

KANSAS DEPARTMENT OF LABOR

FY 2023 – FY 2025 BUDGET ANALYSIS

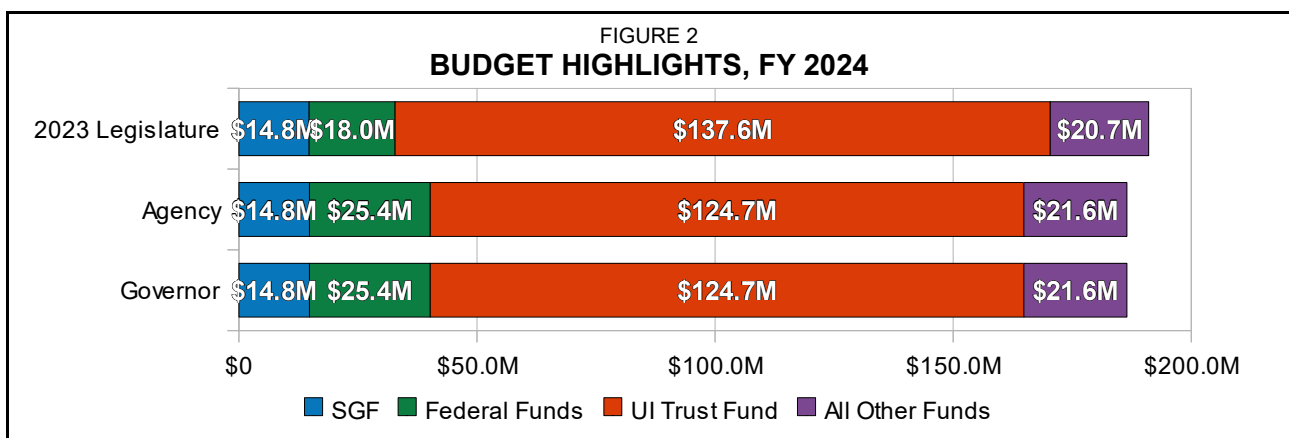
FIGURE 1
BUDGET OVERVIEW, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Operating Expenditures:					
State General Fund	\$ 15,623,099	\$ 13,978,724	\$ 13,978,724	\$ 9,366,333	\$ 9,363,333
Federal Funds	37,966,715	25,378,389	25,378,389	21,868,901	21,868,901
All Other Funds	123,754,207	145,742,541	145,742,541	164,836,323	164,836,323
<i>Subtotal</i>	<i>\$ 177,344,021</i>	<i>\$ 185,099,654</i>	<i>\$ 185,099,654</i>	<i>\$ 196,071,557</i>	<i>\$ 196,068,557</i>
Capital Improvements:					
State General Fund	\$ 753,071	\$ 834,129	\$ 834,129	\$ 696,000	\$ 696,000
Federal Funds	6,192	-	-	-	-
All Other Funds	528,626	556,086	556,086	464,000	464,000
<i>Subtotal</i>	<i>\$ 1,287,889</i>	<i>\$ 1,390,215</i>	<i>\$ 1,390,215</i>	<i>\$ 1,160,000</i>	<i>\$ 1,160,000</i>
TOTAL	\$ 178,631,910	\$ 186,489,869	\$ 186,489,869	\$ 197,231,557	\$ 197,228,557
Percentage Change:					
State General Fund	963.4 %	(9.5) %	(9.5) %	(32.1) %	(32.1) %
All Funds	(61.3) %	4.4 %	4.4 %	5.8 %	5.8 %
FTE Positions	439.5	439.5	439.5	437.5	437.5

The Kansas Department of Labor's mission is to provide workers and employers with information and services that are accurate and timely, efficient and effective, and fair and impartial. The agency has six programs to assist with the agency's mission: Administration and Support Services, Labor Market Information Services, Unemployment Insurance Services, Industrial Safety and Health, Workers Compensation, and Labor Relations and Employment Standards.

EXECUTIVE SUMMARY

The 2023 Legislature approved a budget of \$182.2 million in on-budget expenditures and 443.3 on-budget FTE positions for the Kansas Department of Labor in FY 2024, including \$14.8 million from the State General Fund (SGF) and \$137.6 million from the Unemployment Insurance (UI) Trust Fund. Subsequent to the 2023 Session, \$8.9 million in unspent SGF moneys was reappropriated from FY 2023 to FY 2024. That amount includes \$8.8 million from expected carryover funds for the UI modernization project, \$39,129 in unspent capital improvement funds, and \$2,764 in unspent operating expenditures. This changes the current year approved amount to \$191.1 million without any legislative action required.



The **agency** submits a revised estimate of \$186.5 million in on-budget expenditures and 439.5 on-budget FTE positions in FY 2024, including \$14.8 million SGF, \$124.7 million from the UI Trust Fund, and \$25.4 million from federal funds. The revised estimate represents a decrease of \$4.6 million, or 2.4 percent, below the amount approved by the 2023 Legislature. The majority of the change is due to a decrease of \$12.9 million, all from the UI Trust Fund, for **unemployment insurance benefits** in FY 2024. This reflects updated projections for benefit payments, which decrease from \$133.6 million to \$122.7 million.

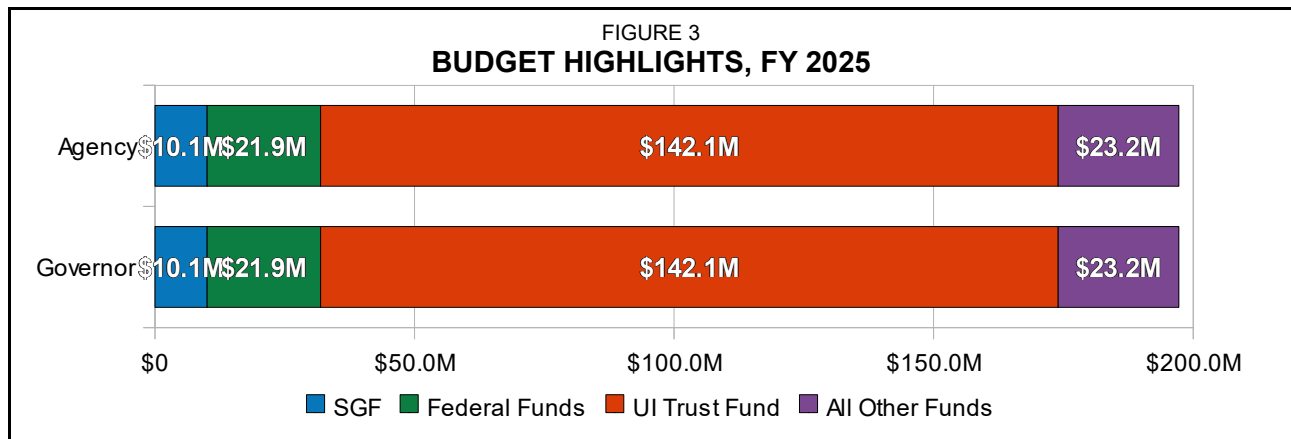
The decrease is partially offset by an increase of **\$7.2 million, all from the Employment Security Administration Federal Fund, for the administration of the Unemployment Insurance Services program** in FY 2024. These funds are grants from the U.S. Department of Labor distributed pursuant to the Social Security Act and authorized by KSA 44-716. Subsequent to the 2023 Session, the agency updated estimates on operating grant transfers into the fund from \$18.7 million to \$33.0 million in FY 2024. Corresponding expenditures from the fund increase from \$16.2 million to \$23.3 million.

The revised estimate includes a **\$55,075 SGF in supplemental funding 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 Kansas Department of Labor, a supplemental appropriation of \$55,075 SGF in FY 2024 is required to achieve the intended effect of the Legislative Pay Plan in 2023 SB 25.

The agency estimate also includes \$391,508 in off-budget expenditures and 2.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. The agency's off-budget expenditures are used for the New Hire Crossmatch, Workplace Safety, and Motor Pool programs.

The **Governor** concurs with the agency's revised estimate and recommends \$186.5 million in on-budget expenditures and 439.5 on-budget FTE positions in FY 2024, including \$14.8 million SGF, \$124.7 million from the UI Trust Fund, and \$25.4 million from federal funds.

The recommendation also includes \$391,508 in off-budget expenditures and 2.9 off-budget FTE positions, which is the same as the agency's request in FY 2024.



The **agency** requests \$197.2 million in on-budget expenditures and 437.5 on-budget FTE positions for FY 2025, including \$10.1 million SGF, \$142.1 million from the UI Trust Fund, and \$21.9 million from federal funds. This represents an increase of \$10.7 million, or 5.8 percent, above the revised estimate in FY 2024. The request includes **\$5.0 million SGF in enhancement funding for ongoing costs associated with the unemployment insurance system**. This request includes expenditures for maintenance of the core system as well as required peripheral systems. Additionally, this funding would also provide for continued hourly contract support after the go-live date. The agency indicates it has applied for all federal funding available. The agency has received several one-time funding awards, but they were all planned for expenditures related to the main project and not for ongoing maintenance.

The request also includes **\$3,000 SGF in enhancement funding to increase the official hospitality budget** from \$2,000 to \$5,000 for FY 2025. These funds support events conducted by the Secretary of Labor. The agency indicates these additional funds would allow the Secretary to engage with staff and outside entities, as well as provide refreshments for such events.

