

DEPARTMENT OF ADMINISTRATION

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Operating Expenditures					
State General Fund	\$ 96,816,928	\$ 97,103,864	\$ 95,502,868	\$ 104,867,065	\$ 91,556,103
Other Funds	44,872,029	44,349,749	45,347,288	44,233,877	45,206,254
<i>Subtotal</i>	<u>\$ 141,688,957</u>	<u>\$ 141,453,613</u>	<u>\$ 140,850,156</u>	<u>\$ 149,100,942</u>	<u>\$ 136,762,357</u>
Capital Improvements					
State General Fund	\$ 37,546,121	\$ 40,855,637	\$ 40,855,637	\$ 48,764,583	\$ 39,504,076
Other Funds	11,475,098	10,501,287	10,501,287	11,572,975	16,232,975
<i>Subtotal</i>	<u>\$ 49,021,219</u>	<u>\$ 51,356,924</u>	<u>\$ 51,356,924</u>	<u>\$ 60,337,558</u>	<u>\$ 55,737,051</u>
<i>Total-On-Budget</i>	<u>\$ 190,710,176</u>	<u>\$ 192,810,537</u>	<u>\$ 192,207,080</u>	<u>\$ 209,438,500</u>	<u>\$ 192,499,408</u>
Off-Budget:					
Operating Expenditures					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	50,848,078	81,612,143	81,612,143	80,950,195	80,950,195
<i>Subtotal</i>	<u>\$ 50,848,078</u>	<u>\$ 81,612,143</u>	<u>\$ 81,612,143</u>	<u>\$ 80,950,195</u>	<u>\$ 80,950,195</u>
Capital Improvements					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	1,976,895	5,734,232	5,734,232	4,967,455	4,967,455
<i>Subtotal</i>	<u>\$ 1,976,895</u>	<u>\$ 5,734,232</u>	<u>\$ 5,734,232</u>	<u>\$ 4,967,455</u>	<u>\$ 4,967,455</u>
<i>Total-Off-Budget</i>	<u>\$ 52,824,973</u>	<u>\$ 87,346,375</u>	<u>\$ 87,346,375</u>	<u>\$ 85,917,650</u>	<u>\$ 85,917,650</u>
GRAND TOTAL	<u>\$ 243,535,149</u>	<u>\$ 280,156,912</u>	<u>\$ 279,553,455</u>	<u>\$ 295,356,150</u>	<u>\$ 278,417,058</u>
Percentage Change:					
Operating Expenditures					
State General Fund	(10.6) %	0.3 %	(1.4) %	8.0 %	(4.1) %
All Funds	(7.9)	15.9	15.5	3.1	(2.1)
FTE Positions	417.1	464.1	464.1	463.1	463.1

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

AGENCY OVERVIEW

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.

MAJOR ISSUES FROM PRIOR YEARS

The **2011 Legislature** approved \$34.3 million in Capitol Restoration bonds, transferred the Information Network of Kansas (INK) into the Department of Administration along with 1.0 FTE position, and shifted responsibilities for the enhanced 911 grant moneys to the Office of the Attorney General.

The **2014 Legislature** added \$20.0 million, all from the State Highway Fund, and lapsed the same amount from the State General Fund (SGF) for debt service on the Statehouse and transferred \$24.0 million from the FICA Medical Resident Reimbursement Fund to the SGF for fiscal year (FY) 2015.

The **2015 Legislature** added \$31.4 million for FY 2016 and \$62.2 million for FY 2017 for debt service on Kansas Public Employees Retirement System (KPERs) Pension Obligation Bonds, added \$16.2 million for FY 2016 and FY 2017 for debt service on the National Bio and Agro-defense Facility, and moved the debt service on the University of Kansas Medical Education Building and John Redmond Reservoir into the Department of Administration. The relocation of the Medical Education and Reservoir debt service is part of a plan to consolidate all SGF debt service within the Department of Administration.

The **2016 Legislature** barred the demolition or sale of the Docking State Office Building for FY 2016 and FY 2017. The Legislature also barred any state agency from constructing a new Energy Service Center. Due to premature termination, the contract with the McCarthy Group to construct the Service Center the Department of Administration incurred contractual costs of \$2.1 million, paid on March 7, 2016.

