

DEPARTMENT OF ADMINISTRATION

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 114,911,422	\$ 103,864,636	\$ 103,695,841	\$ 102,667,357	\$ 104,633,656
Federal Funds	970,857	1,281,448	1,281,448	1,271,892	1,271,892
All Other Funds	44,277,398	39,855,197	39,855,197	39,907,698	40,407,698
<i>Subtotal</i>	<u>\$ 160,159,677</u>	<u>\$ 145,001,281</u>	<u>\$ 144,832,486</u>	<u>\$ 143,846,947</u>	<u>\$ 146,313,246</u>
Capital Improvements:					
State General Fund	\$ 365,159,057	\$ 87,973,382	\$ 87,973,382	\$ 32,577,422	\$ 32,577,422
Federal Funds	1,700,000	10,000,000	10,000,000	40,000,000	40,000,000
All Other Funds	16,499,567	-	-	-	-
<i>Subtotal</i>	<u>\$ 383,358,624</u>	<u>\$ 97,973,382</u>	<u>\$ 97,973,382</u>	<u>\$ 72,577,422</u>	<u>\$ 72,577,422</u>
<i>Off-Budget*</i>	\$ 93,960,684	\$ 91,970,771	\$ 91,970,771	\$ 93,076,417	\$ 93,076,417
Total On-Budget	\$ 543,518,301	\$ 242,974,663	\$ 242,805,868	\$ 216,424,369	\$ 218,890,668
Total Off-Budget	93,960,684	91,970,771	91,970,771	93,076,417	93,076,417
GRAND TOTAL	<u>\$ 637,478,985</u>	<u>\$ 334,945,434</u>	<u>\$ 334,776,639</u>	<u>\$ 309,500,786</u>	<u>\$ 311,967,085</u>
Percentage Change:					
State General Fund	239.0 %	(60.0) %	(60.1) %	(29.5) %	(28.4) %
All Funds	120.9 %	(47.5) %	(47.5) %	(7.6) %	(6.8) %
FTE Positions	467.6	473.8	473.8	475.8	485.8

*Staff note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

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.

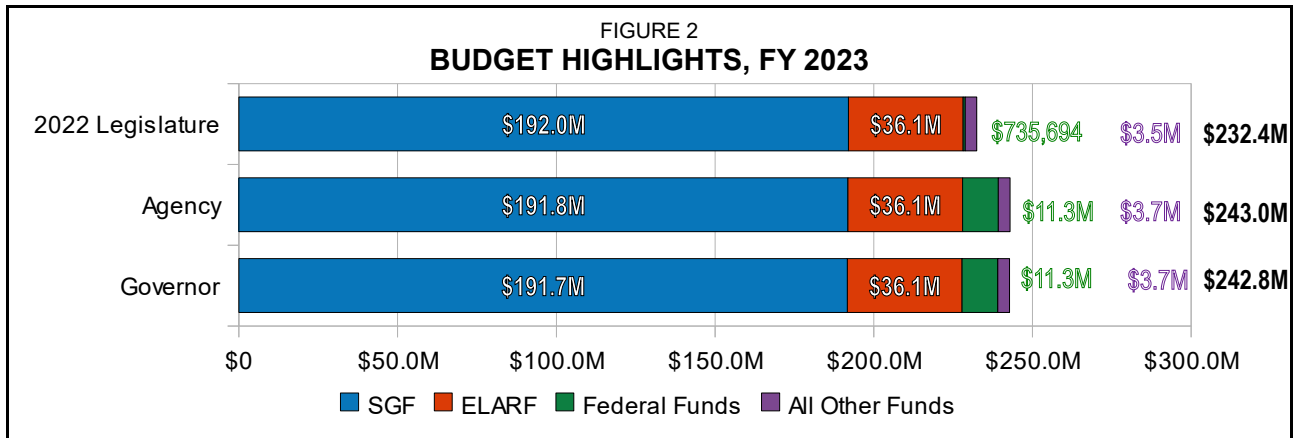
The Department of Administration provides central services for state agencies and also includes a number of other entities and programs for administrative purposes. The Secretary of Administration, who is appointed by and serves at the pleasure of the Governor, manages the Department with the assistance of a deputy secretary. Through its different divisions, the Department provides a centralized accounting system, administers a centralized purchasing system, maintains a uniform personnel system, oversees the design and construction of all state buildings, operates the state printing plant, and maintains and operates state buildings and grounds in Topeka.

The Department submits a two-part budget: an on-budget budget, which reflects expenditures for agency operations, and an off-budget budget, which includes expenditures for services performed for other state agencies. The off-budget budget is reflected in the on-budget expenditures of other state agencies and such expenditures are not reflected in the Department's on-budget expenditures to avoid double counting the same expenditures. Administration of the state employee Workers Compensation program and Health Care Benefits program was transferred into the Department of Administration from the Kansas Department of Health and Environment as part of a 2019 reorganization and consolidation of health care programs.

EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$232.4 million in on-budget expenditures and 96.9 on-budget FTE positions for the Department of Administration for FY 2023, including \$190.9 million

from the State General Fund (SGF) and \$36.1 million from the Expanded Lottery Act Revenues Fund (ELARF). Subsequent to the 2022 Session, \$1.2 million in unspent SGF moneys and \$112,297 in unspent State Institutions Building Fund (SIBF) moneys were shifted from FY 2022 to FY 2023. Included within that amount are \$336,980 for the Division of the Budget, \$96,266 for the Office of Public Advocates, and \$833,222 for the Office of Facilities and Property Management. These adjustments change the current year approved amount without any legislative action required.



The agency submits a revised estimate of \$243.0 million in on-budget expenditures and 99.5 on-budget FTE positions in FY 2023, including \$191.8 million SGF and \$36.1 million from ELARF. This represents an overall increase of \$10.6 million, or 4.3 percent, above the amount approved by the 2022 Legislature.

The increase is primarily attributable to an additional \$10.0 million in planned expenditures from the federal American Rescue Plan Act (ARPA) State Relief Fund for the **renovation of the Docking State Office Building**. State Finance Council Resolution 21-740 approved the renovation of Docking into a three-story building with office and meeting space. The Department of Administration estimated up to half of the \$120.0 million total project cost could be funded with federal moneys. Accordingly, the 2022 Legislature appropriated \$60.0 million SGF for the renovation, and this \$10.0 million reflects the beginning of federal funds for the project.

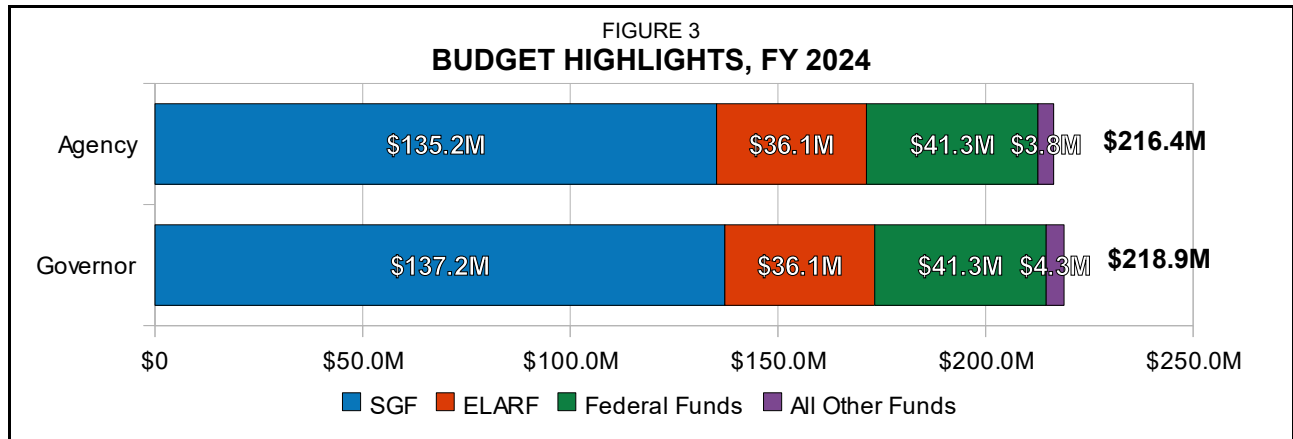
The revised estimate includes a request for \$18,795 in supplemental funding to provide a **5.0 percent salary increase to employees of the Long-Term Care Ombudsman (LTCO)**. For FY 2023, the LTCO has nine Regional Ombudsmen, one State Ombudsman, one Administrative Assistant, and three unclassified temporary positions. The request amount allocates \$15,235 for salary increases and \$3,560 for fringe benefits.

The revised estimate also includes \$92.0 million in off-budget expenditures and 374.3 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2023, off-budget expenditures increase by \$1.6 million, or 1.8 percent, above the FY 2023 approved amount. The increase is primarily due to accounting and reporting services for other state agencies.

The **Governor** recommends \$242.8 million in on-budget expenditures and 99.5 on-budget FTE positions in FY 2023, including \$191.7 million SGF and \$36.1 million from ELARF. This represents an overall decrease of \$168,795, or less than 0.1 percent, below the agency's revised estimate.

The reduction is primarily due to the Governor not recommending adoption of the agency's supplemental request to provide a **5.0 percent salary increase to employees of the LTCO**. The Governor also recommends **lapsing \$150,000 SGF that was allocated for a potential gubernatorial transition**. The Division of the Budget is statutorily (per KSA 75-137) appropriated up to \$150,000 in fiscal years where a gubernatorial transition would occur. Absent such a transition, those funds remain unused and the Governor recommends lapsing it back to the SGF.

The Governor's recommendation also includes \$92.0 million in off-budget expenditures and 374.3 off-budget FTE positions, which is the same as the agency's revised estimate.



The **agency** requests \$216.4 million in on-budget expenditures and 101.5 on-budget FTE positions for FY 2024, including \$135.2 million SGF and \$36.1 million from ELARF. This represents an overall reduction of \$26.6 million, or 10.9 percent, below the agency's revised estimate in FY 2023.

The most significant change is attributable to a request for \$6.5 million SGF in enhancement funding for **deferred maintenance and upgrades to the State Printing Plant**, which houses both printing and central mail operations. Most of the Printing Plant's mechanical, electrical, plumbing, and fire protection systems are original to its construction in 1985 and are at, or past, median service life estimates. Examples of the impact the outdated system has on the agency's operational needs and goals include: (1) slowed production and increased waste caused by drastic changes in temperature and humidity, (2) needing to install a temporary HVAC system because the current system is unable to adequately cool new equipment, and (3) damage to paper inventories as well as long-term impacts on digital equipment caused by leaks in roofs and walls.

The agency also requests \$1.6 million SGF in enhancement funding to increase the total amount of **rehabilitation and repair funding for the Capitol Complex** to \$5.0 million. The agency indicates the increase is needed to keep facilities operating in an efficient and safe manner while accounting for the increasing cost of labor and materials and the continual aging of buildings. *Absent the enhancement*, the agency has budgeted \$3.4 million for rehabilitation and repair.

The request includes \$18,795 SGF in enhancement funding to continue the **5.0 percent salary increase to employees of the LTCO**. This is the same as the amount requested in FY 2023. The requested amount allocates \$15,235 for salary increases and \$3,560 for fringe benefits.

The request also includes \$40.0 million in expenditures from the ARPA State Relief Fund for planned expenditures for the **renovation of the Docking State Office Building**. This represents an overall decrease of \$30.0 million below FY 2023, including a reduction of \$60.0 million SGF and an increase of \$30.0 million from the federal ARPA State Relief Fund.

The agency request also includes \$93.1 million in off-budget expenditures and 374.3 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2024, off-budget expenditures increase by \$1.1 million, or 1.2 percent, above the FY 2023 revised estimate. The increase is primarily due to an increase in claims filed with the Office of the State Employee Health Benefits Plan (\$841,526) and increases in employer contribution expenditures for group health insurance (\$298,930).

The **Governor** recommends \$218.9 million in on-budget expenditures and 111.5 on-budget FTE positions for FY 2024, including \$137.2 million SGF and \$36.1 million from ELARF. This represents an overall increase of \$2.5 million, or 1.1 percent, above the agency request. The increase is due to the Governor's recommendation to **establish a Division of Policy within the Division of the Budget** (\$1.5 million and 10.0 FTE positions), conduct a **state workforce study** (\$500,000), and for **employee engagement activities** (\$500,000). The increase is partially offset by the Governor's recommendation not to adopt the enhancement request for a 5.0 percent salary increase to employees of the LTCO (\$18,795 decrease).

The Governor's recommendation also includes \$93.1 million in off-budget expenditures and 374.3 off-budget FTE positions, which is the same as the agency request.

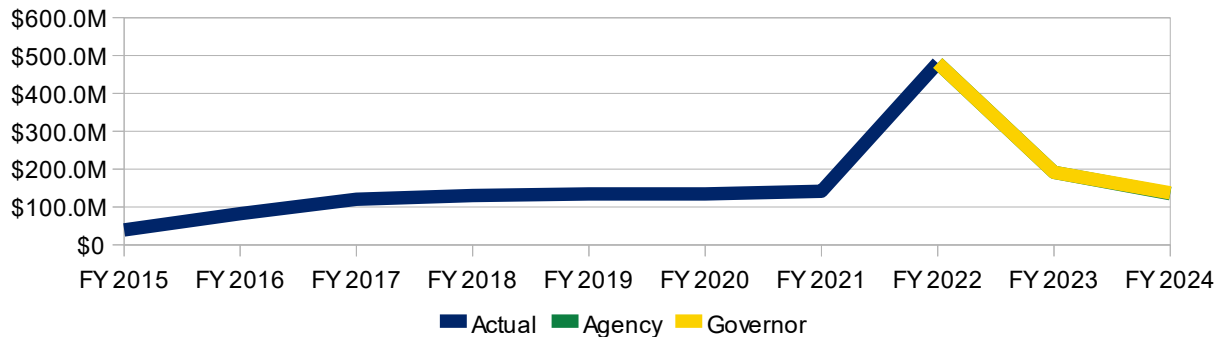
EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (ON-BUDGET)
FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 7,246,051	\$ 8,870,386	\$ 8,851,591	\$ 9,185,238	\$ 10,342,288
Contractual Services	2,361,574	3,311,578	3,161,578	3,125,551	4,306,064
Commodities	127,164	347,475	347,475	342,805	349,141
Capital Outlay	97,764	216,930	216,930	86,326	208,726
Debt Service Interest	92,707,774	76,938,309	76,938,309	73,968,027	73,968,027
<i>Subtotal</i>	<i>\$ 102,540,327</i>	<i>\$ 89,684,678</i>	<i>\$ 89,515,883</i>	<i>\$ 86,707,947</i>	<i>\$ 89,174,246</i>
Aid to Local Units	335,488	297,603	297,603	250,000	250,000
Other Assistance	3,862	19,000	19,000	4,000	4,000
<i>Subtotal—Operating</i>	<i>\$ 102,879,677</i>	<i>\$ 90,001,281</i>	<i>\$ 89,832,486</i>	<i>\$ 86,961,947</i>	<i>\$ 89,428,246</i>
Capital Improvements	4,681,920	74,170,418	74,170,418	51,500,000	51,500,000
Debt Service Principal	435,956,704	78,802,964	78,802,964	77,962,422	77,962,422
TOTAL	\$ 543,518,301	\$ 242,974,663	\$ 242,805,868	\$ 216,424,369	\$ 218,890,668
Financing:					
State General Fund	\$ 480,070,479	\$ 191,838,018	\$ 191,669,223	\$ 135,244,779	\$ 137,211,078
ELARF	36,114,389	36,110,453	36,110,453	36,109,324	36,109,324
SIBF	212,703	325,000	325,000	325,000	325,000
CIBF	400,000	400,000	400,000	550,000	550,000
Federal Funds	2,670,857	11,281,448	11,281,448	41,271,892	41,271,892
All Other Funds	24,049,873	3,019,744	3,019,744	2,923,374	3,423,374
TOTAL	\$ 543,518,301	\$ 242,974,663	\$ 242,805,868	\$ 216,424,369	\$ 218,890,668
FTE Positions	93.9	99.5	99.5	101.5	111.5

STATE GENERAL FUND

FIGURE 5
STATE GENERAL FUND EXPENDITURES, FY 2015 – FY 2024



FY 2023 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE*
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 190,860,216	\$ 40,279,403	\$ 231,139,619	470.7
1. SGF Reappropriation	1,154,171	-	1,154,171	--
2. SIBF Reappropriation	-	112,297	112,297	--
<i>Subtotal—Legislative Approved</i>	\$ 192,014,387	\$ 40,391,700	\$ 232,406,087	470.7
Agency Revised Estimate:				
3. SGF Reappropriation	\$ (40,670)	\$ -	\$ (40,670)	--
4. Supplemental—LTCO Salary Increase	18,795	-	18,795	--
5. Docking State Office Building	-	10,000,000	10,000,000	--
6. All Other Adjustments	(154,494)	744,945	590,451	2.6
<i>Subtotal—Agency Revised Estimate</i>	\$ 191,838,018	\$ 51,136,645	\$ 242,974,663	473.3
Governor's Recommendation:				
7. Supplemental—LTCO Salary Increase – Not Recommended	\$ (18,795)	\$ -	\$ (18,795)	--
8. Lapse Gubernatorial Transition Funding	(150,000)	-	(150,000)	--
TOTAL	\$ 191,669,223	\$ 51,136,645	\$ 242,805,868	473.3

* Staff Note: This number represents both on- and off-budget FTE positions.