Absent the enhancement requests, the request includes an increase of **\$17.4 million, all from the UI Trust Fund, for unemployment insurance benefits**. The agency projects a continued increase in benefit payments, which increases from \$122.7 million in FY 2024 to \$140.1 million for FY 2025.

The increases are partially offset by a decrease of \$3.5 million, all from the Employment Security Administration Federal Fund, for the administration of the Unemployment Insurance Services program for FY 2025. The agency projects a decrease in operating grant transfers into the fund, from \$33.0 million in FY 2024 to \$23.5 million for FY 2025. Corresponding expenditures from the fund decrease from \$23.3 million in FY 2024 to \$19.8 million for FY 2025.

The request also includes \$429,500 in off-budget expenditures and 2.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. The agency's off-budget expenditures are used for the New Hire Crossmatch, Workplace Safety, and Motor Pool programs. For FY 2025, off-budget expenditures increase by \$37,992, or 9.7 percent, above the revised estimate in FY 2024.

The **Governor** recommends \$197.2 million in on-budget expenditures and 437.5 on-budget FTE positions for FY 2025, including \$10.1 million SGF, \$142.1 million from the UI Trust Fund, and \$21.9 million from federal funds. This represents a decrease of \$3,000 below the agency's request in FY 2024 and is entirely due to recommending partial adoption of the enhancement request to increase the official hospitality budget. The Governor concurs with increasing the expenditure limitation but recommends the agency fund it from existing resources instead.

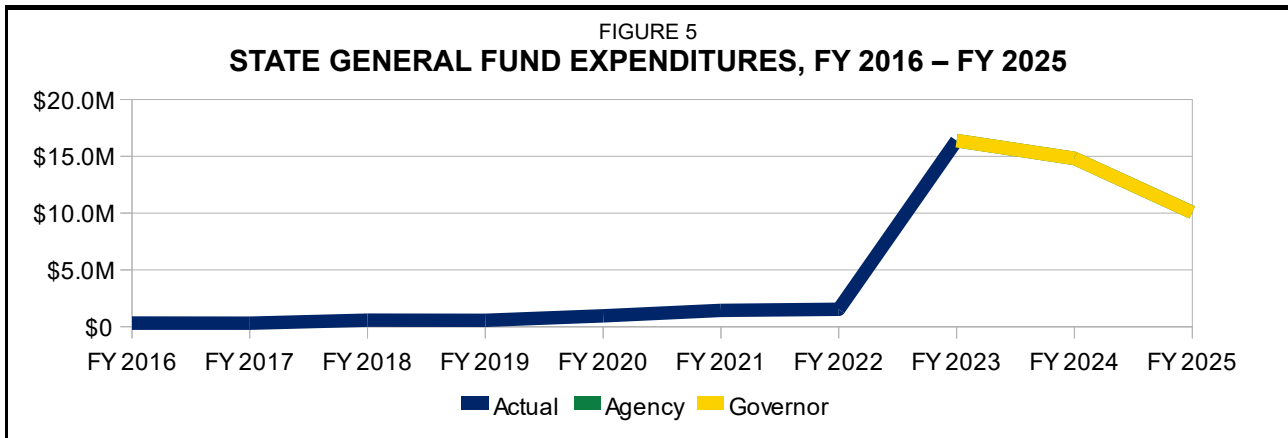
The recommendation also includes \$429,500 in off-budget expenditures and 2.9 off-budget FTE positions, which is the same as the agency's request for FY 2025.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2023 – FY 2025

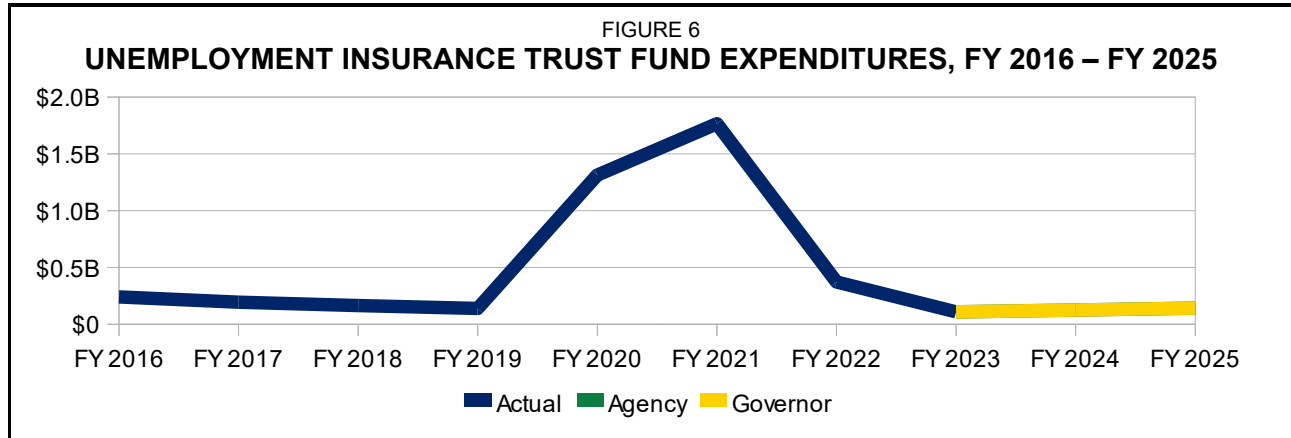
Category of Expenditure:	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 29,308,833	\$ 31,036,890	\$ 31,036,890	\$ 27,899,180	\$ 27,899,180
Contractual Services	8,151,907	18,426,315	18,426,315	21,307,286	21,304,286
Commodities	115,459	150,836	150,836	153,492	153,492
Capital Outlay	31,081,670	10,827,333	10,827,333	4,656,723	4,656,723
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<i>\$ 68,657,869</i>	<i>\$ 60,441,374</i>	<i>\$ 60,441,374</i>	<i>\$ 54,016,681</i>	<i>\$ 54,013,681</i>
Aid to Local Units	-	-	-	-	-
Other Assistance	108,686,152	124,658,280	124,658,280	142,054,876	142,054,876
<i>Subtotal—Operating</i>	<i>\$ 177,344,021</i>	<i>\$ 185,099,654</i>	<i>\$ 185,099,654</i>	<i>\$ 196,071,557</i>	<i>\$ 196,068,557</i>
Capital Improvements	1,287,889	1,390,215	1,390,215	1,160,000	1,160,000
Debt Service Principal	-	-	-	-	-
TOTAL	\$ 178,631,910	\$ 186,489,869	\$ 186,489,869	\$ 197,231,557	\$ 197,228,557
Financing:					
State General Fund	\$ 16,376,170	\$ 14,812,853	\$ 14,812,853	\$ 10,062,333	\$ 10,059,333
UI Trust Fund	108,728,473	124,658,280	124,658,280	142,054,876	142,054,876
Federal Funds	37,972,907	25,378,389	25,378,389	21,868,901	21,868,901
All Other Funds	15,554,360	21,640,347	21,640,347	23,245,447	23,245,447
TOTAL	\$ 178,631,910	\$ 186,489,869	\$ 186,489,869	\$ 197,231,557	\$ 197,228,557
FTE Positions	439.5	439.5	439.5	437.5	437.5

STATE GENERAL FUND



Prior to FY 2023, the Kansas Department of Labor primarily used SGF moneys to fund salaries and wages in the Industrial Safety and Health Division and for the Labor Relations Unit. The 2022 Legislature added \$2.2 million SGF and 30.0 FTE positions for additional staffing in the Administration and Unemployment Insurance Services programs for FY 2023 to continue duties performed by contracted staff during the pandemic. The 2023 Legislature added \$20.5 million SGF for the unfunded portion of the UI modernization project in FY 2023. Of that amount, \$8.8 million carried over into FY 2024. The agency is also requesting \$5.0 million SGF in enhancement funding for continued maintenance and support for the unemployment insurance system for FY 2025, as well as a \$3,000 increase to the official hospitality budget.

UNEMPLOYMENT INSURANCE TRUST FUND



The Unemployment Insurance Trust Fund includes the benefits, taxes, and interest of unemployment insurance benefits. Different accounts within the fund collect moneys from a variety of sources: The benefit account contains transfers from the UI Trust Fund to pay unemployment insurance benefits, the clearing account contains unemployment insurance taxes collected from employers, and the trust account contains transfers from the clearing account along with interest earnings. On July 1, 2023, the balance of the UI Trust Fund was \$1.299 billion. The agency estimates it will pay \$122.7 million in benefits in FY 2024 and \$140.1 million for FY 2024.