The **2018 Legislature** added language to combine the Capitol Complex, Statehouse and Cedar Crest, and the Judicial Center rehabilitation and repair funds, provided the Department of Administration prioritizes repairs to the Judicial Center in FY 2018 and for FY 2019.

The **2018 Legislature** also added \$300,000, all SGF, for demolition of a grain mill and elevator in Clyde and added language conveying interest in the property to the City of Clyde in FY 2018.

The **2019 Legislature** added \$9.3 million, all SGF, in FY 2019 for costs related to a settlement between the Department of Administration and the U.S. Department of Health and

Human Services regarding debt set-off services performed for the Department for Children and Families. The Legislature also added \$140,000, all SGF, to construct a new snack bar in the Statehouse for FY 2020. Furthermore, the Legislature added language directing the agency to provide a survey of options for the deconstruction, repair, or renovation of the Docking State Office Building for FY 2020, on-budget to the Legislature on or before January 13, 2020.

BUDGET SUMMARY AND KEY POINTS

FY 2021 – Current Year. The **agency** requests a revised estimate of \$192.8 million, including \$138.0 million from the State General Fund (SGF), for on-budget expenditures in FY 2021. In FY 2021, on-budget expenditures increase by \$917,511, or 0.5 percent, above the FY 2021 approved budget. The increase is primarily due to the agency's supplemental request to renovate and rehabilitate the entire Docking State Office Building, including the addition of laboratory space for the Kansas Department of Health and Environment (\$1.6 million). **Absent the supplemental**, the revised estimate is a decrease of \$682,489, or 0.4 percent, below the FY 2021 approved budget. The non-supplemental decrease is primarily due to fewer budgeted expenditures for the State Printing Plant (\$275,000), lower debt service interest payments (\$59,158), and reductions in employee pay (\$42,118). The revised estimate also includes 92.2 on-budget FTE positions, which is a decrease of 0.9 FTE positions below the FY 2021 approved number.

The revised estimate also includes \$87.3 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2021, off-budget expenditures decrease by \$2.7 million, or 3.0 percent, below the FY 2021 approved budget. The decrease is primarily due to lower expenditures on building rent (\$3.7 million), utilities (\$1.1 million), and printing (\$1.1 million). The reduction is offset by higher estimated expenditures on the issuance of Series 2020K bonds, which 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 (\$3.4 million). The agency also requests a revised estimate of 371.9 off-budget FTE positions in FY 2021, which is an increase of 3.1 FTE positions above the FY 2021 approved budget.

The **Governor** recommends \$192.2 million, including \$136.4 million SGF, for on-budget expenditures in FY 2021. The recommendation is an all funds decrease of \$603,457, or 0.3 percent, below the FY 2021 revised estimate. The decrease is due to the Governor's recommendation not to adopt the agency's supplemental request to renovate the Docking State Office Building (\$1.6 million), partially offset by distributions from the Coronavirus Relief Fund made after submission of the agency revised estimate (\$997,539). The Governor's recommendation also includes 93.1 on-budget FTE positions, which is the same as the FY 2021 revised estimate.

The Governor's recommendation also includes \$87.3 million in off-budget expenditures, all from special revenue funds, and 371.9 off-budget FTE positions, which are the same as the FY 2021 revised estimate.

FY 2022 – Budget Year. The **agency** requests \$209.4 million, including \$153.6 million SGF, for on-budget expenditures for FY 2022. For FY 2022, on-budget expenditures increase by \$16.6 million, or 8.6 percent, above the FY 2021 revised estimate. The increase is primarily due to the operating expenditures portion of the agency's enhancement request to renovate and rehabilitate the entire Docking State Office Building, including the addition of laboratory space for the Kansas Department of Health and Environment (\$11.4 million, an increase of \$9.8 million

from the agency's supplemental request for FY 2021). The enhancement request also includes debt service principal expenditures that is reflected in the capital improvements request (\$7.0 million). **Absent the enhancements**, the request is an operating expenditures decrease of \$2.2 million, or 1.5 percent, below the FY 2021 revised estimate. The non-enhancement decrease is primarily due to lower debt service interest payments, including for KPERS Pension Obligation Bonds (\$1.6 million) and bonds related to the National Bio and Agro-Defense Facility (\$582,787). The agency also requests 92.2 on-budget FTE positions, which is the same as the FY 2021 revised estimate.