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, several adjustments were made to the \$232.4 million in on-budget expenditures appropriated to the Department of Administration for FY 2023. These adjustments change the current year approved amount without any legislative action required and include the following:

1. **SGF REAPPROPRIATION.** \$1.2 million in unspent SGF moneys was shifted from FY 2022 to FY 2023. Included within that amount are \$720,925 for rehabilitation and repair of state facilities, \$336,980 for the Division of the Budget, and \$96,266 for the Office of Public Advocates.
2. **SIBF REAPPROPRIATION.** \$112,297 in unspent State Institution Building Fund (SIBF) moneys was shifted from FY 2022 to FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$243.0 million in on-budget expenditures and 99.5 on-budget FTE positions in FY 2023, including \$191.8 million SGF and \$36.1 million from ELARF. This represents an increase of \$10.6 million, or 4.3 percent, above the amount approved by the 2022 Legislature. The revised estimate includes the following adjustments:

3. **SGF REAPPROPRIATION.** The revised estimate includes a reduction of \$40,670 SGF for budgeted unspent funds within the Division of the Budget that shifted from FY 2022 into FY 2023.
4. **SUPPLEMENTAL—LTCO SALARY INCREASE.** The revised estimate includes \$18,795 SGF in supplemental funding to replace federal funding for the Long-Term Care Ombudsman (LTCO) that was approved by the 2022 Legislature for a statewide 5.0 percent salary increase in FY 2023. The LTCO was reorganized under the Office of

Public Advocates in FY 2022. At that time, the LTCO had 11 employees, totaling 11.0 FTE positions: nine Regional Ombudsmen, one State Ombudsman, and one Administrative Assistant. For FY 2023, the LTCO has increased its employee count to 14.0 FTE positions, adding three unclassified temporary positions with benefits. The requested amount includes \$15,235 for salary increases and \$3,560 for benefits for the permanent personnel.

5. **DOCKING STATE OFFICE BUILDING.** The revised estimate includes \$10.0 million from the federal American Rescue Plan Act (ARPA) State Relief Fund in planned expenses for the rehabilitation and repair of the Docking State Office Building. State Finance Council Resolution 21-740 approved the renovation of Docking into a three-story building with office and meeting space. The Department of Administration estimated up to half of the \$120.0 million total project cost could be funded with federal moneys. Accordingly, the 2022 Legislature appropriated \$60.0 million SGF for the renovation, and this \$10.0 million reflects the beginning of federal funds for the renovation.
6. **ALL OTHER ADJUSTMENTS.** The revised estimate includes an increase of \$590,451 in a variety of other expenditures, primarily from distributions in fee funds and federal funds. For example, the LTCO received additional grant funding from ARPA under Title XX of the Social Security Act, which it used to increase expenditures for ombudsman programs to develop capacity (\$79,801), including hiring staff and recruiting volunteers. The revised estimate also includes an overall increase of 2.6 FTE positions for personnel changes within the agency, including for the LTCO (4.0 FTE increase), Office of Facilities and Property Management (3.0 FTE increase), and Office of Accounts and Reports (5.9 FTE reduction).

The **agency** estimate also includes \$92.0 million in off-budget expenditures and 374.3 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2023, off-budget expenditures increase by \$1.6 million, or 1.8 percent, above the FY 2023 approved amount. The increase is primarily due to accounting and reporting services for other state agencies.

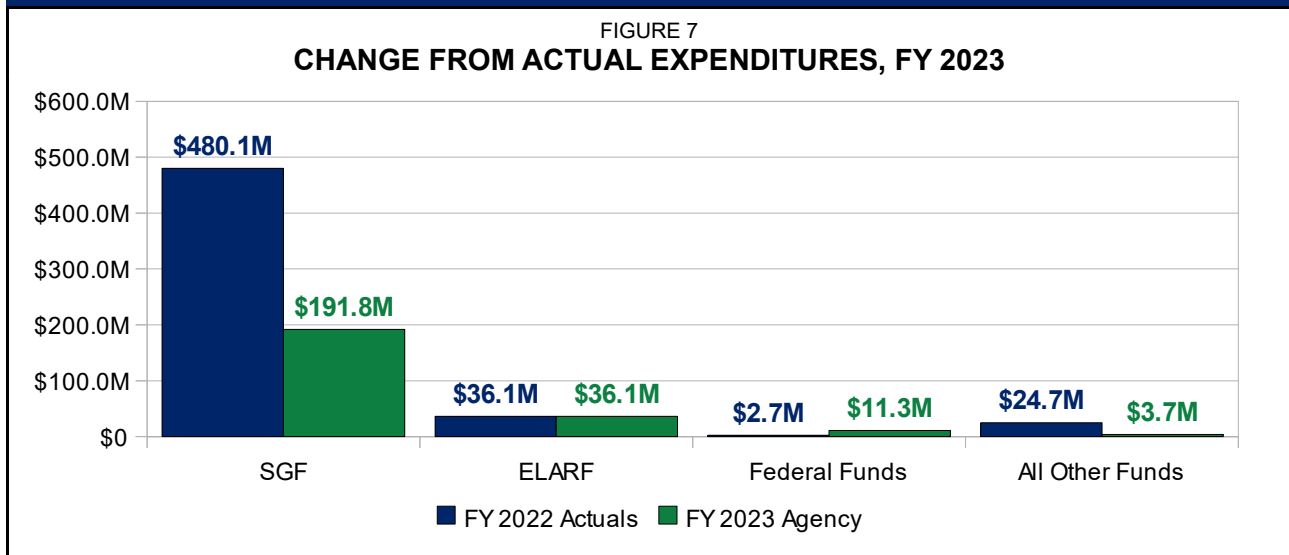
GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$242.8 million in on-budget expenditures and 99.5 on-budget FTE positions in FY 2023 including \$191.7 million SGF and \$36.1 million from ELARF. This represents a decrease of \$168,795, or less than 0.1 percent, below the agency's FY 2023 revised estimate. The recommendation includes the following adjustments:

7. **SUPPLEMENTAL—LTCO SALARY INCREASE – NOT RECOMMENDED.** The Governor does not recommend adopting the agency's supplemental request of \$18,795 SGF for a 5.0 percent salary increase to employees of the LTCO (Item 4).
8. **LAPSE GUBERNATORIAL TRANSITION FUNDING.** The Governor recommends lapsing \$150,000 SGF that was allocated for a potential gubernatorial transition. The Division of the Budget is statutorily appropriated up to \$150,000 in fiscal years where a gubernatorial transition would occur. Absent such a transition, those funds remain unused and the Governor recommends lapsing the amount back to the SGF.

The **Governor's** recommendation also includes \$92.0 million in off-budget expenditures and 374.3 off-budget FTE positions, which is the same as the agency's FY 2023 revised estimate.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The **agency** submits a revised estimate of \$243.0 million in on-budget expenditures and 99.5 on-budget FTE positions in FY 2023, including \$191.8 million SGF and \$36.1 million from ELARF. This represents a decrease of \$300.5 million, or 55.3 percent, below FY 2022 actual expenditures, primarily due to the a one-time appropriation of **\$332.2 million SGF to pay off two bonds early**, ahead of the scheduled final debt service payment in FY 2035. Those bonds include **Series 2015A**, which consisted of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building, and **Series 2015G**, which was a debt service bond for the State's portion of the National Bio and Agro-Defense Facility located in Manhattan, Kansas.

The decrease is partially offset by an appropriation of \$60.0 million SGF for the renovation of the Docking State Office Building, with language to lapse up to that entire amount if the federal funding received is in excess of \$60.0 million.

FY 2024 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	Special Revenue Funds	All Funds	FTE*
Agency Revised Estimate, FY 2023	\$ 191,838,018	\$ 51,136,645	\$ 242,974,663	473.3
Agency Request:				
1. SGF Reappropriation	\$ 40,670	\$ -	\$ 40,670	--
2. Enhancement–Printing Plant Upgrade	6,500,000	-	6,500,000	--
3. Enhancement–Facilities R&R	1,550,507	-	1,550,507	--
4. Enhancement–DOB Budget Analyst	113,415	-	113,415	1.0
5. Enhancement–OPA Budget Analyst	82,927	-	82,927	1.0
6. Enhancement–LTCO Salary Increase	-	-	-	--
7. Docking State Office Building	(60,000,000)	30,000,000	(30,000,000)	--
8. Debt Service Adjustments	(3,809,695)	(1,129)	(3,810,824)	--
9. All Other Adjustments	(1,071,063)	44,074	(1,026,989)	--
<i>Subtotal–Agency Estimate</i>	<i>\$ 135,244,779</i>	<i>\$ 81,179,590</i>	<i>\$ 216,424,369</i>	<i>475.3</i>
Governor’s Recommendation:				
10. Enhancement–LTCO Salary Increase – Not Recommended	\$ (18,795)	\$ -	\$ (18,795)	--
11. State Workforce Study	500,000	-	500,000	--
12. Employee Engagement	-	500,000	500,000	--
13. Division of Policy	1,485,094	-	1,485,094	10.0
TOTAL	\$ 137,211,078	\$ 81,179,590	\$ 218,890,668	485.3

* Staff Note: This number represents both on- and off-budget FTE positions.

AGENCY REQUEST

The **agency** requests \$216.4 million in on-budget expenditures and 101.5 on-budget FTE positions for FY 2024, including \$135.2 million SGF and \$36.1 million from ELARF. This represents a reduction of \$26.6 million, or 10.9 percent, below the agency's revised estimate in FY 2023. The agency request includes the following adjustments:

- 1. SGF REAPPROPRIATION.** The request includes an increase of \$40,670 SGF for budgeted unspent funds within the Division of the Budget that shifted over from FY 2023 into FY 2024.
- 2. ENHANCEMENT–PRINTING PLANT UPGRADE.** The request includes \$6.5 million SGF in enhancement funding for deferred maintenance and upgrades to the State Printing Plant, which houses both printing and central mail operations. Most of the Printing Plant's mechanical, electrical, plumbing, and fire protection systems are original to its construction in 1985 and are at, or past, median service life estimates. Examples of the impact the outdated system has on the agency's operational needs and goals include: **(1)** slowed production and increased waste caused by drastic changes in temperature and humidity, **(2)** needing to install a temporary HVAC system because the current system is unable to adequately cool new equipment, and **(3)** damage to paper inventories as well as long-term impacts on digital equipment caused by leaks in roofs and walls.
- 3. ENHANCEMENT–FACILITIES REHAB AND REPAIR.** The request includes \$1.6 million SGF in enhancement funding to increase the total amount of rehabilitation and repair funding for the Capitol Complex to \$5.0 million. The agency indicates the increase is needed to keep facilities operating in an efficient and safe manner while

accounting for the increasing cost of labor and materials and the continual aging of buildings. Absent the enhancement, the agency has budgeted \$3.4 million for rehabilitation and repair.

4. **ENHANCEMENT–DOB BUDGET ANALYST.** The request includes \$113,415 SGF in enhancement funding and 1.0 FTE position for a new Budget Analyst in the Division of the Budget (DOB). That amount includes \$85,000 for salaries and \$28,415 for fringe benefits. The Division indicates attrition and budget pressures over the past two decades has required spreading additional duties among remaining staff. For comparison, DOB personnel decreased from 21.0 FTE positions (including 16 Budget Analysts and 3 Administrative Assistants) in FY 2000 to 13.0 FTE positions (including 9 Budget Analysts and 1 Administrative Assistant) in FY 2022.
5. **ENHANCEMENT–OPA BUDGET ANALYST.** The request includes \$82,927 SGF in enhancement funding and 1.0 FTE position for a new Budget Analyst in the Office of Public Advocates (OPA). That amount includes \$58,032 for salaries, \$21,955 for fringe benefits, and \$2,940 for communications and other contractual service fees. The Office of Public Advocates was established in FY 2022 and includes the Long-Term Care Ombudsman, the KanCare Ombudsman, and the Division of the Child Advocate. The Office does not currently have a Budget Analyst and requests one to assist with fiscal management, communications, and federal funding reporting requirements. Other responsibilities would include tracking grant spending and specialized reporting to be in compliance for federal awards, such as through Medicaid, as well as coordinating fiscal needs with the directors of each of the Office's component divisions.
6. **ENHANCEMENT–LTCO SALARY INCREASE.** The request includes \$18,795 SGF in enhancement funding to continue the 5.0 percent salary increase to employees of the LTCO. This increase was part of a statewide 5.0 percent salary increase approved by the 2022 Legislature. Federal funding originally used for this purpose has since elapsed. This is the same as the amount requested in FY 2023.
7. **DOCKING STATE OFFICE BUILDING.** The request includes \$40.0 million from the federal ARPA State Relief Fund in planned expenditures for the renovation of the Docking State Office Building. This is an overall decrease of \$30.0 million in expenditures below FY 2023, resulting from a reduction of \$60.0 million SGF and an increase of \$30.0 million from the ARPA State Relief Fund.

FIGURE 9

DOCKING STATE OFFICE BUILDING FUNDING (IN MILLIONS)			
Fund	FY 2023	FY 2024	Change
SGF	\$ 60.0	\$ -	\$ (60.0)
ARPA State Relief Fund	10.0	40.0	30.0
TOTAL	\$ 70.0	\$ 40.0	\$ (30.0)

8. **DEBT SERVICE ADJUSTMENTS.** The request includes an overall reduction of \$3.8 million for changes in debt service expenditures, including \$3.8 million SGF and \$1,129 from the ELARF. The majority of the change is for **Series 2020R** (\$3.8 million decrease), which refinances bonds originally issued for debt service on a variety of projects such as renovations to the Kansas Statehouse and National Guard armories.
9. **ALL OTHER ADJUSTMENTS.** The request includes an overall decrease of \$1.0 million in a variety of other expenditures, including a reduction of \$1.1 million SGF but an

increase of \$44,074 from special revenue funds. That amount includes one-time expenditures in FY 2023 that do not continue into FY 2024, such as expenditures budgeted for a potential gubernatorial transition (\$150,000), reimbursements to the Friends of Cedar Crest Association (\$15,000), and efficiency projects as needed by the Governor and the Director of the Budget (\$124,361).

The **agency** request also includes \$93.1 million in off-budget expenditures and 374.3 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2024, off-budget expenditures increase by \$1.1 million, or 1.2 percent, above the FY 2023 revised estimate. The increase is primarily due to claims filed with the Office of the State Employee Health Benefits Plan (\$841,526) and changes in employer contributions for group health insurance (\$298,930).