OTHER FUNDING SOURCES

FIGURE 7
REVENUE ESTIMATES, FEE FUNDS AND FEDERAL FUNDS, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Agency FY 2025
Fee Funds:			
KDOL Special Projects Fund	\$ 115,446	\$ 227,001	\$ 227,150
Special Employment Security Fund	2,864,626	300,000	3,000,000
Workers Compensation Fee Fund	10,978,870	12,258,250	11,500,000
Wage Claims Assignment Fee Fund	1,067	-	-
Amusement Ride Safety Fund	84,872	80,000	80,000
Indirect Offset Fund	3,507,012	3,979,476	4,046,013
<i>Subtotal—Fee Fund Revenue</i>	<i>\$ 17,551,893</i>	<i>\$ 16,844,727</i>	<i>\$ 18,853,163</i>
Federal Funds:			
Wagner-Peyser Federal Fund	\$ 390,966	\$ 370,185	\$ 376,266
Unemployment Insurance	28,442,819	37,721,080	23,529,056
Occupational Health and Safety Federal Fund	1,041,859	883,678	9,079,535
Labor Force Statistics Federal Fund	818,100	954,115	949,555
Compensation and Working Conditions Federal Fund	95,450	91,811	91,037
American Rescue Plan Act State Relief Fund	9,601,567	-	-
<i>Subtotal—Federal Fund Revenue</i>	<i>\$ 40,390,761</i>	<i>\$ 40,020,869</i>	<i>\$ 34,025,449</i>

In addition to the SGF and UI Trust Fund, the agency is supported by fees, grants, and agreements that provide revenue from a variety of sources. The following fee funds are included in the agency budget:

- **KDOL Special Projects Fund.** This fund generates revenue by collecting registration fees for the Industrial Safety and Workers Compensation Conferences.
- **Special Employment Security Fund.** This fund is authorized by KSA 44-716a and generates revenue by (1) assessing penalties on late employer payments (0.05 percent of

total quarterly wages, up to a maximum of \$200 for each untimely return), (2) collecting interest per month on unpaid balances of employer contribution taxes (1.0 percent), and (3) individual benefit overpayments resulting from fraud, misrepresentation, or willful nondisclosure of required information.

- **Workers Compensation Fee Fund.** This fund is authorized by KSA 74-715 and generates revenue from an annual assessment applied to calendar year claims paid by insurance companies authorized to write workers' compensation insurance in Kansas, qualified employers that self-insure workers' compensation exposure, and deductible amounts paid by insurance carrier policyholders. The assessment rate for FY 2024 is 2.75 percent.
- **Wage Claims Assignment Fee Fund.** This fund generates revenue through a fee, set by KAR 49-21-1, of individual wage claims assigned to the agency, up to a maximum of \$25.
- **Amusement Ride Safety Fund.** This fund is authorized by KSA 75-4215 and generates revenue from permits and licensing of amusement rides in Kansas.
- **Indirect Offset Fund.** This fund generates revenue by assessing an indirect cost rate on various grants. The cost rate for FY 2024 is 15.30 percent.

Additionally, the agency receives federal funding from grants and agreements, typically with the U.S. Department of Labor and Bureau of Labor Statistics. These funds include:

- **Wagner-Peyser Federal Fund.** This fund receives grant funding from the U.S. Department of Labor to provide labor market information to local areas for federal workforce programs associated with the Workforce Investment Act.
- **UI Program Administration Federal Fund.** This fund is authorized by KSA 74-716 and receives grant funding from the U.S. Department of Labor for administrative costs to operate the Unemployment Insurance program established under the Social Security Administration.
- **Occupational Health Safety Federal Fund.** This fund receives grant funding from the U.S. Department of Labor to perform workplace safety consultation to private employers. The grant does not pay for consultation services within the public sector.
- **Labor Force Statistics Federal Fund.** This fund receives grant funding from the U.S. Department of Labor and Bureau of Labor Statistics for the operation of Labor Market Information statistical programs and activities. These programs provide data on employment, hours, wages, unemployment, and layoffs by occupation and industry for the nation, state, metropolitan areas, and counties.
- **Compensation and Working Conditions Federal Fund.** This fund receives grant funding from the U.S. Department of Labor and Bureau of Labor Statistics to collect information on occupational injury and illness, pursuant to Section 24 of the Occupational Safety and Health Act of 1970. These funds also allow for the collection of data related to occupational facilities in the state.
- **American Rescue Plan Act State Relief Fund.** This fund received grant funding from the U.S. Treasury to assist with recovery efforts for the COVID-19 pandemic.

FY 2024 ANALYSIS

FIGURE 8

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Funds	FTE
Legislative Approved:			
Amount Approved by 2023 Legislature	\$ 5,880,074	\$ 182,190,922	443.3
1. SGF Reappropriation	8,877,704	8,877,704	--
<i>Subtotal—Legislative Approved</i>	\$ 14,757,778	\$ 191,068,626	443.3
Agency Revised Estimate:			
Supplemental Requests:			
2. Pay Plan Shortfall	\$ 55,075	\$ 55,075	--
<i>Subtotal—Supplemental Requests Only</i>	\$ 55,075	\$ 55,075	--
3. Unemployment Insurance Benefits	\$ -	\$ (10,940,642)	--
4. Unemployment Insurance Administration	-	7,162,835	--
5. All Other Adjustments	-	(856,025)	(3.8)
<i>Subtotal—Agency Revised Estimate</i>	\$ 14,812,853	\$ 186,489,869	439.5
Governor’s Recommendation:			
6. No Changes	\$ -	\$ -	--
TOTAL	\$ 14,812,853	\$ 186,489,869	439.5

LEGISLATIVE APPROVED

Subsequent to the 2023 Session, one adjustment was made to the \$182.2 million in on-budget expenditures appropriated to the Kansas Department of Labor for FY 2024. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** \$8.9 million in unspent SGF moneys was reappropriated from FY 2023 to FY 2024. The majority of that amount is from expected carryover funds for the UI modernization project. The 2023 Legislature appropriated \$20.5 million SGF in FY 2023 to be used across two years. Of that amount, \$8.8 million carried over into FY 2024. The remaining reappropriation includes \$39,129 in unspent capital improvement funds and \$2,764 in unspent operating expenditures.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$186.5 million in on-budget expenditures and 439.5 on-budget FTE positions in FY 2024, including \$14.8 million SGF, \$124.7 million from the UI Trust Fund, and \$25.4 million from federal funds. The revised estimate represents a decrease of \$4.6 million, or 2.4 percent, and 3.8 FTE positions below the amount approved by the 2023 Legislature.

The revised estimate includes the following supplemental request:

2. **PAY PLAN SHORTFALL.** The revised estimate includes \$55,075 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 Kansas Department of Labor, a supplemental appropriation of \$55,075 SGF in FY 2024 is required to achieve the intended effect of the Legislative Pay Plan in 2023 SB 25.

Absent the supplemental request, the revised estimate includes a decrease of \$4.6 million in base budget expenditures. Significant adjustments are as follows:

3. **UNEMPLOYMENT INSURANCE BENEFITS.** The revised estimate includes a decrease of \$10.9 million, all from the UI Trust Fund, for unemployment insurance benefits in FY 2024. This reflects updated projections for benefit payments, which decrease from \$133.6 million to \$122.7 million.
4. **UNEMPLOYMENT INSURANCE ADMINISTRATION.** The revised estimate includes an increase of \$7.2 million, all from the Employment Security Administration Federal Fund, for the administration of the Unemployment Insurance Services program in FY 2024. These funds are grants from the U.S. Department of Labor distributed pursuant to the Social Security Act and authorized by KSA 44-716. Subsequent to the 2023 Session, the agency updated estimates on operating grant transfers into the fund from \$18.7 million to \$33.0 million in FY 2024. Corresponding expenditures from the fund increase from \$16.2 million to \$23.3 million.
5. **ALL OTHER ADJUSTMENTS.** The revised estimate also includes a decrease of \$856,025 for a variety of other expenditures and a decrease of 3.8 FTE positions in FY 2024. The change is primarily due to a \$2.0 million reduction in expenditures from the Trust Account of the UI Trust Fund. This account contains transfers from a clearing account, along with interest earnings. The decrease is partially offset by a \$1.8 million increase in administrative costs funded by the Indirect Cost Fund, which assesses an indirect cost rate of 17.85 percent in FY 2024 on various grants. The change in FTE positions is primarily due to a decrease in estimated staffing in the Administration and Industrial Safety and Health programs. The FY 2024 revised estimate in FTE positions is the same as the FY 2023 actual number (439.5 FTE).

The **agency** estimate also includes \$391,508 in off-budget expenditures and 2.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another.

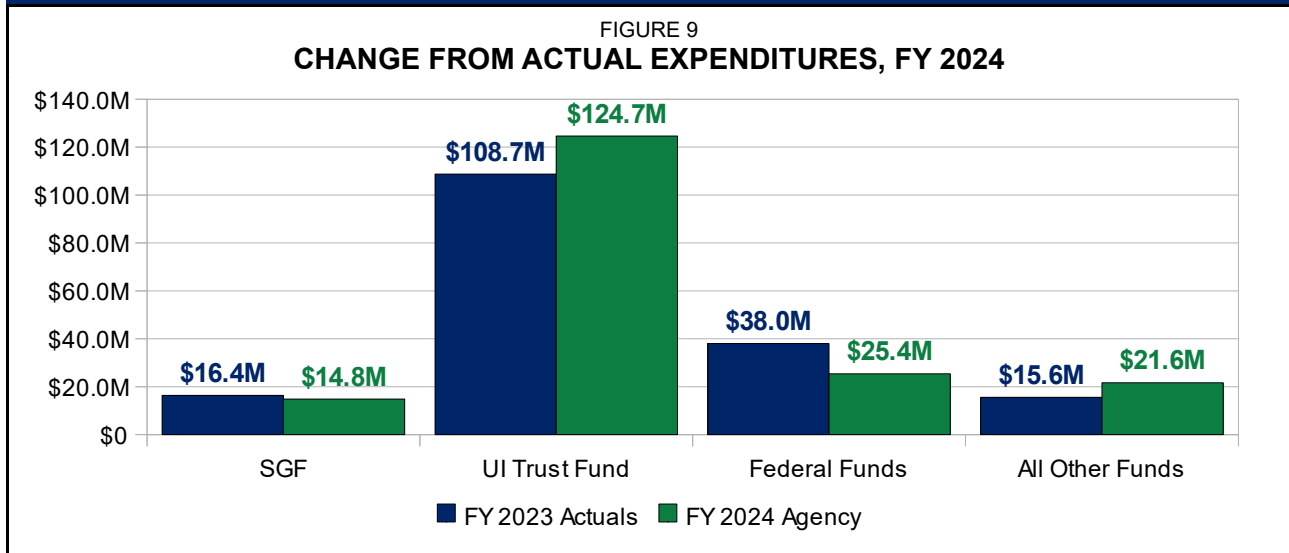
GOVERNOR'S RECOMMENDATION

The **Governor** concurs with the agency's revised estimate and recommends \$186.5 million in on-budget expenditures and 439.5 on-budget FTE positions in FY 2024, including \$14.8 million SGF, \$124.7 million from the UI Trust Fund, and \$25.4 million from federal funds.

