


FY 2012 and FY 2013

General Government Budget Committee

Kansas Department of Labor



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Representative Joe McLeland, Chair



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Representative Pete DeGraaf, Vice-Chair

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Representative Tom Burroughs, Ranking  
Minority Member



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Representative Nile Dillmore



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Representative Ramon Gonzalez



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Representative Don Hineman



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Representative Kyle Hoffman

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Representative Trent LeDoux



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Representative Ronald Ryckman

## Senate Subcommittee Report

**Agency:** Kansas Department of Labor

**Bill No.** 311

**Bill Sec.** 32

**Analyst:** Morrow

**Analysis Pg. No.** 657

**Budget Page No.** 250

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 406,298	\$ 406,298	\$ 0
Other Funds	780,309,408	780,309,408	0
Subtotal	\$ 780,715,706	\$ 780,715,706	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,505,449	2,505,449	0
Subtotal	\$ 2,505,449	\$ 2,505,449	\$ 0
 TOTAL	 \$ 783,221,155	 \$ 783,221,155	 \$ 0
 FTE positions	 499.0	 499.0	 0.0
Non FTE Uncl. Perm. Pos.	109.6	109.6	0.0
TOTAL	608.6	608.6	0.0

### Agency Estimate

The **agency** estimates current year operating expenditures of \$780.7 million, an increase of \$53.7 million, or 7.4 percent, above the FY 2011 Legislature approved amount. The increase is mainly attributable to an increase in unemployment insurance benefit payments. The State General Fund estimate is \$406,298, a decrease of \$3,731, or 0.9 percent, below the FY 2011 Legislature approved amount. This amount is lapsed back into the State General Fund. The estimate includes the 499.0 FTE positions approved by the FY 2011 Legislature.

The agency requests a capital improvements expenditure budget of \$2,505,449, an increase of \$1,764,186, or 238.0 percent, above the approved FY 2012 capital improvements budget. The increase is mainly attributable to payments to the principal of the federal Unemployment Insurance loan. All expenditures in capital improvements for FY 2012 would be funded by special revenue funds.

### Governor's Recommendation

The **Governor** concurs with the agency's FY 2012 revised estimate for both operating expenditures and capital improvements.

**Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation.

**Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee's recommendation.

**House Budget Committee Report**

**Agency:** Kansas Department of Labor

**Bill No.** 2493

**Bill Sec.** 32

**Analyst:** Morrow

**Analysis Pg. No.** 657

**Budget Page No.** 250

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
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**Agency Estimate**

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### **Governor's Recommendation**

The **Governor** concurs with the agency's FY 2012 revised estimate for both operating expenditures and capital improvements.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation with the following notation:

1. The Budget Committee commends the agency in reducing the principal balance of the Unemployment Trust fund loan which has reduced the interest payments. This practice has saved the agency over \$1.1 million dollars in FY 2012.

## Senate Subcommittee Report

**Agency:** Kansas Department of Labor

**Bill No.** 433

**Bill Sec.** 27

**Analyst:** Morrow

**Analysis Pg. No.** 657

**Budget Page No.** 250

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 406,352	\$ 338,150	\$ 0
Other Funds	492,673,894	491,962,465	0
Subtotal	\$ 493,080,246	\$ 492,300,615	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,681,797	2,681,797	0
Subtotal	\$ 2,681,797	\$ 2,681,797	\$ 0
<b>TOTAL</b>	<b>\$ 495,762,043</b>	<b>\$ 494,982,412</b>	<b>\$ 0</b>
FTE positions	499.0	489.0	0.0
Non FTE Uncl. Perm. Pos.	113.1	113.1	0.0
<b>TOTAL</b>	<b>612.1</b>	<b>602.1</b>	<b>0.0</b>

### Agency Request

The **agency** requests FY 2013 operating expenditures of \$493.1 million, a decrease of \$287.6 million, or 36.8 percent, below the revised FY 2012 estimate. The decrease in FY 2013 is mainly attributable to a reduction in the projected Unemployment Insurance benefit payments due to the elimination of two federal programs: the Emergency Unemployment Compensation (EUC), which ended January 3, 2012; and the Extended Benefits (EB), which ended January 4, 2012. The request includes 499.0 FTE positions, the same as the FY 2012 Legislative approved amount.