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$218.9 million in on-budget expenditures and 111.5 on-budget FTE positions for FY 2024, including \$137.2 million SGF and \$36.1 million from ELARF. This represents an increase of \$2.5 million, or 1.1 percent, above the agency's FY 2024 request. The recommendation includes the following adjustments:

10. **ENHANCEMENT-LTCO SALARY INCREASE – NOT RECOMMENDED.** The Governor does not recommend adopting the agency's enhancement request of \$18,795 SGF for a 5.0 percent salary increase to employees of the LTCO (Item 6).
11. **STATE WORKFORCE STUDY.** The Governor recommends \$500,000 SGF for the Office of Personnel Services to conduct a state workforce study. This study would examine compensation issues, benefits, bonuses and awards, long-term compensation adjustment structures, and work patterns. The Office of the Governor indicates state agencies continue to experience workforce shortages and that recruiting and retaining the necessary staff for state operations remains a critical concern across agencies. The Office further indicates a workforce study needs to be conducted on the state employee workforce and future workforce to develop recommendations and strategies for the long-term retention, recruitment, and staffing of vital state government roles. This study would encompass Executive Branch employees under the authority of the Governor.
12. **EMPLOYEE ENGAGEMENT.** The Governor recommends \$500,000 in expenditures from the Budget Fee Fund, transferred from the SGF, for employee engagement activities. This funding would be available for Executive Branch state agencies to request for employee engagement activities up to \$25 per employee. All requests would have to be approved by the Division of the Budget, and appropriate guidelines would be established on the use of such funding. The Office of the Governor indicates this would help provide state agencies with a funding source to coordinate agencywide events for better staff engagement activities. This recommendation does not include employees of the Judicial Branch, the Legislative Branch, or the Kansas Board of Regents and state universities.
13. **DIVISION OF POLICY.** The Governor recommends \$1.5 million SGF and an additional 10.0 FTE positions to establish a Division of Policy within the Division of the Budget. The Division of Policy would work with existing policy teams in state agencies to set the strategic direction of policy priorities and liaise with agency policy teams to partner on policy research and development. While individual agencies would be responsible for implementing any new polices enacted through this partnership, Division of Policy staff would continue to follow the new policy and work with the agency staff to ensure new

policies have the intended effect on Kansas citizens and businesses. The Division of Policy would be led by the Director of the Budget and a Deputy Director for Policy and Research would be appointed to oversee day-to-day operations. Like with the Division of the Budget, staff within the Division of Policy would be nonpartisan.

The **Governor's** recommendation also includes \$93.1 million in off-budget expenditures and 374.3 off-budget FTE positions, which is the same as the agency's FY 2024 request.

SPECIAL TOPICS

DOCKING STATE OFFICE BUILDING

Built in 1954, the Docking State Office Building (at 915 SW Harrison Street in Topeka) provided office and meeting space for state employees. Underneath the structure is an energy center that services buildings in the Capitol Complex.

State Finance Council Resolution 21-740 approved the renovation of Docking into a three-story building with office and meeting space. The renovated building will have three floors, public lobby and exhibit spaces, state agency office space, shared meeting rooms, wellness and personal health support rooms, and a fitness center. The renovation will be built atop of the building's existing foundation, which contains the basement and sub-basement levels. Existing programs, such as the central utility plant and warehouse, will remain. Additionally, the renovation will retain various artifacts and materials used in the original construction of the building.

PROJECT UPDATES

In 2022, both the Joint Committee on State Building Construction and the State Finance Council approved the renovation plan, and the Legislature appropriated \$60.0 million SGF for the project. In November, the agency contracted with Hutton Construction to renovate the building and indicates the contractor will be using 87 percent Kansas-based trades and suppliers. In December, agency personnel were relocated out of the building and the project site was fenced off. Afterward, the building underwent asbestos abatement of interior upper floors and the removal of building contents.

Physical deconstruction of the building is scheduled for March 2023, and construction of the new building is scheduled to begin in March 2024. The Department also indicates the project is on-target for completion in June 2025.

FINANCING

During the 2022 Session, the Department of Administration estimated up to half of the \$120.0 million total project cost could be funded with federal moneys. Accordingly, the Legislature appropriated \$60.0 million SGF for the project and approved financing the remaining \$60.0 million from federal funds. Of the \$60.0 million in federal funds, the Department spent \$1.7 million from the ARPA State Relief Fund in FY 2022 and has budgeted \$10.0 million in FY 2023 and \$40.0 million for FY 2024. The Department indicates the final \$8.3 million will be budgeted for FY 2025.

FIGURE 10

DOCKING STATE OFFICE BUILDING FINANCING (IN MILLIONS)					
Fund	FY 2022	FY 2023	FY 2024	FY 2025	Total
SGF	\$ -	\$ 60.0	\$ -	\$ -	\$ 60.0
ARPA State Relief Fund	1.7	10.0	40.0	8.3	60.0
TOTAL	\$ 1.7	\$ 70.0	\$ 40.0	\$ 8.3	\$ 120.0

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 11
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024

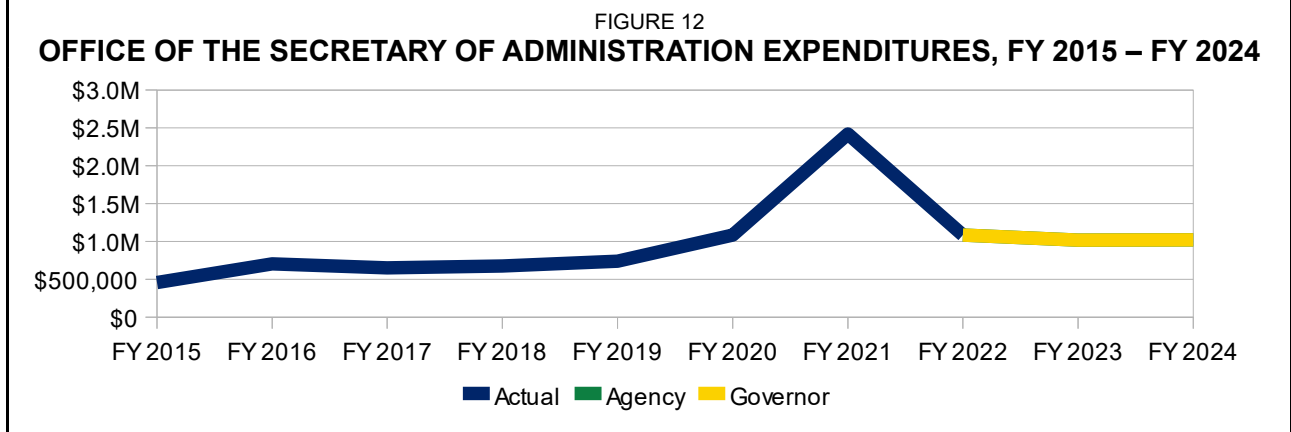
Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Secretary	\$ 746,538	\$ 788,991	\$ 788,991	\$ 792,178	\$ 792,178
Chief Counsel	321,964	365,816	365,816	366,314	366,314
Facilities	816,034	1,061,742	1,061,742	1,205,824	1,205,824
Printing and Mailing	226,411	464,100	464,100	394,100	394,100
Procurement	1,366,681	1,938,570	1,938,570	1,909,831	1,909,831
Financial Management	487,558	493,961	493,961	446,109	529,036
Personnel Services	1,359,939	1,924,386	1,924,386	1,931,666	2,431,666
Accounts and Reports	2,175,581	1,536,701	1,536,701	1,533,783	1,533,783
Systems Management	73,487	226,911	226,911	260,808	260,808
Division of the Budget	1,591,528	2,139,430	1,989,430	1,997,630	3,982,724
Public Advocates	958,382	2,122,364	2,103,569	2,155,677	2,053,955
Debt Service	528,664,478	155,741,273	155,741,273	151,930,449	151,930,449
Capital Improvements	4,729,720	74,170,418	74,170,418	51,500,000	51,500,000
<i>Total–On-Budget</i>	<u>\$ 543,518,301</u>	<u>\$ 242,974,663</u>	<u>\$ 242,805,868</u>	<u>\$ 216,424,369</u>	<u>\$ 218,890,668</u>
Off-Budget*	93,960,684	91,970,771	91,970,771	93,076,417	93,076,417
GRAND TOTAL	<u>\$ 637,478,985</u>	<u>\$ 334,945,434</u>	<u>\$ 334,776,639</u>	<u>\$ 309,500,786</u>	<u>\$ 311,967,085</u>
FTE Positions:					
Secretary	5.0	5.2	5.2	5.2	5.2
Chief Counsel	2.0	1.0	1.0	1.0	1.0
Facilities	1.0	4.0	4.0	4.0	4.0
Printing and Mailing	-	-	-	-	-
Procurement	15.0	16.0	16.0	16.0	16.0
Financial Management	1.9	1.9	1.9	1.9	2.9
Personnel Services	15.1	16.4	16.4	16.4	16.4
Accounts and Reports	24.0	18.1	18.1	18.1	18.1
Systems Management	1.0	1.0	1.0	1.0	1.0
Division of the Budget	13.0	13.0	13.0	14.0	24.0
Public Advocates	16.0	23.0	23.0	24.0	23.0
Debt Service	-	-	-	-	-
Capital Improvements	-	-	-	-	-
<i>Total–On-Budget</i>	<u>93.9</u>	<u>99.5</u>	<u>99.5</u>	<u>101.5</u>	<u>111.5</u>
Off-Budget*	373.7	374.3	374.3	374.3	374.3
GRAND TOTAL	<u>467.6</u>	<u>473.8</u>	<u>473.8</u>	<u>475.8</u>	<u>485.8</u>

* *Staff note:* Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless specified.

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.

OFFICE OF THE SECRETARY OF ADMINISTRATION



STATUTORY BASIS: • KSA 75-3701 *et seq.*, 75-3702a
PROGRAM GOALS: • Establish the vision and mission for the agency, direct agency operations to reflect those priorities, and allocate resources to execute those operations.

The Office of the Secretary of Administration manages the Department of Administration, supervises various offices and their functions, establishes agency priorities, and allocates resources based on agency goals. This Office includes the following subprograms:

SECRETARY OF ADMINISTRATION

The Secretary of Administration, among other statutory duties, establishes the vision of the agency and works with the Office Directors to move agency operations to reflect that vision and mission. The Secretary of Administration also serves as a member of the Kansas State Employees Health Care Commission, the Capitol Plaza Authority, and the State Finance Council. The Office of the Secretary also manages the Department of Administration, supervises office responsibilities, and allocates resources accordingly.

STATE FINANCE COUNCIL

The State Finance Council is a joint committee composed of the legislative leadership from the House and Senate and the Governor that is empowered to make some

financial decisions while the Legislature is not in session. KSA 75-3708 governs membership of the council.

OFFICE OF PUBLIC AFFAIRS

The Office of Legislative and Public Affairs executes internal and external communications for the agency, including contact with the media, assisting with Kansas Open Records Act requests, and coordinating with other agency public information officers. The Office also serves as the legislative liaison between the agency and the Legislature.

KANSAS CRIMINAL JUSTICE INFORMATION SYSTEM (KCJIS) ADMINISTRATION

The Secretary of Administration serves as a co-chairperson of the KCJIS Committee, pursuant to KSA 74-5701. The Secretary's responsibilities include the administration and distribution of federal funds. KCJIS provides the criminal justice and law enforcement community with access to the National Crime Information Center (NCIC) and delivers Kansas driver's license information, vehicle registration information, and criminal history records.

FIGURE 13
OFFICE OF THE SECRETARY OF ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
There are no performance measures submitted for this program.					
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 679,282	\$ 603,679		\$ 639,028	\$ 641,730
Federal Funds	1,454,722	-		-	-
All Other Funds	141,037	142,859		149,963	150,448
<i>Subtotal—On-Budget</i>	<u>\$ 2,275,041</u>	<u>\$ 746,538</u>		<u>\$ 788,991</u>	<u>\$ 792,178</u>
Off-Budget	146,771	338,291		229,404	230,672
GRAND TOTAL	<u>\$ 2,421,812</u>	<u>\$ 1,084,829</u>		<u>\$ 1,018,395</u>	<u>\$ 1,022,850</u>
Percentage Change:					
SGF	13.4 %	(11.1) %		5.9 %	0.4 %
All Funds	123.3 %	(55.2) %		(6.1) %	0.4 %
FTE Positions	7.0	7.0		7.0	7.0

BUDGET ANALYSIS

The **agency** requests \$792,178 in on-budget expenditures and 5.2 on-budget FTE positions for the Office of the Secretary of Administration for FY 2024. This represents an increase of \$3,187, or 0.4 percent, above the revised estimate in FY 2023, primarily due to year-to-year changes in employer contributions to fringe benefits such as group health insurance (\$4,729 increase) and public employees retirement (\$1,821 decrease).

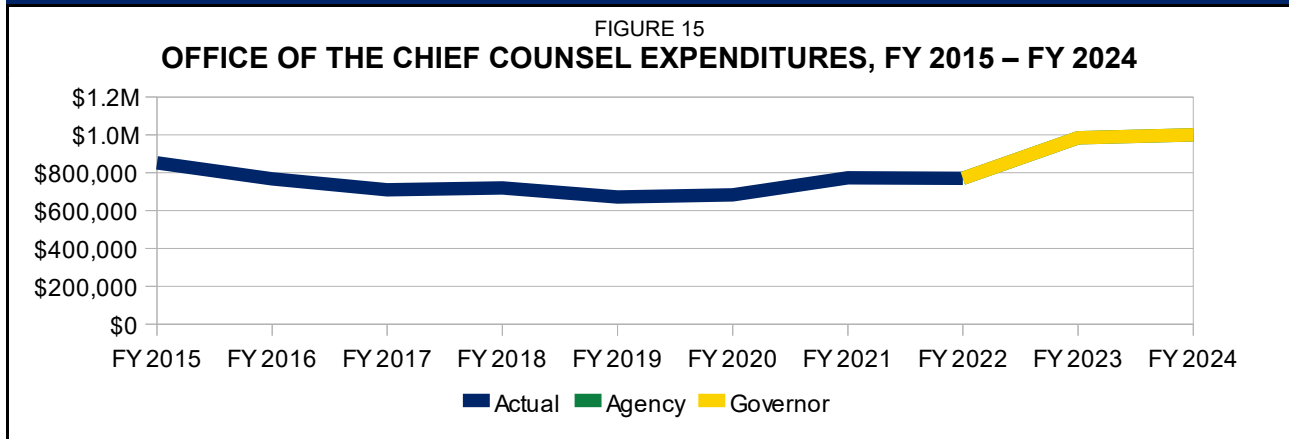
The request also includes \$230,672 in off-budget expenditures and 1.8 off-budget FTE positions for FY 2024, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2024.

FIGURE 14
OFFICE OF THE SECRETARY OF ADMINISTRATION, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
Administration	\$ 431,047	\$ 466,479	\$ 466,479	\$ 468,108	\$ 468,108
Public Information	223,529	226,501	226,501	227,618	227,618
KCJIS Administration	91,962	96,011	96,011	96,452	96,452
<i>Subtotal</i>	<u>\$ 746,538</u>	<u>\$ 788,991</u>	<u>\$ 788,991</u>	<u>\$ 792,178</u>	<u>\$ 792,178</u>
Off-Budget:					
Administration	\$ 338,291	\$ 229,404	\$ 229,404	\$ 230,672	\$ 230,672
TOTAL	<u>\$ 1,084,829</u>	<u>\$ 1,018,395</u>	<u>\$ 1,018,395</u>	<u>\$ 1,022,850</u>	<u>\$ 1,022,850</u>

OFFICE OF THE CHIEF COUNSEL



STATUTORY BASIS: • KSA 75-3701 *et seq.*, 75-3705a, 75-3702j

- PROGRAM GOALS:**
- Provide departmental offices and customer agencies with timely preparation and review of requested agreements, opinions, policies, procedures and other items requiring the services of counsel.
 - Provide state agency and other governmental attorneys with relevant, cost-effective continuing legal education (CLE) and training opportunities.
 - Provide agencies with cost-effective means to prepare and obtain required departmental approval of regulations.

The Office of the Chief Counsel provides legal services for the Department of Administration and is responsible for all legal work arising from the agency's activities. Its primary objective includes providing departmental offices and customer agencies with the timely preparation and review of requested agreements, opinions, policies, and procedures. Pursuant to KSA 75-3705a, the Secretary of Administration may appoint

attorneys for the Department of Administration, including the chief attorney. Services include providing legal opinions and advice to the Secretary of Administration; advising the Office of Facilities and Property Management regarding real estate, construction, and property management issues; and advising the Office of Procurement and Contracts regarding procurement, negotiation, and contracting issues.