6. **NO CHANGES.** The Governor does not recommend any changes to the agency's revised estimate in FY 2024.

The **Governor's** recommendation also includes \$391,508 in off-budget expenditures and 2.9 off-budget FTE positions, which is the same as the agency's request in FY 2024. The agency's off-budget expenditures are used for the New Hire Crossmatch, Workplace Safety, and Motor Pool programs.

FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** submits a revised estimate of \$186.5 million in on-budget expenditures and 439.5 on-budget FTE positions in FY 2024, including \$14.8 million SGF, \$124.7 million from the UI Trust Fund, and \$25.4 million from federal funds. The revised estimate represents an overall increase of \$7.9 million from all funding sources, including a decrease of \$1.6 million SGF, from actual expenditures in FY 2023. The change is primarily due to a **greater volume of unemployment insurance benefits**. Payments from the Benefits Account of the UI Trust Fund increase by \$18.2 million, from \$104.5 million in FY 2023 to \$122.7 million in FY 2024. This reflects an overall increase in the number of initial claims filed for benefits, from 66,809 in FY 2023 to 96,153 in FY 2024.

The increase is partially offset by a \$9.5 million decrease in expenditures from the Employment Security Administration Federal Fund, which are primarily for the **administration of the Unemployment Insurance Services program** in FY 2024. These funds are grants from the U.S. Department of Labor distributed pursuant to the Social Security Act and authorized by KSA 44-716. This amount also includes funds allocated for the UI modernization project, which were expended in FY 2023 and do not extend into FY 2024.

FY 2025 ANALYSIS

FIGURE 10

SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	All Funds	FTE
Agency Request:			
Request without Major Changes	\$ 5,059,333	\$ 178,341,302	437.5
Enhancement Requests:			
1. Unemployment IT Maintenance	\$ 5,000,000	\$ 5,000,000	--
2. Official Hospitality	3,000	3,000	--
<i>Subtotal—Enhancement Requests Only</i>	<i>\$ 5,003,000</i>	<i>\$ 5,003,000</i>	<i>--</i>
3. Unemployment Insurance Benefits	\$ -	\$ 17,396,596	--
4. Unemployment Insurance Administration	-	(3,509,341)	--
<i>Subtotal—Agency Request</i>	<i>\$ 10,062,333</i>	<i>\$ 197,231,557</i>	<i>437.5</i>
Governor’s Recommendation:			
5. Enhancement Requests	\$ (3,000)	\$ (3,000)	--
TOTAL	\$ 10,059,333	\$ 197,228,557	437.5

AGENCY REQUEST

The **agency** requests \$197.2 million in on-budget expenditures and 437.5 on-budget FTE positions for FY 2025, including \$10.1 million SGF, \$142.1 million from the UI Trust Fund, and \$21.9 million from federal funds. This represents an increase of \$10.7 million, or 5.8 percent, above the revised estimate in FY 2024.

The request includes \$5.0 million for the following enhancement requests:

1. **UNEMPLOYMENT IT MAINTENANCE.** The agency requests \$5.0 million SGF in enhancement funding for FY 2025 for ongoing costs associated with the unemployment insurance system. This request includes expenditures for maintenance of the core system as well as required peripheral systems. Additionally, this funding would also provide for continued hourly contract support after the go-live date. The agency indicates it has applied for all federal funding available. The agency has received several one-time funding awards, but they were all planned for expenditures related to the main project and not for ongoing maintenance.
2. **OFFICIAL HOSPITALITY.** The agency requests \$3,000 SGF in enhancement funding to increase the official hospitality budget from \$2,000 to \$5,000 for FY 2025. These funds support events conducted by the Secretary of Labor. The agency indicates these additional funds would allow the Secretary to engage with staff and outside entities, as well as provide refreshments for such events.

Absent the enhancement requests, the request includes an increase of \$5.8 million in base budget expenditures. Significant adjustments are as follows:

3. **UNEMPLOYMENT INSURANCE BENEFITS.** The request includes an increase of \$17.4 million, all from the UI Trust Fund, for unemployment insurance benefits for FY 2025. The agency projects a continued increase in benefit payments, which increases from \$122.7 million in FY 2024 to \$140.1 million for FY 2025.
4. **UNEMPLOYMENT INSURANCE ADMINISTRATION.** The request includes a decrease of \$3.5 million, all from the Employment Security Administration Federal Fund, for the

administration of the Unemployment Insurance Services program for FY 2025. These funds are grants from the U.S. Department of Labor distributed pursuant to the Social Security Act and authorized by KSA 44-716. The agency projects a decrease in operating grant transfers into the fund, from \$33.0 million in FY 2024 to \$23.5 million for FY 2025. Corresponding expenditures from the fund decrease from \$23.3 million to \$19.8 million.

The **agency** request also includes \$429,500 in off-budget expenditures and 2.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. The agency's off-budget expenditures are used for the New Hire Crossmatch, Workplace Safety, and Motor Pool programs. For FY 2025, off-budget expenditures increase by \$37,992, or 9.7 percent, above the revised estimate in FY 2024.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$197.2 million in on-budget expenditures and 437.5 on-budget FTE positions for FY 2025, including \$10.1 million SGF, \$142.1 million from the UI Trust Fund, and \$21.9 million from federal funds. This represents a decrease of \$3,000 below the agency's request in FY 2024 and is due to the following adjustment:

5. **ENHANCEMENT REQUESTS.** The Governor concurs with the enhancement request for ongoing costs associated with the unemployment insurance system (Item 1). Regarding the request to increase the hospitality budget (Item 2), the Governor concurs with increasing the expenditure limitation but recommends the agency fund it from existing resources instead.

The **Governor's** recommendation also includes \$429,500 in off-budget expenditures and 2.9 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		
Request	SGF	All Funds	FTE	SGF	All Funds	FTE
FY 2024 Supplemental:						
1. Pay Plan Shortfall	\$ 55,075	\$ 55,075	-	\$ 55,075	\$ 55,075	-
FY 2025 Enhancements:						
2. UI IT Maintenance	\$ 5,000,000	\$ 5,000,000	-	\$ 5,000,000	\$ 5,000,000	-
3. Official Hospitality	3,000	3,000	-	-	-	-
TOTAL	\$ 5,003,000	\$ 5,003,000	-	\$ 5,000,000	\$ 5,000,000	-

1. **PAY PLAN SHORTFALL.** The revised estimate includes \$55,075 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 Kansas Department of Labor, a supplemental appropriation of \$55,075 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.

2. **UNEMPLOYMENT IT MAINTENANCE.** The agency requests \$5.0 million SGF in enhancement funding for FY 2025 for ongoing costs associated with the unemployment insurance system. This request includes expenditures for maintenance of the core system as well as required peripheral systems. Additionally, this funding would also provide for continued hourly contract support after the go-live date. The agency indicates it has applied for all federal funding available. The agency has received several one-time funding awards, but they were all planned for expenditures related to the main project and not for ongoing maintenance.

The Governor recommends adoption of this request.

3. **OFFICIAL HOSPITALITY.** The agency requests \$3,000 SGF in enhancement funding to increase the official hospitality budget from \$2,000 to \$5,000 for FY 2025. These funds support events conducted by the Secretary of Labor. The agency indicates these additional funds would allow the Secretary to engage with staff and outside entities, as well as provide refreshments for such events.

The Governor recommends increasing the limitation but funding it from existing resources.