The request also includes \$85.9 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures decrease by \$1.4 million, or 1.6 percent, below the FY 2021 revised estimate. The decrease is primarily due to lower expenditures for contracts to support the management of the State Employee Health Benefits Program (\$928,685) and on printing equipment (\$332,000). The agency also requests 370.9 off-budget FTE positions for FY 2022, which is a decrease of 1.0 FTE position below the FY 2021 revised estimate.

The **Governor** recommends \$192.5 million, including \$131.1 million SGF, for on-budget expenditures for FY 2022. The recommendation is an all funds decrease of \$16.9 million, or 8.1 percent, and an SGF decrease of \$22.6 million, or 14.7 percent, below the FY 2022 agency request. The decrease is primarily due to the Governor's recommendation not to adopt the agency's enhancement request to renovate the Docking State Office Building (\$18.4 million). The decrease is also attributable to lower debt service principal and interest payments on bonds related to renovation of the Kansas Statehouse (\$10.3 million), the National Bio and Agro-defense Facility (NBAF) (\$2.7 million), and bond restructuring (\$1.1 million). The decrease is partially offset by the issuance of 2020R/S series bonds (\$15.9 million), which refunds 2010E-1, 2010E-2, 2010O-2, 2010F, and 2011B series bonds. The recommendation also includes 92.2 on-budget FTE positions, which is the same as the FY 2022 agency request.

The Governor's recommendation also includes \$85.9 million in off-budget expenditures, all from special revenue funds, and 370.9 off-budget FTE positions, which are the same as the FY 2022 agency request.

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

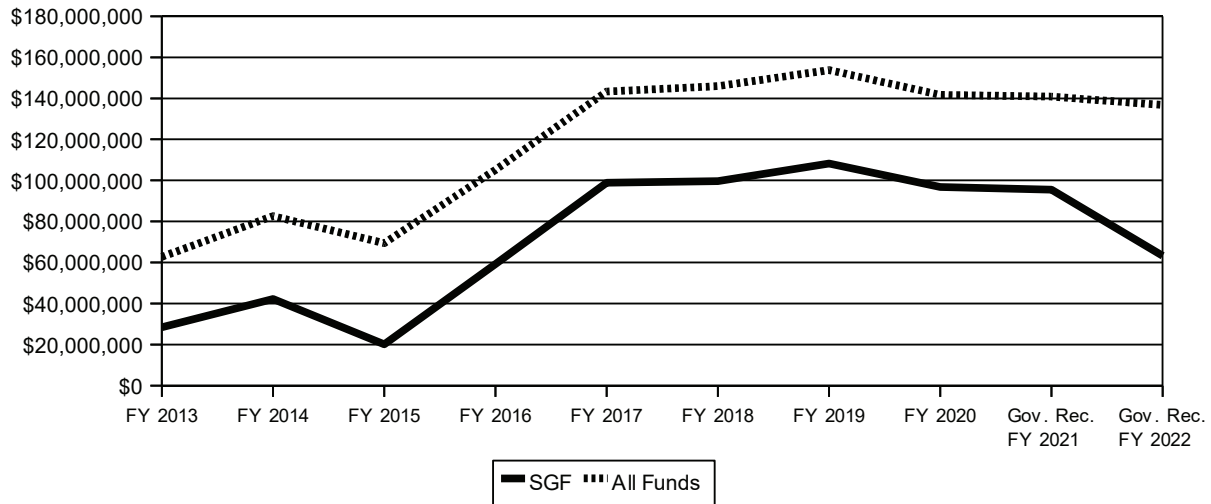
PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Regulations Submitted for Review	233	225	225	400	375	375
Number of Events Scheduled at the Kansas Statehouse	256	336	350	466	350	400
Number of Work Orders	6,000	6,425	6,250	6,582	6,340	6,630
Cost Per Square Foot Cleaned	\$ 1.32	\$ 1.34	\$ 1.36	\$ 1.36	\$ 1.38	\$ 1.40
Total Pieces of Mail Handled (In Millions)	9.8	8.6	9.5	9.6	9.8	10.0
Total Surplus Property Sales (In Millions)	\$ 1.1	\$ 0.8	\$ 1.4	\$ 0.6	\$ 0.6	\$ 0.7
Percent of Agencies Using State Printer	89.0 %	89.0 %	89.0 %	89.0 %	89.0 %	89.0 %
Number of Prior Authorization Contracts Approved*	4,528	3,780	4,224	3,989	3,600	3,600
Savings to the State from Operating the Service Center	\$211,293	\$ 216,575	\$ 222,000	\$ 221,835	\$ 222,000	\$ 222,000
Number of Non-Cabinet Agencies Receiving HR Assistance from OPS	49	51	52	52	53	54
Total Number of Days from Start of Hiring Process to Job Offer—Classified	31.4	30.9	28.1	33.1	29.8	27.4
Total Number of Days from Start of Hiring Process to Job Offer—Unclassified	22.3	21.4	20.4	22.9	21.1	20.1
CAFR Submitted Prior to December 31 with an Unmodified Audit Opinion	Yes	Yes	Yes	Yes	Yes	Yes
Percent of Uptime During Business Hours—SMART	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of Up-Time During Business Hours—SHARP	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of Fiscal Notes Completed by the Bill's Hearing Date	100.0 %	99.7 %	100.0 %	100.0 %	100.0 %	100.0 %
Number of Fiscal Notes Completed	559	644	600	600	600	600
Total Number of Complaints Investigated	1,363	1,231	1,275	1,134	1,275	1,275
Percent of Adult Care Homes with Assigned Volunteer Ombudsman	9.0 %	9.0 %	8.0 %	9.0 %	8.0 %	8.0 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 241.2	\$ 243.1	\$ 243.6	\$ 243.5	\$ 279.6	\$ 278.4
FTE Positions	422.3	417.0	417.0	417.0	464.0	463.0