FIGURE 16
OFFICE OF THE CHIEF COUNSEL, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Regulations Submitted	398	557	393	375	375
2. Number of Contracts Completed*	104	102	99	105	105
3. Number of KORA Requests Closed*	152	224	165	220	220
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 250,995	\$ 316,764		\$ 360,616	\$ 361,114
Federal Funds	-	-		-	-
All Other Funds	2,618	5,200		5,200	5,200
<i>Subtotal—On-Budget</i>	<u>\$ 253,613</u>	<u>\$ 321,964</u>		<u>\$ 365,816</u>	<u>\$ 366,314</u>
Off-Budget	519,968	449,352		619,489	634,718
GRAND TOTAL	<u>\$ 773,581</u>	<u>\$ 771,316</u>		<u>\$ 985,305</u>	<u>\$ 1,001,032</u>
Percentage Change:					
SGF	(17.1) %	26.2 %		13.8 %	0.1 %
All Funds	13.1 %	(0.3) %		27.7 %	1.6 %
FTE Positions	7.0	7.0		7.0	7.0

* The Office of the Governor does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

The **agency** requests \$366,314 in on-budget expenditures and 1.0 on-budget FTE position for the Office of the Chief Counsel for FY 2024. This represents an increase of \$498, or 0.1 percent, above the revised estimate in FY 2023, primarily due to year-to-year changes in employer contributions to fringe benefits such as group health insurance (\$1,053 increase) and public employees retirement (\$589 decrease).

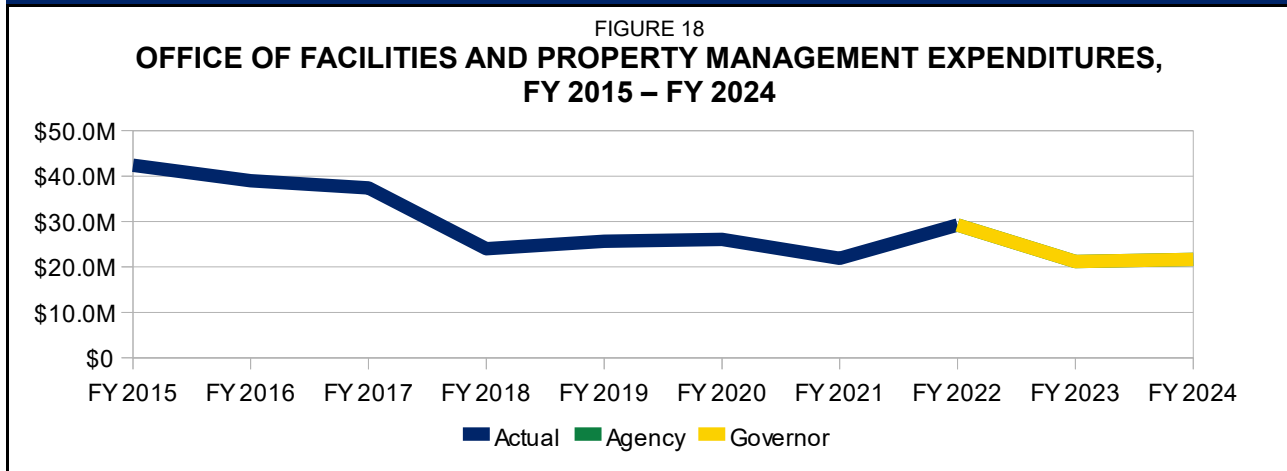
The request also includes \$634,718 in off-budget expenditures and 6.0 off-budget FTE positions for FY 2024, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2024.

FIGURE 17
OFFICE OF THE CHIEF COUNSEL, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
Chief Counsel	\$ 321,964	\$ 365,816	\$ 365,816	\$ 366,314	\$ 366,314
Off-Budget:					
Chief Counsel	\$ 449,352	\$ 496,358	\$ 496,358	\$ 510,991	\$ 510,991
Labor Relations	-	123,131	123,131	123,727	123,727
<i>Subtotal</i>	<u>\$ 449,352</u>	<u>\$ 619,489</u>	<u>\$ 619,489</u>	<u>\$ 634,718</u>	<u>\$ 634,718</u>
TOTAL	<u>\$ 771,316</u>	<u>\$ 985,305</u>	<u>\$ 985,305</u>	<u>\$ 1,001,032</u>	<u>\$ 1,001,032</u>

OFFICE OF FACILITIES AND PROPERTY MANAGEMENT



STATUTORY BASIS: • KSA 75-3762, 75-1250 *et seq.*, 75-5801 *et seq.*, 75-3739, 75-3765(a)(1)

- PROGRAM GOALS:**
- Respond to all tenant building maintenance, unscheduled cleanups, and emergency services in an efficient manner (including mechanical, electrical and plumbing systems) in the Capitol Complex, Forbes, and Cedar Crest.
 - Efficiently provide quality housekeeping services to Capitol Complex buildings, Forbes and leased buildings, Zibell, Scott, Mills, and the State Defense Building. In addition, complete Statehouse and Statehouse Grounds event setup and teardown as required.
 - Track number of actions processed for project code review, bid posting, and administration by Planning and Administration staff.

The Office of Facilities and Property Management centrally administers state-owned and state-leased facilities and protects the State's interest in all state facilities planning, design, and construction activities. The Office provides engineering services, maintenance and construction, building services and housekeeping, design and compliance services, asset management, and state employee parking. The Office was established in 2013 to ensure state employees enjoy a clean, safe, efficient, and comfortable environment in state-owned buildings. Its previous form, the Division of Facilities Management, was created in 1989 to consolidate functions relating to state facilities and space requirements for state agencies.

ENGINEERING SERVICES

The Office provides engineering services to protect the State's interest in all state facilities planning, design, and construction activities. The Engineering section assists in monitoring state buildings to keep them safe and comfortable. This section also helps plan and oversee projects done by outside vendors on

state-owned buildings to ensure quality of workmanship and adherence to contracts.

MAINTENANCE AND CONSTRUCTION

The Office maintains the buildings by providing plumbing, heating and cooling, painting, landscaping, carpentry, electrical work, and other services to help maintain the buildings. This is done mostly through a preventive maintenance schedule that helps ensure all building systems are operating normally and are in good working condition. These preventive maintenance schedules help find and fix problems before they cause issues or system failure.

BUILDING SERVICES

The Building Services subprogram provides housekeeping services for state-owned and state-leased buildings in Topeka. Buildings include the Kansas Statehouse, Kansas Judicial Center, Docking, Landon, Memorial, Curtis, Eisenhower, Forbes, 1020 Kansas, Kansas Insurance Building, and Cedar Crest. Leased buildings include Zibell, Scott, Mills, and the State Defense Building.

DESIGN AND COMPLIANCE

The Design and Compliance subprogram provides planning, design reviews, and construction administration for all statewide capital improvement projects totaling approximately \$100.0 million annually. Design and Compliance administers architectural and engineering firm selection. KSA 75-1250 *et seq.* established the requirements for contracts regarding architectural services. KSA 75-5801 *et seq.* established the requirements for engineering services.

ASSET MANAGEMENT

The Asset Management subprogram administers and approves state leases for all

state agencies, pursuant to KSA 75-3739, which states that no state agency shall enter into any lease of real property without prior approval of the Secretary of Administration.

GROUNDS SERVICES

The Grounds Services subprogram administers parking for the Capitol Complex. This includes waiting lists for free employee surface parking as well as waiting lists and billing for parking in the Curtis State Office Building parking garage. Surface lots are maintained through funds collected in the Monumental Building Surcharge, and the Curtis State Office Building Garage is maintained with fees collected through reserved parking fees.

FIGURE 19
OFFICE OF FACILITIES AND PROPERTY MANAGEMENT, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Events Scheduled at the Statehouse	315	537	440	550	550
2. Number of Work Orders	4,963	5,063	5,536	5,425	5,450
3. Cost Per Square Foot Cleaned	\$ 1.36	\$ 1.38	\$ 1.36	\$ 1.40	\$ 1.42
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 305,728	\$ 72,890		\$ 207,000	\$ 200,304
Federal Funds	-	-		-	-
All Other Funds	531,923	743,144		854,742	1,005,520
<i>Subtotal—On-Budget</i>	<i>\$ 837,651</i>	<i>\$ 816,034</i>		<i>\$ 1,061,742</i>	<i>\$ 1,205,824</i>
Off-Budget	21,077,941	28,408,558		20,156,781	20,455,179
GRAND TOTAL	\$ 21,915,592	\$ 29,224,592		\$ 21,218,523	\$ 21,661,003
Percentage Change:					
SGF	(22.4) %	(76.2) %		184.0 %	(3.2) %
All Funds	(12.7) %	33.4 %		(27.4) %	2.1 %
FTE Positions	188.0	188.0		188.0	188.0

BUDGET ANALYSIS

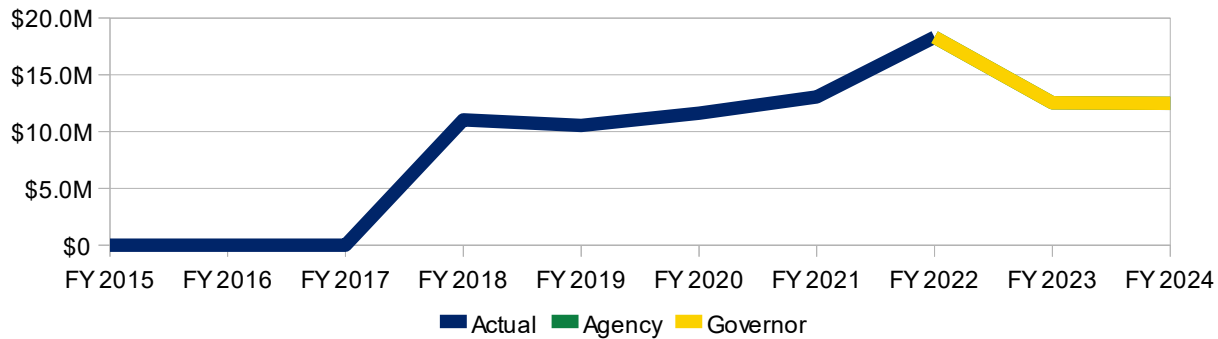
The **agency** requests \$1.2 million in on-budget expenditures and 4.0 on-budget FTE positions for the Office of Facilities and Property Management for FY 2024. This represents an increase of \$144,082, or 13.6 percent, above the revised estimate in FY 2023, primarily due to insurance premium expenditures for state buildings, equipment, and vehicles (\$150,000 increase).

The request also includes \$20.5 million in off-budget expenditures and 184.0 off-budget FTE positions for FY 2024, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2024.

OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL

FIGURE 20
OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 75-1005, 75-1001a, 75-4512, 75-6601

- PROGRAM GOALS:**
- Excel and increase the number of digital impressions to state agencies, producing a quality product that is cost-effective and delivered on time.
 - Increase state agency surplus reimbursements.
 - Increase number of donors and sales of surplus property.
 - Increase pieces of mail processed and promote convenient, cost-effective mail services to state agencies to maximize volume capacity.

The Office of Printing, Surplus, and Central Mail provides printing, copying, binding, fulfillment, and mail services for state agencies and operates the Surplus Property program. KSA 75-1005 directs the State Printer to do all the printing and binding required by the Legislature, Supreme Court, Governor, or any state agency. KSA 75-4512 allows the Secretary of Administration to provide and maintain central and consolidated mail services for state agencies.

PRINTING

The State Printing Plant provides printing, copying, and binding services for state agencies. It produces a variety of prints, ranging from business cards and letterhead to bound statute volumes, legislative printing, maps, and tax forms.

SURPLUS

The Surplus subprogram facilitates the disposition and reallocation of excess and surplus state and federal property. The State Surplus Property Act, KSA 75-6601 *et seq.*, establishes the Surplus Property program, which enables and encourages the reutilization of agency excess property to reduce expenditures for supply and capital outlay items and provides a mechanism for state agencies, local units of government, and nonprofit organizations to acquire surplus materials and equipment in a cost-effective manner.

CENTRAL MAIL

Central Mail provides mail and packaging services, and processes mail in Topeka for state agencies. Services provided to those agencies include the following: pickup, sorting, and delivery of building mail; applying postage for letters, flats, and packages on outgoing U.S. Postal Service mail; and mail pickup.

FIGURE 21
OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of Agencies Using State Printer	84 %	86 %	85 %	86 %	86 %
2. Number of Pieces of Mail Handled	9,323,415	7,597,607	8,846,632	9,000,000	9,000,000
3. Total Surplus Property Sales	\$ 658,495	\$ 657,342	\$ 649,559	\$ 705,000	\$ 730,000
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	272,575	226,411		464,100	394,100
<i>Subtotal—On-Budget</i>	<u>\$ 272,575</u>	<u>\$ 226,411</u>		<u>\$ 464,100</u>	<u>\$ 394,100</u>
Off-Budget	12,776,640	18,082,568		12,074,832	12,090,596
GRAND TOTAL	<u>\$ 13,049,215</u>	<u>\$ 18,308,979</u>		<u>\$ 12,538,932</u>	<u>\$ 12,484,696</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(55.1) %	40.3 %		(31.5) %	(0.4) %
FTE Positions	53.0	53.0		49.0	49.0

BUDGET ANALYSIS

The **agency** requests \$394,100 in on-budget expenditures and no on-budget FTE positions for the Office of Printing, Surplus, and Central Mail for FY 2024. This represents a decrease of \$70,000, or 15.1 percent, below the revised estimate in FY 2023. The decrease is entirely due to expenditures to replace outdated equipment in the Printing Plant that were budgeted for FY 2023 and that do not reoccur in FY 2024.

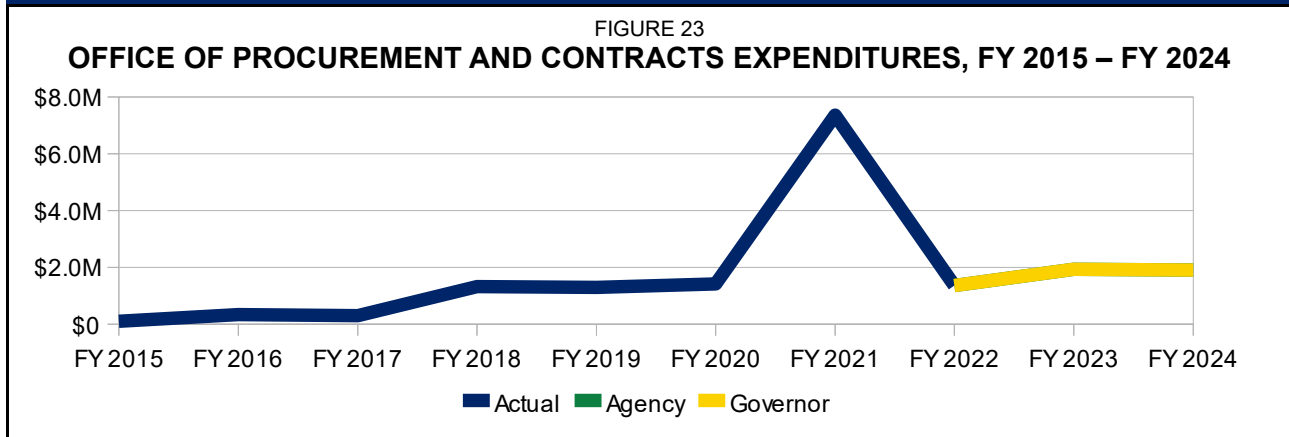
The request also includes \$12.1 million in off-budget expenditures and 49.0 off-budget FTE positions for FY 2024, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2024.

FIGURE 22
OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
Surplus Property	\$ 226,411	\$ 464,100	\$ 464,100	\$ 394,100	\$ 394,100
Off-Budget:					
Surplus Property	\$ 405,432	\$ 403,638	\$ 403,638	\$ 407,866	\$ 407,886
Central Mail	6,374,917	5,874,002	5,874,002	5,974,765	5,974,765
Printing	11,302,219	5,797,192	5,797,192	5,707,965	5,707,965
<i>Subtotal</i>	<u>\$ 18,082,568</u>	<u>\$ 12,074,832</u>	<u>\$ 12,074,832</u>	<u>\$ 12,090,596</u>	<u>\$ 12,090,616</u>
TOTAL	<u>\$ 18,308,979</u>	<u>\$ 12,538,932</u>	<u>\$ 12,538,932</u>	<u>\$ 12,484,696</u>	<u>\$ 12,484,716</u>

OFFICE OF PROCUREMENT AND CONTRACTS



STATUTORY BASIS: • KSA 75-3737a–75-3744; 75-37.130; 75-37,102; 75-3739(a), 75-3317–75-3322c

- PROGRAM GOALS:**
- Provide information on the amount of procurement activity generated through the Office of Procurement and Contracts.
 - Minimize the number of non-competitive bid requests approved.
 - Maximize the number of state contracts that are managed in a fiscal year by the Office of Procurement and Contracts.
 - Maximize the number of statewide contracts available to political subdivisions within the state.
 - Implement strategic sourcing of state contracts for goods and services when practicable.

