4,677,205	\$ 0	\$ 4,677,205	\$ 0	\$ 99,669	\$ 4,776,874
Aid to Local Units	13,000,000	(13,000,000)	0	0	0	0
Other Assistance	27,850,000	0	27,850,000	0	0	27,850,000
<i>Subtotal - Operating</i>	<i>\$ 45,527,205</i>	<i>\$ (13,000,000)</i>	<i>\$ 32,527,205</i>	<i>\$ 0</i>	<i>\$ 99,669</i>	<i>\$ 32,626,874</i>
Capital Improvements	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 45,527,205</b>	<b>\$ (13,000,000)</b>	<b>\$ 32,527,205</b>	<b>\$ 0</b>	<b>\$ 99,669</b>	<b>\$ 32,626,874</b>

**State General Fund**

State Operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0
<i>Subtotal - Operating</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
Capital Improvements	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

FTE Positions	40.0	0.0	40.0	0.0	0.0	40.0
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