

DEPARTMENT OF ADMINISTRATION

FY 2023 – FY 2025 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:					
State General Fund	\$ 103,175,604	\$ 103,401,036	\$ 110,401,036	\$ 102,731,852	\$ 559,978,882
Federal Funds	1,248,787	1,589,043	1,589,043	1,725,931	1,725,931
All Other Funds	40,760,476	41,083,009	36,200,613	41,200,534	34,565,437
<i>Subtotal</i>	<u>\$ 145,184,867</u>	<u>\$ 146,073,088</u>	<u>\$ 148,190,692</u>	<u>\$ 145,658,317</u>	<u>\$ 596,270,250</u>
Capital Improvements:					
State General Fund	\$ 82,877,385	\$ 31,147,724	\$ 31,547,724	\$ 24,781,881	\$ 72,440,543
Federal Funds	59,412,830	9,465,879	9,465,879	6,373,491	5,321,733
All Other Funds	513,659	250,000	5,132,396	250,000	5,345,097
<i>Subtotal</i>	<u>\$ 142,803,874</u>	<u>\$ 40,863,603</u>	<u>\$ 46,145,999</u>	<u>\$ 31,405,372</u>	<u>\$ 83,107,373</u>
<i>Off-Budget*</i>	\$ 82,008,396	\$ 94,204,918	\$ 94,204,918	\$ 95,035,959	\$ 95,035,959
Total On-Budget	\$ 287,988,741	\$ 186,936,691	\$ 194,336,691	\$ 177,063,689	\$ 679,377,623
Total Off-Budget	82,008,396	94,204,918	94,204,918	95,035,959	95,035,959
GRAND TOTAL	<u>\$ 369,997,137</u>	<u>\$ 281,141,609</u>	<u>\$ 288,541,609</u>	<u>\$ 272,099,648</u>	<u>\$ 774,413,582</u>
Percentage Change:					
State General Fund	(61.2) %	(27.7) %	(23.7) %	(5.2) %	345.5 %
All Funds	(42.0) %	(24.0) %	(22.0) %	(3.2) %	168.4 %
FTE Positions	473.8	474.1	474.1	480.1	480.1

* 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.

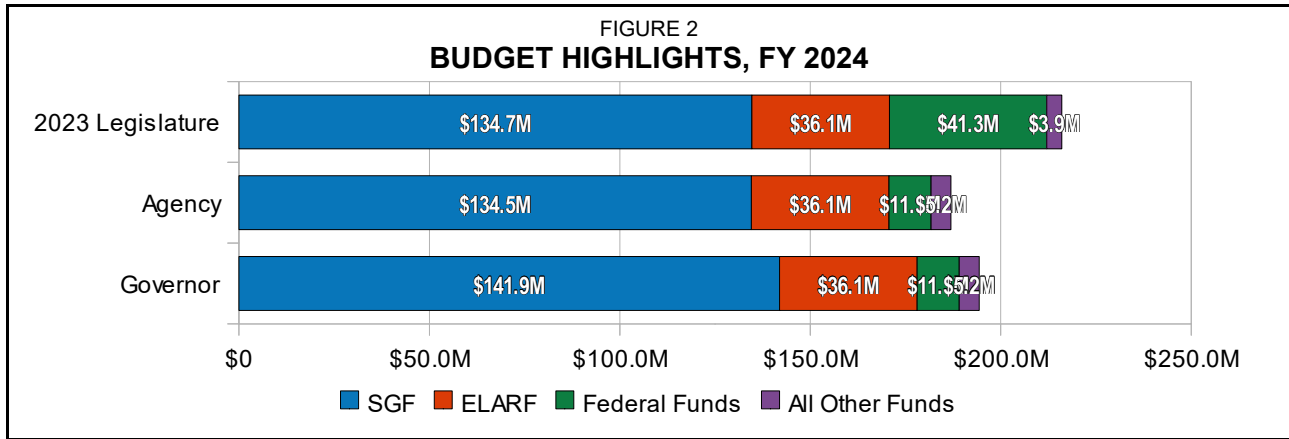
The Department of Administration provides central services for state agencies and also includes a number of other entities and programs for administrative purposes. The Secretary of Administration, who is appointed by and serves at the pleasure of the Governor, manages the Department with the assistance 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 2023 Legislature approved a budget of \$216.0 million in on-budget expenditures and 101.5 on-budget FTE positions for the the Department of Administration for FY 2024, including \$134.7 million from the State General Fund (SGF) and \$36.1 million from the Expanded Lottery Act Revenues Fund (ELARF). Subsequent to the 2023 Session, \$5.6 million in unspent SGF moneys was shifted from FY 2023 to FY 2024. The largest portion of reappropriated funds is \$5.1 million for the Docking State Office Building renovation that was spent in early FY 2024. Also included within

that amount are \$281,542 for the Division of the Budget, \$274,484 for the Office of Public Advocates, \$17,287 for the Office of Facilities and Property Management, and \$2,680 in general operating expenditures. These adjustments change the current year approved amount without any legislative action required.



The **agency** submits a revised estimate of \$186.9 million in on-budget expenditures and 106.2 on-budget FTE positions in FY 2024, including \$134.5 million SGF and \$36.1 million from ELARF. This represents a decrease of \$29.1 million, or 13.5 percent, below the amount approved by the 2023 Legislature.

The decrease is primarily due to expenditures for the **renovation of the Docking State Office Building**. The agency updated the project schedule such that the majority of the \$40.0 million in federal American Rescue Plan Act (ARPA) State Relief Fund expenditures originally planned for FY 2024 was distributed in FY 2023 instead. This results in a \$36.9 million decrease from the amount approved by the 2023 Legislature. Total project costs have not changed, however, and the agency still anticipates project completion around May 2025.

The revised estimate also includes \$6.3 million in expenditures from the ARPA State Relief Fund for three capital improvement projects in FY 2024. These projects were all recommended by the Strengthening People and Revitalizing Kansas (SPARK) Executive Committee and approved by the State Finance Council. These projects include **replacing outdated air handling equipment in the Capitol Complex** (\$1.5 million), **enhancing physical security in the Capitol Complex** (\$1.6 million), and **deferred maintenance for the State Printing Plant** (\$3.3 million).

The estimate also includes \$94.2 million in off-budget expenditures and 367.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2024, off-budget expenditures increase by \$131,243, or 0.1 percent, above the FY 2024 approved amount. The increase is primarily due to higher spending on salaries and wages (\$2.1 million increase) and contractual services (\$1.3 million increase), offset by lower spending on workers' compensation claims (\$1.3 million decrease) and state building maintenance (\$850,000 decrease).

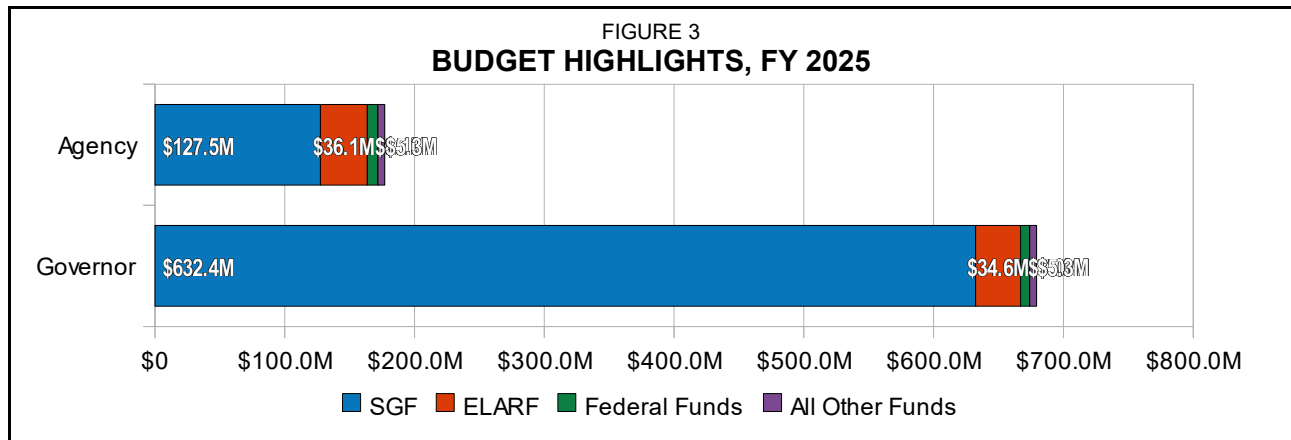
The **Governor** recommends \$194.3 million in on-budget expenditures and 106.2 on-budget FTE positions in FY 2024, including \$141.9 million SGF and \$36.1 million from ELARF. This represents an increase of \$7.4 million, or 4.0 percent, above the agency's FY 2024 revised estimate.

The increase is primarily due to the Governor's recommendation of \$7.0 million SGF to **create**

a **centralized electronic credentials verification system pursuant to 2023 SB 66**, which enacted the Interstate Teacher Mobility Compact (Compact). This platform would also allow agencies that issue occupational licenses to provide the required verified electronic version of the license through the centralized system. Among its provisions, the Compact requires state licensing bodies to provide paper-based and verified electronic credentials to all credential holders. The Compact requires the Secretary of Administration to develop and implement a license verification portal for the purpose of verifying or reporting license statuses such as credentials issued, renewed, revoked, or suspended.

The increase is also attributable to the Governor's recommendation of \$400,000 SGF to **expand the Office of Printing, Surplus and Central Mail's operations to scan mail for anomalies prior to delivery**. This recommendation includes \$150,000 to purchase mail scanning equipment and \$250,000 to create a dedicated structure for this purpose. The Governor indicates this is in response to the white powder event in June 2023, where letters containing a suspicious white powder were sent to state legislators and public officials.

The recommendation also includes \$94.2 million in off-budget expenditures and 367.9 off-budget FTE positions, which is the same as the agency's FY 2024 revised estimate.



The **agency** requests \$177.1 million in on-budget expenditures and 111.2 on-budget FTE positions for FY 2025, including \$127.5 million SGF and \$36.1 million from ELARF. This represents a reduction of \$9.9 million, or 5.3 percent, below the agency's revised estimate in FY 2024. The agency anticipates **expending all remaining funds for the renovation of the Docking State Office Building in FY 2024** and does not anticipate any expenditures for FY 2025 and beyond. Accordingly, the request includes a reduction of \$8.2 million in expenditures, including \$5.1 million SGF. Total project costs have not changed, and project completion is still estimated around May 2025.

The request also includes \$95.0 million in off-budget expenditures and 368.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2025, off-budget expenditures increase by \$831,041, or 0.9 percent, above the FY 2024 revised estimate. The increase is primarily due to the purchase of equipment for the State Printing Plant (\$1.0 million increase) and payments for workers' compensation claims (\$336,753 increase), offset by lower spending on repairing and servicing printing equipment (\$100,000 decrease).

The **Governor** recommends \$679.4 million in on-budget expenditures and 111.2 on-budget FTE positions for FY 2025, including \$632.4 million SGF and \$34.6 million from ELARF. This represents an increase of \$502.3 million, or 283.7 percent, above the agency's request for FY 2025.

The increase is primarily due to the Governor's recommendation of \$497.7 million, including \$499.2 million SGF, for FY 2025 to **reduce the indebtedness of the State**. Of that amount, \$450.0 million would be applied to pension obligation bonds originally issued to improve the funded status of the Kansas Public Employees Retirement System (KPERS), \$47.7 million would retire three bond series originally issued for a variety of capital improvement projects, and \$1.5 million SGF would replace \$1.5 million from the ELARF in debt service payments on pension obligation bonds issued in 2004.

The increase is also due to the Governor's recommendation of \$3.2 million, including \$4.2 million SGF, to **pay off the remaining principal balance of the Master Lease Purchase Agreement**. The Master Lease Purchase Program allows state agencies to lease-purchase communication systems, vehicles, medical equipment, copiers, printers, and other equipment at tax-exempt interest rates. In FY 2022, the agency spent \$5.9 million to purchase printing equipment to replace outdated equipment needed to provide printing, copying, and binding services for state agencies. The current agreement requires annual debt service payments of \$1.1 million through FY 2028. The recommendation would pay off the remaining balance in FY 2025, three years ahead of schedule.

Lastly, the increase is due to the Governor's recommendation of \$1.5 million SGF to **maintain the centralized electronic credential verification system** created pursuant to 2023 SB 66.

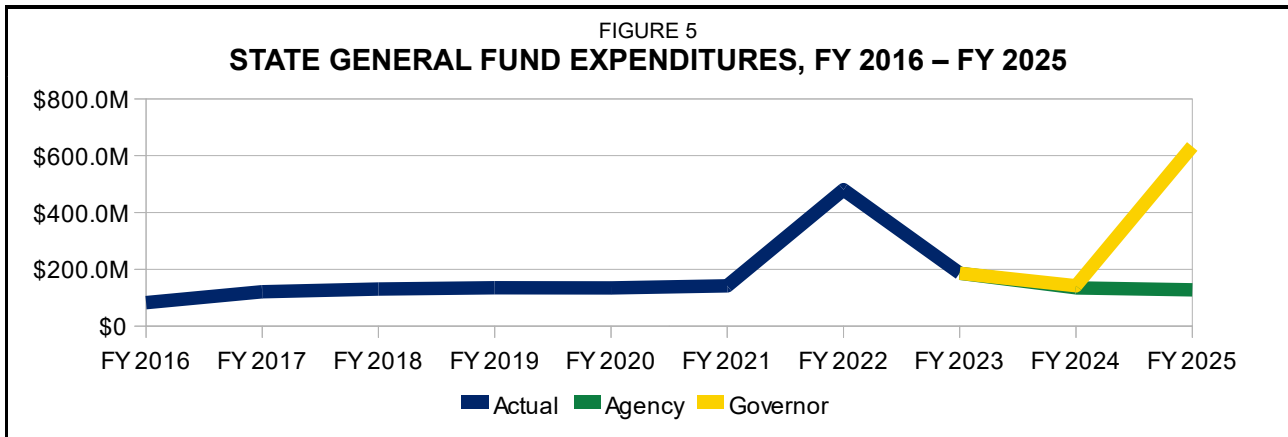
The recommendation also includes \$95.0 million in off-budget expenditures and 368.9 off-budget FTE positions, which is the same as the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (ON-BUDGET), FY 2023 – FY 2025

Category of Expenditure:	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 8,866,253	\$ 10,335,331	\$ 10,335,331	\$ 10,868,967	\$ 10,868,967
Contractual Services	3,312,411	3,667,031	10,667,031	3,896,502	5,396,502
Commodities	538,969	482,155	482,155	470,547	470,547
Capital Outlay	214,286	204,100	1,266,100	93,425	4,310,697
Debt Service Interest	76,919,287	73,968,027	73,968,027	70,888,876	70,888,876
<i>Subtotal</i>	<i>\$ 89,851,206</i>	<i>\$ 88,656,644</i>	<i>\$ 96,718,644</i>	<i>\$ 86,218,317</i>	<i>\$ 91,935,589</i>
Aid to Local Units	297,603	527,444	527,444	520,000	520,000
Other Assistance	36,058	4,000	4,000	-	-
<i>Subtotal—Operating</i>	<i>\$ 90,184,867</i>	<i>\$ 89,188,088</i>	<i>\$ 97,250,088</i>	<i>\$ 86,738,317</i>	<i>\$ 92,455,589</i>
Capital Improvements	119,000,910	19,786,181	19,124,181	11,623,491	10,561,491
Debt Service Principal	78,802,964	77,962,422	77,962,422	78,701,881	576,360,543
TOTAL	\$ 287,988,741	\$ 186,936,691	\$ 194,336,691	\$ 177,063,689	\$ 679,377,623
Financing:					
State General Fund	\$ 186,052,989	\$ 134,548,760	\$ 141,948,760	\$ 127,513,733	\$ 632,419,425
ELARF	36,104,327	36,109,324	36,109,324	36,103,142	34,563,142
SIBF	325,000	325,000	325,000	575,000	575,000
CIBF	400,000	550,000	550,000	675,000	675,000
Federal Funds	60,661,617	11,054,922	11,054,922	8,099,422	7,047,664
All Other Funds	4,444,808	4,348,685	4,348,685	4,097,392	4,097,392
TOTAL	\$ 287,988,741	\$ 186,936,691	\$ 194,336,691	\$ 177,063,689	\$ 679,377,623
FTE Positions	99.5	106.2	106.2	111.2	111.2

STATE GENERAL FUND



The Department's on-budget expenditures are primarily financed from the SGF, accounting for 74.6 percent of its operating budget and 64.6 percent of its total budget in FY 2023. Since FY 2016, there have been three large expenditures in the agency's SGF spending, all related to capital improvements projects or debt service obligations:

- The **2015 Legislature** authorized the issuance of up to \$1.0 billion in bonds for the KPERs unfunded actuarial liability, financed from the SGF. Full-year debt service payments are around \$65.0 million and started coming due in FY 2016.
- The **2022 Legislature** appropriated \$332.3 million SGF in FY 2022 to pay off Series 2015A and 2015G bonds early, ahead of the scheduled final debt service payment in FY 2035.