The Office of Procurement and Contracts is responsible for procuring goods and services at the best price for the agencies of the State of Kansas and when appropriate establishing contracts that are available to political subdivisions of the State of Kansas.

Additionally, the Office of Procurement and Contracts also provides oversight for the State’s Purchasing Card program. The Office is also involved in the State Use Program, which prioritizes sales of certain goods and services by qualified vendors, who employ people with disabilities, as set forth in KSA 75-3317 to 75-33-22c.

PROCUREMENTS IN KANSAS

In Kansas, the procurement and contracting process is statutorily required by KSA 75-3739(a), which states that “all contracts for construction and repairs, and all purchases of and contracts for supplies, materials, equipment

and contractual services to be acquired for state agencies shall be based on competitive bids.” Competitive procurements take the form of either a Request for Quotation (RFQ), used for one-time purchases; an Invitation for Bid (IFB), used for repetitive purchases; or a Request for Proposal (RFP), used for either one-time or repetitive purchases.

The State of Kansas also employs noncompetitive procurements—also called “sole source” or “no bid” procurements—that are exempt from the normal competitive process. Noncompetitive procurements are exceptions to the general statutory rule for requiring a competitive process when acquiring goods and services. When requesting a noncompetitive procurement, agencies must provide research and analysis establishing whether competition exists and, if it does, why it is in the best interest of the State to bypass the competitive procurement process.

FIGURE 24

OFFICE OF PROCUREMENT AND CONTRACTS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Prior Authorization Contracts Approved**	3,489	3,477	3,652	3,400	3,400
2. Number of Open State Contracts*	3,887	3,949	3,835	3,900	3,900
3. Number of Requisitions Received*	6,624	7,726	7,306	7,200	7,200
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 6,001,300	\$ 1,400		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,354,986	1,365,281		1,938,570	1,909,831
<i>Subtotal—On-Budget</i>	<i>\$ 7,356,286</i>	<i>\$ 1,366,681</i>		<i>\$ 1,938,570</i>	<i>\$ 1,909,831</i>
Off-Budget	-	-		-	-
GRAND TOTAL	\$ 7,356,286	\$ 1,366,681		\$ 1,938,570	\$ 1,909,831
Percentage Change:					
SGF	(23.9) %	(100.0) %		(100.0) %	--
All Funds	9.0 %	(81.4) %		41.8 %	(1.5) %
FTE Positions	15.0	15.0		16.0	16.0

* The Office of the Governor does not utilize this measure for evaluation purposes.

** These prior authorization contract approvals do not include grants and utility encumbrances.

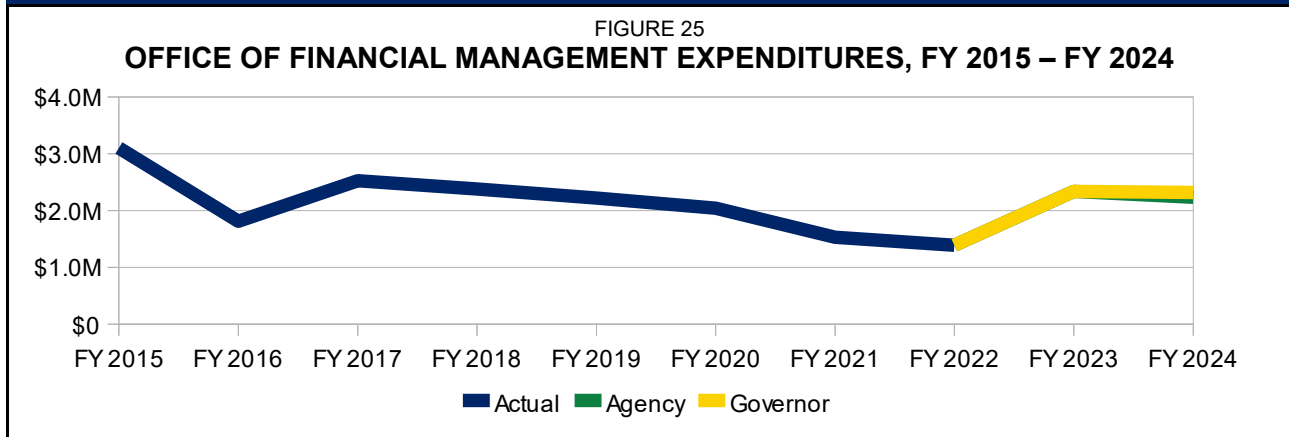
BUDGET ANALYSIS

The **agency** requests \$1.9 million in on-budget expenditures and 16.0 on-budget FTE positions for the Office of Procurement and Contracts for FY 2024. This represents a decrease of \$28,739, or 1.5 percent, below the revised estimate in FY 2023, primarily due to expenditures to purchase computer equipment and software that were budgeted for FY 2023 and that do not reoccur in FY 2024 (\$27,000 decrease).

The decrease is entirely due to expenditures to replace outdated equipment in the Printing Plant that were budgeted for FY 2023 and that do not reoccur in FY 2024.

The **Governor** concurs with the agency request for FY 2024.

OFFICE OF FINANCIAL MANAGEMENT



STATUTORY BASIS: • KSA 75-3701 *et seq.*

PROGRAM GOALS: • Provide accounting and fiscal management services to the Department of Administration and other state agencies.
• Provide timely services for our agency and to our customers.

The Office of Financial Management provides accounting services for the agency, serves as the central budgeting office for all departmental offices, and maintains the Small Agency Service Center. The Office was established in FY 2013 to enhance the efficiency of financial management system processing for state agencies and to help attain cost savings for the State.

FINANCIAL MANAGEMENT

The Financial Management subprogram conducts the primary operations for the Office of Financial Management and is composed of two sections—Accounting and Budgeting. General duties include consulting, supporting, and assisting in monitoring and improving the financial health of the agency, along with administering the security of the SMART system for agency processors, paying the debt service for the State, and compiling the necessary data for the SWCAP (Statewide Cost Allocation Plan).

ACCOUNTING SERVICES

The Accounting Services section provides accounting services to all offices within the agency, including accounts payable (approving requisitions, entering and approving payments, entering assets, general ledger entries, and travel and expense reimbursements) and

accounts receivable services (entering deposits, receiving credit cards, preparing billings, and tracking outstanding accounts receivable balances).

BUDGETING SERVICES

The Budget Services section serves as the agency's central budgeting office, coordinating the development and submission of the agency's budget, providing an agency-wide perspective on policy, revenue, and expenditure issues. The Budget Services section is also involved in the development of various rates charged to other state agencies for internal services. These rates are forecast for future years and used in budget development by all agencies.

AGENCY SERVICE CENTER

During the implementation of the State's financial management system project, which created SMART, an opportunity was identified for the Department of Administration to provide accounting support by processing accounting transactions on behalf of numerous non-cabinet agencies, boards, and commissions. Accordingly, the Agency Service Center's goal is to enhance the efficiency of financial management system processing for these agencies and help attain cost savings for the State of Kansas.

FIGURE 26

OFFICE OF FINANCIAL MANAGEMENT, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Overall Satisfaction with the Small Agency Service Scale**	N/A	4.44	N/A	4.44	4.50
2. Late Charges Paid on Invoices*	\$ -	\$ -	\$ -	\$ 200	\$ 200
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 139,378	\$ 111,174		\$ 150,301	\$ 232,529
Federal Funds	382,299	335,488		297,603	250,000
All Other Funds	39,707	40,896		46,057	46,507
<i>Subtotal—On-Budget</i>	<i>\$ 561,384</i>	<i>\$ 487,558</i>		<i>\$ 493,961</i>	<i>\$ 529,036</i>
Off-Budget	971,485	904,212		1,846,024	1,787,698
GRAND TOTAL	\$ 1,532,869	\$ 1,391,770		\$ 2,339,985	\$ 2,316,734
Percentage Change:					
SGF	26.4 %	(20.2) %		35.2 %	54.7 %
All Funds	16.6 %	(9.2) %		68.1 %	(1.0) %
FTE Positions	19.0	17.9		18.0	19.0

** This measure uses a scale of 1 to 5, where 1 is "very dissatisfied" and 5 is "very satisfied."

* The Office of the Governor does not utilize this measure for evaluation purposes.

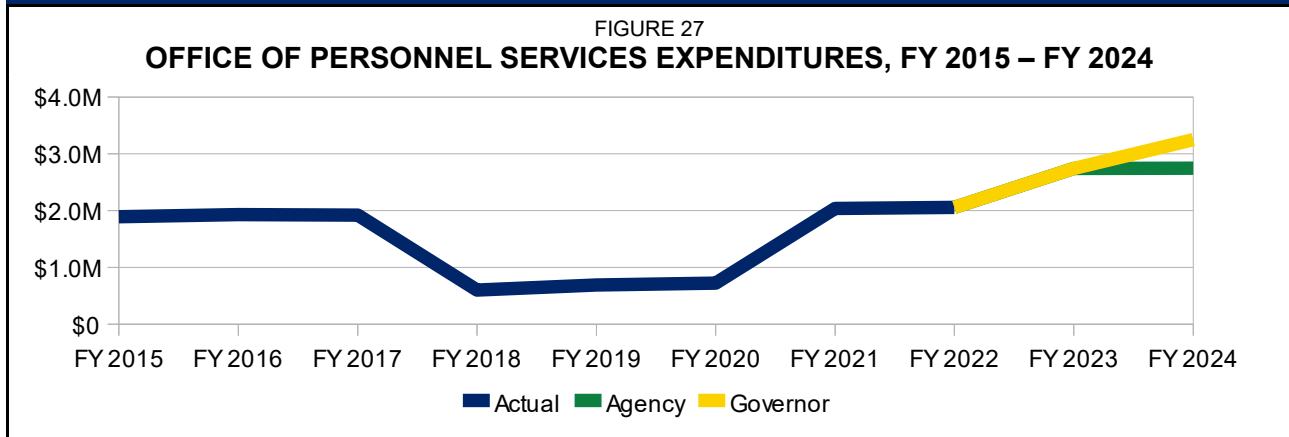
BUDGET ANALYSIS

The **agency** requests \$446,109 in on-budget expenditures and 1.9 on-budget FTE positions for the Office of Financial Management for FY 2024. This represents a decrease of \$47,852, or 9.7 percent, below the revised estimate in FY 2023, primarily due to changes in expenditures from the Flood Control Emergency Federal Fund (\$47,603 decrease). Pursuant to federal law and regulation, the U.S. Corps of Engineers distributes 75.0 percent of moneys derived from the lease for agricultural purposes of federally owned land adjacent to federal reservoirs. KSA 27-117 provides for subsequent payment of such moneys to counties, townships, and certain school districts in accordance with a distribution list provided by the U.S. Corps of Engineers.

The request also includes \$1.8 million in off-budget expenditures and 16.2 off-budget FTE positions for FY 2024, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** recommends \$529,036 in on-budget expenditures and 2.9 on-budget FTE positions for the Office of Financial Management for FY 2024. This is an increase of \$82,927 and 1.0 FTE above the agency request, entirely due to funding the agency's enhancement request for an additional Budget Analyst position in the Office for Public Advocates from within the Office of Financial Management instead.

OFFICE OF PERSONNEL SERVICES



STATUTORY BASIS: • KSA 75-3701, 75-3746, 75-2925 *et seq.*, 75-37,115, 75-37,105, 75-4362, 75-7363

- PROGRAM GOALS:**
- Provide quality services and information that meets the human resources needs of customer agencies.
 - Reduce the amount of time that it takes for agencies to fill both classified and unclassified positions.
 - Provide enhanced and expanded training and staff development opportunities for state employees.

The Office of Personnel Services (OPS) administers the Kansas Civil Service Act and other related statutes to provide a comprehensive human resources (HR) program for the State. The Office was established in FY 2013 to strengthen and sustain an HR system that is consistent, efficient, and meets the needs of state agencies. Its prior form, the Office of Human Resources, was created by Executive Order 11-04, which directed all non-Regents HR staff in agencies under the Governor's jurisdiction to report to the Director of Human Resources and established the Office to implement consistent HR policies, procedures, and practices for the state workforce.

STATE AGENCY HR MANAGEMENT

The Office assists state agencies by providing technical and expert assistance on recruitment, selection, performance and position management, classification, compensation, employee relations, guidance and discipline, employee recognition, employee development and training, layoffs, furloughs, time and leave, payroll, benefits, federal Family and Medical Leave Act (FMLA) requirements, federal Americans with Disabilities Act (ADA) requirements, the Shared Leave program, and retirement.

DATA MANAGEMENT

The Data Management Unit administers the Statewide Human Resource and Payroll (SHARP) System, Data Warehouse and HR-related internet application development, and maintenance. Data Management staff provide assistance to both employees and fellow Office staff members on information requests and on transaction entry in SHARP.

POLICY AND COMPLIANCE

The Policy and Compliance Unit is responsible for the administration of the State's classification, compensation, and performance management policies, as well as compliance with the federal Fair Labor Standards Act (FLSA) and FMLA in a continuing effort to establish consistent and efficient HR policies for all agencies. Staff members from this section work in teams with Office staff assigned to agencies, as well as state agency management and operations staff to review and, where necessary, propose changes to HR policies and practices in order to provide more efficient and consistent policies across the state workforce. This section is also responsible for conducting compliance examinations to ensure HR policies are being implemented and administered consistently throughout the state workforce.

FIGURE 28
OFFICE OF PERSONNEL SERVICES, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Number of Non-Cabinet Agencies Receiving HR Assistance	57	57	55	57	57
2. Percentage of Customer Agencies Satisfied with OPS Services	N/A	98.2 %	N/A	100.0 %	100.0 %
3. Number of Queries and Reports Provided for Agencies, KORA, and Legislative Inquiries	1,770	1,800	1,685	1,850	1,800
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,299,572	\$ 1,352,415		\$ 1,893,638	\$ 2,400,602
Federal Funds	-	-		-	-
All Other Funds	7,138	7,524		30,748	31,064
<i>Subtotal—On-Budget</i>	<u>\$ 1,306,710</u>	<u>\$ 1,359,939</u>		<u>\$ 1,924,386</u>	<u>\$ 2,431,666</u>
Off-Budget	730,763	699,530		818,676	818,220
GRAND TOTAL	<u>\$ 2,037,473</u>	<u>\$ 2,059,469</u>		<u>\$ 2,743,062</u>	<u>\$ 3,249,886</u>
Percentage Change:					
SGF	(7.2) %	4.1 %		40.0 %	26.8 %
All Funds	(3.4) %	1.1 %		33.2 %	18.5 %
FTE Positions	24.0	24.0		26.0	26.0

BUDGET ANALYSIS

The **agency** requests \$1.9 million in on-budget expenditures and 16.4 on-budget FTE positions for the Office of Personnel Services for FY 2024. This represents an increase of \$7,280, or 0.4 percent, above the revised estimate in FY 2023, primarily due to changes in employer contributions for group health insurance (\$14,874 increase) and public employees retirement (\$7,563 decrease). The request also includes \$818,220 in off-budget expenditures and 9.7 off-budget FTE positions for FY 2024.

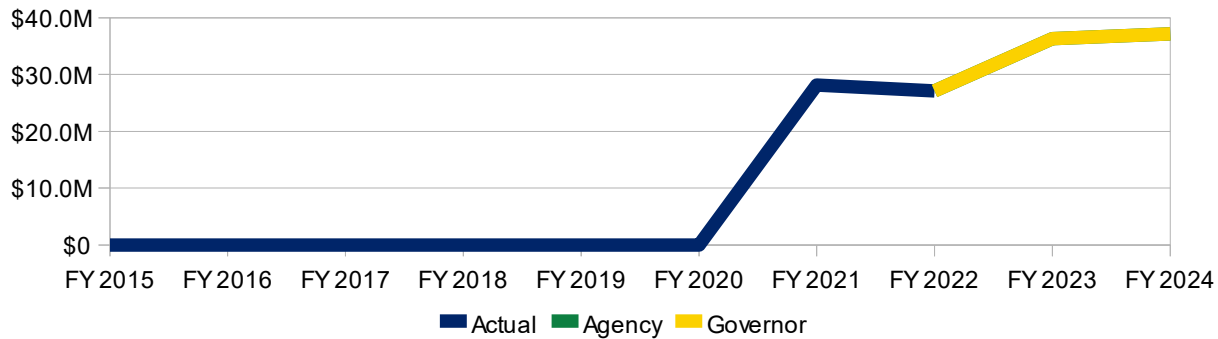
The **Governor** recommends \$2.4 million in on-budget expenditures and 16.4 on-budget FTE positions for the Office of Personnel Services for FY 2024. This represents an increase of \$500,000 above the agency request and is entirely due to the Governor's recommendation to conduct a state workforce study.