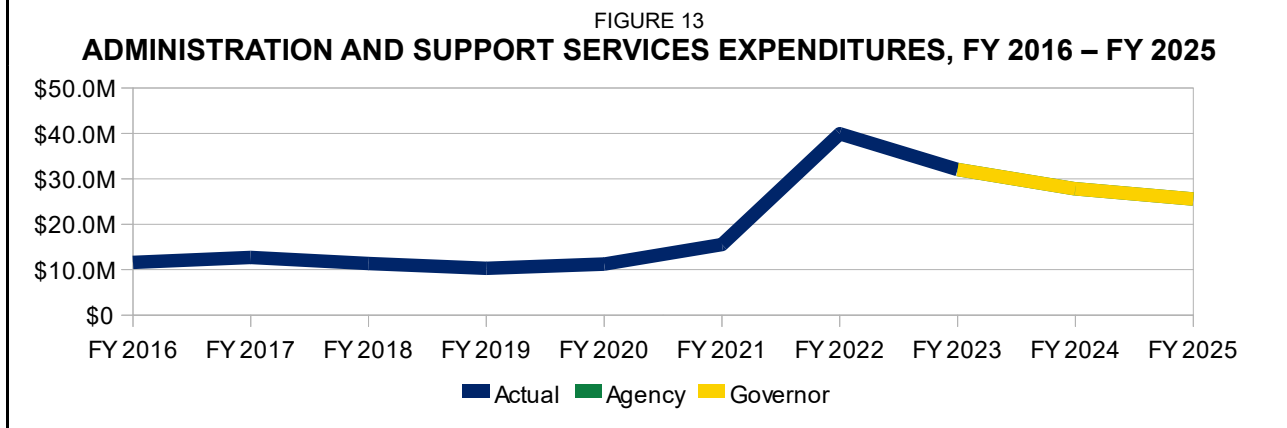
PROGRAM OVERVIEW

FIGURE 12
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:					
Administration	\$ 32,037,834	\$ 27,778,118	\$ 27,778,118	\$ 25,546,140	\$ 25,543,140
Unemployment Insurance	133,815,125	143,923,676	143,923,676	157,165,514	157,165,514
Labor Market Information	1,218,051	1,302,076	1,302,076	1,311,430	1,311,430
Industrial Safety and Health	1,977,776	2,101,550	2,101,550	2,064,514	2,064,514
Workers Compensation	8,012,834	9,602,813	9,602,813	9,644,767	9,644,767
Labor Relations	289,417	391,421	391,421	339,192	339,192
Capital Improvements	1,280,873	1,390,215	1,390,215	1,160,000	1,160,000
<i>Total-On-Budget</i>	\$ 178,631,910	\$ 186,489,869	\$ 186,489,869	\$ 197,231,557	\$ 197,228,557
Off-Budget*	363,035	391,508	391,508	429,500	429,500
GRAND TOTAL	\$ 178,994,945	\$ 186,881,377	\$ 186,881,377	\$ 197,661,057	\$ 197,658,057
FTE Positions:					
Administration	99.7	99.7	99.7	98.7	98.7
Unemployment Insurance	234.6	234.6	234.6	233.6	233.6
Labor Market Information	16.0	16.0	16.0	16.0	16.0
Industrial Safety and Health	16.9	16.9	16.9	16.9	16.9
Workers Compensation	69.0	69.0	69.0	69.0	69.0
Labor Relations	3.3	3.3	3.3	3.3	3.3
Capital Improvements	-	-	-	-	-
<i>Total-On-Budget</i>	439.5	439.5	439.5	437.5	437.5
Off-Budget*	2.9	2.9	2.9	2.9	2.9
GRAND TOTAL	442.4	442.4	442.4	440.4	440.4

* 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.

ADMINISTRATION AND SUPPORT SERVICES



STATUTORY BASIS: • KSA 75-5701 through 75-5740

PROGRAM GOALS: • Provide support to program staff to ensure the agency fulfills its mission.

The Administration and Support Services program includes the central management and administrative support function of the Kansas Department of Labor.

GENERAL ADMINISTRATION

The Office of the Secretary consists of five employees: the Secretary of Labor, Deputy Secretary, Chief of Staff, Compliance Officer, and Executive Assistant. Its budget is relatively small and primarily consists of salaries, travel, and normal office operational expenditures.

LEGAL

The Legal Division provides legal services to the agency, which includes providing legal counsel to the agency, its boards and divisions, officials generally, and to state and federal courts as required.

FISCAL

The Fiscal Department provides budgetary information to agency staff. This department is also responsible for maintaining the facilities and grounds for the agency, and currently retains three employees for this purpose.

HUMAN RESOURCES

The Human Resources Department is responsible for providing human resource

information and assistance throughout the agency.

COMMUNICATIONS

The Communications Division is responsible for a wide variety of services, such as agency-wide emails, email monitoring, internal- and external-facing materials, ordering business-related materials, drafting and maintaining agency forms, creating presentation materials, coordinating public relations, maintaining social media platforms, supporting events, and translations.

The Communications Division will also develop internal and external communications material for the modernization process with Tata Consultancy Services (TCS) until its completion in June 2024, and it assists all divisions with improving and modernizing material and processes.

INFORMATION TECHNOLOGY

The Information Technology (IT) Division supports the work of the agency, helps manage government resources, and provides broad access to public information and services throughout the State of Kansas. This division is also responsible for computing services, including application development of mainframe, web, and client server systems, IT infrastructure, telephony, and strategic planning.

FIGURE 14
ADMINISTRATION AND SUPPORT SERVICES FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 14,247,315	\$ 12,399,848	\$ 12,399,848	\$ 8,749,064	\$ 8,746,064
Federal Funds	12,177,527	4,981,145	4,981,145	4,715,785	4,715,785
All Other Funds	5,612,992	10,397,125	10,397,125	12,081,291	12,081,291
TOTAL	\$ 32,037,834	\$ 27,778,118	\$ 27,778,118	\$ 25,546,140	\$ 25,543,140
Percent Change:					
SGF	1,285.1 %	(13.0) %	-- %	(29.4) %	-- %
All Funds	(19.7) %	(13.3) %	-- %	(8.0) %	-- %
FTE Positions	99.7	99.7	99.7	98.7	98.7

BUDGET ANALYSIS

The **agency** requests \$25.5 million in expenditures, including \$8.7 million SGF, and 98.7 FTE positions for the Administration and Support Services program for FY 2025. The request is a decrease of \$2.2 million from all funding sources, including a decrease of \$3.7 million SGF, below the revised estimate in FY 2024.

The change is primarily due to a \$6.0 million decrease in software expenditures that occur in FY 2024 but do not extend into FY 2025. That amount includes \$8.8 million of the \$20.5 million SGF appropriated by the 2023 Legislature for the UI modernization project that will be spent in FY 2024, resulting in a corresponding drop for FY 2025.

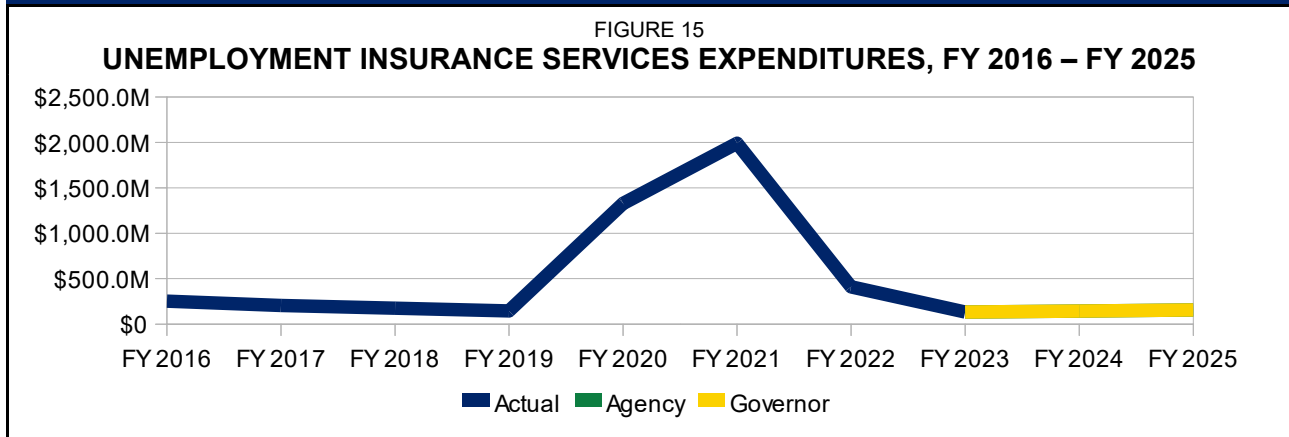
Additionally, the IT Division began a comprehensive upgrade of the agency's server operating system in FY 2024, from Windows Server 2012 to Windows Server 2019. Vendor support for the current system was discontinued

in October 2023. Accordingly, the agency allocated additional resources to upgrade the system in FY 2024 and expects a decrease in expenditures for FY 2025 as the project is completed.

The decrease is partially offset by enhancement requests for UI maintenance and support (\$5.0 million SGF) and an increase to the official hospitality budget (\$3,000 SGF).

The **Governor** recommends \$25.5 million in expenditures, including \$8.7 million SGF, and 98.7 FTE positions for the Administration and Support Services program for FY 2025. This represents a decrease of \$3,000 from the agency's request and is entirely due to partial adoption of the enhancement request to increase the official hospitality budget. The Governor concurs with increasing the limitation but recommends funding it from existing resources instead.

UNEMPLOYMENT INSURANCE SERVICES



STATUTORY BASIS: • KSA 44-701, *et seq.*

- PROGRAM GOALS:**
- Continue to improve and enhance the levels of customer service provided to Kansas employers and workers who interact with the agency.
 - Continue to build upon recent successes in meeting and exceeding federally mandated program performance standards.
 - Continue to work with the Office of Information Technology Services to make incremental improvements in existing technology platforms that support the unemployment system in Kansas.