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

The measures above have been identified by the Department of Administration in cooperation with the Kansas Division of the Budget and the Kansas Legislative Research Department as key performance measures for the agency.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2013 – FY 2022



OPERATING EXPENDITURES FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 28,359,742	(58.3)%	\$ 62,718,036	(13.0)%	518.2
2014	42,128,069	48.5	82,582,890	31.7	468.2
2015	20,131,425	(52.2)	69,406,039	(16.0)	450.1
2016	59,247,614	194.3	105,123,917	51.5	297.1
2017	98,875,656	66.9	143,311,228	36.3	434.8
2018	99,676,168	0.8	145,923,234	1.8	419.3
2019	108,270,474	8.6	153,778,552	5.4	417.0
2020	96,816,928	(10.6)	141,688,957	(7.9)	417.1
2021 Gov. Rec.	95,502,868	(1.4)	140,850,156	(0.6)	464.1
2022 Gov. Rec.	91,556,103	(4.1)	136,762,357	(2.9)	463.1
Ten-Year Change Dollars/Percent	\$ 63,196,361	222.8 %	\$ 74,044,321	118.1 %	(55.1)

Summary of Operating Budget (On-Budget) FY 2020 - FY 2022

	Actual FY 2020	Agency Estimate			Governor's Recommendation				
		Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Rec. FY 2021	Rec. FY 2022	Dollar Change from FY 21	Percent Change from FY 21
By Program:									
Secretary	\$ 814,407	\$ 750,308	\$ 755,212	\$ 4,904	0.7 %	\$ 1,747,815	\$ 745,212	\$ (1,002,603)	(57.4)%
Chief Counsel	306,930	355,462	357,309	1,847	0.5	355,462	337,309	(18,153)	(5.1)
Facilities	983,528	2,105,935	9,224,302	7,118,367	338.0	505,935	824,302	318,367	62.9
Printing and Mailing	606,526	422,000	422,000	0	0.0	422,000	422,000	0	0.0
Procurement	1,372,450	1,428,161	1,457,208	29,047	2.0	1,428,161	1,457,208	29,047	2.0
Financial Management	481,573	422,220	423,677	1,457	0.3	422,220	423,677	1,457	0.3
Personnel Services	1,406,134	1,409,814	1,100,704	(309,110)	(21.9)	1,409,814	1,050,704	(359,110)	(25.5)
State Employee Health	0	0	0	0	--	0	0	0	--
Accounts and Reports	2,480,670	2,390,351	2,510,418	120,067	5.0	2,390,351	2,410,418	20,067	0.8
Systems Management	73,447	131,956	323,985	192,029	145.5	131,956	323,985	192,029	145.5
Information Technology	0	0	0	0	--	0	0	0	--
Division of the Budget	1,655,379	1,968,086	1,794,821	(173,265)	(8.8)	1,968,086	1,615,339	(352,747)	(17.9)
LTC Ombudsman	681,411	719,388	724,891	5,503	0.8	718,424	695,456	(22,968)	(3.2)
Debt Service	130,826,502	129,349,932	130,006,415	656,483	0.5	129,349,932	126,456,747	(2,893,185)	(2.2)
Clearing	0	0	0	0	--	0	0	0	--
TOTAL	\$ 141,688,957	\$ 141,453,613	\$ 149,100,942	\$ 7,647,329	5.4 %	\$ 140,850,156	\$ 136,762,357	\$ (4,087,799)	(2.9)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 7,189,983	\$ 7,711,608	\$ 7,789,738	\$ 78,130	1.0 %	\$ 7,711,608	\$ 7,530,821	\$ (180,787)	(2.3)%
Contractual Services	2,880,923	3,634,628	10,547,344	6,912,716	190.2	2,033,632	2,017,344	(16,288)	(0.8)
Commodities	201,097	320,645	320,645	0	0.0	465,895	320,645	(145,250)	(31.2)
Capital Outlay	104,476	26,800	26,800	0	0.0	879,089	26,800	(852,289)	(97.0)
Debt Service	130,826,502	129,349,932	130,006,415	656,483	0.5	129,349,932	126,456,747	(2,893,185)	(2.2)
<i>Subtotal - Operations</i>	<i>\$ 141,202,981</i>	<i>\$ 141,043,613</i>	<i>\$ 148,690,942</i>	<i>\$ 7,647,329</i>	<i>5.4 %</i>	<i>\$ 140,440,156</i>	<i>\$ 136,352,357</i>	<i>\$ (4,087,799)</i>	<i>(2.9)%</i>
Aid to Local Units	332,681	250,000	250,000	0	0.0	250,000	250,000	0	0.0
Other Assistance	153,295	160,000	160,000	0	0.0	160,000	160,000	0	0.0
TOTAL	\$ 141,688,957	\$ 141,453,613	\$ 149,100,942	\$ 7,647,329	5.4 %	\$ 140,850,156	\$ 136,762,357	\$ (4,087,799)	(2.9)%
Financing:									
State General Fund	\$ 96,816,928	\$ 97,103,864	\$ 104,867,065	\$ 7,763,201	8.0 %	\$ 95,502,868	\$ 91,556,103	\$ (3,946,765)	(4.1)%
All Other Funds	44,872,029	44,349,749	44,233,877	(115,872)	(0.3)	45,347,288	45,206,254	(141,034)	(0.3)
TOTAL	\$ 141,688,957	\$ 141,453,613	\$ 149,100,942	\$ 7,647,329	5.4 %	\$ 140,850,156	\$ 136,762,357	\$ (4,087,799)	(2.9)%