FIGURE 29
OFFICE OF PERSONNEL SERVICES, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
State Agency HR Mgmt.	\$ 959,003	\$ 1,297,355	\$ 1,297,355	\$ 1,300,656	\$ 1,800,656
Policy and Compliance	313,340	453,142	453,142	455,926	455,926
Data Management	87,596	173,889	173,889	175,084	175,084
<i>Subtotal</i>	<u>\$ 1,359,939</u>	<u>\$ 1,924,386</u>	<u>\$ 1,924,386</u>	<u>\$ 1,931,666</u>	<u>\$ 2,431,666</u>
Off-Budget:					
State Agency HR Mgmt.	\$ 448,053	\$ 469,674	\$ 469,674	\$ 472,358	\$ 472,358
Personnel Services	148,943	349,002	349,002	345,862	345,862
Data Management	102,534	-	-	-	-
<i>Subtotal</i>	<u>\$ 699,530</u>	<u>\$ 818,676</u>	<u>\$ 818,676</u>	<u>\$ 818,220</u>	<u>\$ 818,220</u>
TOTAL	<u>\$ 2,059,469</u>	<u>\$ 2,743,062</u>	<u>\$ 2,743,062</u>	<u>\$ 2,749,886</u>	<u>\$ 3,249,886</u>

OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM

FIGURE 30
**OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM EXPENDITURES,
 FY 2015 – FY 2024**



STATUTORY BASIS: • KSA 75-6501 *et seq.*

- PROGRAM GOALS:**
- Manage the Health Benefits Administration Fund balance to be 10.0 to 13.0 percent of plan expenditures over the preceding three years.
 - Improve the health of members of the plan.
 - Integrate the Nurse Triage Program to reduce claim expense in the State Self-Insurance Fund.

The Office of the State Employee Health Benefits Program includes expenditures for the State Employee Health Plan (SEHP) and the State Self-Insurance Fund (SSIF). During the 2020 Legislative Session, Governor Laura Kelly submitted Executive Reorganization Order (ERO) No. 45, which moved both the SEHP and SSIF from the Kansas Department of Health and Environment to the Department of Administration.

STATE EMPLOYEE HEALTH PLAN

The agency administers the SEHP on behalf of the Health Care Commission (HCC). The HCC was statutorily created in 1984 to design and implement a health care benefits program. For the SEHP, the HCC contracts with an actuarial service to provide guidance in setting rates and insuring the financial stability of the program and manages the plan on a long-term basis through establishing funds in the positive years to help pay for shortages in negative years and maintaining minimal rate increases.

As of July 1, 2022, there are 128 public employers participating in SEHP. These non-state public employers included 17 school districts; 52 cities, counties, or townships; 16 public hospitals; and 43 miscellaneous local

government entities, extension offices, water districts, and housing authorities. The number of members in the groups range from 1 to 279. There are 4 groups who have more than 200 members, and 15 groups have between 100 and 200 members.

STATE SELF-INSURANCE FUND

The workers compensation program for state employees, called the SSIF, was implemented in 1974. It is a self-insured, self-administered program funded by agencies based on an experience rating. The agency rates are developed by an actuarial service using claims experience, payroll history, and caps on expenses. Rates are approved by the Department of Administration and published by the Division of the Budget. The program manages and processes claims for injuries that arise out of and in the course of employment. Medical compensation to treat the employee's injury does not have a cap. Medical payments to providers are based on a fee schedule developed by the Workers Compensation Division of the Kansas Department of Labor. On average, 175 accident reports are received monthly. In FY 2022, the SSIF spent about \$12.2 million on claims expenditures with about 61.4 percent for medical services and 38.6 percent for indemnity.

FIGURE 31
OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM, PERFORMANCE MEASURES**

	Actual CY 2021	Actual CY 2022	Actual 3-Year Avg.	Target CY 2023	Target CY 2024
Outcome Measure:					
1. Total Plan Expenses*	\$ 495,843,214	\$ 523,645,783	\$ 491,531,890	\$ 542,672,942	\$ 562,953,098
2. Number of Member Wellness Visits	34,517	41,191	36,516	41,300	41,500
3. Number of Preventative Dental Cleanings	86,286	94,663	88,514	96,556	98,487
Financing					
	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal-On-Budget</i>	\$ -	\$ -		\$ -	\$ -
Off-Budget	28,147,570	27,132,240		36,309,231	37,131,953
GRAND TOTAL	\$ 28,147,570	\$ 27,132,240		\$ 36,309,231	\$ 37,131,953
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	(11.3) %	(3.6) %		33.8 %	2.3 %
FTE Positions	45.0	45.0		45.0	45.0

* The Office of the Governor does not utilize this measure for evaluation purposes. Additionally, this measure reflects projections for CY 2022.

** Performance measures for this program are tracked by calendar year (CY) instead of by fiscal year.

BUDGET ANALYSIS

The **agency** requests \$37.1 million in off-budget expenditures and 45.0 off-budget FTE positions for the Office of the State Employee Health Benefits Program for FY 2024. This represents an increase of \$822,722, or 2.3 percent, above the revised estimate in FY 2023, primarily due to payments for workers' compensation claims (\$841,526 increase).

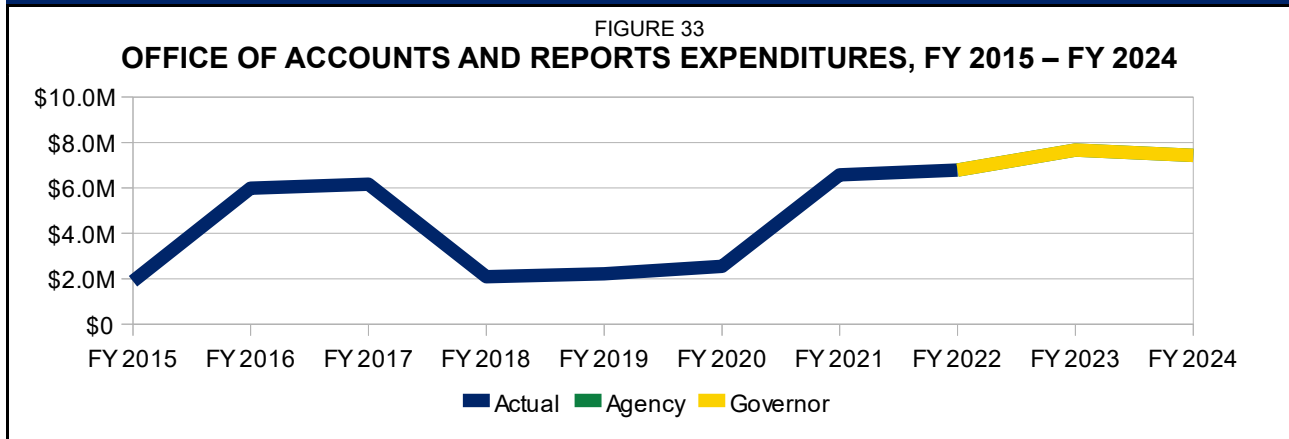
The agency anticipates \$14.8 million in payments for FY 2024, up from the \$14.0 million budgeted in FY 2023.

The **Governor** concurs with the agency request for FY 2024.

FIGURE 32
OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget	\$ -	\$ -	\$ -	\$ -	\$ -
Off-Budget:					
Director's Office	\$ 782,784	\$ 1,100,183	\$ 1,100,183	\$ 1,088,575	\$ 1,088,575
Health Management	6,842,235	9,674,458	9,674,458	9,675,234	9,675,234
Health Plan Operations	2,408,838	3,341,116	3,341,116	3,345,617	3,345,617
Design and Fiscal	1,156,418	2,387,670	2,387,670	2,389,324	2,389,324
Membership Services	778,565	1,149,744	1,149,744	1,151,063	1,151,063
Workers Compensation	15,163,400	18,656,060	18,656,060	19,482,140	19,482,140
<i>Subtotal</i>	\$ 27,132,240	\$ 36,309,231	\$ 36,309,231	\$ 37,131,953	\$ 37,131,953
TOTAL	\$ 27,132,240	\$ 36,309,231	\$ 36,309,231	\$ 37,131,953	\$ 37,131,953

OFFICE OF ACCOUNTS AND REPORTS



- STATUTORY BASIS:** • KSA 75-3701 *et seq.*, 75-3083 *et seq.*, 40-2301 *et seq.*, 75-5501 *et seq.*, 75-3728
- PROGRAM GOALS:**
- Identify and implement solutions that support transparency to taxpayers and other interested groups.
 - Provide appropriate guidance and support for minimized findings on external audits while ensuring compliance with statutory deadlines.
 - Provide quality customer service to agencies, taxpayers and others served and supported through the KDRS/KTOP programs with the goal of maximizing collection of outstanding debt accounts for the State of Kansas, municipalities, and foreign state agencies.
 - Reduce the cost of printing and mailing by encouraging employees to opt for electronic W-2s and encouraging suppliers to receive payments by ACH.
 - Ensure statewide statutory, regulatory, and accounting policy compliance while developing and maintaining an effective and efficient audit plan that minimizes risks for the state.

The Office of Accounts and Reports is responsible for preparing the State of Kansas' official Comprehensive Annual Financial Report (CAFR) and performing audits over state agencies' expenditures, local funds, assets, accounts receivable, and other financial activities.

The Office is organized into three sections: Statewide Controls, Reporting, and Collections; Statewide Agency Audits and Municipals; and Statewide Payroll and Accounting. Statutory requirements assigned to the Office include the development and maintenance of KanView, the State's taxpayer transparency website.

FIGURE 34
OFFICE OF ACCOUNTS AND REPORTS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. CAFR Submitted Prior to Dec. 31 with an Unmodified Audit Opinion	Yes	Yes	Yes	Yes	Yes
2. Percent of Electronic W-2 Employee Consents Statewide	51.2 %	48.1 %	49.4 %	49.0 %	49.0 %
3. Number of New Debts Entered into Kansas Debt Recovery System	385,596	439,582	424,302	484,200	434,900
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,691,923	\$ 1,921,422		\$ 1,281,337	\$ 1,278,079
Federal Funds	-	-		-	-
All Other Funds	309,149	254,159		255,364	255,704
<i>Subtotal-On-Budget</i>	<i>\$ 2,001,072</i>	<i>\$ 2,175,581</i>		<i>\$ 1,536,701</i>	<i>\$ 1,533,783</i>

FIGURE 34

OFFICE OF ACCOUNTS AND REPORTS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Off-Budget	4,574,447	4,610,761		6,129,270	5,897,446
GRAND TOTAL	\$ 6,575,519	\$ 6,786,342		\$ 7,665,971	\$ 7,431,229
Percentage Change:					
SGF	(19.3) %	13.6 %		(33.3) %	(0.3) %
All Funds	(3.0) %	3.2 %		13.0 %	(3.1) %
FTE Positions	63.0	62.0		61.0	61.0

BUDGET ANALYSIS

The agency requests \$1.5 million in on-budget expenditures and 18.1 on-budget FTE positions for the Office of Accounts and Reports for FY 2024. This represents a decrease of \$2,918, or 0.2 percent, below the revised estimate in FY 2023, primarily due to payments for computer programming and data processing services (\$10,374). The change is also attributable to shifts in employer contributions to fringe benefits such as employee retirement

(\$5,801 decrease) and group health insurance (\$13,128 increase).

The request also includes \$5.9 million in off-budget expenditures and 42.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another.

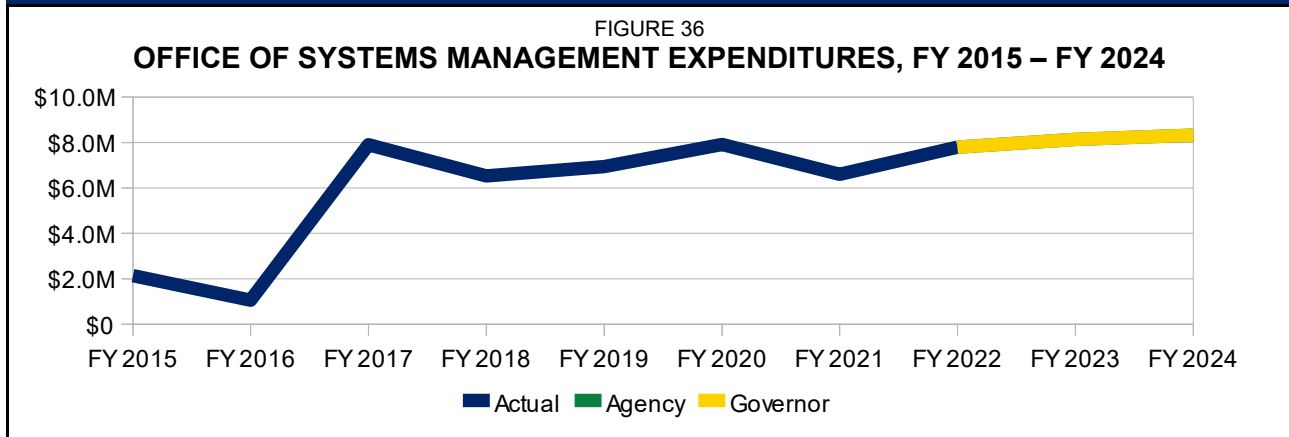
The Governor concurs with the agency request for FY 2024.

FIGURE 35

OFFICE OF ACCOUNTS AND REPORTS, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
Chief Financial Officer	\$ 101,434	\$ 120,056	\$ 120,056	\$ 120,284	\$ 120,284
Audit Services	357,244	176,241	176,241	177,423	177,423
Financial Integrity	589,231	77,398	77,398	77,883	77,883
Internal Controls	131,516	176,596	176,596	176,971	176,971
Federal Reporting	160,162	201,772	201,772	192,582	192,582
Municipal Services	214,219	211,418	211,418	211,461	211,461
Statewide Payroll	82,234	86,467	86,467	87,215	87,215
Statewide Accounting	509,003	486,753	486,753	489,964	489,964
Setoff	30,538	-	-	-	-
<i>Subtotal</i>	\$ 2,175,581	\$ 1,536,701	\$ 1,536,701	\$ 1,533,783	\$ 1,533,783
Off-Budget:					
Chief Financial Officer	\$ 360,523	\$ 360,419	\$ 360,419	\$ 337,011	\$ 337,011
Audit Services	143,002	399,919	399,919	402,576	402,576
Financial Integrity	548,584	875,376	875,376	862,796	862,796
Revolving Fund	202,465	261,548	261,548	263,151	263,151
Internal Controls	261,696	223,587	223,587	225,397	225,397
Federal Reporting	14,593	83,572	83,572	236,766	236,766
Statewide Payroll	823,880	982,067	982,067	989,358	989,358
Statewide Accounting	1,585,203	2,218,122	2,218,122	1,845,212	1,845,212
Setoff	670,815	724,660	724,660	735,179	735,179
<i>Subtotal</i>	\$ 4,610,761	\$ 6,129,270	\$ 6,129,270	\$ 5,897,446	\$ 5,897,446
TOTAL	\$ 6,786,342	\$ 7,665,971	\$ 7,665,971	\$ 7,431,229	\$ 7,431,229

OFFICE OF SYSTEMS MANAGEMENT



STATUTORY BASIS: • KSA 75-3701 *et seq.*

- PROGRAM GOALS:**
- Maintain or improve performance of the SHARP and SMART batch cycles and ensure uptime during business hours.
 - Address and resolve programmatic abends (program crashes), application defects, user enhancement requests, and application updates.
 - Identify, research, and resolve agency user issues at both a Tier 1 and a Tier 1.5 level for the PeopleSoft ERP, including SMART, and SHARP, as well Employee Self Service, eSupplier, and Candidate Gateway.
 - Safeguard end-user and application security of the SMART and SHARP systems.

The Office of Systems Management provides state agencies with centralized system services, including purchasing, accounting, human resources, payroll, and a reporting database for business intelligence software. Services rendered by the office include support for the Statewide Management, Accounting and Reporting Tool (SMART) and the Statewide Human Resource and Payroll System (SHARP). SMART is a PeopleSoft software product purchased from Oracle and modified to meet the needs of the State of Kansas.