The Unemployment Insurance Services program provides benefits to eligible applicants to replace part of wages lost from involuntary unemployment. The agency has four primary goals for this program:

1. Improve and enhance the levels of customer service provided to Kansas employers and workers who interact with the agency;
2. Build upon recent successes in meeting and exceeding federally mandated program performance standards;
3. Work with the Office of Information Technology Services to make improvements in the existing technology platforms that support the unemployment system in Kansas; and

4. Meet the Secretary of Labor's mandate to protect the integrity of the unemployment insurance trust, and ensure necessary funds are available to provide reemployment assistance to unemployed Kansans who meet the legal requirements to receive them.

The agency collects funds for benefits from employer contributions and deposits the revenue into the UI Trust Fund. Additionally, the federal Employment Security Administration Fund (ESAF) provides funding for Unemployment Insurance Services Administration expenditures. The federal Unemployment Tax Act allows the Internal Revenue Service to collect taxes from employers to administer the Unemployment Insurance program. Unemployment Insurance Services receives a base budget from the ESAF and can also receive contingency funds from ESAF in proportion to increases in workload.

FIGURE 16
UNEMPLOYMENT INSURANCE SERVICES FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 787,178	\$ 890,000	\$ 890,000	\$ -	\$ -
Federal Funds	23,680,647	18,375,396	18,375,396	15,110,638	15,110,638
All Other Funds	109,347,300	124,658,280	124,658,280	142,054,876	142,054,876
TOTAL	\$ 133,815,125	\$ 143,923,676	\$ 143,923,676	\$ 157,165,514	\$ 157,165,514
Percent Change:					
SGF	234,878.5 %	13.1 %	-- %	(100.0) %	-- %
All Funds	(67.4) %	7.6 %	-- %	9.2 %	-- %
FTE Positions	234.6	234.6	234.6	233.6	233.6

BUDGET ANALYSIS

The **agency** requests \$157.2 million in expenditures and 233.6 FTE positions for the Unemployment Insurance Services program for FY 2025. The request is an increase of \$13.2 million from all funding sources, including a decrease of \$890,000 SGF, from the revised estimate in FY 2024.

The change is primarily due to a \$17.4 million increase in unemployment benefit payments for FY 2025. The agency projects an increase in payments in FY 2024 and for FY 2025.

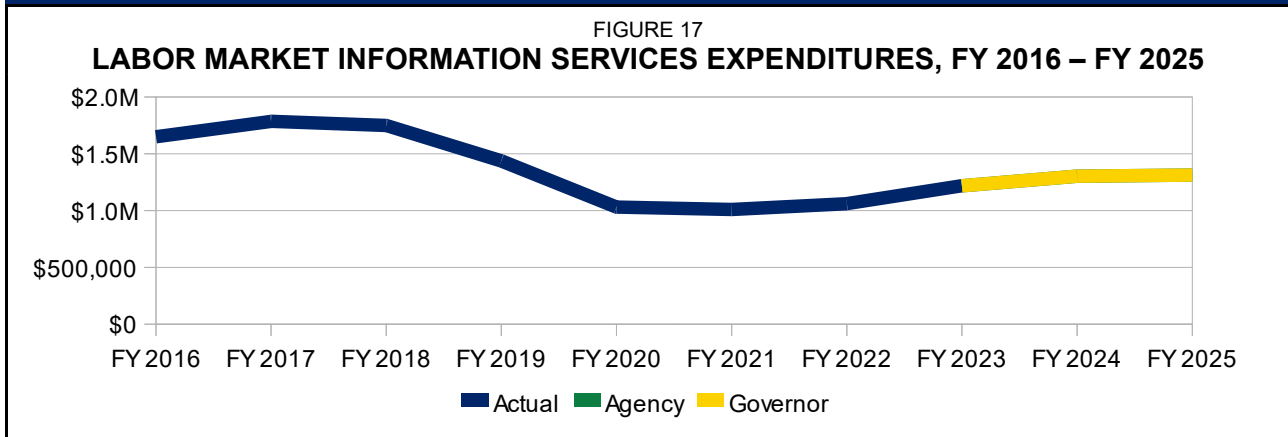
The increase is partially offset by a \$2.8 million decrease in salary and wage expenditures for FY 2025. In FY 2024, the agency will employ additional personnel to address the backlog of pandemic program claims. Appeals constitute a significant portion

of the backlog, and the agency indicates higher pay is needed for personnel with more experience and expertise in unemployment insurance. As the agency works through its backlog, it anticipates salary and wage expenditures to return to historically stable levels, around \$10.5 million.

The increase is also partially offset by a \$1.3 million decrease in contractual service expenditures for FY 2025, primarily for software maintenance and other costs related to the UI modernization project.

The **Governor** concurs with the agency's request and recommends \$157.2 million in expenditures and 233.6 FTE positions for the Unemployment Insurance Services program for FY 2025.

LABOR MARKET INFORMATION SERVICES



STATUTORY BASIS: • KSA 75-5701 through 75-5740

PROGRAM GOALS: • Provide accurate and timely labor market information in response to user requests and disseminate data using appropriate media.

The Labor Market Information Services program is the research and statistical arm of the agency. The program maintains the State's reporting requirements for the U.S. Department of Labor Bureau of Labor Statistics. The program is also responsible for calculating and reporting unemployment rates for the State of Kansas, each of its counties, and metropolitan statistical areas of the state.

This program also calculates and analyzes the number of people employed in each industrial sector. Other responsibilities include preparing reports and surveys concerning the labor market in Kansas and serving as the actuarial trustee for the UI Trust Fund.

FIGURE 18
LABOR MARKET INFORMATION SERVICES FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	1,135,895	1,223,898	1,223,898	1,232,989	1,232,989
All Other Funds	82,156	78,178	78,178	78,441	78,441
TOTAL	\$ 1,218,051	\$ 1,302,076	\$ 1,302,076	\$ 1,311,430	\$ 1,311,430
Percent Change:					
SGF	-- %	-- %	-- %	-- %	-- %
All Funds	14.9 %	6.9 %	-- %	0.7 %	-- %
FTE Positions	16.0	16.0	16.0	16.0	16.0

BUDGET ANALYSIS

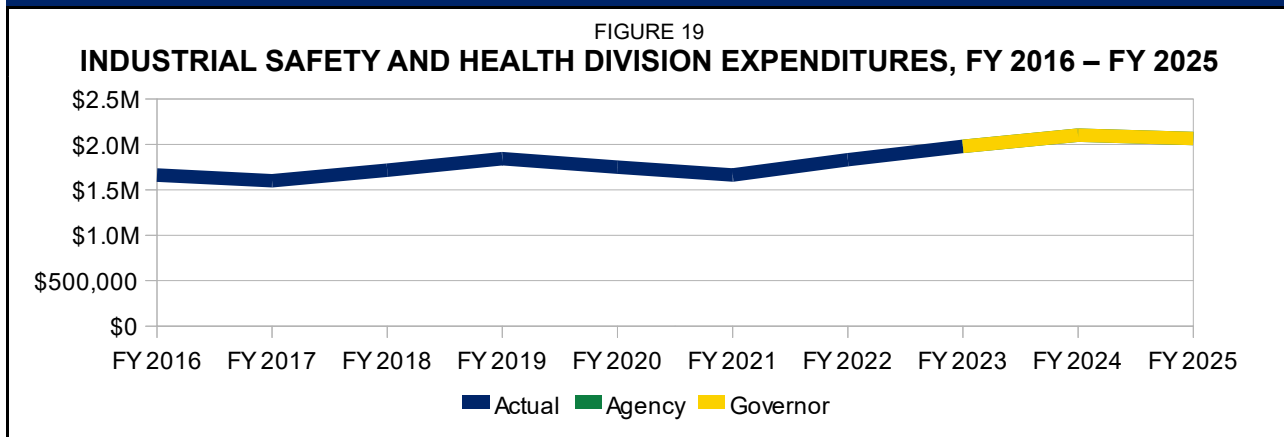
The **agency** requests \$1.3 million in expenditures and 16.0 FTE positions for the Labor Market Information Services program for FY 2025. The request is an increase of \$9,354 from all funding sources above the revised estimate in FY 2024.

much of which is associated with information technology support and inflationary changes.

The **Governor** concurs with the agency's request and recommends \$1.3 million in expenditures and 16.0 FTE positions for the Labor Market Information Services program for FY 2025.

The change is primarily due to a \$9,623 increase in contractual service expenditures,

INDUSTRIAL SAFETY AND HEALTH DIVISION



STATUTORY BASIS: • KSA 44-5,104, 44-575, 44-1601, *et seq.*

- PROGRAM GOALS:**
- Assist and encourage employers in their efforts to assure safe and healthful workplaces in Kansas.
 - Maintain availability of on-site consultation services pursuant to federal contract.
 - Encourage employers to develop, use, and maintain workplace safety and health plans related to the nature of the employment.
 - Review maintenance, operations, and qualifications of inspections conducted by third parties in accordance with the Kansas Amusement Ride Act.

The Industrial Safety and Health Division works to reduce the frequency and severity of workplace injuries and illnesses, checking for compliance with state and federal laws, such as the Occupational Safety and Health Act (OSHA), Kansas Workers Compensation Law, and the Kansas Amusement Ride Act.

KANSAS 21(D) CONSULTATION

The Kansas 21(d) Consultation Program is partially funded by a federal grant. The program offers free and confidential advice to small- and medium-sized businesses, with priority given to high-hazard work sites. Agency consultants work with employers to identify workplace hazards, provide advice on compliance with OSHA standards, and assist in establishing safety- and health-management systems.