Summary of Operating Budget (Off-Budget) FY 2020 - FY 2022

	Actual FY 2020	Agency Estimate			Governor's Recommendation				
		Estimate FY 2021	Request FY 2022	Dollar Change from FY 21	Percent Change from FY 21	Rec. FY 2021	Rec. FY 2022	Dollar Change from FY 21	Percent Change from FY 21
By Program:									
Secretary	\$ 270,031	\$ 209,883	\$ 211,782	\$ 1,899	0.9 %	\$ 209,883	\$ 211,782	\$ 1,899	0.9 %
Chief Counsel	377,118	529,521	533,046	3,525	0.7	529,521	533,046	3,525	0.7
Facilities	24,122,845	18,781,715	18,921,602	139,887	0.7	18,781,715	18,921,602	139,887	0.7
Printing and Mailing	11,597,679	9,486,243	8,901,256	(584,987)	(6.2)	9,486,243	8,901,256	(584,987)	(6.2)
Procurement	0	0	0	0	--	0	0	0	--
Financial Management	1,058,699	1,382,253	1,391,739	9,486	0.7	1,382,253	1,391,739	9,486	0.7
Personnel Services	703,135	701,527	1,025,653	324,126	46.2	701,527	1,025,653	324,126	46.2
State Employee Health	0	37,203,259	36,537,279	(665,980)	(1.8)	37,203,259	36,537,279	(665,980)	(1.8)
Accounts and Reports	4,296,186	4,493,750	4,550,851	57,101	1.3	4,493,720	4,550,851	57,131	1.3
Systems Management	7,846,606	7,433,539	7,522,442	88,903	1.2	7,433,539	7,522,442	88,903	1.2
Information Technology	0	0	0	0	--	0	0	0	--
Division of the Budget	0	0	0	0	--	0	0	0	--
LTC Ombudsman	0	0	0	0	--	0	0	0	--
Debt Service	554,155	1,368,453	1,332,545	(35,908)	(2.6)	1,368,453	1,332,545	(35,908)	(2.6)
Clearing	21,624	22,000	22,000	0	0.0	22,000	22,000	0	0.0
TOTAL	\$ 50,848,078	\$ 81,612,143	\$ 80,950,195	\$ (661,948)	(0.8) %	\$ 81,612,113	\$ 80,950,195	\$ (661,918)	(0.8) %
By Major Object of Expenditure:									
Salaries and Wages	\$ 17,793,277	\$ 21,883,060	\$ 22,078,905	\$ 195,845	0.9 %	\$ 21,883,060	\$ 22,078,905	\$ 195,845	0.9 %
Contractual Services	27,953,402	39,853,180	39,384,220	(468,960)	(1.2)	39,853,180	39,384,220	(468,960)	(1.2)
Commodities	3,508,178	2,205,350	2,272,625	67,275	3.1	2,205,350	2,272,625	67,275	3.1
Capital Outlay	1,035,530	1,212,100	791,900	(420,200)	(34.7)	1,212,100	791,900	(420,200)	(34.7)
Debt Service	554,155	1,368,453	1,332,545	(35,908)	(2.6)	1,368,453	1,332,545	(35,908)	(2.6)
<i>Subtotal - Operations</i>	<i>\$ 50,844,542</i>	<i>\$ 66,522,143</i>	<i>\$ 65,860,195</i>	<i>\$ (661,948)</i>	<i>(1.0) %</i>	<i>\$ 66,522,143</i>	<i>\$ 65,860,195</i>	<i>\$ (661,948)</i>	<i>(1.0) %</i>
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	3,536	15,090,000	15,090,000	0	0.0	15,090,000	15,090,000	0	0.0
TOTAL	\$ 50,848,078	\$ 81,612,143	\$ 80,950,195	\$ (661,948)	(0.8) %	\$ 81,612,143	\$ 80,950,195	\$ (661,948)	(0.8) %
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	-- %	\$ 0	\$ 0	\$ 0	-- %
All Other Funds	50,848,078	81,612,143	80,950,195	(661,948)	(0.8)	81,612,143	80,950,195	(661,948)	(0.8)
TOTAL	\$ 50,848,078	\$ 81,612,143	\$ 80,950,195	\$ (661,948)	(0.8) %	\$ 81,612,143	\$ 80,950,195	\$ (661,948)	(0.8) %

BUDGET OVERVIEW

A. FY 2021 – Current Year

Adjustments to Approved State General Fund Budget

The 2020 Legislature approved a State General Fund (SGF) budget of \$136,853,362 for the Department of Administration in FY 2021. Several adjustments have been made subsequently to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made:

- An increase of \$270,406, based on the reappropriation of FY 2020 funding that was not spent in FY 2020 and has shifted to FY 2021;
- An increase of \$23,829, based on the reimbursement of SGF expenditures in FY 2020 for COVID-19-related expenditures and reimbursed from the Coronavirus Relief Fund as approved by the State Finance Council on June 16, 2020, resulting in reappropriation of funding that was not spent in FY 2020 and has shifted to FY 2021; and
- A decrease of \$703,108 as the result of the Governor's July 1, 2020 SGF allotment.

These adjustments change the FY 2021 approved SGF amount to \$136,444,489. That amount is reflected in the table below as the currently approved FY 2021 SGF amount.