Series 2015A was originally issued for \$240.5 million and 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. Series 2015G was originally issued for \$203.6 million and applied to the State's portion of the National Bio and Agro-Defense Facility located in Manhattan, Kansas.

- The **2022 Legislature** also appropriated \$60.0 million SGF in FY 2023 for the renovation of the Docking State Office Building.

Expenses for capital improvement projects and debt service obligations account for the majority of the Department's on-budget expenditures, totaling 95.4 percent in FY 2023. Absent those expenditures, on-budget operations typically range between \$11.0 million and \$16.0 million in cost, over half of which is financed from the SGF.

FY 2024 ANALYSIS

FIGURE 6

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Funds	FTE*
Legislative Approved:			
Amount Approved by 2023 Legislature	\$ 129,047,173	\$ 210,374,315	475.8
1. SGF Reappropriation	5,644,008	5,644,008	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 134,691,181</i>	<i>\$ 216,018,323</i>	<i>475.8</i>
Agency Revised Estimate:			
Supplemental Requests:			
2. Pay Plan Shortfall	\$ 57,579	\$ 57,579	--
<i>Subtotal—Supplemental Requests Only</i>	<i>\$ 57,579</i>	<i>\$ 57,579</i>	<i>--</i>
3. Docking State Office Building	\$ -	\$ (36,907,612)	--
4. Facilities Upgrades and Maintenance	-	6,373,491	--
5. SGF Reappropriation	(200,000)	(200,000)	--
6. Official Hospitality Limitation Increase	-	-	--
7. All Other Adjustments	-	1,594,910	(1.7)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 134,548,760</i>	<i>\$ 186,936,691</i>	<i>474.1</i>
Governor's Recommendation:			
8. Mail Scanning Equipment and Building	\$ 400,000	\$ 400,000	--
9. SB 66 Licensing Platform Project	7,000,000	7,000,000	--
TOTAL	\$ 141,948,760	\$ 194,336,691	474.1

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

LEGISLATIVE APPROVED

Subsequent to the 2023 Session, an adjustment was made to the \$210.4 million in on-budget expenditures appropriated to the Department of Administration for FY 2024. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** \$5.6 million in unspent SGF moneys was shifted from FY 2023 to FY 2024. The largest portion of reappropriated funds is \$5.1 million for the Docking State Office Building renovation that was spent in early FY 2024. Also included within that amount are \$281,542 for the Division of the Budget, \$274,484 for the Office of Public Advocates, \$17,287 for the Office of Facilities and Property Management, and \$2,680 in general operating expenditures.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$186.9 million in on-budget expenditures and 106.2 on-budget FTE positions in FY 2024, including \$134.5 million SGF and \$36.1 million from ELARF. This represents a decrease of \$29.1 million, or 13.5 percent, below the amount approved by the 2023 Legislature.

The revised estimate includes the following supplemental request:

2. **PAY PLAN SHORTFALL.** The revised estimate includes \$57,579 SGF in FY 2024 to account for a shortfall in appropriations for the Legislative Pay Plan in 2023 SB 25. The 2023 Legislature appropriated \$120.0 million, including \$46.0 million SGF, across all state agencies to provide salary adjustments for FY 2024 based on the Department of Administration Market Survey. This total amount was short by approximately \$11.8

million, including \$11.4 million SGF, statewide in FY 2024. To account for this, the State Finance Council prorated agency distribution of the available appropriations by approximately 20.0 percent. For the Department of Administration, a supplemental appropriation of \$57,579 SGF in FY 2024 is required to achieve the intended effect of the Legislative Pay Plan in 2023 SB 25.

Absent the supplemental requests, the revised estimate includes a decrease of \$29.1 million, or 13.5 percent, in base budget expenditures and a decrease of 1.7 on-budget FTE positions. Significant adjustments are as follows:

3. **DOCKING STATE OFFICE BUILDING.** The 2022 Legislature approved \$120.0 million in expenditures for the renovation of the Docking State Office Building across three years, from FY 2022 to FY 2024. Total project costs were split evenly between the SGF and the federal ARPA State Relief Fund.

The Department of Administration has since updated the project schedule such that the majority of the \$40.0 million in ARPA State Relief Fund expenditures originally planned for FY 2024 was distributed in FY 2023 instead. On paper, this results in a \$36.9 million decrease from the amount approved by the 2023 Legislature, from \$40.0 million to \$3.1 million. However, total project costs have not changed, and the agency still anticipates project completion around May 2025.

FIGURE 7
DOCKING STATE OFFICE BUILDING FINANCING

	FY 2022	FY 2023	FY 2024	FY 2025	Total
2022 Session—Initial Estimate:					
SGF	\$ -	\$ 60,000,000	\$ -	\$ -	\$ 60,000,000
ARPA State Relief Fund	1,700,000	10,000,000	40,000,000	8,300,000	60,000,000
TOTAL	\$ 1,700,000	\$ 70,000,000	\$ 40,000,000	\$ 8,300,000	\$ 120,000,000
2024 Session—Updated Estimate:					
SGF	\$ -	\$ 54,931,985	\$ 5,068,015	\$ -	\$ 60,000,000
ARPA State Relief Fund	1,747,800	55,159,812	3,092,388	-	60,000,000
TOTAL	\$ 1,747,800	\$ 110,091,797	\$ 8,160,403	\$ -	\$ 120,000,000

4. **FACILITIES UPGRADES AND MAINTENANCE.** The revised estimate includes \$6.4 million in expenditures from the ARPA State Relief Fund for three capital improvement projects in FY 2024. These projects were all recommended by the SPARK Executive Committee and approved by the State Finance Council.

FIGURE 8
SPARK CAPITAL IMPROVEMENT PROJECTS

Project	FY 2023	FY 2024	FY 2025	Total
Capitol Complex Air Handler	\$ 1,518,646	\$ 1,490,677	\$ 1,490,677	\$ 4,500,000
Capitol Complex Security	2,734,372	1,632,814	1,632,814	6,000,000
State Printing Plant	-	3,250,000	3,250,000	6,500,000
TOTAL	\$ 4,253,018	\$ 6,373,491	\$ 6,373,491	\$ 17,000,000

- **CAPITOL COMPLEX AIR HANDLER.** The agency was allocated \$4.5 million to replace outdated air handling equipment within the Capitol Complex. As budgets allow, the Office of Facilities and Property Management replaces outdated units, some of which date back to 1955 and 1970. This project allows the Office of Facilities and Property Management to replace remaining units to improve filtration, indoor air quality, and efficiency. The project spans three years, from FY 2023 to FY 2025. The agency estimates expending \$1.5 million of its total allocation in FY 2024.

- **CAPITOL COMPLEX SECURITY ENHANCEMENTS.** The agency was allocated \$6.0 million to address deficiencies related to physical security within the Capitol Complex to assist the Office of Facilities and Property Management and the Kansas Highway Patrol in protecting employees and the public. Upgrades include, among other things, replacing outdated building access and video security systems, eliminating physical keys to touchless surfaces, and adding enhanced security technology. The project spans three years, from FY 2023 to FY 2025. The agency estimates expending \$1.6 million of its total allocation in FY 2024.
 - **STATE PRINTING PLANT.** The agency was allocated \$6.5 million to address deferred maintenance and upgrades to the State Printing Plant, which houses 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. The agency originally submitted this project as an enhancement request during the 2023 Session. The 2023 Legislature appropriated \$6.5 million SGF for this purposes, with language to lapse up to that amount if federal funding was determined to be available for the project. The project spans two years, from FY 2024 to FY 2025. The agency estimates expending \$3.3 million of its total allocation in FY 2024.
5. **SGF REAPPROPRIATION.** The revised estimate includes a reduction of \$200,000 SGF for budgeted unspent funds within the Division of the Budget that shifted from FY 2023 into FY 2024.
 6. **OFFICIAL HOSPITALITY.** The revised estimate includes an increase to SGF expenditure limitations for official hospitality. Currently, official hospitality funded through the SGF cannot exceed \$2,000 for the Office of the Secretary of Administration and \$1,000 for the Office of Public Advocates. The agency requests these limitations be increased to \$6,000 and \$3,000, respectively. The agency is not requesting additional funds for this purpose, and planned expenditures are equal to the approved amount.
 7. **ALL OTHER ADJUSTMENTS.** The revised estimate includes an increase of \$1.6 million in a variety of other expenditures, including employer contributions for employee benefits (\$219,829 increase) and expenditures from the Flood Control Emergency Federal Fund (\$277,444 increase). Other adjustments include additional spending for various professional services (\$283,190 increase) and the purchase of supplies (\$165,700 increase) across the agency's 12 offices and divisions. Additionally, agency personnel increases by 4.7 on-budget FTE positions in FY 2024, largely due to a reallocation of personnel, primarily in the Office of Printing, Central Mail, and Surplus, the Office of Procurement and Contracts, and the Office of Accounts and Reports.

The **agency's** estimate also includes \$94.2 million in off-budget expenditures and 367.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2024, off-budget expenditures increase by \$131,243, or 0.1 percent, above the FY 2024 approved amount. The increase is primarily due to higher spending on salaries and wages (\$2.1 million increase) and contractual services (\$1.3 million increase), offset by lower spending on workers' compensation claims (\$1.3 million decrease) and state building maintenance (\$850,000 decrease). Additionally, agency personnel decreases by 6.4 off-budget FTE positions, largely due to a reallocation of personnel, primarily in the Office of Printing, Central Mail and Surplus, the Office of Financial Management, and the Office of Accounts and Reports.

GOVERNOR'S RECOMMENDATION

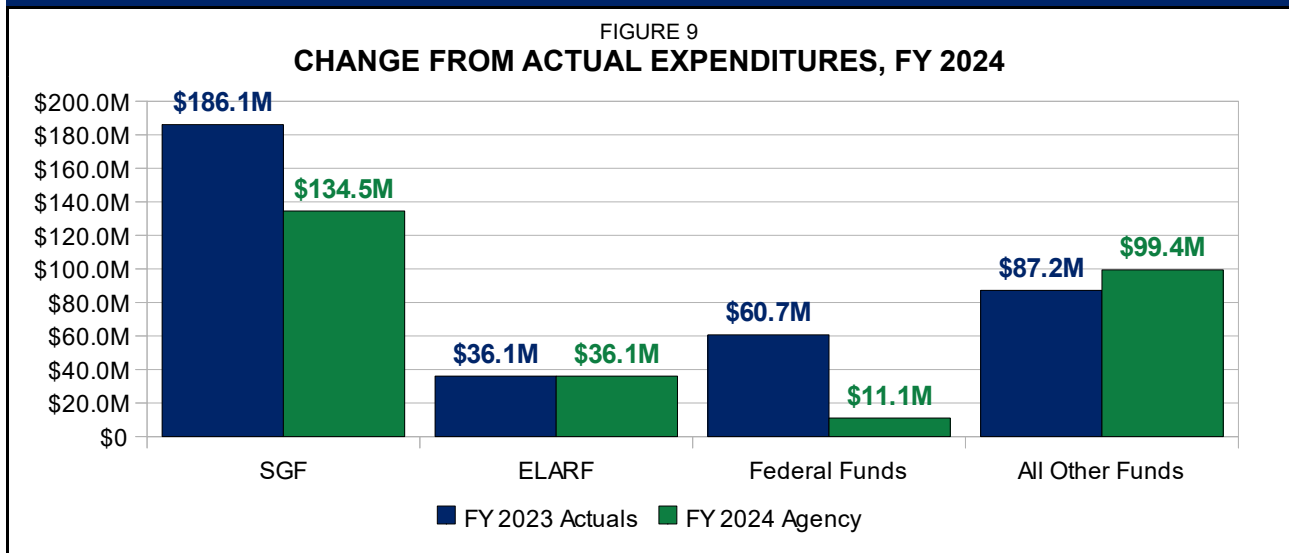
The **Governor** recommends \$194.3 million in on-budget expenditures and 106.2 on-budget FTE positions in FY 2024, including \$141.9 million SGF and \$36.1 million from ELARF. This represents an increase of \$7.4 million, or 4.0 percent, above the agency's FY 2024 revised estimate. The recommendation includes the following adjustments:

8. **MAIL SCANNING EQUIPMENT AND BUILDING.** The **Governor** recommends \$400,000 SGF in FY 2024 to expand the Office of Printing, Surplus and Central Mail's operations to scan mail for anomalies prior to delivery. This recommendation includes \$150,000 to purchase mail scanning equipment and \$250,000 to create a dedicated structure for this purpose. The Office of the Governor indicates this is in response to the white powder event in June 2023, where letters containing a suspicious white powder were sent to state legislators and public officials.

9. **SB 66 LICENSING PLATFORM PROJECT.** The **Governor** recommends \$7.0 million SGF in FY 2024 to create a centralized electronic credentials verification system pursuant to 2023 SB 66, which enacted the Interstate Teacher Mobility Compact (Compact). This platform would also allow agencies that issue occupational licenses to provide the required verified electronic version of the license through the centralized system. Among its provisions, the Compact requires state licensing bodies to provide paper-based and verified electronic credentials to all credential holders. Additionally, the Compact requires the Secretary of Administration to develop and implement a license verification portal for the purpose of verifying or reporting license statuses such as credentials issued, renewed, revoked, or suspended.

The **Governor's** recommendation also includes \$94.2 million in off-budget expenditures and 367.9 off-budget FTE positions, which is the same as the agency's FY 2024 revised estimate.

FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** submits a revised estimate of \$186.9 million in on-budget expenditures and 106.2 on-budget FTE positions in FY 2024, including \$134.5 million SGF and \$36.1 million from ELARF. This represents a decrease of \$101.1 million, or 35.1 percent, below FY 2023 actual expenditures, primarily due to the **renovation of the Docking State Office Building** (\$101.9 million decrease). The majority of expenditures for the project occurred in FY 2023, including expenditures totaling \$54.9 million SGF and \$55.2 million from the ARPA State Relief Fund. By contrast, in FY 2024, expenditures total \$5.1 million SGF and \$3.1 million from the ARPA State Relief Fund.

The change is also attributable to **lower debt service payments** in FY 2024 (\$3.8 million decrease), offset by expenditures for the renovation of the State Printing Plant (\$3.3 million) and for the Legislative Pay Plan (\$442,320 increase).

FY 2025 ANALYSIS

FIGURE 10

SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	All Funds	FTE*
Agency Request:			
Request without Major Changes	\$ 131,741,888	\$ 184,384,232	475.1
1. Docking State Office Building	(5,068,015)	(8,160,403)	--
2. SGF Reappropriation	200,000	200,000	--
3. Division of the Budget Operations	639,860	639,860	5.0
4. Official Hospitality Limitation Increase	-	-	--
<i>Subtotal—Agency Request</i>	\$ 127,513,733	\$ 177,063,689	480.1
Governor's Recommendation:			
5. State Debt Reduction	\$ 499,198,662	\$ 497,658,662	--
6. Master Lease Printing Equipment Payoff	4,207,030	3,155,272	--
7. SB 66 Licensing Platform Project	1,500,000	1,500,000	--
TOTAL	\$ 632,419,425	\$ 679,377,623	480.1

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

AGENCY REQUEST

The **agency** requests \$177.1 million in on-budget expenditures and 111.2 on-budget FTE positions for FY 2025, including \$127.5 million SGF and \$36.1 million from ELARF. This represents a reduction of \$9.9 million, or 5.3 percent, below the agency's revised estimate in FY 2024.

The agency's request includes the following adjustments:

1. **DOCKING STATE OFFICE BUILDING.** The agency anticipates expending all remaining funds for the renovation of the Docking State Office Building in FY 2024 and does not anticipate any expenditures for FY 2025 and beyond. Accordingly, the request includes a reduction of \$8.2 million in expenditures, including \$5.1 million SGF. Total project costs have not changed, and project completion is still estimated around May 2025.
2. **SGF REAPPROPRIATION.** The request includes an increase of \$200,000 SGF for budgeted unspent funds within the Division of the Budget that shifted over from FY 2024 into FY 2025.
3. **DIVISION OF THE BUDGET OPERATIONS.** The request includes \$639,860 and 5.0 FTE positions for additional personnel and operating expenditures within the Division of the Budget. The majority of these expenses are base pay for five new Policy Analyst positions (\$433,149), employer contributions for fringe benefits (\$157,386), and the purchase of computers, equipment, and office furniture (\$49,325).
4. **OFFICIAL HOSPITALITY.** The revised estimate includes an increase to SGF expenditure limitations for official hospitality. Currently, official hospitality funded through the SGF cannot exceed \$2,000 for the Office of the Secretary of Administration and \$1,000 for the Office of Public Advocates. The agency requests these limitations be increased to \$6,000 and \$3,000, respectively. The agency is not requesting additional funds for this purpose, and planned expenditures are equal to the approved amount.

The **agency's** request also includes \$95.0 million in off-budget expenditures and 368.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2025, off-budget expenditures increase by \$831,041, or 0.9 percent, above the FY 2024 revised estimate. The increase is primarily due to the purchase of

equipment for the State Printing Plant (\$1.0 million increase) and payments for workers' compensation claims (\$336,753 increase), offset by lower spending on repairing and servicing printing equipment (\$100,000 decrease).

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$679.4 million in on-budget expenditures and 111.2 on-budget FTE positions for FY 2025, including \$632.4 million SGF and \$34.6 million from ELARF. This represents an increase of \$502.3 million, or 283.7 percent, above the agency's request for FY 2025. The request includes the following adjustments:

5. **STATE DEBT REDUCTION.** The **Governor** recommends \$497.7 million, including \$499.2 million SGF, for FY 2025 to reduce the indebtedness of the State. The majority of that amount would be applied to pension obligation bonds originally issued to improve the funded status of KPERS, as follows:
 - **\$1.5 million SGF** to replace \$1.5 million from the ELARF in debt service payments for **Series 2004C** bonds, which was originally issued to improve the KPERS funded status. In making this recommendation, the Governor notes the ELARF's projected ending balance for FY 2025.
 - **\$450.0 million SGF** to retire debt across **Series 2015H** and **2021K** bonds, which were originally issued to improve the KPERS funded status. The Department of Administration would work with the Kansas Development Finance Authority (K DFA) to identify the most economical method to pay down this debt.

The remaining \$47.7 million of that amount would retire three bonds series, as follows:

- **\$20.0 million SGF** to call and pay off the remaining balance of **Series 2016H** bonds, which were originally issued to refund bonds for a variety of capital improvement projects, such as the Kansas Law Enforcement Training Center, Capitol Complex, National Guard Armory, correctional facilities, and University of Kansas pharmacy facilities.
- **\$23.0 million SGF** to negotiate a tender offer and pay off debt obligations of **Series 2020K** bonds, which were originally issued to transfer 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.
- **\$4.7 million SGF** to defease and pay off the remaining balance of **Series 2020S** bonds, which were originally issued for the National Bio and Agro-Defense Facility and for renovations to the Kansas Statehouse.

For additional detail, please see the Supplemental and Enhancement Requests section for this agency.

6. **MASTER LEASE PRINTING EQUIPMENT PAYOFF.** The **Governor** recommends \$3.2 million for FY 2025, including \$4.2 million SGF and a reduction of \$1.1 million from federal funds, to pay off the remaining principal balance of the Master Lease Purchase Agreement. The Master Lease Purchase Program allows state agencies to lease-purchase communication systems, vehicles, medical equipment, copiers, printers, and other equipment at tax-exempt interest rates. In FY 2022, the agency spent \$5.9 million to purchase printing equipment to replace outdated equipment needed to provide

printing, copying, and binding services for state agencies. The current agreement requires annual debt service payments of \$1.1 million through FY 2028. The recommendation would pay off the remaining balance in FY 2025, three years ahead of schedule.

7. **SB 66 LICENSING PLATFORM PROJECT.** The **Governor** recommends \$1.5 million SGF for FY 2025 to maintain the centralized electronic credentials verification system created pursuant to 2023 SB 66. This platform would also allow agencies that issue occupational licenses to provide the required verified electronic version of the license through the centralized system.

The **Governor's** recommendation also includes \$95.0 million in off-budget expenditures and 368.9 off-budget FTE positions, which is the same as the agency's request for FY 2025.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

FIGURE 11
SUPPLEMENTAL AND ENHANCEMENT REQUESTS, FY 2024 – FY 2025

Request	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
FY 2024 Supplementals:						
1. Pay Plan Shortfall	\$ 57,579	\$ 57,579	-	\$ -	\$ -	-
2. Mail Scanning Equipment and Building	-	-	-	400,000	400,000	-
3. SB 66 Licensing Platform Project	-	-	-	7,000,000	7,000,000	-
TOTAL	\$ 57,579	\$ 57,579	-	\$ 7,400,000	\$ 7,400,000	-
FY 2025 Enhancements:						
4. State Debt Reduction	\$ -	\$ -	-	\$ 499,198,662	\$ 497,658,662	-
5. Master Lease Printing Equipment Payoff	-	-	-	4,207,030	3,155,272	-
6. SB 66 Licensing Platform Project	-	-	-	1,500,000	1,500,000	-
TOTAL	\$ -	\$ -	-	\$ 504,905,692	\$ 502,313,934	-

- PAY PLAN SHORTFALL.** The revised estimate includes \$57,579 SGF in FY 2024 to account for a shortfall in appropriations for the Legislative Pay Plan in 2023 SB 25. The 2023 Legislature approved \$120.0 million, including \$46.0 million SGF, across all state agencies to provide salary adjustments for FY 2024 based on the Department of Administration Market Survey. This total amount was short by approximately \$11.8 million, including \$11.4 million SGF, statewide in FY 2024. To account for this, the State Finance Council prorated agency distribution of the available appropriations by approximately 20.0 percent. For the Department of Administration, a supplemental appropriation of \$57,579 SGF in FY 2024 is required to achieve the intended effect of the Legislative Pay Plan in 2023 SB 25.

The Governor recommends adoption of this request.

- MAIL SCANNING EQUIPMENT AND BUILDING.** The **Governor** recommends \$400,000 SGF in FY 2024 to expand the Office of Printing, Surplus and Central Mail's operations to scan mail for anomalies prior to delivery. This recommendation includes \$150,000 to purchase mail scanning equipment and \$250,000 to create a dedicated structure for this purpose. The Office of the Governor indicates this is in response to the white powder event in June 2023, where letters containing a suspicious white powder were sent to state legislators and public officials.
- SB 66 LICENSING PLATFORM PROJECT.** SB 66 (2023) enacted the Interstate Teacher Mobility Compact (Compact). Among its provisions, the Compact requires state licensing bodies to provide paper-based and verified electronic credentials to all credential holders. Additionally, the Compact requires the Secretary of Administration to develop and implement a license verification portal for the purpose of verifying or reporting license statuses such as credentials issued, renewed, revoked, or suspended. During the 2023 Session, the agency indicated it would need to implement both (1) a licensing verification portal, and (2) an enterprise licensing platform for agencies to share records with the portal. The 2023 Legislature appropriated \$84,000 SGF to develop the portal.

The **Governor** recommends \$7.0 million SGF in FY 2024 and \$1.5 million SGF for FY 2025 to create and maintain the centralized electronic credentials verification system pursuant to the Compact. This platform would also allow agencies that issue occupational licenses to provide the required verified electronic version of the license through the centralized system.

4. **STATE DEBT REDUCTION.** The **Governor** recommends \$497.7 million, including \$499.2 million SGF, for FY 2025 to reduce the indebtedness of the State.

FIGURE 12
STATE DEBT REDUCTION – GOVERNOR'S RECOMMENDATION, FY 2025

Bond	Description	June 30, 2024 Principal Balance	Governor Base Amount	Governor Enhancement
2004C	KPERS Pension Obligation Bonds	\$ 271,855,000	\$ 21,205,000	\$ - *
2015H	KPERS Pension Obligation Bonds	833,590,000	24,765,000	-
2021K	KPERS Pension Obligation Bonds	462,445,000	12,950,000	-
	<i>Subtotal–KPERS Pension Obligation Bonds</i>	<i>\$ 1,567,890,000</i>	<i>\$ 58,920,000</i>	<i>\$ 450,000,000</i>
2016H	Refinancing (KLETC, Kansas Statehouse, and more)	\$ 25,930,000	\$ 5,740,000	\$ 19,985,062
2020K	Curtis State Office Building, Myriad Building	23,055,220	3,896,978	23,000,000
2020S	Refinancing (NBAF, Kansas Statehouse)	4,755,000	600,000	4,673,600
	TOTAL	\$ 1,621,630,220	\$ 69,156,978	\$ 497,658,662

* *Staff note:* The Governor recommends adding \$1.5 million SGF and deleting \$1.5 million ELARF. This results in a change in funding sources but no change in total payment amount.

The majority of the \$497.7 million recommendation would be applied to pension obligation bonds originally issued to improve the funded status of KPERS, as follows:

- **SERIES 2004C.** These bonds were originally issued for a total of \$500.0 million, with a projected final payment in FY 2034. Annual debt service is paid from the ELARF and has averaged around \$36.1 million in recent years, inclusive of principal and interest. As of June 30, 2024, the remaining principal balance is \$271.9 million.

The **Governor** recommends that \$1.5 million of the \$36.1 million in Series 2004C debt service payments for FY 2025 be made from the SGF rather than from the ELARF, noting the projected ending balance of the ELARF in FY 2025. This funding swap would be a one-time event.

- **SERIES 2015H.** These bonds were originally issued for a total of \$1.0 billion, with projected final payment in FY 2045. Annual debt service is paid from the SGF and has averaged around \$64.0 million in recent years, inclusive of principal and interest. As of June 30, 2024, the remaining principal balance is \$833.6 million.
- **SERIES 2021K.** These bonds were originally issued for a total of \$504.5 million, with projected final payment in FY 2051. Annual debt service is paid from the SGF and has averaged around \$24.2 million in recent years, inclusive of principal and interest. As of June 30, 2024, the remaining principal balance is \$462.4 million.

The **Governor** recommends an additional \$450.0 million SGF to retire debt across Series 2015H and 2021K bonds in consultation with the Kansas Development Finance Authority to determine the most economical method to pay down the debt and to address future debt service payments.

The remaining \$47.7 million of that amount would retire three bonds series, as follows:

- **SERIES 2016H.** These bonds refund bonds issued in 2007 and 2008 for a variety of capital improvement projects, such as the Kansas Law Enforcement Training Center (KLETC), Capitol Complex, National Guard Armory, correctional facilities, and University of Kansas pharmacy facilities.

Series 2016H was originally issued for a total of \$51.5 million, with projected final payment in FY 2028. Annual debt service is paid from the SGF and has averaged around \$6.3 million in recent years. As of June 30, 2024, the remaining principal balance totals \$25.9 million. On November 1, 2024, these bonds may be called for redemption and payment prior to final maturity, at a redemption price of 100 percent of the principal amount plus accrued interest on the date of redemption.

The **Governor** recommends calling Series 2016H and spending \$20.0 million SGF to pay off the remaining balance.

- **SERIES 2020K.** These bonds transferred ownership of the Curtis State Office Building and the Department for Children and Families Topeka Service Center from the Topeka Public Building Commission to the State of Kansas.

Series 2020K was originally issued for a total of \$37.2 million, with projected final payment in FY 2030. Annual debt service is paid from the State Buildings Operating Fund and has averaged around \$4.2 million in recent years. As of June 30, 2024, the remaining principal balance totals \$23.1 million.

The **Governor** recommends \$23.0 million SGF to negotiate a tender offer and pay off the debt obligation early.

- **SERIES 2020S.** These bonds refund bonds issued in 2010 for the National Bio and Agro-Defense Facility (NBAF) and for renovations to the Kansas Statehouse.

Series 2020S was originally issued for a total of \$6.5 million, with projected final payment in FY 2034. Annual debt service is paid from the SGF and has averaged around \$775,000 in recent years. As of June 30, 2024, the remaining principal balance totals \$4.8 million. On November 1, 2028, these bonds may be called for redemption and payment prior to final maturity, at a redemption price of 100 percent of the principal amount plus accrued interest on the date of redemption.

The **Governor** recommends defeasance of Series 2020S and spending \$4.7 million SGF to pay off the remaining balance.