SAFETY AND HEALTH

The Kansas Safety and Health Achievement Recognition Program offers workplace health and safety education and training education for employers, employees, emergency personnel, and safety professionals.

PUBLIC SECTOR

The Public Sector Program is responsible for safety- and health-related issues associated

with public entities in the State. These entities include cities, counties, Unified School Districts, and water districts.

ACCIDENT PREVENTION

The Accident Prevention Program is responsible for reviewing the quantity and quality of safety and health services provided by insurance companies. The Workers Compensation Act required insurance carriers to provide these services for their clients. This program is administered by the Industrial Safety and Health program, but it is funded through the Workers Compensation Fee Fund.

AMUSEMENT RIDE SAFETY

The Division is also responsible for administration and enforcement of the Kansas Amusement Ride Act. The Amusement Ride Safety Unit is responsible for registering amusement ride entities, issuing amusement ride permits, and conducting compliance audits.

WORKPLACE HEALTH AND SAFETY

The State Workplace Health and Safety Program investigates safety- and health-related issues associated with Kansas state agencies.

FIGURE 20

INDUSTRIAL SAFETY AND HEALTH DIVISION FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 268,527	\$ 279,861	\$ 279,861	\$ 278,077	\$ 278,077
Federal Funds	978,838	797,950	797,950	809,489	809,489
All Other Funds	730,411	1,023,739	1,023,739	976,948	976,948
TOTAL	\$ 1,977,776	\$ 2,101,550	\$ 2,101,550	\$ 2,064,514	\$ 2,064,514
Percent Change:					
SGF	1.3 %	4.2 %	-- %	(0.6) %	-- %
All Funds	8.8 %	6.3 %	-- %	(1.8) %	-- %
FTE Positions	16.9	16.9	16.9	16.9	16.9

BUDGET ANALYSIS

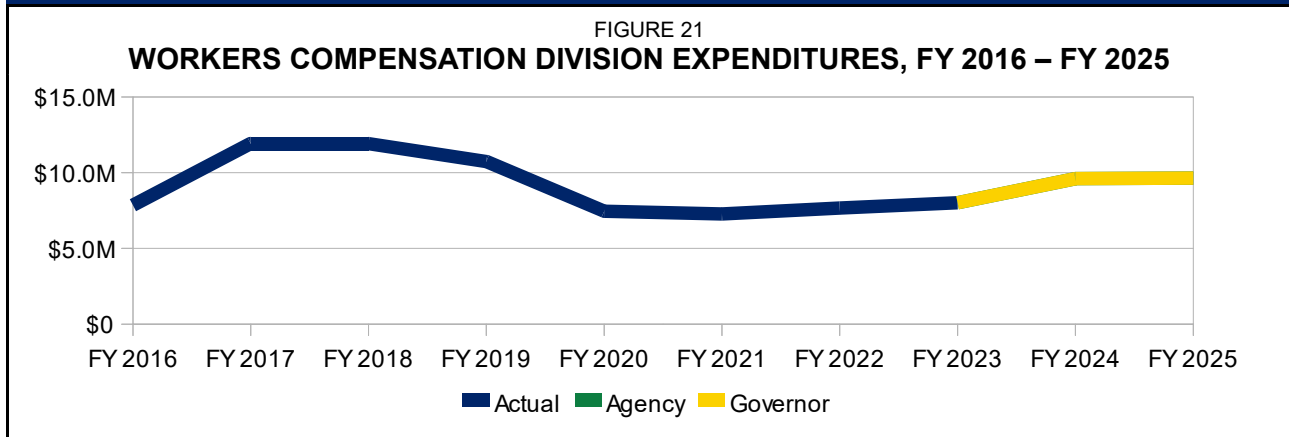
The **agency** requests \$2.1 million in expenditures, including \$278,077 SGF, and 16.9 FTE positions for the Industrial Safety and Health Division for FY 2025. The request is a decrease of \$37,036 from all funding sources, including a decrease of \$1,784 SGF, below the revised estimate in FY 2024.

The change is primarily due to a \$62,571 decrease in software expenditures that occur in FY 2024 but do not extend into FY 2025. In particular, the agency anticipates purchasing software to manage the amusement ride program in FY 2024.

The decrease is partially offset by a \$27,927 increase in contractual service expenditures, primarily for maintenance and improvements to software applications for the amusement ride program.

The **Governor** concurs with the agency's request and recommends \$2.1 million in expenditures, including \$278,077 SGF, and 16.9 FTE positions for the Industrial Safety and Health Division for FY 2025.

WORKERS COMPENSATION DIVISION



STATUTORY BASIS: • KSA 44-501, *et seq.*

- PROGRAM GOALS:**
- Provide a statewide judicial system for workers' compensation claims that operates in a fair and efficient manner.
 - Establish and publish a medical fee schedule for care involving injured workers.
 - Regulatory oversight, including employer compliance with mandatory workers' compensation insurance coverage, self-insurance permitting, and insurer accident prevention programs.

The Workers Compensation Division administers and enforces the Kansas Workers Compensation Act. Pursuant to the Act, this Division files and maintains required reports of industrial accidents and discretionary notices of employment of disabled workers; directs and audits physical and vocation rehabilitation for injured workers; provides the trial court, appellate review, and records repository for contested workers' compensation claims; certifies qualified employers as self-insured; and, through its Claims Advisory Section,

provides information and claims assistance to injured workers, insurance carriers, employers, and attorneys.

The Division has offices in Topeka, Wichita, Lenexa, Salina, and Garden City. The office in Wichita includes a hearing room for the Workers Compensation Appeals Board to hear appeals, in addition to hearing appeals in Topeka. All judges and the Appeals Board also have the ability to hold virtual hearings.

FIGURE 22
WORKERS COMPENSATION DIVISION FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 31,168	\$ 17,594	\$ 17,594	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	7,981,666	9,585,219	9,585,219	9,644,767	9,644,767
TOTAL	\$ 8,012,834	\$ 9,602,813	\$ 9,602,813	\$ 9,644,767	\$ 9,644,767
Percent Change:					
SGF	100.0 %	(43.6) %	-- %	(100.0) %	-- %
All Funds	4.5 %	19.8 %	-- %	0.4 %	-- %
FTE Positions	69.0	69.0	69.0	69.0	69.0

BUDGET ANALYSIS

The **agency** requests \$9.6 million in Workers Compensation Division for FY 2025. expenditures and 69.0 FTE positions for the The request is an increase of \$41,954,

including a decrease of \$17,594 SGF, from the revised estimate in FY 2024.

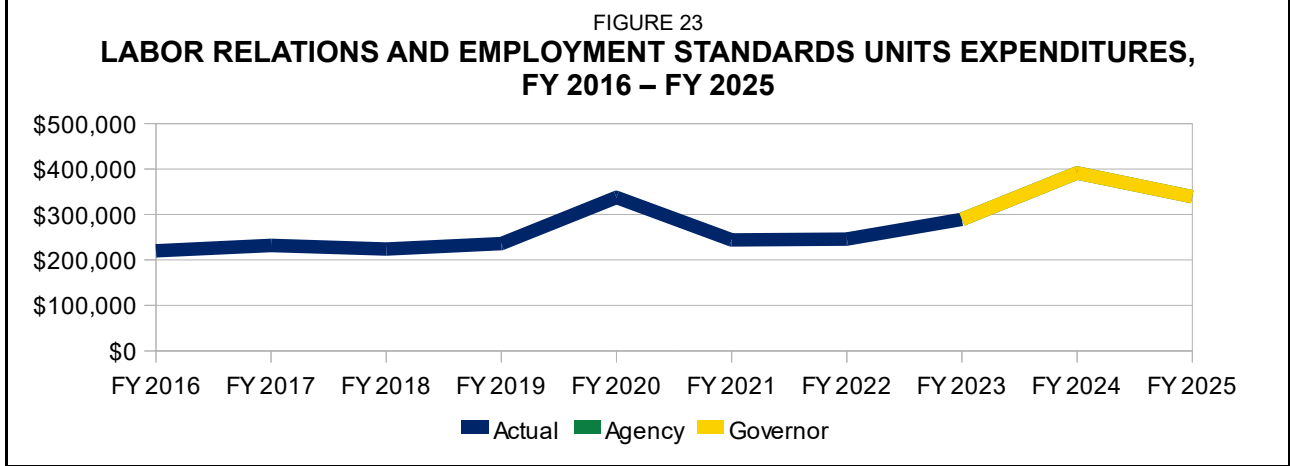
The change is primarily due to a \$137,342 increase in contractual service expenditures for FY 2025, much of which is for upgrading the Online System for Claims and Research/Regulation (OSCAR). The Workers Compensation Division uses OSCAR to track cases, facilitate communication between administrative law judges and parties, and digitally access exhibits and transcripts. The

agency anticipates beginning upgrades in FY 2024 that continue into FY 2025.

The increase is partially offset by a \$64,000 decrease in software expenditures that occur in FY 2024 but do not continue into FY 2025.

The **Governor** concurs with the agency's request and recommends \$9.6 million in expenditures and 69.0 FTE positions for the Workers Compensation Division for FY 2025.

LABOR RELATIONS AND EMPLOYMENT STANDARDS UNITS



STATUTORY BASIS: • KSA 75-4321, *et seq.*, KSA 22-5413 *et seq.*

PROGRAM GOALS:

- Continue to administer both the Kansas Professional Negotiations Act and the Kansas Public Employer-Employee Relations Act in a timely, effective, and unbiased manner consistent with legislative intent for enacting these laws.
- Promote harmonious and cooperative employer/employee relationships and enforce laws providing protection to the Kansas workforce through due process of administration proceedings.