The request includes \$406,352 from the State General Fund. This is an increase of \$54, or less than one-tenth of a percent, above the revised FY 2012 estimate. The increase is mainly attributable to an increase in the cost indices for commodities and capital outlay.

The request includes an enhancement of \$105,600, all from special revenue funds, for the replacement of six vehicles with over 100,000 miles. Absent the enhancement, the expenditures would be \$493.0 million, a decrease of \$287.7 million, or 36.9 percent, below the revised FY 2012 estimate.

The agency requests a capital improvements expenditure budget of \$2,681,797, an increase of \$176,348, or 7.0 percent, above the FY 2012 revised estimate. The increase is mainly attributable to the renovation of the 1309 SW Topeka Avenue building. All expenditures in capital improvements for FY 2013 would be funded by special revenue funds.

### **Governor's Recommendation**

The **Governor** recommends FY 2013 operating expenditures of \$492.3 million, a decrease of \$779,631, or 0.2 percent, below the agency's FY 2013 request. The decrease is attributable to the Governor accepting the agency's reduced resource budget and an additional reduction of \$659,025 and 10.0 FTE positions for the voluntary retirement incentive program.

The Governor recommends \$338,150, all from the State General Fund, a decrease of \$68,202, or 16.8 percent, below the agency's request for FY 2013. The decrease is attributable to the Governor's recommending the reduced resource budget of \$20,631 and an additional \$47,571 due to the voluntary retirement incentive program.

The Governor did not recommend the enhancement of \$105,600, from special revenue funds, for the replacement of six vehicles but it was noted in the recommendation that as the Department's vehicles attain the necessary mileage and it is feasible financially, the agency has the flexibility to make the purchases.

The Governor concurs with the agency's request of \$2,681,797 in capital improvements expenditures for FY 2013.

### **The Senate Subcommittee Recommendation**

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

1. The Subcommittee has questions and concerns about the reduction in salaries and wages funding due to the Voluntary Retirement Incentive Program, since the agency was given permission to fill the vacated positions, and understands there may be a Governor's Budget Amendment issued to modify the reduction in expenditures for salaries and wages within the agency.

### **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee's recommendation.

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## House Budget Committee Report

**Agency:** Kansas Department of Labor

**Bill No.** 2760

**Bill Sec.** 27

**Analyst:** Morrow

**Analysis Pg. No.** 657

**Budget Page No.** 250

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The Governor did not recommend the enhancement of \$105,600, from special revenue funds, for the replacement of six vehicles but it was noted in the recommendation that as the Department's vehicles attain the necessary mileage and it is feasible financially, the agency has the flexibility to make the purchases. The Governor concurs with the agency's request of \$2,681,797 in capital improvements expenditures for FY 2013.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation.



## Minority Report


FY 2013 Department of Labor

I take exception to the House Budget Committee's recommendation. I recommend the following notation be added to the report:

1. My decision not to sign off on the Department of Labor Budget Report is quite simple. As we work through budgets, there are criteria for determining if a proposed budget accurately reflects the policies, wants and needs and what is statutorily required.

In clear conscience, I cannot support budget requests for \$471,720 in capital improvements for an agency Secretary who has consistently cut funds, services and programs to unemployed Kansans. I find it quite hypocritical to cut a workforce to save money and then request additional approval to spend it on a want.

The budget and policy proposals of the Secretary of Labor are not aligned with the majority of legislators. The withholding of funds, cuts to services and programs to Kansas Workers is disrespectful and unwarranted. The \$471,720 can restore much needed assistance to those in need.

A handwritten signature in cursive script, appearing to read "Tom Burroughs", written over a horizontal line.

Representative Tom Burroughs