5. **MASTER LEASE PRINTING EQUIPMENT PAYOFF.** The **Governor** recommends \$3.2 million for FY 2025, including \$4.2 million SGF and a reduction of \$1.1 million from federal funds, to pay off the remaining principal balance of the Master Lease Purchase Agreement. The Master Lease Purchase Program allows state agencies to lease-purchase communication systems, vehicles, medical equipment, copiers, printers, and other equipment at tax-exempt interest rates. In FY 2022, the agency spent \$5.9 million to purchase printing equipment to replace outdated equipment needed to provide printing, copying, and binding services for state agencies. The current agreement requires annual debt service payments of \$1.1 million through FY 2028. The recommendation would pay off the remaining balance in FY 2025, three years ahead of schedule.
6. **SB 66 LICENSING PLATFORM PROJECT.** The **Governor** recommends \$1.5 million SGF for FY 2025 to create and maintain the centralized electronic credentials verification system pursuant to the Compact. See Item 3 for details.

PROGRAM OVERVIEW

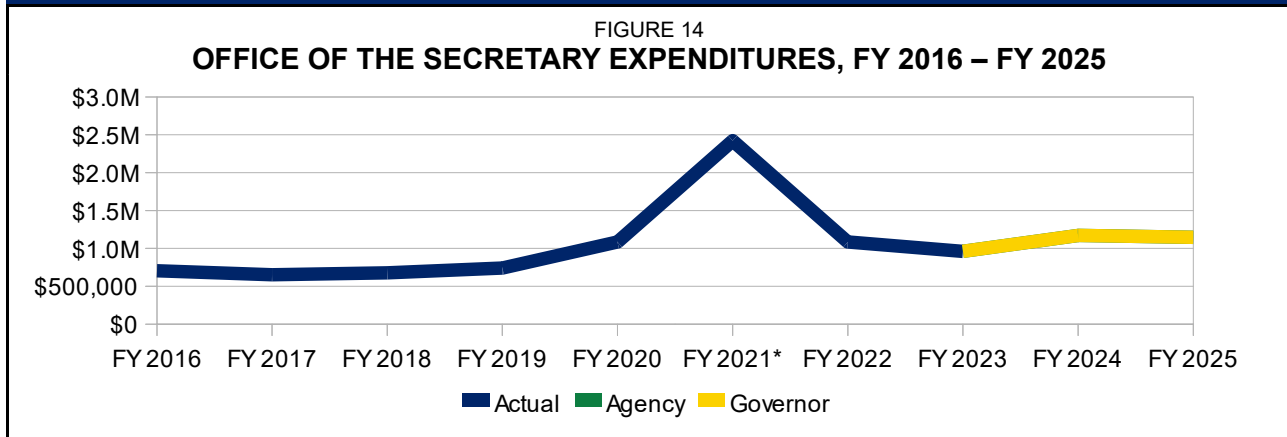
FIGURE 13

EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2023 – FY 2025

Programs	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Expenditures:					
Secretary	\$ 692,111	\$ 731,736	\$ 731,736	\$ 710,066	\$ 710,066
Chief Counsel	372,054	434,595	434,595	358,715	358,715
Facilities	120,195,364	17,685,073	17,685,073	9,882,413	9,882,413
Printing and Mailing	1,007,191	4,291,847	4,691,847	4,252,245	7,407,517
Procurement	1,911,540	2,557,606	2,557,606	2,349,356	2,349,356
Financial Management	470,590	956,460	7,956,460	1,064,106	2,564,106
Personnel Services	1,539,627	1,655,295	1,655,295	1,655,850	1,655,850
Accounts and Reports	2,458,012	1,981,707	1,981,707	1,975,090	1,975,090
Systems Management	76,775	164,773	164,773	104,589	104,589
State Employee Hlth. Plan	-	-	-	-	-
Public Advocates	1,796,424	2,402,075	2,402,075	2,277,096	2,277,096
Division of the Budget	1,746,802	2,145,075	2,145,075	2,843,406	2,843,406
Debt Service	155,722,251	151,930,449	151,930,449	149,590,757	647,249,419
<i>Subtotal–On-Budget</i>	<i>\$ 287,988,741</i>	<i>\$ 186,936,691</i>	<i>\$ 194,336,691</i>	<i>\$ 177,063,689</i>	<i>\$ 679,377,623</i>
Off-Budget*	82,008,396	94,204,918	94,204,918	95,035,959	95,035,959
GRAND TOTAL	\$ 369,997,137	\$ 281,141,609	\$ 288,541,609	\$ 272,099,648	\$ 774,413,582
FTE Positions:					
Secretary	5.2	4.3	4.3	4.3	4.3
Chief Counsel	1.0	1.0	1.0	1.0	1.0
Facilities	4.0	1.0	1.0	1.0	1.0
Printing and Mailing	-	5.0	5.0	5.0	5.0
Procurement	16.0	20.0	20.0	20.0	20.0
Financial Management	1.9	3.6	3.6	3.6	3.6
Personnel Services	16.4	14.2	14.2	14.2	14.2
Accounts and Reports	18.1	21.1	21.1	21.1	21.1
Systems Management	1.0	1.0	1.0	1.0	1.0
State Employee Hlth. Plan	-	-	-	-	-
Public Advocates	23.0	21.0	21.0	21.0	21.0
Division of the Budget	13.0	14.0	14.0	19.0	19.0
Debt Service	-	-	-	-	-
<i>Subtotal–On-Budget</i>	<i>99.5</i>	<i>106.2</i>	<i>106.2</i>	<i>111.2</i>	<i>111.2</i>
Off-Budget*	374.3	367.9	367.9	368.9	368.9
TOTAL	473.8	474.1	474.1	480.1	480.1

* *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.

OFFICE OF THE SECRETARY



* Staff note: In FY 2021, \$1.3 million in federal funds was expended from the Office of the Secretary in response to the COVID-19 pandemic.

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 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 Area 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. The State Finance Council is

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

OFFICE OF LEGISLATIVE AND 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's 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 15
OFFICE OF THE SECRETARY FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 542,110	\$ 731,736	\$ 731,736	\$ 710,066	\$ 710,066
Federal Funds	-	-	-	-	-
All Other Funds	150,001	-	-	-	-
<i>Subtotal–On-Budget</i>	<i>\$ 692,111</i>	<i>\$ 731,736</i>	<i>\$ 731,736</i>	<i>\$ 710,066</i>	<i>\$ 710,066</i>
Off-Budget	267,993	439,272	439,272	437,434	437,434
GRAND TOTAL	\$ 960,104	\$ 1,171,008	\$ 1,171,008	\$ 1,147,500	\$ 1,147,500
Percent Change:					
SGF	(10.2) %	35.0 %	-- %	(3.0) %	-- %
All Funds	(11.5) %	22.0 %	-- %	(2.0) %	-- %
FTE Positions	7.0	7.0	7.0	7.0	7.0

BUDGET ANALYSIS

The **agency** requests \$710,066 in on-budget expenditures and 4.3 on-budget FTE positions for the Office of the Secretary for FY 2025. This represents a reduction of \$21,670, or 3.0 percent, below the revised estimate in FY 2024, primarily due to decreases in miscellaneous contractual service expenditures in the Administration subprogram.

The request also includes \$437,434 in off-budget expenditures and 2.7 off-budget FTE positions, which are categorized as such to

avoid double counting payments from one state agency to another.

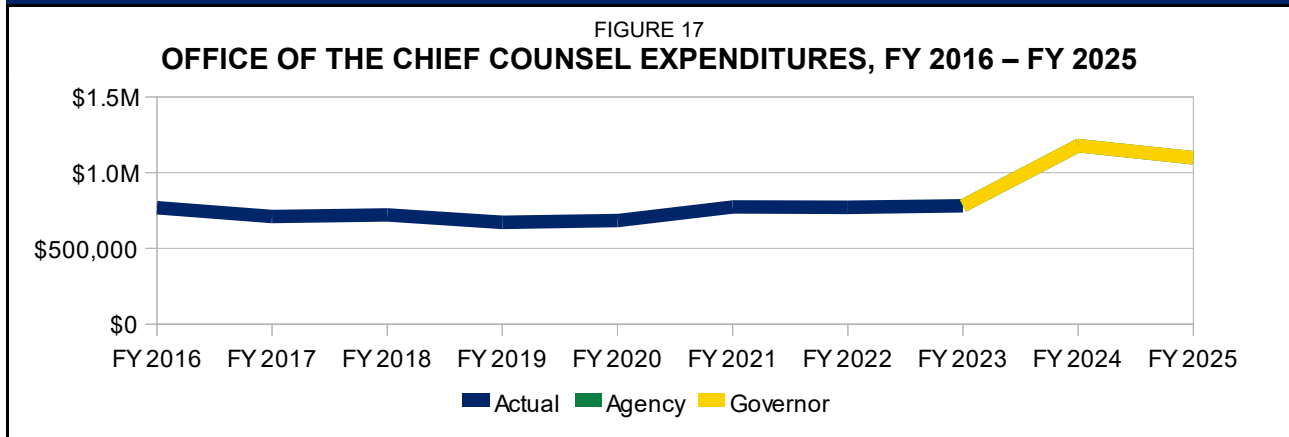
The **Governor** concurs with the agency's request and recommends \$710,066 in on-budget expenditures and 4.3 on-budget FTE positions for the Office of the Secretary for FY 2025.

The recommendation also includes \$437,434 in off-budget expenditures and 2.7 off-budget FTE positions, which is the same as the agency's request for FY 2025.

FIGURE 16
OFFICE OF THE SECRETARY SUMMARY OF EXPENDITURES, FY 2023 – FY 2025

Item	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
On-Budget:					
Administration	\$ 413,628	\$ 350,426	\$ 350,426	\$ 328,169	\$ 328,169
State Finance Council	2,626	38,941	38,941	40,569	40,569
Public Affairs	176,592	233,964	233,964	233,201	233,201
KCJIS Administration	99,265	108,405	108,405	108,127	108,127
<i>Subtotal–On-Budget</i>	<i>\$ 692,111</i>	<i>\$ 731,736</i>	<i>\$ 731,736</i>	<i>\$ 710,066</i>	<i>\$ 710,066</i>
Off-Budget					
Administration	\$ 267,993	\$ 439,272	\$ 439,272	\$ 437,434	\$ 437,434
GRAND TOTAL	\$ 692,111	\$ 731,736	\$ 731,736	\$ 710,066	\$ 710,066

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 18
OFFICE OF THE CHIEF COUNSEL FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 288,082	\$ 429,595	\$ 429,595	\$ 353,715	\$ 353,715
Federal Funds	-	-	-	-	-
All Other Funds	83,972	5,000	5,000	5,000	5,000
<i>Subtotal—On-Budget</i>	<i>\$ 372,054</i>	<i>\$ 434,595</i>	<i>\$ 434,595</i>	<i>\$ 358,715</i>	<i>\$ 358,715</i>
Off-Budget	408,928	743,445	743,445	739,251	739,251
GRAND TOTAL	\$ 780,982	\$ 1,178,040	\$ 1,178,040	\$ 1,097,966	\$ 1,097,966
Percent Change:					
SGF	(9.1) %	49.1 %	-- %	(17.7) %	-- %
All Funds	1.3 %	50.8 %	-- %	(6.8) %	-- %
FTE Positions	7.0	8.0	8.0	8.0	8.0

BUDGET ANALYSIS

The **agency** requests \$358,715 in on-budget expenditures and 1.0 on-budget FTE position for the Office of the Chief Counsel for FY 2025. This represents a reduction of \$75,880, or 17.5

percent, below the revised estimate in FY 2024, primarily due to lower anticipated spending for attorney and lawyer services.

The request also includes \$739,251 in off-budget expenditures and 7.0 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another.

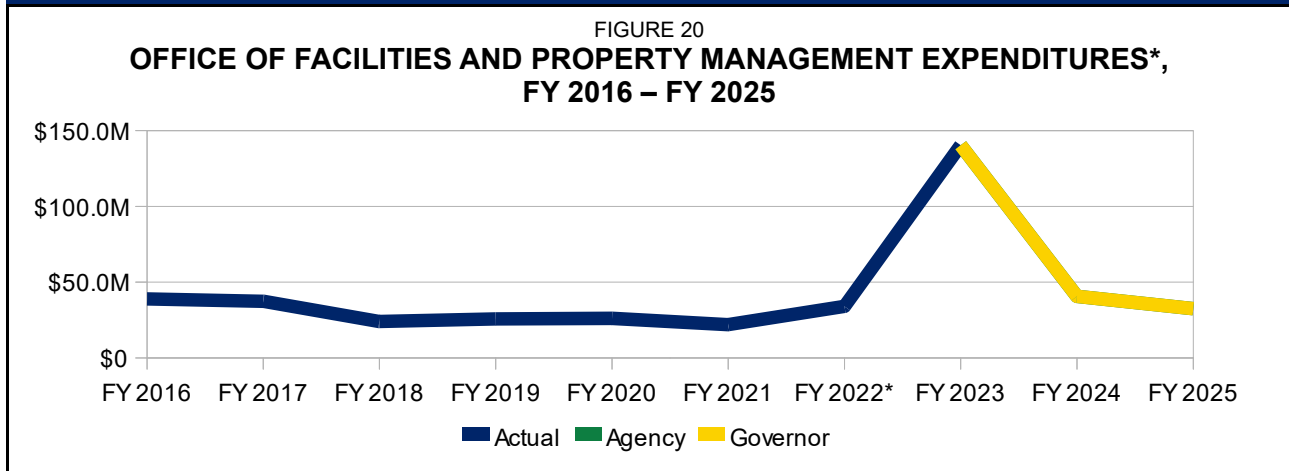
The **Governor** concurs with the agency's request and recommends \$358,715 in on-budget expenditures and 1.0 on-budget FTE position for the Office of the Chief Counsel for FY 2025.

The recommendation also includes \$739,251 in off-budget expenditures and 7.0 off-budget FTE positions, which is the same as the agency's request for FY 2025.

FIGURE 19

OFFICE OF THE CHIEF COUNSEL SUMMARY OF EXPENDITURES, FY 2023 – FY 2025					
Item	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
On-Budget:					
Chief Counsel	\$ 372,054	\$ 434,595	\$ 434,595	\$ 358,715	\$ 358,715
Off-Budget					
Chief Counsel	\$ 408,928	\$ 623,888	\$ 623,888	\$ 620,198	\$ 620,198
Labor Relations	-	119,557	119,557	119,053	119,053
<i>Subtotal–Off-Budget</i>	<u>\$ 408,928</u>	<u>\$ 743,445</u>	<u>\$ 743,445</u>	<u>\$ 739,251</u>	<u>\$ 739,251</u>
GRAND TOTAL	<u>\$ 780,982</u>	<u>\$ 1,178,040</u>	<u>\$ 1,178,040</u>	<u>\$ 1,097,966</u>	<u>\$ 1,097,966</u>

OFFICE OF FACILITIES AND PROPERTY MANAGEMENT



* Staff note: Beginning in FY 2022, expenditures reflect capital improvement projects.

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.
- Provide housekeeping services to certain State-owned and leased buildings.
- 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 a variety of services, including engineering, maintenance and construction, housekeeping, asset management, and more.

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.

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.

DESIGN AND COMPLIANCE

The Design and Compliance subprogram provides planning, design reviews, and construction administration for statewide capital improvement projects totaling approximately \$100.0 million annually.

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 using preventative maintenance.