The Labor Relations and Employment Standards Units enforce laws relating to the following areas:

LABOR RELATIONS

The Labor Relations Unit administers Kansas labor relations statutes, including the Kansas Public Employer-Employee Relations Act (PEERA) and the Kansas Professional Negotiations Act (PNA). PNA governs labor relations activities between public school teachers and other professional employees in public schools and their employers, while PEERA governs labor relations between other State of Kansas public sector employees and their employers, as well as those of local governmental units whose governing bodies opt in to coverage by PEERA.

Assistance provided by staff includes holding bargaining unit determination hearings,

conducting elections, and holding hearings to resolve prohibited practice charges.

EMPLOYMENT STANDARDS

The Employee Standards Unit is primarily responsible for the enforcement of minimum wages, wage payment, and child labor laws, and it regulates private employment agencies. Additionally, this Unit also addresses inquiries that do not specifically relate to statutes under its purview but nonetheless require knowledge of programs within the agency and other governmental entities.

These inquiries include complaints relating to alleged violations of KSA 44-1131 through 44-1133. Since 2006, the agency has been tasked with enforcing violations of these statutes, which prohibit employers from terminating, discriminating, or retaliating against victims of domestic violence or sexual assault for taking statutorily authorized leave from work.

FIGURE 24

LABOR RELATIONS AND EMPLOYMENT STANDARDS UNITS FINANCING, FY 2023 – FY 2025

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 289,111	\$ 391,421	\$ 391,421	\$ 339,192	\$ 339,192
Federal Funds	-	-	-	-	-
All Other Funds	306	-	-	-	-
TOTAL	\$ 289,417	\$ 391,421	\$ 391,421	\$ 339,192	\$ 339,192
Percent Change:					
SGF	17.6 %	35.4 %	-- %	(13.3) %	-- %
All Funds	17.7 %	35.2 %	-- %	(13.3) %	-- %
FTE Positions	3.3	3.3	3.3	3.3	3.3

BUDGET ANALYSIS

The **agency** requests \$339,192 SGF in expenditures and 3.3 FTE positions for the Labor Relations and Employment Standards Units for FY 2025. The request is a decrease of \$52,229 SGF below the revised estimate in FY 2024.

The change is primarily due to a \$53,291 decrease for the Pay Plan Shortfall in FY 2024 that does not extend into FY 2025.

Absent the supplemental request, the budget for the Labor Relations and Employment Standards Units increases by \$1,062 for FY 2025, much of which is for rental fees, utility payments, and other services.

The **Governor** concurs with the agency's request and recommends \$339,192 SGF in expenditures and 3.3 FTE positions for the Labor Relations and Employment Standards Units for FY 2025.

CAPITAL IMPROVEMENTS

The Kansas Department of Labor owns and maintains five properties in Topeka. Its capital improvements primarily involve its offices at the following three locations: **401 SW Topeka Blvd.**, **1309 SW Topeka Blvd.**, and **2650 East Circle Drive South**. In addition to regular maintenance and repair work, the agency is

also in the process of ongoing renovations at those buildings.

The agency does not own any properties outside of Topeka, but it does lease space in Garden City, Lenexa, Salina, and Wichita. No costs are incurred outside of overhead for the leased spaces outside of Topeka.

FIGURE 25
CAPITAL IMPROVEMENTS, FY 2023 – FY 2025

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Capital Projects:					
Rehabilitation and Repair	\$ 175,000	\$ 240,215	\$ 240,215	\$ 200,000	\$ 200,000
Renovation Projects	812,889	-	-	-	-
Security Upgrade	-	340,000	340,000	-	-
Break Room Renovation	-	60,000	60,000	-	-
Eastman HVAC	300,000	300,000	300,000	-	-
Eastman Basement	-	450,000	450,000	-	-
First-Floor Reconfiguration	-	-	-	250,000	250,000
Replace Entry Doors	-	-	-	210,000	210,000
Replace Air Handlers	-	-	-	500,000	500,000
TOTAL	\$ 1,287,889	\$ 1,390,215	\$ 1,390,215	\$ 1,160,000	\$ 1,160,000
Financing:					
SGF	\$ 753,071	\$ 834,129	\$ 834,129	\$ 696,000	\$ 696,000
Workers Comp. Fee Fund	528,624	556,086	556,086	464,000	464,000
Federal Funds	6,192	-	-	-	-
All Other Funds	2	-	-	-	-
TOTAL	\$ 1,287,889	\$ 1,390,215	\$ 1,390,215	\$ 1,160,000	\$ 1,160,000

FY 2024 CAPITAL IMPROVEMENTS

The **agency** submits a revised estimate of \$1.4 million in capital improvement expenditures in FY 2024, including \$834,129 SGF and \$556,086 from the Workers Compensation Fee Fund (WCFF). The revised estimate includes the following capital projects:

REHABILITATION AND REPAIR

The revised estimate includes \$240,215, including \$144,129 SGF, for general rehabilitation and repair work in FY 2024. This amount includes \$39,129 in unspent SGF that reappropriated from FY 2023 to FY 2024. These expenditures reflect yearly requirements to perform general repair work on agency-owned buildings in Topeka, such as roofing, sidewalk repair, painting, carpeting, and caulking. These funds also serve as a contingency for needs that materialize during the year.

SECURITY UPGRADE

The revised estimate includes \$340,000, including \$204,000 SGF, to upgrade building security at **all locations** for FY 2025. This includes replacing exterior cameras as well as updating servers and door entry systems. The current badge entry system is tied into the system for the Capitol Complex used by the Kansas Highway Patrol. As Capitol Complex systems are upgraded, the Department must also update its system to be compatible.

BREAK ROOM RENOVATION

The revised estimate includes \$60,000, including \$24,000 SGF, to update the break room at **401 SW Topeka Blvd.** in FY 2024. The agency indicates the current configuration is not conducive to a relaxing atmosphere and requests funding to provide different layout and seating options for staff.

EASTMAN HVAC

The revised estimate includes \$300,000, including \$180,000 SGF, to complete renovations on the ventilation system at **2650 East Circle Drive South** in FY 2024. This is the second of a two-year improvement project approved by the 2023 Legislature. The agency indicates renovations were needed because of the building's construction and design.

EASTMAN BASEMENT

The revised estimate includes \$450,000, including \$270,000 SGF, to complete

renovations to the basement of **2650 East Circle Drive South** in FY 2024. Part of this renovation project is already completed. The remainder involves replacing lighting and carpeting, removing walls, renovating bathrooms, and applying paint to the basement of the building.

The **Governor** concurs with the agency's revised estimate and recommends \$1.4 million in capital improvement expenditures in FY 2024.

FY 2025 CAPITAL IMPROVEMENTS

The **agency** requests \$1.2 million in capital improvement expenditures for FY 2025, including \$696,000 SGF and \$464,000 from the Workers Compensation Fee Fund. This is a decrease of \$230,215, or 16.6 percent, below the revised FY 2024 estimate. The request includes the following projects:

REHABILITATION AND REPAIR

The request includes \$200,000, including \$120,000 SGF, for general rehabilitation and repair work for FY 2025. These expenditures reflect yearly requirements to perform general repair work on agency-owned buildings in Topeka, such as roofing, sidewalk repair, painting, carpeting, and caulking. These funds also serve as a contingency for needs that materialize during the year.

FIRST-FLOOR RECONFIGURATION

The request includes \$250,000, including \$150,000 SGF, to reconfigure the first floor of **401 SW Topeka Blvd.** for FY 2025. Currently, the building contains both meeting rooms and court rooms on the first floor. The agency indicates many of the judges that work in the building prefer to hold hearings remotely, only holding in-person hearings as needed. This

project would expand the workspace to provide additional room for staff outside of the Workers Compensation Division.

REPLACE ENTRY DOORS

The request includes \$210,000, including \$126,000 SGF, to replace entry doors at **401 SW Topeka Blvd.** and **1309 SW Topeka Blvd.** for FY 2025. This includes three double-entry vestibule doors and three single-entry doors between both locations. The agency indicates the integrity of these doors are beginning to fail and that parts are becoming difficult to find.

REPLACE AIR HANDLERS

The request includes \$500,000, including \$300,000 SGF, to replace three engineered HVAC units at **1309 SW Topeka Blvd.** for FY 2025. These units provide heating and cooling without remote condensing units or water supplies. The agency indicates the current units have reached their service limit and that maintenance costs have become increasingly substantial in the past few years.

The **Governor** concurs with the agency's request and recommends \$1.2 million in capital improvement expenditures for FY 2025.

FY 2026 CAPITAL IMPROVEMENTS

The **agency's** Five-Year Capital Improvements Plan includes \$1.0 million in capital improvement expenditures for FY 2026. Included within that amount is \$200,000 (\$120,000 SGF, \$80,000 WCFF) allocated to inspect, repair, and replace cast-iron piping at 401 SW Topeka Blvd. On September 20, 2023,

the Joint Committee on State Building Construction reviewed and approved the agency's Five-Year Capital Improvements Plan. Additionally, the Committee also recommended the inspection of cast-iron piping at 401 SW Topeka Blvd. be completed earlier if funding is available.