

Senate Subcommittee Report

Agency: Department of Administration

Bill No. SB 153

Bill Sec. 14

Analyst: Wu

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Budget Page No. 16

| Expenditure Summary | Agency Estimate FY 2023 | Governor Recommendation FY 2023 | Senate Subcommittee Adjustments |
|-------------------------|-------------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 103,864,636 | \$ 103,695,841 | \$ 0 |
| Federal Funds | 1,281,448 | 1,281,448 | 0 |
| Other Funds | 39,855,197 | 39,855,197 | 0 |
| <i>Subtotal</i> | <u>\$ 145,001,281</u> | <u>\$ 144,832,486</u> | <u>\$ 0</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 87,973,382 | \$ 87,973,382 | \$ 0 |
| Federal Funds | 10,000,000 | 10,000,000 | 0 |
| Other Funds | - | - | 0 |
| <i>Subtotal</i> | <u>\$ 97,973,382</u> | <u>\$ 97,973,382</u> | <u>\$ 0</u> |
| TOTAL | <u>\$ 242,974,663</u> | <u>\$ 242,805,868</u> | <u>\$ 0</u> |
| FTE positions | 473.8 | 473.8 | 0.0 |

Agency Estimate

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

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

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

The revised estimate also includes \$92.0 million in off-budget expenditures and 374.3 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2023, off-budget expenditures increase by \$1.6 million, or

1.8 percent, above the FY 2023 approved amount. The increase is primarily due to accounting and reporting services for other state agencies.

Governor's Recommendation

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

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

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

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation in FY 2023 with the following notation:

1. The Subcommittee recommends the Senate Committee on Ways and Means consider transferring up to \$500,000 SGF to an endowment for the Friends of Cedar Crest Association at Omnibus. Interest income from this endowment would be used for the living quarters at Cedar Crest.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation in FY 2023.

House Budget Committee Report

Agency: Department of Administration

Bill No. HB 2274

Bill Sec. 14

Analyst: Wu

Analysis Page No. Vol. I, p. 311

Budget Page No. 16

| Expenditure Summary | Agency Estimate FY 2023 | Governor Recommendation FY 2023 | House Budget Committee Adjustments |
|--------------------------------|------------------------------|------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 103,864,636 | \$ 103,695,841 | \$ 15,000 |
| Federal Funds | 1,281,448 | 1,281,448 | 0 |
| Other Funds | 39,855,197 | 39,855,197 | |
| <i>Subtotal</i> | <u>\$ 145,001,281</u> | <u>\$ 144,832,486</u> | <u>\$ 15,000</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 87,973,382 | \$ 87,973,382 | \$ 0 |
| Federal Funds | 10,000,000 | 10,000,000 | 0 |
| Other Funds | - | - | |
| <i>Subtotal</i> | <u>\$ 97,973,382</u> | <u>\$ 97,973,382</u> | <u>\$ 0</u> |
| TOTAL | <u>\$ 242,974,663</u> | <u>\$ 242,805,868</u> | <u>\$ 15,000</u> |
| FTE positions | 473.8 | 473.8 | 0.0 |

Agency Estimate

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

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

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

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

Governor's Recommendation

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

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

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

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2023 with the following adjustments:

1. Transfer \$250,000 SGF to an endowment for the Friends of Cedar Crest Association in FY 2023 and add language prohibiting use of endowment funds, including interest income, until FY 2026. Interest income from this endowment would be used for the living quarters at Cedar Crest.
2. Add \$15,000 SGF to reimburse the Friends of Cedar Crest Association for the living quarters at Cedar Crest in FY 2023.

House Committee Recommendation

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