ASSET MANAGEMENT

The Asset Management subprogram administers and approves state leases for all state agencies. Pursuant to KSA 75-3739, no state agency shall enter into any lease of real property without prior approval.

BUILDING SERVICES

The Building Services subprogram provides housekeeping services for State-owned and State-leased buildings in Topeka. Buildings

GROUNDS SERVICES

The Grounds Services subprogram administers parking for the Capitol Complex, including waiting lists for free employee surface parking as well as for parking in the Curtis State Office Building parking garage.

FIGURE 21

OFFICE OF FACILITIES AND PROPERTY MANAGEMENT FINANCING, FY 2023 – FY 2025					
Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 59,347,977	\$ 10,180,302	\$ 10,180,302	\$ 5,095,000	\$ 5,095,000
Federal Funds	59,412,830	6,215,879	6,215,879	3,123,491	3,123,491
All Other Funds	1,434,557	1,288,892	1,288,892	1,663,922	1,663,922
<i>Subtotal–On-Budget</i>	<i>\$ 120,195,364</i>	<i>\$ 17,685,073</i>	<i>\$ 17,685,073</i>	<i>\$ 9,882,413</i>	<i>\$ 9,882,413</i>
Off-Budget	20,180,743	22,919,102	22,919,102	22,570,052	22,570,052
GRAND TOTAL	\$ 140,376,107	\$ 40,604,175	\$ 40,604,175	\$ 32,452,465	\$ 32,452,465
Percent Change:					
SGF	2,028.5 %	(82.8) %	-- %	(50.0) %	-- %
All Funds	313.4 %	(71.1) %	-- %	(20.1) %	-- %
FTE Positions	188.0	190.5	190.5	190.5	190.5

BUDGET ANALYSIS

The **agency** requests \$9.9 million in on-budget expenditures and 1.0 on-budget FTE position for the Office of Facilities and Property Management for FY 2025. This represents a reduction of \$7.8 million, or 44.1 percent, below the revised estimate in FY 2024, primarily due to the Docking State Office Building renovation. Funding distributions will complete in FY 2024 and not continue into FY 2025.

The request also includes \$22.6 million in off-budget expenditures and 189.5 off-budget FTE positions, which are categorized as such to

avoid double counting payments from one state agency to another.

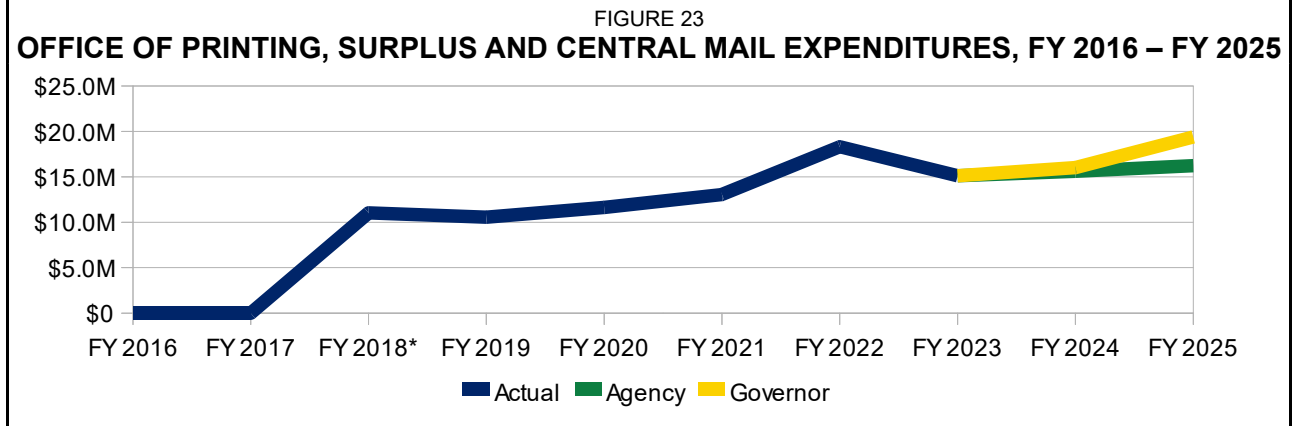
The **Governor** concurs with the agency's request and recommends \$9.9 million in on-budget expenditures and 1.0 on-budget FTE position for the Office of Facilities and Property Management for FY 2025.

The recommendation includes \$22.6 million in off-budget expenditures and 189.5 off-budget FTE positions, which is the same as the agency's request for FY 2025.

FIGURE 22

OFFICE OF FACILITIES AND PROPERTY MANAGEMENT SUMMARY OF EXPENDITURES, FY 2023 – FY 2025					
	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
On-Budget:					
Facilities Management	\$ 530,742	\$ 110,000	\$ 110,000	\$ 95,000	\$ 95,000
Construction	85,400	-	-	-	-
Building Services	163,500	-	-	-	-
Asset Management	725,000	875,000	875,000	1,250,000	1,250,000
Grounds Services	169,445	163,892	163,892	163,922	163,922
Capital Improvements	118,521,277	16,536,181	16,536,181	8,373,491	8,373,491
<i>Subtotal–On-Budget</i>	<i>\$ 120,195,364</i>	<i>\$ 17,685,073</i>	<i>\$ 17,685,073</i>	<i>\$ 9,882,413</i>	<i>\$ 9,882,413</i>
Off-Budget					
Facilities Management	\$ 3,346,382	\$ 1,929,781	\$ 1,929,781	\$ 1,908,641	\$ 1,908,641
Operations	658,303	-	-	-	-
Construction	13,740,717	12,500,795	12,500,795	12,459,332	12,459,332
Building Services	3,013,847	3,924,464	3,924,464	3,932,312	3,932,312
Design and Compliance	1,661,686	2,043,284	2,043,284	2,040,149	2,040,149
Asset Management	791,912	1,296,554	1,296,554	1,005,134	1,005,134
Grounds Services	(3,032,104)	1,224,224	1,224,224	1,224,484	1,224,484
<i>Subtotal–Off-Budget</i>	<i>\$ 20,180,743</i>	<i>\$ 22,919,102</i>	<i>\$ 22,919,102</i>	<i>\$ 22,570,052</i>	<i>\$ 22,570,052</i>
GRAND TOTAL	\$ 140,376,107	\$ 40,604,175	\$ 40,604,175	\$ 32,452,465	\$ 32,452,465

OFFICE OF PRINTING, SURPLUS AND CENTRAL MAIL



* *Staff note:* In FY 2018, the Office of Printing, Central Mail, and Surplus was reorganized from within the Office of Facilities and Property Management to a standalone program.

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 24
OFFICE OF PRINTING, SURPLUS AND CENTRAL MAIL FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ 400,000	\$ -	\$ 4,207,030
Federal Funds	-	3,250,000	3,250,000	3,250,000	2,198,242
All Other Funds	1,007,191	1,041,847	1,041,847	1,002,245	1,002,245
<i>Subtotal—On-Budget</i>	<i>\$ 1,007,191</i>	<i>\$ 4,291,847</i>	<i>\$ 4,691,847</i>	<i>\$ 4,252,245</i>	<i>\$ 7,407,517</i>
Off-Budget	14,110,683	11,320,390	-	11,976,539	11,976,539
GRAND TOTAL	\$ 15,117,874	\$ 15,612,237	\$ 4,691,847	\$ 16,228,784	\$ 19,384,056
Percent Change:					
SGF	-- %	-- %	100.0 %	-- %	100.0 %
All Funds	(17.4) %	3.3 %	(69.9) %	3.9 %	19.4 %
FTE Positions	49.0	46.0	46.0	47.0	47.0

BUDGET ANALYSIS

The **agency** requests \$4.3 million in on-budget expenditures and 5.0 on-budget FTE positions for the Office of Printing, Surplus and Central Mail for FY 2025. This represents a reduction of \$39,602, or 0.9 percent, below the revised estimate in FY 2024, primarily due to lower capital outlay spending on equipment, machinery, furniture, and fixtures.

The request also includes \$12.0 million in off-budget expenditures and 42.0 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** recommends \$7.4 million in on-budget expenditures and 5.0 on-budget FTE positions for the Office of Printing, Surplus and Central Mail for FY 2025. This represents an

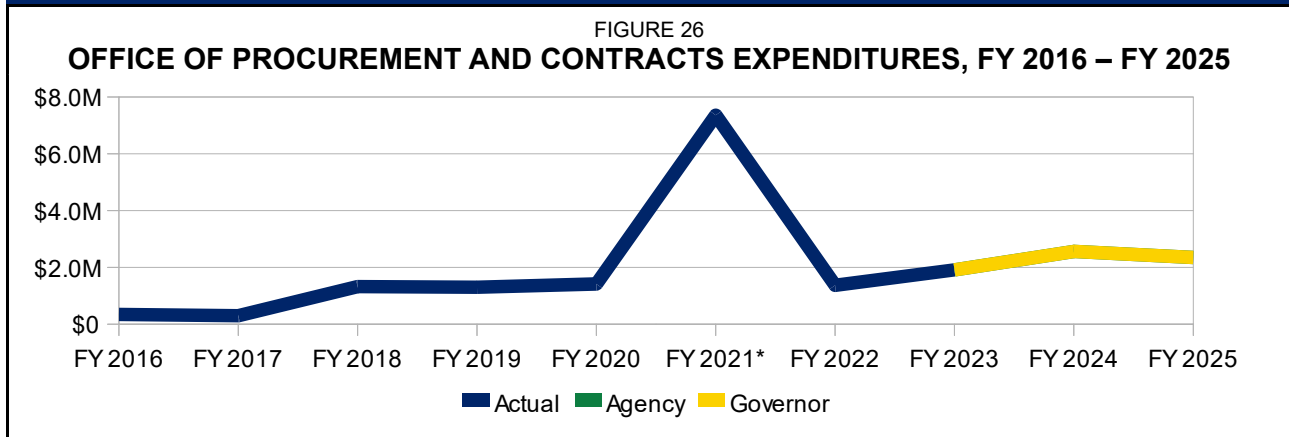
increase of \$3.2 million, or 74.2 percent, above the agency's request for FY 2025. The change is due to the recommendation to pay off the remaining principal balance of the Master Lease Purchase Agreement early. In FY 2022, the agency spent \$5.9 million to purchase printing equipment to replace outdated equipment needed to provide printing, copying, and binding services for state agencies. The current agreement requires annual debt service payments of \$1.1 million through FY 2028. The recommendation would pay off the remaining balance in FY 2025, three years ahead of schedule.

The recommendation also includes \$12.0 million in off-budget expenditures and 42.0 off-budget FTE positions, which is the same as the agency's request for FY 2025.

FIGURE 25
OFFICE OF PRINTING, SURPLUS AND CENTRAL MAIL SUMMARY OF EXPENDITURES, FY 2023 – FY 2025

Item	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
On-Budget:					
Surplus Property	\$ 1,007,191	\$ 1,041,847	\$ 1,041,847	\$ 1,002,245	\$ 1,002,245
Capital Improvements	-	3,250,000	3,250,000	3,250,000	2,198,242
Printing	-	-	400,000	3,250,000	4,207,030
<i>Subtotal—On-Budget</i>	<i>\$ 1,007,191</i>	<i>\$ 4,291,847</i>	<i>\$ 4,691,847</i>	<i>\$ 7,502,245</i>	<i>\$ 7,407,517</i>
Off-Budget					
Surplus Property	\$ 195,293	\$ 64,392	\$ 64,392	\$ 64,341	\$ 64,341
Central Mail	6,601,088	6,310,484	6,310,484	6,304,623	6,304,623
Printing	7,314,302	4,945,514	4,945,514	5,607,575	5,607,575
<i>Subtotal—Off-Budget</i>	<i>\$ 14,110,683</i>	<i>\$ 11,320,390</i>	<i>\$ 11,320,390</i>	<i>\$ 11,976,539</i>	<i>\$ 11,976,539</i>
GRAND TOTAL	\$ 15,117,874	\$ 15,612,237	\$ 16,012,237	\$ 19,478,784	\$ 19,384,056

OFFICE OF PROCUREMENT AND CONTRACTS



* Staff note: The 2021 Legislature appropriated \$6.0 million SGF for costs related to a Securities Act Fee Fund lawsuit.

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 27

OFFICE OF PROCUREMENT AND CONTRACTS FINANCING, FY 2023 – FY 2025

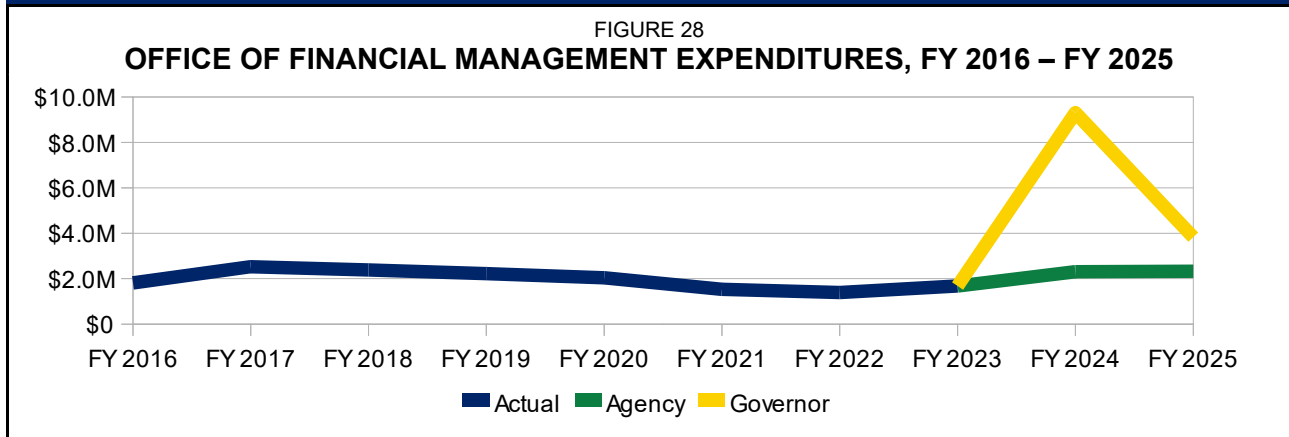
Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 1,600	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	1,909,940	2,557,606	2,557,606	2,349,356	2,349,356
<i>Subtotal—On-Budget</i>	<i>\$ 1,911,540</i>	<i>\$ 2,557,606</i>	<i>\$ 2,557,606</i>	<i>\$ 2,349,356</i>	<i>\$ 2,349,356</i>
Off-Budget	-	-	-	-	-
GRAND TOTAL	\$ 1,911,540	\$ 2,557,606	\$ 2,557,606	\$ 2,349,356	\$ 2,349,356
Percent Change:					
SGF	14.3 %	(100.0) %	-- %	-- %	-- %
All Funds	39.9 %	33.8 %	-- %	(8.1) %	-- %
FTE Positions	16.0	20.0	20.0	20.0	20.0

BUDGET ANALYSIS

The **agency** requests \$2.3 million in on-budget expenditures and 20.0 on-budget FTE positions for the Office of Procurement and Contracts for FY 2025. This represents a reduction of \$208,250, or 8.1 percent, below the revised estimate in FY 2024, primarily due to lower contractual service spending on fees for consulting and other professional services.

The **Governor** concurs with the agency's request and recommends \$2.3 million in on-budget expenditures and 20.0 on-budget FTE positions for the Office of Procurement and Contracts for FY 2025.