The Office is composed of the following five teams that support essential central systems:

The **Systems Development** team provides development and application support for the SMART and SHARP systems. This includes creating technical designs; developing and testing requested updated and enhancements to the systems; and providing support to customers and stakeholders.

The **Service Desk** team provides assistance to SMART and SHARP users to address problems encountered while utilizing the systems. This includes password changes for

SMART, SHARP, and Employee Self-Service, eSupplier users, and Candidate Gateway users. This team also assists with system announcements as well as monitoring and adding solutions to a shared knowledge base.

The **System Architecture, Security, and Workflow** team provides system security setup and access to users of SMART, SHARP, and Data Warehouse/BI Analytics, as well as workflow setup and modifications to ensure accurate notifications of next-step processing within the systems. The scheduling of batch jobs is included in this team's responsibilities, which includes a complex setup of dependencies and job error handling.

The **Governance of Managed Services and Hosting Partner** team is responsible for working with the Upgrade and Hosting teams of Sierra-Cedar, the managed services and hosting partner. These responsibilities include tracking service level agreement metrics, monitoring contractual obligations for both the State of Kansas and Sierra-Cedar, and monitoring the progress of development and future implementation of Oracle Business Intelligence Analytics 12g.

The **Enterprise Systems Architecture and IT Project Management** team is responsible for understanding all enterprise solution components, how they work individually, and

how they inter-operate. These responsibilities include coordinating enterprise application technical production support as well as upgrade support and services for integrated systems.

FIGURE 37
OFFICE OF SYSTEMS MANAGEMENT, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent Uptime During Business Hours—SMART*	99.95 %	99.95 %	99.97 %	100.00 %	100.00 %
2. Percent Uptime During Business Hours—SHARP*	99.95 %	99.95 %	99.97 %	100.00 %	100.00 %
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 534,291	\$ 73,487		\$ 226,911	\$ 260,808
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<u>\$ 534,291</u>	<u>\$ 73,487</u>		<u>\$ 226,911</u>	<u>\$ 260,808</u>
Off-Budget	6,067,665	7,725,715		7,907,485	8,068,934
GRAND TOTAL	<u>\$ 6,601,956</u>	<u>\$ 7,799,202</u>		<u>\$ 8,134,396</u>	<u>\$ 8,329,742</u>
Percentage Change:					
SGF	627.5 %	(86.2) %		208.8 %	14.9 %
All Funds	(16.6) %	18.1 %		4.3 %	2.4 %
FTE Positions	19.0	19.8		20.8	20.8

* Includes four hours of downtime to end-users for scheduled upgrades.

BUDGET ANALYSIS

The **agency** requests \$260,808 in on-budget expenditures and 1.0 on-budget FTE positions for the Office of Systems Management for FY 2024. This represents an increase of \$33,897, or 15.0 percent, above the revised estimate in FY 2023, primarily due to expenditures for managed hosting and system development of architecture for SMART and SHARP (\$33,411 increase).

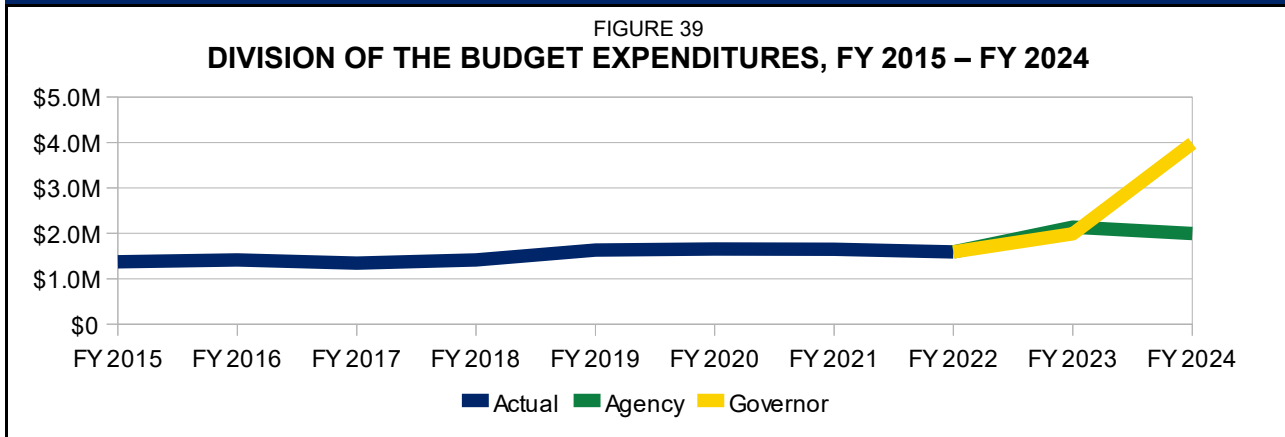
The request also includes \$8.1 million in off-budget expenditures and 19.8 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2024.

FIGURE 38
OFFICE OF SYSTEMS MANAGEMENT, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
On-Budget:					
State Service Desk	\$ 73,487	\$ 226,911	\$ 226,911	\$ 260,808	\$ 260,808
Off-Budget:					
Systems Management	\$ 7,524,730	\$ 7,668,655	\$ 7,668,655	\$ 7,828,142	\$ 7,828,142
State Service Desk	200,985	238,830	238,830	240,792	240,792
<i>Subtotal</i>	<u>\$ 7,725,715</u>	<u>\$ 7,907,485</u>	<u>\$ 7,907,485</u>	<u>\$ 8,068,934</u>	<u>\$ 8,068,934</u>
TOTAL	<u>\$ 7,799,202</u>	<u>\$ 8,134,396</u>	<u>\$ 8,134,396</u>	<u>\$ 8,329,742</u>	<u>\$ 8,329,742</u>

DIVISION OF THE BUDGET



STATUTORY BASIS: • KSA 75-3715, 75-3721, 75-3722, 75-4802, 11-201, 75-6701, 75-6704, 75-137

- PROGRAM GOALS:**
- Perform comprehensive policy, management, and fiscal analysis.
 - Produce an accurate budget reflecting the Governor’s priorities.
 - Balance state receipts and expenditures.
 - Provide accurate budget and policy information in a timely manner.
 - Provide assistance to state agencies in budget development and execution, including strategic planning and performance measurement.

The Division of the Budget has central responsibility for the state budget process, including related policy issues, and for providing management services to state agencies. Because of its central role in budget formulation, the Division serves as a source of explanation to the Legislature and to legislative staff and committees while the Governor’s proposals are being considered for adoption. The Division performs a series of duties related to budget execution and financial administration. The staff monitors cash flow and takes appropriate steps to ensure SGF solvency throughout the year.

The Division issues instructions and directives that determine how agencies propose and justify requests for expenditure authority. Requests submitted according to those instructions are analyzed by Division staff. Findings and conclusions arising from that analysis are submitted to the Governor and become the basis for the Governor’s recommendations to the Legislature. Agency budget requests are guided by expected revenues that will support a base budget with limited adjustments for such statewide costs as group health insurance, KPERs rates, and so on. In some years, agencies must also submit a

reduced resources budget, using estimates provided by the Division, based on the assumption that revenues might decline enough to make a base budget unsupportable.

The 2018 Legislature granted new duties to the Division of the Budget in the process of agencies adopting administrative rules and regulations. Prior to submitting a new or revised administrative rule or regulation to the Department of Administration, state agencies must now obtain the approval of the proposed regulations and the economic impact statement from the Director of the Budget.

The 2022 Legislature removed the requirement that the Director of the Budget make an independent determination of implementation and compliance costs, removed provisions requiring the Director to approve all rules and regulations, and specified that the Director is not required to review or approve rules and regulations if the submitting agency determines such rules and regulations would not result in costs of more than \$1.0 million over two years from the effective date of the bill through June 30, 2024, or more than \$3.0 million over two years on and after July 1, 2024.

FIGURE 40
DIVISION OF THE BUDGET, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of Agency Budgets that Include at Least One Outcome Measure for Each Program**	90.3 %	90.3 %	90.7 %	90.3 %	90.3 %
2. Percent of Fiscal Notes Completed by Bill Hearing Date	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Output Measure:					
3. Number of Fiscal Notes Completed	761	528	623	620	620
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 1,650,870	\$ 1,591,528		\$ 1,989,430	\$ 3,482,724
Federal Funds	-	-		-	-
All Other Funds	-	-		-	500,000
<i>Subtotal—On-Budget</i>	<u>\$ 1,650,870</u>	<u>\$ 1,591,528</u>		<u>\$ 1,989,430</u>	<u>\$ 3,982,724</u>
Off-Budget	-	-		-	-
GRAND TOTAL	<u>\$ 1,650,870</u>	<u>\$ 1,591,528</u>		<u>\$ 1,989,430</u>	<u>\$ 3,982,724</u>
Percentage Change:					
SGF	(0.3) %	(3.6) %		25.0 %	75.1 %
All Funds	(0.3) %	(3.6) %		25.0 %	100.2 %
FTE Positions	13.0	13.0		13.0	24.0

** This measure does not include debt service and capital improvements programs.

BUDGET ANALYSIS

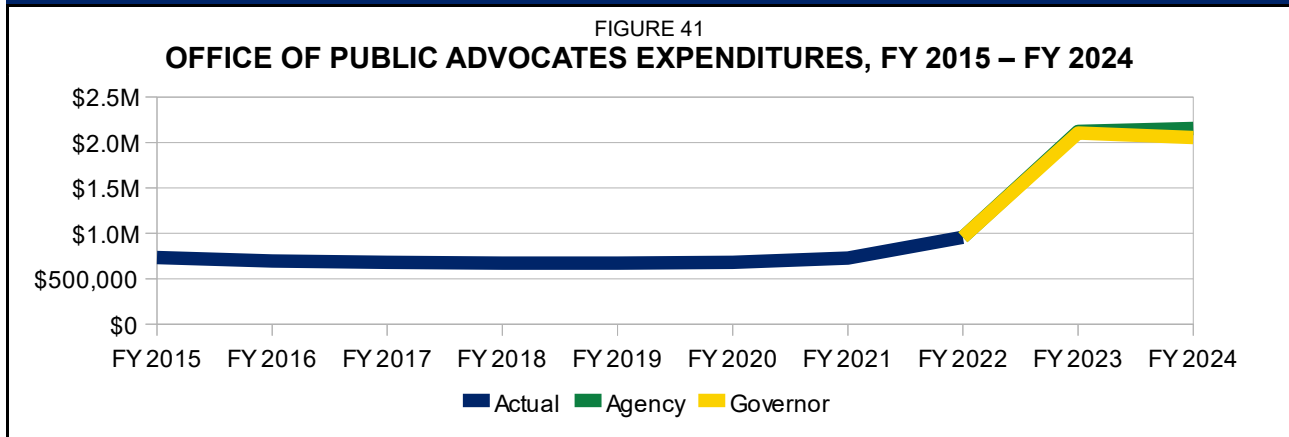
The **agency** requests \$2.0 million in expenditures and 14.0 FTE positions for the Division of the Budget for FY 2024. This represents a decrease of \$141,800, or 6.6 percent, below the revised estimate in FY 2023. The decrease is primarily due to one-time expenditures in FY 2023 that do not continue into FY 2024, such as expenditures budgeted for a potential gubernatorial transition (\$165,000 decrease) and efficiency projects as required by the Governor and the Director of the Budget (\$124,361 decrease).

The decrease is partially offset by an increase in expenditures for the Division's enhancement request to add a Budget Analyst position (\$113,415 increase) for FY 2024. The

Division indicates attrition and budget pressures over the past two decades have required spreading additional duties among remaining staff.

The **Governor** recommends \$4.0 million in expenditures and 24.0 FTE positions for the Division of the Budget for FY 2024. This is an increase of \$2.0 million and 10.0 FTE positions above the Division's request, entirely due to the Governor's recommendation to establish a Division of Policy within the Division of the Budget (\$1.5 million and 10.0 FTE positions) and to conduct employee engagement activities (\$500,000).

OFFICE OF PUBLIC ADVOCATES



Staff Note: Expenditures prior to FY 2022 reflect only the Office of the Long-Term Care Ombudsman. The Office of Public Advocates was created in October 2021 by Executive Order 21-27.

STATUTORY BASIS:

- 42-USC 3001 *et seq.*, KSA 75-5916 to 75-5922
- Executive Order No. 21-27, 21-28

PROGRAM GOALS:

- Provide advocacy, self-empowerment, and education services to each resident in a Kansas long-term care facility.
- Support KanCare members, applicants, and those assisting them in resolving problems regarding services, coverage, access, and rights.
- Safeguard Kansas children from abuse, neglect, and harm by providing independent oversight and accountability of state child welfare services.

Executive Order 21-27 created the Office of Public Advocates within the Department of Administration and transferred the following entities to it:

LONG-TERM CARE OMBUDSMAN

The Long-Term Care Ombudsman (LTCO) protects and improves the quality of care and quality of life for residents of long-term care communities through advocacy for and on behalf of residents. The LTCO is a resident-centered advocacy program. The resident of a long-term care community is the client regardless of the source of the complaint or request for service. The LTCO is funded by a combination of SGF moneys and federal funds, including Medicaid under the Social Security Act, and the Older Americans Act.

KANCARE OMBUDSMAN

Prior to the creation of the Office of Public Advocates, the KanCare Ombudsman existed within the Kansas Department for Aging and Disability Services. Its responsibilities include assisting in the resolution of concerns about services, coverage, access, and rights related to KanCare, the Medicaid program for the State of Kansas.

DIVISION OF THE CHILD ADVOCATE

Executive Order 21-28 created this program within the Department of Administration to provide oversight for the child welfare system in Kansas.

FIGURE 42
OFFICE OF PUBLIC ADVOCATES, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percent of Complaints Resolved to Satisfaction of LTC Resident	73 %	80 %	79 %	80 %	80 %
2. Number of Outreaches to KanCare/Medicaid Stakeholders	373	653	379	250	300
2. Number of Complaints Investigated by Division of the Child Advocate	N/A	N/A	N/A	144	200
Financing	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 290,046	\$ 370,813		\$ 1,119,724	\$ 1,032,063
Federal Funds	437,072	587,569		983,845	1,021,892
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<u>\$ 727,118</u>	<u>\$ 958,382</u>		<u>\$ 2,103,569</u>	<u>\$ 2,053,955</u>
Off-Budget	-	-		-	-
GRAND TOTAL	<u>\$ 727,118</u>	<u>\$ 958,382</u>		<u>\$ 2,103,569</u>	<u>\$ 2,053,955</u>
Percentage Change:					
SGF	(0.8) %	27.8 %		202.0 %	(7.8) %
All Funds	6.7 %	31.8 %		119.5 %	(2.4) %
FTE Positions	11.0	16.0		23.0	23.0

BUDGET ANALYSIS

The **agency** requests \$2.2 million in expenditures and 24.0 FTE positions for the Office of Public Advocates for FY 2024. This represents an increase of \$33,313, or 1.6 percent, above the revised estimate in FY 2023, primarily due to an enhancement request to create a Budget Analyst position to assist with fiscal management, communications, and federal funding reporting requirements (\$82,927 and 1.0 FTE). The Office does not currently have such a position amongst its personnel.

The increase is also due to temporary employee pay (\$63,492 increase) and employer contributions for group health insurance (\$32,146 increase), partially offset by decreases for expenditures in FY 2023 that do not reoccur in FY 2024, such as for the case management system for the Division of the Child Advocate (\$60,940 decrease) and the purchase of a

vehicle for the LTCO (\$46,664 decrease). The request also includes \$18,795 in enhancement funding to continue the 5.0 percent salary increase for LTCO employees requested in FY 2023.

The **Governor** recommends \$2.1 million in expenditures for the Office of Public Advocates for FY 2024. This is a decrease of \$101,722 below the agency request, due to the funding the agency's enhancement request for an additional Budget Analyst position in the Office for Public Advocates from within the Office of Financial Management instead (\$82,927 and 1.0 FTE position). The decrease is also attributable to the Governor's recommendation not to adopt the enhancement request for a 5.0 percent salary increase for LTCO employees (\$18,795).