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 Statewide Management, Accounting and Reporting Tool (SMART) system for agency processors, paying the debt service for the State, and compiling the necessary data for the 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 Budgeting 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 Budgeting 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 29
OFFICE OF FINANCIAL MANAGEMENT FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 128,126	\$ 429,016	\$ 7,429,016	\$ 544,106	\$ 2,044,106
Federal Funds	297,603	527,444	527,444	520,000	520,000
All Other Funds	44,861	-	-	-	-
<i>Subtotal–On-Budget</i>	<i>\$ 470,590</i>	<i>\$ 956,460</i>	<i>\$ 7,956,460</i>	<i>\$ 1,064,106</i>	<i>\$ 2,564,106</i>
Off-Budget	1,208,614	1,349,920	-	1,263,282	1,263,282
GRAND TOTAL	\$ 1,679,204	\$ 2,306,380	\$ 7,956,460	\$ 2,327,388	\$ 3,827,388
Percent Change:					
SGF	15.2 %	234.8 %	1,631.6 %	26.8 %	275.7 %
All Funds	20.7 %	37.3 %	245.0 %	0.9 %	64.4 %
FTE Positions	18.0	15.0	15.0	15.0	15.0

BUDGET ANALYSIS

The **agency** requests \$1.1 million in on-budget expenditures and 3.6 on-budget FTE positions for the Office of Financial Management for FY 2025. This represents an increase of \$107,646, or 11.3 percent, above the revised estimate in FY 2024. The increase is primarily due to higher contractual service spending on professional service fees. Expenses for the Statewide Cost Allocation Plan, Apptio database, and a consultant to help write internal processes are all included within this category.

The request also includes \$1.3 million in off-budget expenditures and 11.4 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another.

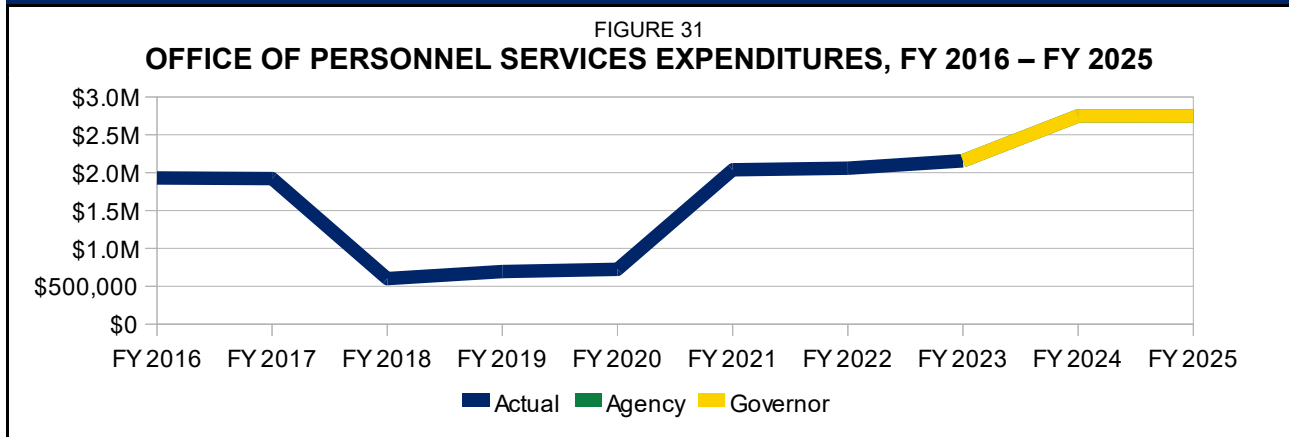
The **Governor** recommends \$3.8 million in on-budget expenditures and 3.6 on-budget FTE positions for the Office of Financial Management for FY 2025. This represents an increase of \$1.5 million, or 141.0 percent, above the agency's request for FY 2025. The change is due to the Governor's recommendation to create and maintain the centralized electronic credentials verification system pursuant to the Interstate Teacher Mobility Compact.

The recommendation also includes \$1.3 million in off-budget expenditures and 11.4 off-budget FTE positions, which is the same as the agency's request for FY 2025.

FIGURE 30
OFFICE OF FINANCIAL MANAGEMENT SUMMARY OF EXPENDITURES, FY 2023 – FY 2025

Item	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
On-Budget:					
Financial Management	\$ 470,590	\$ 956,460	\$ 7,956,460	\$ 1,064,106	\$ 2,564,106
Off-Budget					
Financial Management	\$ 669,997	\$ 675,487	\$ 675,487	\$ 595,223	\$ 595,223
Agency Service Center	538,617	674,433	674,433	668,059	668,059
<i>Subtotal–Off-Budget</i>	<i>\$ 1,208,614</i>	<i>\$ 1,349,920</i>	<i>\$ 1,349,920</i>	<i>\$ 1,263,282</i>	<i>\$ 1,263,282</i>
GRAND TOTAL	\$ 1,679,204	\$ 2,306,380	\$ 9,306,380	\$ 2,327,388	\$ 3,827,388

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 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 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 32
OFFICE OF PERSONNEL SERVICES FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 1,323,454	\$ 1,623,455	\$ 1,623,455	\$ 1,623,984	\$ 1,623,984
Federal Funds	-	-	-	-	-
All Other Funds	216,173	31,840	31,840	31,866	31,866
<i>Subtotal–On-Budget</i>	<i>\$ 1,539,627</i>	<i>\$ 1,655,295</i>	<i>\$ 1,655,295</i>	<i>\$ 1,655,850</i>	<i>\$ 1,655,850</i>
Off-Budget	617,367	1,093,823	1,093,823	1,091,514	1,091,514
GRAND TOTAL	\$ 2,156,994	\$ 2,749,118	\$ 2,749,118	\$ 2,747,364	\$ 2,747,364
Percent Change:					
SGF	(2.1) %	22.7 %	-- %	0.0 %	-- %
All Funds	4.7 %	27.5 %	-- %	(0.1) %	-- %
FTE Positions	26.0	23.0	23.0	23.0	23.0

BUDGET ANALYSIS

The **agency** requests \$1.7 million in on-budget expenditures and 14.2 on-budget FTE positions for the Office of Personnel Services for FY 2025. This represents an increase of \$555, or less than 0.1 percent, above the revised estimate in FY 2024. The increase is primarily due to higher contractual service spending for the State Agency Human Resources Management Unit, offset by lower spending on employer contribution for employee benefits.

The request also includes \$1.1 million in off-budget expenditures and 8.8 off-budget FTE

positions, which are categorized as such to avoid double counting payments from one state agency to another.

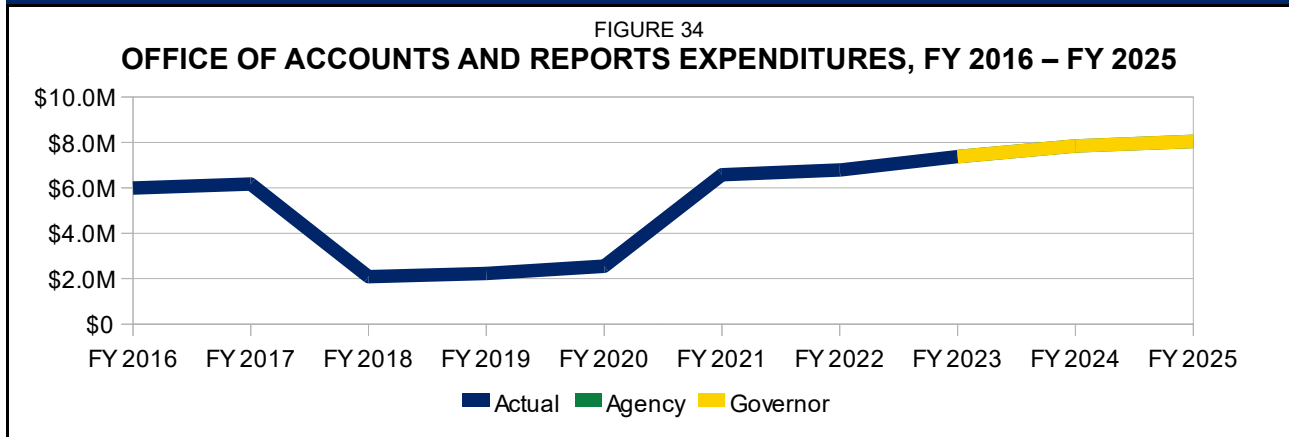
The **Governor** concurs with the agency's request and recommends \$1.7 million in on-budget expenditures and 14.2 on-budget FTE positions for the Office of Personnel Services for FY 2025.

The recommendation also includes \$1.1 million in off-budget expenditures and 8.8 off-budget FTE positions, which is the same as the agency's request for FY 2025.

FIGURE 33
OFFICE OF PERSONNEL SERVICES SUMMARY OF EXPENDITURES, FY 2023 – FY 2025

Item	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
On-Budget:					
State Agency HR Mgmt.	\$ 986,515	\$ 1,038,579	\$ 1,038,579	\$ 1,039,966	\$ 1,039,966
Policy and Compliance	460,610	510,438	510,438	509,663	509,663
Data Management	91,788	106,278	106,278	106,221	106,221
Personnel Services	714	-	-	-	-
<i>Subtotal–On-Budget</i>	<i>\$ 1,539,627</i>	<i>\$ 1,655,295</i>	<i>\$ 1,655,295</i>	<i>\$ 1,655,850</i>	<i>\$ 1,655,850</i>
Off-Budget					
State Agency HR Mgmt.	\$ 474,394	\$ 502,625	\$ 502,625	\$ 501,609	\$ 501,609
Personnel Services	142,973	591,198	591,198	589,905	589,905
<i>Subtotal–Off-Budget</i>	<i>\$ 617,367</i>	<i>\$ 1,093,823</i>	<i>\$ 1,093,823</i>	<i>\$ 1,091,514</i>	<i>\$ 1,091,514</i>
GRAND TOTAL	\$ 2,156,994	\$ 2,749,118	\$ 2,749,118	\$ 2,747,364	\$ 2,747,364

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 Kansas Debt Recovery System and Kansas Treasury Offset Program 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 35
OFFICE OF ACCOUNTS AND REPORTS FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 2,148,143	\$ 1,683,207	\$ 1,683,207	\$ 1,680,087	\$ 1,680,087
Federal Funds	-	-	-	-	-
All Other Funds	309,869	298,500	298,500	295,003	295,003
<i>Subtotal—On-Budget</i>	<i>\$ 2,458,012</i>	<i>\$ 1,981,707</i>	<i>\$ 1,981,707</i>	<i>\$ 1,975,090</i>	<i>\$ 1,975,090</i>
Off-Budget	4,914,523	5,861,214	5,861,214	6,066,983	6,066,983
GRAND TOTAL	\$ 7,372,535	\$ 7,842,921	\$ 7,842,921	\$ 8,042,073	\$ 8,042,073
Percent Change:					
SGF	11.8 %	(21.6) %	-- %	(0.2) %	-- %
All Funds	8.6 %	6.4 %	-- %	2.5 %	-- %
FTE Positions	61.0	60.8	60.8	60.8	60.8

BUDGET ANALYSIS

The **agency** requests \$2.0 million in on-budget expenditures and 21.1 on-budget FTE positions for the Office of Accounts and Reports for FY 2025. This represents a reduction of \$6,617, or 0.3 percent, below the revised estimate in FY 2024. The decrease is primarily due to lower spending on employer contributions for employee benefits and on interest payments as required by the federal Cash Management Act of 1990.

The request also includes \$6.1 million in off-budget expenditures and 39.7 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's request and recommends \$2.0 million in on-budget expenditures and 21.1 on-budget FTE positions for the Office of Accounts and Reports for FY 2025.

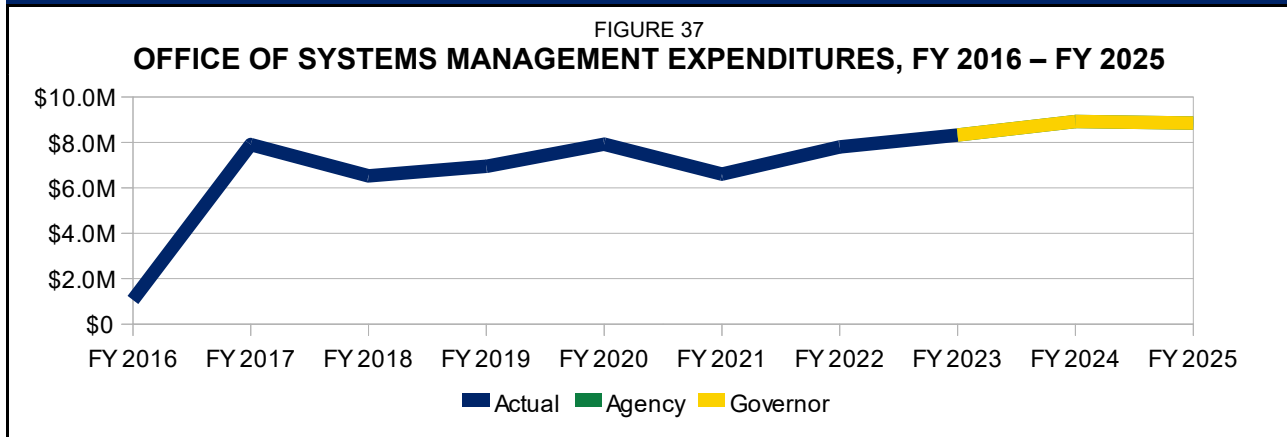
The recommendation also includes \$6.1 million in off-budget expenditures and 39.7 off-budget FTE positions, which is the same as the agency's request for FY 2025.

FIGURE 36

OFFICE OF ACCOUNTS AND REPORTS SUMMARY OF EXPENDITURES, FY 2023 – FY 2025

Item	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
On-Budget:					
Chief Financial Officer	\$ 107,335	\$ 41,181	\$ 41,181	\$ 41,130	\$ 41,130
Delegated Audit	336,955	185,191	185,191	184,867	184,867
Financial Integrity Team	758,931	433,808	433,808	432,941	432,941
Internal Controls	169,885	178,078	178,078	177,813	177,813
Federal Reporting	178,511	175,719	175,719	174,993	174,993
Municipal Services	265,242	254,571	254,571	251,255	251,255
Statewide Payroll	80,496	76,733	76,733	76,583	76,583
Statewide Accounting	529,266	636,426	636,426	635,508	635,508
Setoff	31,391	-	-	-	-
<i>Subtotal–On-Budget</i>	<u>\$ 2,458,012</u>	<u>\$ 1,981,707</u>	<u>\$ 1,981,707</u>	<u>\$ 1,975,090</u>	<u>\$ 1,975,090</u>
Off-Budget					
Chief Financial Officer	\$ (904,179)	\$ 344,332	\$ 344,332	\$ 349,752	\$ 349,752
Delegated Audit	147,920	473,911	473,911	470,456	470,456
Financial Integrity Team	1,879,101	844,763	844,763	997,556	997,556
Internal Controls	206,747	154,758	154,758	153,154	153,154
Federal Reporting	19,630	86,766	86,766	150,100	150,100
Municipal Services	-	86,875	86,875	86,880	86,880
Statewide Payroll	813,418	812,275	812,275	801,738	801,738
Statewide Accounting	1,810,500	1,957,310	1,957,310	1,977,431	1,977,431
Setoff	727,030	862,136	862,136	842,597	842,597
Revolving Fund	214,356	238,088	238,088	237,319	237,319
<i>Subtotal–Off-Budget</i>	<u>\$ 4,914,523</u>	<u>\$ 5,861,214</u>	<u>\$ 5,861,214</u>	<u>\$ 6,066,983</u>	<u>\$ 6,066,983</u>
GRAND TOTAL	<u>\$ 7,372,535</u>	<u>\$ 7,842,921</u>	<u>\$ 7,842,921</u>	<u>\$ 8,042,073</u>	<u>\$ 8,042,073</u>

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 SHARP system. 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 updates 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 include 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 interoperate. These responsibilities include coordinating enterprise application technical production support as well as upgrade support and services for integrated systems.