FIGURE 43
OFFICE OF PUBLIC ADVOCATES, SUMMARY OF EXPENDITURES

Item	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Long-Term Care Ombudsman	\$ 831,539	\$ 1,066,943	\$ 1,048,148	\$ 1,115,730	\$ 1,063,764
KanCare Ombudsman	-	465,288	465,288	502,869	469,698
Division of the Child Advocate	126,843	590,133	590,133	537,078	520,493
TOTAL	<u>\$ 958,382</u>	<u>\$ 2,122,364</u>	<u>\$ 2,103,569</u>	<u>\$ 2,155,677</u>	<u>\$ 2,053,955</u>

DEBT SERVICE

FIGURE 44
DEBT SERVICE, GOVERNOR'S RECOMMENDATION, FY 2023 – FY 2024

	Principal	FY 2023 Interest	Total	Principal	FY 2024 Interest	Total
On-Budget:						
KPERS Pension Bonds	\$ 55,000,000	\$ 69,290,482	\$ 124,290,482	\$ 56,885,000	\$ 67,406,317	\$ 124,291,317
2016H Refinancing	5,190,000	1,099,875	6,289,875	5,465,000	833,500	6,298,500
2019F/G Refinancing	4,437,964	2,137,502	6,575,466	4,642,422	1,935,760	6,578,182
2020R Refinancing	9,380,000	2,667,450	12,047,450	5,950,000	2,284,200	8,234,200
2020S Refinancing	550,000	224,000	774,000	575,000	201,500	776,500
2021P Refinancing	4,245,000	1,519,000	5,764,000	4,445,000	1,306,750	5,751,750
<i>Subtotal</i>	<u>\$ 78,802,964</u>	<u>\$ 76,938,309</u>	<u>\$ 155,741,273</u>	<u>\$ 77,962,422</u>	<u>\$ 73,968,027</u>	<u>\$ 151,930,449</u>
Off-Budget:						
2019F/G Eisenhower	\$ 1,097,037	\$ 528,378	\$ 1,625,415	\$ 1,147,578	\$ 478,508	\$ 1,626,086
2020K Curtis, DCF	3,574,009	680,155	4,254,164	3,734,818	600,096	4,334,914
<i>Subtotal</i>	<u>\$ 4,671,046</u>	<u>\$ 1,208,533</u>	<u>\$ 5,879,579</u>	<u>\$ 4,882,396</u>	<u>\$ 1,078,604</u>	<u>\$ 5,961,000</u>
TOTAL	<u>\$ 83,474,010</u>	<u>\$ 78,146,842</u>	<u>\$ 161,620,852</u>	<u>\$ 82,844,818</u>	<u>\$ 75,046,631</u>	<u>\$ 157,891,449</u>
Financing:						
SGF	\$ 59,697,964	\$ 59,932,856	\$ 119,630,820	\$ 57,832,422	\$ 57,988,703	\$ 115,821,125
ELARF	19,105,000	17,005,453	36,110,453	20,130,000	15,979,324	36,109,324
State Building Operating Fd.	4,671,046	1,208,533	5,879,579	4,882,396	1,078,605	5,961,001
TOTAL	<u>\$ 83,474,010</u>	<u>\$ 78,146,842</u>	<u>\$ 161,620,852</u>	<u>\$ 82,844,818</u>	<u>\$ 75,046,632</u>	<u>\$ 157,891,450</u>

The Department of Administration budgets and pays the debt service on a number of different bonds issued for a variety of reasons. Debt service expenditures account for the majority of the Department of Administration's budget. Except for principal payments for KPERS bonds, debt service principal payments are included within agency budgets as a capital improvements expense, whereas interest payments are included as an operating expense.

Pursuant to the Kansas Development Finance Authority (KDFA) Act, KSA 74-8901 *et seq.*, bonds are defined as any bonds, leases, notes, debentures, interim certificates, grant and revenue anticipation notes, interest in a lease, lease certificate of participation, or other evidences of indebtedness issued by the KDFA pursuant to the Act, whether or not the interest is subject to federal income taxation.

KPERS BONDS (2004C, 2015H, 2021K)

The Legislature has authorized the issuance of pension obligation bonds to improve the funded status of the Kansas Public Employees Retirement System (KPERS) on three occasions. The 2003 and 2021 Legislatures authorized the issuance of up to \$500.0 million in bonds, while the 2015 Legislature authorized the issuance of up to \$1.0 billion. Each bond

issue was a 30-year taxable bond, the proceeds of which were invested across the KPERS portfolio.

STATEHOUSE RENOVATIONS

Since 2001, the agency has paid the debt service on bonds issued for renovation of the Kansas Statehouse. There have been 16 subsequent bond issuances for the Statehouse.

JOHN REDMOND RESERVOIR

In FY 2014, the Governor endorsed a plan to issue \$25.0 million in bonds for the dredging of 3.0 million cubic yards of sediment from this reservoir to restore water supply lost to sedimentation. During legislative deliberations, portions of the project were reduced, lowering the need for bond issuance to \$20.0 million. The project restored water supply storage in John Redmond Reservoir near Burlington in Coffey County.

KU MEDICAL EDUCATION BUILDING

In FY 2015, the Legislature relocated debt service for the University of Kansas (KU) Medical Education Building to the Department of Administration to consolidate debt service funded by the SGF.

NATIONAL BIO AND AGRO-DEFENSE FACILITY (NBAF)

In 2015, the agency became responsible for the Series 2015G bond issuance for a total of \$203.6 million. This issuance provided additional funding for NBAF.

CURTIS STATE OFFICE BUILDING, DCF TOPEKA SERVICE CENTER (2020K)

In 2020, the agency became responsible for the Series 2020K bond issuance for a total of \$37.2 million. 2020K transferred ownership of the Curtis State Office Building and the Department for Children and Families (DCF) Topeka Service Center from the Topeka Public Building Commission to the State of Kansas.

DEBT SERVICE REFINANCING

The Department of Administration also pays the debt service on refinanced, or refunded, bonds, which are frequently issued to achieve savings on outstanding bonds. The following bonds that refinance prior obligations are included in the Governor's recommendation:

Series 2015A was issued for a total of \$240.5 million and refinances bonds originally issued for the Kansas Department of

Transportation's Comprehensive Transportation Program, renovation of the Kansas Statehouse, the KU Medical Education Building, and the John Redmond Reservoir.

Series 2016H was issued for a total of \$51.5 million and refinances bonds originally issued for the Kansas Law Enforcement Training Center, restoration of the Capitol Complex, renovation of the National Guard Armory, renovations for Department of Corrections facilities, and the construction and remodeling of KU pharmacy facilities.

Series 2019F/G were issued for a total of \$74.5 million and refinance bonds originally issued for the Eisenhower State Office Building and previous bond restructuring.

Series 2020R and **2020S** were issued for a total of \$87.9 million and refinance bonds originally issued for debt service on a variety of projects such as renovations to the Kansas Statehouse and public broadcasting facilities.

Series 2021P was issued for a total of \$38.9 million and refinances bonds originally issued for restoration of the Capitol Complex.

FIGURE 45

SUMMARY OF OUTSTANDING BONDS, GOVERNOR'S RECOMMENDATION, FY 2024

Series	Items	June 30, 2024 Balance	Final Payment
2004C	KPERS Pension Obligation Bonds	\$ 271,855,000	FY 2034
2015P	KPERS Pension Obligation Bonds	833,590,000	FY 2045
2016H	Refinancing (2007M, 2008L)	25,930,000	FY 2029
2019F	Refinancing (2009A, 2009M-1, M-2)	50,455,000	FY 2035
2019G	Refinancing (2009N)	1,115,000	FY 2025
2020K	Curtis State Office Building, DCF Topeka Service Center	23,055,220	FY 2029
2020R	Refinancing (2010E-1, 2010E-2, 2010O-2, 2011B)	49,315,000	FY 2035
2020S	Refinancing (2010F)	4,755,000	FY 2032
2021K	KPERS Pension Obligation Bonds	462,445,000	FY 2051
2021P	Refinancing (2013A)	25,630,000	FY 2033
TOTAL		\$ 1,748,145,220	

CAPITAL IMPROVEMENTS

Each year, the Department of Administration conducts projects it deems important for the upkeep of the buildings within its control, using funding from its maintenance reserve funds and from the SGF. The following projects are included for FY 2023 and FY 2024:

CAPITOL COMPLEX REHAB AND REPAIR

This project includes maintenance, asbestos abatement, minor building refurbishments, and replacement of major equipment components that break down during operations. Capitol Complex buildings include the Landon State Office Building, the Eisenhower State Office Building, Memorial Hall, the Statehouse, the Judicial Center, and Cedar Crest.

DOCKING STATE OFFICE BUILDING

State Finance Council Resolution 21-740 approved the renovation of Docking into a three-story building with office and meeting

space. The renovated building will have three floors, public lobby and exhibit spaces, state agency office space, shared meeting rooms, wellness and personal health support rooms, and a fitness center. The renovation will be built atop of the building's existing foundation, which contains the basement and sub-basement levels.

STATE PRINTING PLANT

This project addresses deferred maintenance and upgrades to the State Printing Plant, which houses printing and central mail operations. Most of the State Printing Plant's mechanical, electrical, plumbing, and fire protection systems are original to its construction in 1985 and are at, or past, median service life estimates.

Additionally, each year, the agency also budgets and pays for the principal debt service on bonds issued for a variety of reasons.

FIGURE 46
CAPITAL IMPROVEMENTS (ON-BUDGET), FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Capital Projects:					
Capitol Complex R&R	\$ 2,715,328	\$ 4,170,418	\$ 4,170,418	\$ 5,000,000	\$ 5,000,000
Docking State Office Bldg.	-	70,000,000	70,000,000	40,000,000	40,000,000
State Printing Plant	-	-	-	6,500,000	6,500,000
<i>Subtotal–Projects</i>	<u>\$ 2,715,328</u>	<u>\$ 74,170,418</u>	<u>\$ 74,170,418</u>	<u>\$ 51,500,000</u>	<u>\$ 51,500,000</u>
Debt Service Principal:					
Statehouse Renovations	\$ 1,765,000	\$ -	\$ -	\$ -	\$ -
John Redmond Reservoir	1,080,000	-	-	-	-
KU Medical Ed. Bldg.	940,000	-	-	-	-
2015A Refinancing	173,251,955	-	-	-	-
2015G NBAF	180,215,610	-	-	-	-
2016H Refinancing	4,935,000	5,190,000	5,190,000	5,465,000	5,465,000
2019F/G Refinancing	4,359,139	4,437,964	4,437,964	4,642,422	4,642,422
2020R Refinancing	266,592	9,380,000	9,380,000	5,950,000	5,950,000
2020S Refinancing	11,960,000	550,000	550,000	575,000	575,000
2021P Refinancing	530,000	4,245,000	4,245,000	4,445,000	4,445,000
<i>Subtotal–Debt</i>	<u>\$ 379,303,296</u>	<u>\$ 23,802,964</u>	<u>\$ 23,802,964</u>	<u>\$ 21,077,422</u>	<u>\$ 21,077,422</u>
TOTAL	<u>\$ 382,018,624</u>	<u>\$ 97,973,382</u>	<u>\$ 97,973,382</u>	<u>\$ 72,577,422</u>	<u>\$ 72,577,422</u>
Financing:					
SGF	\$ 365,159,057	\$ 87,973,382	\$ 87,973,382	\$ 32,577,422	\$ 32,577,422
Federal Funds	1,700,000	10,000,000	10,000,000	40,000,000	40,000,000
All Other Funds	16,499,567	-	-	-	-
TOTAL	<u>\$ 383,358,624</u>	<u>\$ 97,973,382</u>	<u>\$ 97,973,382</u>	<u>\$ 72,577,422</u>	<u>\$ 72,577,422</u>

FY 2023 CAPITAL IMPROVEMENTS

The **agency** requests a revised estimate of \$98.0 million in on-budget capital improvement expenditures in FY 2023, including \$88.0 million SGF. The majority of capital project expenditures in FY 2023 are for the renovation of the Docking State Office Building (\$70.0 million). This includes both the funding appropriated by the 2022 Legislature (\$60.0 million SGF) and the beginning of federal funds expended for the project (\$10.0 million from the ARPA State Relief Fund).

In FY 2023, capital project expenditures also include regular rehabilitation and repair expenditures for buildings in the Capitol

Complex (\$4.2 million). This funding includes maintenance, asbestos abatement, minor building refurbishments, and replacement of major equipment components that break down during operations.

Debt service expenditures include principal payments on bonds that refinanced prior bonds for a variety of capital projects, including restoration of the Capitol Complex, the Eisenhower State Office Building, and others (\$23.8 million).

The **Governor** concurs with the revised estimate in FY 2023.

FY 2024 CAPITAL IMPROVEMENTS

The **agency** requests \$72.6 million in on-budget capital improvement expenditures for FY 2024. For FY 2024, capital project expenditures

include continued expenditures for the renovation of the Docking State Office Building

(\$40.0 million from the ARPA State Relief Fund).

The request also includes two enhancement requests for FY 2024. *First*, the agency requests \$1.6 million SGF to bring its annual base Capitol Complex rehabilitation and repair allocation of \$3.4 million to \$5.0 million. The agency indicates the increase is needed to keep facilities operating in an efficient and safe manner while accounting for the increasing cost of labor and materials and the continual aging of buildings.

Second, the agency also requests \$6.5 million for deferred maintenance and upgrades to the State Printing Plant, which houses both printing and central mail operations. Most of the Printing Plant's mechanical, electrical, plumbing, and fire protection systems are original to its construction in 1985 and are at, or

past, median service life estimates. Examples of the impact outdated system has on the agency's operational needs and goals include: (1) slowed production and increased waste caused by drastic changes in temperature and humidity, (2) needing to install a temporary HVAC system because the current system is unable to adequately cool new equipment, and (3) damage to paper inventories as well as long-term impacts on digital equipment caused by leaks in roofs and walls.

Debt service expenditures include principal payments on bonds that refinanced prior bonds for a variety of capital projects, including restoration of the Capitol Complex, the Eisenhower State Office Building, and more (\$21.1 million).

The **Governor** concurs with the agency request for FY 2024.

FIGURE 47
CAPITAL IMPROVEMENTS (OFF-BUDGET), FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Capital Projects:					
State Buildings	\$ 600,956	\$ 850,000	\$ 850,000	\$ 850,000	\$ 850,000
State Printing Plant	2,958	-	-	-	-
<i>Subtotal–Projects</i>	<i>\$ 603,914</i>	<i>\$ 850,000</i>	<i>\$ 850,000</i>	<i>\$ 850,000</i>	<i>\$ 850,000</i>
Debt Service Principal:					
2019F/G Refinancing	\$ 1,052,442	\$ 1,097,037	\$ 1,097,037	\$ 1,147,578	\$ 1,147,578
2020K Curtis, Myriad Building	9,430,027	3,999,009	3,999,009	4,159,818	4,159,818
<i>Subtotal–Debt</i>	<i>\$ 10,482,469</i>	<i>\$ 5,096,046</i>	<i>\$ 5,096,046</i>	<i>\$ 5,307,396</i>	<i>\$ 5,307,396</i>
TOTAL	\$ 11,086,383	\$ 5,946,046	\$ 5,946,046	\$ 6,157,396	\$ 6,157,396
Financing:					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	11,086,383	5,946,046	5,946,046	6,157,396	6,157,396
TOTAL	\$ 11,086,383	\$ 5,946,046	\$ 5,946,046	\$ 6,157,396	\$ 6,157,396

FY 2023 CAPITAL IMPROVEMENTS (OFF-BUDGET)

The **agency's** revised estimate includes \$5.9 million in off-budget capital improvement expenditures in FY 2023. These expenditures include funding reserved for large or unexpected maintenance for the Curtis State Office Building (\$425,000) as well as for the Landon State Office Building, Memorial Hall,

and state-owned buildings at Forbes (\$425,000).

The revised estimate also includes off-budget debt service expenditures for principal payments on bonds related to the Eisenhower and Curtis State Office Buildings as well as the

Myriad Building, where the DCF Topeka Service Center is located (\$5.1 million).

The **Governor** concurs with the agency's revised estimate in FY 2023.

FY 2024 CAPITAL IMPROVEMENTS (OFF-BUDGET)

The **agency** request includes \$6.2 million in off-budget capital improvement expenditures for FY 2024. These expenditures include moneys reserved for large or unexpected maintenance for the Curtis State Office Building (\$425,000) as well as for the Landon State Office Building, Memorial Hall, and state-owned buildings at Forbes (\$425,000).

The revised estimate also includes off-budget debt service expenditures for principal payments on bonds related to the Eisenhower and Curtis State Office Buildings as well as the Myriad Building, where the DCF Topeka Service Center is located (\$5.3 million).

The **Governor** concurs with the agency request for FY 2024.