FIGURE 38
OFFICE OF SYSTEMS MANAGEMENT FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 76,775	\$ 164,773	\$ 164,773	\$ 104,589	\$ 104,589
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal–On-Budget</i>	<i>\$ 76,775</i>	<i>\$ 164,773</i>	<i>\$ 164,773</i>	<i>\$ 104,589</i>	<i>\$ 104,589</i>
Off-Budget	8,246,049	8,750,999	8,750,999	8,745,571	8,745,571
GRAND TOTAL	\$ 8,322,824	\$ 8,915,772	\$ 8,915,772	\$ 8,850,160	\$ 8,850,160
Percent Change:					
SGF	4.5 %	114.6 %	-- %	(36.5) %	-- %
All Funds	6.7 %	7.1 %	-- %	(0.7) %	-- %
FTE Positions	20.8	23.8	23.8	23.8	23.8

BUDGET ANALYSIS

The **agency** requests \$104,589 in on-budget expenditures and 1.0 on-budget FTE position for the Office of Systems Management for FY 2025. This represents a reduction of \$60,184, or 36.5 percent, below the revised estimate in FY 2024. The decrease is primarily due to lower contractual service spending on professional fees related to the development of SMART, SHARP, and the data warehouse.

avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency's request and recommends \$104,589 in on-budget expenditures and 1.0 on-budget FTE position for the Office of Systems Management for FY 2025.

The request also includes \$8.7 million in off-budget expenditures and 22.8 off-budget FTE positions, which are categorized as such to

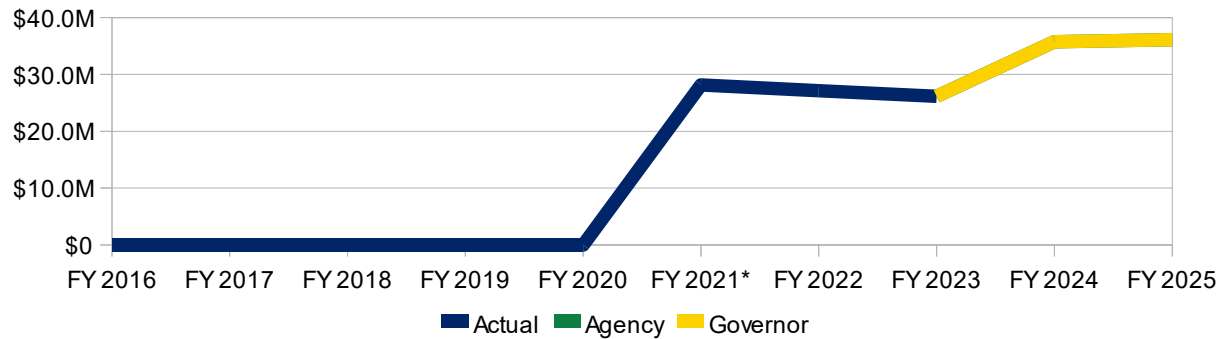
The recommendation also includes \$8.7 million in off-budget expenditures and 22.8 off-budget FTE positions, which is the same as the agency's request for FY 2025.

FIGURE 39
OFFICE OF SYSTEMS MANAGEMENT SUMMARY OF EXPENDITURES, FY 2023 – FY 2025

Item	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
On-Budget:					
Systems Management	\$ -	\$ 84,000	\$ 84,000	\$ 24,000	\$ 24,000
State Service Desk	76,775	80,773	80,773	80,589	80,589
<i>Subtotal–On-Budget</i>	<i>\$ 76,775</i>	<i>\$ 164,773</i>	<i>\$ 164,773</i>	<i>\$ 104,589</i>	<i>\$ 104,589</i>
Off-Budget					
Systems Management	\$ 8,009,642	\$ 8,509,607	\$ 8,509,607	\$ 8,504,128	\$ 8,504,128
State Service Desk	236,407	241,392	241,392	241,443	241,443
<i>Subtotal–Off-Budget</i>	<i>\$ 8,246,049</i>	<i>\$ 8,750,999</i>	<i>\$ 8,750,999</i>	<i>\$ 8,745,571</i>	<i>\$ 8,745,571</i>
GRAND TOTAL	\$ 8,322,824	\$ 8,915,772	\$ 8,915,772	\$ 8,850,160	\$ 8,850,160

OFFICE OF THE STATE EMPLOYEES HEALTH BENEFITS PLAN

FIGURE 40
OFFICE OF THE STATE EMPLOYEES HEALTH BENEFITS PLAN EXPENDITURES, FY 2016 – FY 2025



* Staff note: Prior to FY 2021, SEHP and SSIF were organized in the Kansas Department of Health and Environment.

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 Employees Health Benefits Plan 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, 2023, there are 122 public employers participating in SEHP. These non-state public employers included 14 school districts; 51 cities, counties, or townships; 16 public hospitals; and 41 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 that have more than 200 members, and 13 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 an 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, 184 accident reports are received monthly. In FY 2023, the SSIF spent about \$12.0 million on claims expenditures, with about 61.4 percent for medical services and 38.6 percent for indemnity.

FIGURE 41
**OFFICE OF THE STATE EMPLOYEES HEALTH BENEFITS PLAN FINANCING,
FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal–On-Budget</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Off-Budget	26,156,873	35,765,752	35,765,752	36,107,652	36,107,652
GRAND TOTAL	\$ 26,156,873	\$ 35,765,752	\$ 35,765,752	\$ 36,107,652	\$ 36,107,652
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	(3.6) %	36.7 %	-- %	1.0 %	-- %
FTE Positions	45.0	45.0	45.0	45.0	45.0

BUDGET ANALYSIS

The **agency** requests \$36.1 million in off-budget expenditures and 45.0 off-budget FTE positions for the Office of the State Employees Health Benefits Plan for FY 2025. This represents an increase of \$341,900, or 1.0 percent, above the revised estimate in FY 2024. The increase is primarily due to payments for workers' compensation claims, offset by lower

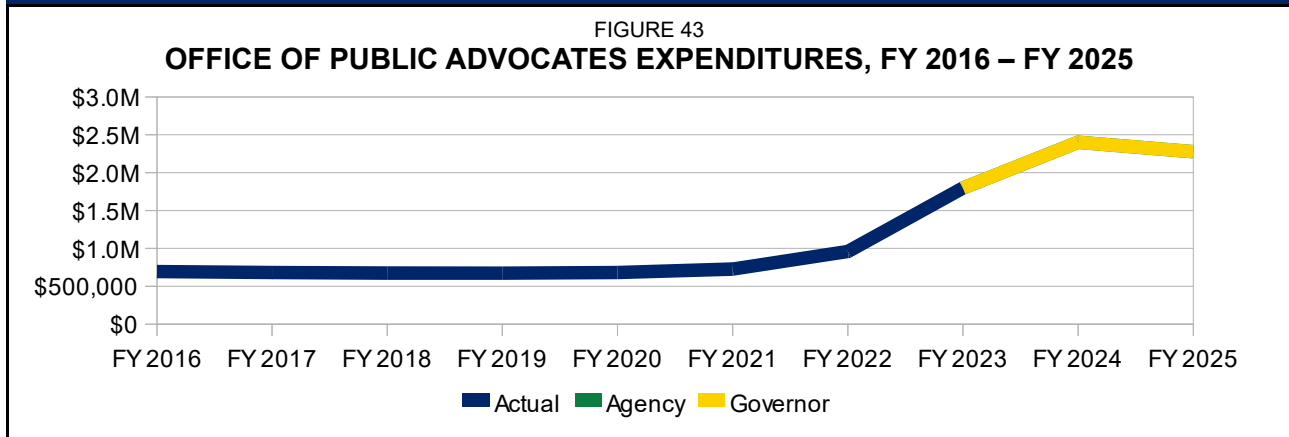
spending on repair and servicing fees for systems to help administer the SEHP.

The **Governor** concurs with the agency's request and recommends \$36.1 million in off-budget expenditures and 45.0 off-budget FTE positions for the Office of the State Employees Health Benefits Plan for FY 2025.

FIGURE 42
**OFFICE OF THE STATE EMPLOYEES HEALTH BENEFITS PLAN SUMMARY OF
EXPENDITURES, FY 2023 – FY 2025**

Item	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
On-Budget	\$ -	\$ -	\$ -	\$ -	\$ -
Off-Budget					
Director's Office	\$ 654,192	\$ 891,982	\$ 891,982	\$ 879,535	\$ 879,535
Health Management	5,198,110	9,649,837	9,649,837	9,649,868	9,649,868
Health Plan Operations	2,978,559	3,351,453	3,351,453	3,351,095	3,351,095
Design and Fiscal	676,849	2,393,264	2,393,264	2,387,240	2,387,240
Membership Services	818,508	1,070,902	1,070,902	1,064,498	1,064,498
Workers Compensation	15,830,655	18,408,314	18,408,314	18,775,416	18,775,416
<i>Subtotal–Off-Budget</i>	\$ 26,156,873	\$ 35,765,752	\$ 35,765,752	\$ 36,107,652	\$ 36,107,652
GRAND TOTAL	\$ 26,156,873	\$ 35,765,752	\$ 35,765,752	\$ 36,107,652	\$ 36,107,652

OFFICE OF PUBLIC ADVOCATES



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 44
OFFICE OF PUBLIC ADVOCATES FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 845,240	\$ 1,340,476	\$ 1,340,476	\$ 1,071,165	\$ 1,071,165
Federal Funds	951,184	1,061,599	1,061,599	1,205,931	1,205,931
All Other Funds	-	-	-	-	-
<i>Subtotal–On-Budget</i>	<i>\$ 1,796,424</i>	<i>\$ 2,402,075</i>	<i>\$ 2,402,075</i>	<i>\$ 2,277,096</i>	<i>\$ 2,277,096</i>
Off-Budget	-	-	-	-	-
GRAND TOTAL	\$ 1,796,424	\$ 2,402,075	\$ 2,402,075	\$ 2,277,096	\$ 2,277,096
Percent Change:					
SGF	127.9 %	58.6 %	-- %	(20.1) %	-- %
All Funds	87.4 %	33.7 %	-- %	(5.2) %	-- %
FTE Positions	23.0	21.0	21.0	21.0	21.0

BUDGET ANALYSIS

The **agency** requests \$2.3 million in expenditures and 21.0 FTE positions for the Office of Public Advocates for FY 2025. This represents a reduction of \$124,979, or 5.2 percent, below the revised estimate in FY 2024. The reduction is primarily due to one-time capital outlay expenditures in FY 2024 that do not continue into FY 2025. The agency anticipates purchasing three vehicles in FY

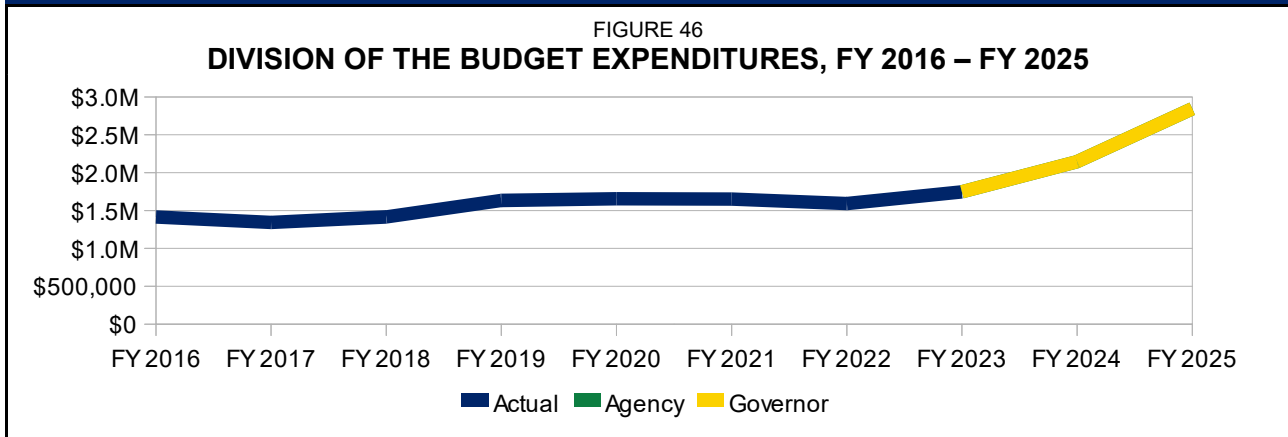
2024 and one vehicle for FY 2025. As a result, overall expenditures increase in FY 2024 before returning to more normal levels of operation.

The **Governor** concurs with the agency's request and recommends \$2.3 million in expenditures and 21.0 FTE positions for the Office of Public Advocates for FY 2025.

FIGURE 45
OFFICE OF PUBLIC ADVOCATES SUMMARY OF EXPENDITURES, FY 2023 – FY 2025

Item	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
On-Budget:					
Long-Term Care Ombudsman	\$ 880,310	\$ 1,163,809	\$ 1,163,809	\$ 1,094,502	\$ 1,094,502
KanCare Ombudsman	475,110	708,556	708,556	653,335	653,335
Division of the Child Advocate	441,004	529,710	529,710	529,259	529,259
<i>Subtotal–On-Budget</i>	<i>\$ 1,796,424</i>	<i>\$ 2,402,075</i>	<i>\$ 2,402,075</i>	<i>\$ 2,277,096</i>	<i>\$ 2,277,096</i>
Off-Budget	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTAL	\$ 1,796,424	\$ 2,402,075	\$ 2,402,075	\$ 2,277,096	\$ 2,277,096

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 unsupported.

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 47

DIVISION OF THE BUDGET FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 1,733,558	\$ 2,145,075	\$ 2,145,075	\$ 2,843,406	\$ 2,843,406
Federal Funds	-	-	-	-	-
All Other Funds	13,244	-	-	-	-
<i>Subtotal—On-Budget</i>	<i>\$ 1,746,802</i>	<i>\$ 2,145,075</i>	<i>\$ 2,145,075</i>	<i>\$ 2,843,406</i>	<i>\$ 2,843,406</i>
Off-Budget	-	-	-	-	-
GRAND TOTAL	\$ 1,746,802	\$ 2,145,075	\$ 2,145,075	\$ 2,843,406	\$ 2,843,406
Percent Change:					
SGF	8.9 %	23.7 %	-- %	32.6 %	-- %
All Funds	9.8 %	22.8 %	-- %	32.6 %	-- %
FTE Positions	13.0	14.0	14.0	19.0	19.0

BUDGET ANALYSIS

The **agency** requests \$2.8 million in expenditures and 19.0 FTE positions for the Division of the Budget for FY 2025. This represents an increase of \$698,331, or 32.6 percent, and 5.0 FTE positions above the revised estimate in FY 2024, primarily due to the addition of five new Policy Analyst positions. These positions would serve as policy counterparts to existing Budget Analyst staff, similar to the organization of Fiscal and

Research Analysts in the Kansas Legislative Research Department.

The request also includes a planned reappropriation of \$200,000 SGF that would shift from FY 2024 to FY 2025.

The **Governor** concurs with the agency's request and recommends \$2.8 million in expenditures and 19.0 FTE positions for the Division of the Budget for FY 2025.

DEBT SERVICE

FIGURE 48

DEBT SERVICE, GOVERNOR'S RECOMMENDATION, FY 2024 – FY 2025

	FY 2024			FY 2025		
	Principal	Interest	Total	Principal	Interest	Total
On-Budget:						
2004C KPERs Bonds	\$ 20,130,000	\$ 15,979,324	\$ 36,109,324	\$ 21,205,000	\$ 14,898,142	\$ 36,103,142
2015H KPERs Bonds	23,895,000	40,110,969	64,005,969	24,765,000	39,240,952	64,005,952
2021K KPERs Bonds	12,860,000	11,316,025	24,176,025	12,950,000	11,230,892	24,180,892
State Debt Reduction	-	-	-	451,540,000	-	451,540,000
<i>Subtotal–KPERs</i>	<u>\$ 56,885,000</u>	<u>\$ 67,406,318</u>	<u>\$ 124,291,318</u>	<u>\$ 510,460,000</u>	<u>\$ 65,369,986</u>	<u>\$ 575,829,986</u>
2016H Refinancing	\$ 5,465,000	\$ 833,500	\$ 6,298,500	\$ 5,740,000	\$ 553,376	\$ 6,293,376
2019F/G Refinancing	4,642,422	1,935,759	6,578,181	4,846,881	1,723,939	6,570,820
2020R Refinancing	5,950,000	2,284,200	8,234,200	6,255,000	1,979,075	8,234,075
2020S Refinancing	575,000	201,500	776,500	600,000	178,000	778,000
2021P Refinancing	4,445,000	1,306,750	5,751,750	2,340,000	1,084,500	3,424,500
State Debt Reduction	-	-	-	47,658,662	-	47,658,662
<i>Subtotal–On-Budget</i>	<u>\$ 77,962,422</u>	<u>\$ 73,968,027</u>	<u>\$ 151,930,449</u>	<u>\$ 577,900,543</u>	<u>\$ 70,888,876</u>	<u>\$ 648,789,419</u>
Off-Budget:						
2019F/G Refinancing	\$ 1,147,578	\$ 478,508	\$ 1,626,086	\$ 1,198,119	\$ 426,147	\$ 1,624,266
2020K Curtis, Myriad	3,734,818	600,097	4,334,915	3,896,978	516,437	4,413,415
<i>Subtotal–Off-Budget</i>	<u>\$ 4,882,396</u>	<u>\$ 1,078,605</u>	<u>\$ 5,961,001</u>	<u>\$ 5,095,097</u>	<u>\$ 942,584</u>	<u>\$ 6,037,681</u>
GRAND TOTAL	<u>\$ 82,844,818</u>	<u>\$ 75,046,632</u>	<u>\$ 157,891,450</u>	<u>\$ 582,995,640</u>	<u>\$ 71,831,460</u>	<u>\$ 654,827,100</u>
Financing:						
SGF	\$ 57,832,422	\$ 57,988,703	\$ 115,821,125	\$ 556,695,543	\$ 55,990,734	\$ 612,686,277
ELARF	20,130,000	15,979,324	36,109,324	19,665,000	14,898,142	34,563,142
SIBF	4,882,396	1,078,605	5,961,001	5,095,097	942,584	6,037,681
TOTAL	<u>\$ 82,844,818</u>	<u>\$ 75,046,632</u>	<u>\$ 157,891,450</u>	<u>\$ 581,455,640</u>	<u>\$ 71,831,460</u>	<u>\$ 653,287,100</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 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.

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 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 and **2019G** 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 49

SUMMARY OF OUTSTANDING BONDS, GOVERNOR’S RECOMMENDATION, FY 2025

Series	Items	June 30, 2025 Balance	Final Payment
2004C	KPERS Pension Obligation Bonds	\$ 250,650,000	FY 2034
2015H	KPERS Pension Obligation Bonds	583,825,000 *	FY 2045
2016H	Refinancing (2007M, 2008L)	-	FY 2029
2019F	Refinancing (2009A, 2009M-1, 2009M-2)	45,525,000	FY 2035
2019G	Refinancing (2009N)	-	FY 2025
2020K	Curtis State Office Building, DCF Topeka Service Center	-	FY 2030
2020R	Refinancing (2010E-1, 2010E-2, 2010O-2, 2011B)	43,060,000	FY 2035
2020S	Refinancing (2010F)	-	FY 2032
2021K	KPERS Pension Obligation Bonds	224,495,000 *	FY 2051
2021P	Refinancing (2013A)	23,290,000	FY 2033
TOTAL		\$ 1,170,845,000	

* *Staff note:* The Governor recommends \$450.0 million SGF to retire debt across Series 2015H and 2021K bonds in consultation with the KDFA as to determine the most economical method to pay down debt. This chart reflects this recommendation as a \$225.0 million reduction to each bond. If approved, the amount applied toward each bond series may differ.

CAPITAL IMPROVEMENTS

The information detailed in this section includes expenditures for **capital improvement projects** and for **debt service principal payments** on bonds related to capital projects.

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 majority of these buildings are in the Capitol Complex, including the Docking, Eisenhower, and Landon State Office Buildings; Memorial Hall; the Statehouse; and the Judicial Center.

CAPITOL COMPLEX REHAB AND REPAIR

The Department of Administration receives a recurring appropriation to address rehab and repair on buildings in the Capitol Complex. Specific work varies from year-to-year and is based on budget availability and need. In general, rehabilitation and repair includes maintenance, asbestos abatement, minor building refurbishments, and replacement of major equipment components that break down during operations.

During the 2023 Session, the Legislature approved the agency's enhancement request to increase its annual rehab and repair appropriation from \$3.4 million SGF to \$5.0 million SGF.

CAPITOL COMPLEX AIR HANDLERS

Project Cost	\$	4,500,000
Expenditures by Fiscal Year		
FY 2023	\$	1,518,646
FY 2024		1,490,677
FY 2025		1,490,677
Financing: ARPA SRF		

The agency was allocated \$4.5 million from ARPA State Relief Funds (SRF) to replace outdated air handling equipment within the Capitol Complex. As budgets allow, the Office of Facilities and Property Management has replaced outdated air handler units, some of which date back to 1955 and 1970. This project replaces remaining units, which would improve indoor air quality, lower operation costs, and reduce impacts and disruptions to the Capitol Complex.

CAPITOL COMPLEX SECURITY

Project Cost	\$	6,000,000
Expenditures by Fiscal Year		
FY 2023	\$	2,734,372
FY 2024		1,632,814
FY 2025		1,632,814
Financing: ARPA SRF		

The agency was allocated \$6.0 million from ARPA SRF to address deficiencies related to physical security within the Capitol Complex to assist the Office of Facilities and Property Management and the Kansas Highway Patrol in protecting employees and the public. Upgrades include replacing outdated building access and video security systems, eliminating physical keys to touchless surfaces, and adding enhanced security technology in artificial intelligence.

DOCKING STATE OFFICE BUILDING

Project Cost	\$	120,000,000
Expenditures by Fiscal Year		
FY 2022	\$	1,747,800
FY 2023		110,091,797
FY 2024		8,160,403
Financing: SGF, ARPA SRF		

State Finance Council Resolution 21-740 approved the renovation of the Docking State Office Building 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 the building's existing foundation, which contains the basement and sub-basement levels. The 2022 Legislature approved \$120.0 million for the project, with \$60.0 million from the SGF and \$60.0 million from federal funds.

Demolition of the existing building has concluded, and the build schedule estimates construction of the new building to be completed in May 2025.

STATE PRINTING PLANT

Project Cost	\$	6,500,000
Expenditures by Fiscal Year		
FY 2024	\$	3,250,000
FY 2025		3,250,000
Financing: ARPA SRF		

The agency was allocated \$6.5 million from ARPA SRF to address deferred maintenance and upgrades to the State Printing Plant, which houses 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.

The agency originally submitted this project as an enhancement request during the 2023 Session. The 2023 Legislature appropriated \$6.5 million SGF for this purposes, with language to lapse up to that amount if federal funding was determined to be available for the project. Subsequent the the 2023 Session, funding from the ARPA SRF was determined to be available.

FIGURE 50
CAPITAL IMPROVEMENTS, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Capital Projects:					
Capitol Complex R&R	\$ 4,656,095	\$ 5,002,287	\$ 5,002,287	\$ 5,000,000	\$ 5,000,000
Capitol Complex Air Handler	1,518,646	1,490,677	1,490,677	1,490,677	1,490,677
Capitol Complex Security	2,734,372	1,632,814	1,632,814	1,632,814	1,632,814
Docking State Office Building	110,091,797	8,160,403	8,160,403	-	-
State Buildings	-	250,000	250,000	250,000	250,000
State Printing Plant	-	3,250,000	3,250,000	3,250,000	2,198,242
Mail Scanning Building	-	-	400,000	-	-
<i>Subtotal–Projects</i>	<i>\$ 119,000,910</i>	<i>\$ 19,786,181</i>	<i>\$ 20,186,181</i>	<i>\$ 11,623,491</i>	<i>\$ 10,571,733</i>
Debt Service Principal:					
2016H Refinancing	\$ 5,190,000	\$ 5,465,000	\$ 5,465,000	\$ 5,740,000	\$ 25,725,062
2019F/G Refinancing	4,437,964	4,642,422	4,642,422	4,846,881	4,846,881
2020K Curtis, Myriad Bldg.	-	-	-	-	23,000,000
2020R Refinancing	9,380,000	5,950,000	5,950,000	6,255,000	6,255,000
2020S Refinancing	550,000	575,000	575,000	600,000	5,273,600
2021P Refinancing	4,245,000	4,445,000	4,445,000	2,340,000	2,340,000
<i>Subtotal–Debt</i>	<i>\$ 23,802,964</i>	<i>\$ 21,077,422</i>	<i>\$ 21,077,422</i>	<i>\$ 19,781,881</i>	<i>\$ 67,440,543</i>
<i>Off-Budget</i>	<i>\$ 1,436,976</i>	<i>\$ 4,882,396</i>	<i>\$ 4,882,396</i>	<i>\$ 5,095,097</i>	<i>\$ 5,095,097</i>
Total On-Budget	\$ 142,803,874	\$ 40,863,603	\$ 41,263,603	\$ 31,405,372	\$ 78,012,276
Total Off-Budget	1,436,976	4,882,396	4,882,396	5,095,097	5,095,097
GRAND TOTAL	\$ 144,240,850	\$ 45,745,999	\$ 46,145,999	\$ 36,500,469	\$ 83,107,373
Financing:					
SGF	\$ 82,877,385	\$ 31,147,724	\$ 31,547,724	\$ 24,781,881	\$ 72,440,543
Federal Funds	59,412,830	9,465,879	9,465,879	6,373,491	5,321,733
All Other Funds	1,950,635	5,132,396	5,132,396	5,345,097	5,345,097
TOTAL	\$ 144,240,850	\$ 45,745,999	\$ 46,145,999	\$ 36,500,469	\$ 83,107,373

FY 2024 CAPITAL IMPROVEMENTS

The **agency** submits a revised estimate of \$40.9 million in on-budget capital improvement expenditures in FY 2024, including \$31.1 million SGF and \$9.5 million from the ARPA SRF.

The majority of capital project expenditures are for the renovation of the Docking State Office Building (\$8.2 million) and regular rehab and repair costs for buildings in the Capitol

Complex (\$5.0 million). The revised estimate also includes expenditures for three projects funded through the ARPA SRF: replacing outdated air handlers in the Capitol Complex (\$1.5 million), enhancing physical security in the Capitol Complex (\$1.6 million), and deferred maintenance for the State Printing Plant (\$3.3 million).

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 (\$21.1 million).

The **agency's** estimate also includes \$4.9 million in off-budget capital improvement expenditures in FY 2024, all from the State Building Operating Fund. These expenditures include debt service principal payments on bonds related to the Curtis State Office Building and the Myriad Building (\$3.7 million) as well as bonds that refinanced prior obligations (\$1.1 million).

The **Governor** recommends \$41.3 million in on-budget capital improvement expenditures in

FY 2024, including \$31.5 million SGF and \$9.5 million from the ARPA SRF. This represents an increase of \$400,000 above the agency's revised estimate and is due to the Governor's recommendation to expand the Office of Printing, Surplus and Central Mail's operations to scan mail for anomalies prior to delivery. This recommendation includes \$150,000 to purchase mail scanning equipment and \$250,000 to create a dedicated structure for this purpose. The Office of the Governor indicates this is in response to the white powder event in June 2023, where letters containing a suspicious white powder were sent to state legislators and public officials.

The recommendation also includes \$4.9 million in off-budget capital improvement expenditures, which is the same as the agency's revised estimate in FY 2024.

FY 2025 CAPITAL IMPROVEMENTS

The **agency** requests \$31.4 million in on-budget capital improvement expenditures for FY 2025, including \$24.8 million SGF and \$6.4 million from the ARPA SRF.

The majority of capital project expenditures are continuations of existing projects, including regular rehab and repair for the Capitol Complex (\$5.0 million), replacing outdated air handlers in the Capitol Complex (\$1.5 million), enhancing physical security in the Capitol Complex (\$1.6 million), and deferred maintenance for the State Printing Plant (\$3.3 million).

Notably, expenditures for the renovation of the Docking State Office Building are estimated to conclude in FY 2024 and do not extend into FY 2025.

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 (\$19.8 million).

The **agency's** request also includes \$5.1 million in off-budget capital improvement expenditures for FY 2025, all from the State

Building Operating Fund. These expenditures include debt service principal payments on bonds related to the Curtis State Office Building and the Myriad Building (\$3.9 million) as well as bonds that refinanced prior obligations (\$1.2 million).

The **Governor** recommends \$78.0 million in on-budget capital improvement expenditures in FY 2024, including \$47.7 million SGF and \$5.3 million from the ARPA SRF. This represents an increase of \$46.6 million above the agency's request and is primarily due to the Governor's recommendation to reduce the indebtedness of the State by paying off Series 2016H, 2020K, and 2020S bonds ahead of schedule.

The recommendation includes \$3.2 million to pay off the remaining principal balance of the Master Lease Purchase Agreement. This includes an additional \$4.2 million SGF in operating expenditures, offset by a reduction of \$1.1 million from the ARPA SRF in capital improvements that were allocated to upgrades for the State Printing Plant.

The recommendation also includes \$5.1 million in off-budget capital improvement expenditures, which is the same as the agency request for FY 2025