CHANGE FROM APPROVED BUDGET (ON-BUDGET)					
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 136,444,489	\$ 137,959,501	\$ 1,515,012	\$ 136,358,505	\$ (85,984)
All Other Funds	55,448,537	54,851,036	(597,501)	55,848,575	400,038
TOTAL	\$ 191,893,026	\$ 192,810,537	\$ 917,511	\$ 192,207,080	\$ 314,054
FTE Positions	460.0	464.1	4.1	464.1	4.1

The **agency** requests a revised estimate of \$192.8 million, including \$138.0 million SGF, for on-budget expenditures in FY 2021. In FY 2021, on-budget expenditures increase by \$917,511, or 0.5 percent, above the FY 2021 approved budget. The increase is primarily due to the agency's supplemental request to renovate and rehabilitate the entire Docking State Office Building, including the addition of laboratory space for the Kansas Department of Health and Environment (\$1.6 million). **Absent the supplemental**, the revised estimate is a decrease of \$682,489, or 0.4 percent, below the FY 2021 approved budget. The non-supplemental decrease is primarily due to fewer budgeted expenditures for the State Printing Plant (\$275,000), lower debt service interest payments (\$59,158), and reductions in employee pay (\$42,118). The

revised estimate also includes 92.2 on-budget FTE positions, which is a decrease of 0.9 FTE positions below the FY 2021 approved number.

The revised estimate is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests a revised estimate of \$7.7 million, including \$5.7 million SGF, for on-budget salaries and wages expenditures in FY 2021. The revised estimate is an all funds decrease of \$25,856, or 0.3 percent, below the FY 2021 approved budget. The decrease is primarily due to reductions in employee pay (\$42,118) as well as lower employer contributions to unemployment compensation (\$19,000), partially offset by higher employer contributions to public employee retirement (\$48,161);
- **Contractual Services.** The agency requests a revised estimate of \$3.6 million, including \$2.7 million SGF, for on-budget contractual services expenditures in FY 2021. The revised estimate is an all funds increase of \$1.2 million, or 47.4 percent, above the FY 2021 approved budget. The increase is primarily due to the agency's supplemental request to renovate and rehabilitate the entire Docking State Office Building, including the addition of laboratory space for the Kansas Department of Health and Environment (\$1.6 million). Additional details on this project may be found on pages 1215 and 1219. **Absent the supplemental**, the request is an all funds decrease of \$430,574, or 17.5 percent, below the FY 2021 approved budget. The non-supplemental decrease is primarily due to lower expenditures for computer software maintenance services (\$257,682) and building space rental costs (\$190,000);
- **Commodities.** The agency requests a revised estimate of \$320,645, including \$37,275 SGF, for on-budget commodities expenditures in FY 2021. The revised estimate is an all funds decrease of \$269,400, or 45.7 percent, below the FY 2021 approved budget. The decrease is primarily due to fewer expenditures on supplies and materials for the Surplus Property Program (\$275,000);
- **Capital Outlay.** The agency requests a revised estimate of \$26,800, including \$20,800 SGF, for on-budget capital outlay expenditures in FY 2021. The revised estimate is an all funds increase of \$2,500, or 10.3 percent, above the FY 2021 approved budget. The increase is primarily due to computer equipment and software costs within the Office of Procurement and Contracts (\$5,000). The revised estimate also includes expenditures for the replacement of one vehicle within the Office of the Long-Term Care Ombudsman (\$18,800), using funds originally budgeted for furniture and fixtures;
- **Debt Service.** The agency requests a revised estimate of \$129.3 million, including \$88.6 million SGF, for on-budget debt service interest payments in FY 2021. The revised estimate is an all funds decrease of \$59,158, or less than 0.1 percent, below the FY 2021 approved budget. The decrease is primarily due to lower expenditures for interest payments on bonds related to debt service refunding (\$30,459) and KPERS Pension Obligation Bonds (\$19,049). Debt service expenditures account for the majority of the agency's budget, including 92.3 percent of the on-budget revised estimate and 91.8 percent of on-budget SGF expenditures in FY 2021;

- **Aid to Local Units of Government.** The agency requests a revised estimate of \$250,000, all from the Flood Control Emergency Federal Fund, for on-budget aid to local units of government in FY 2021. The revised estimate is the same as the FY 2021 approved budget; and
- **Other Assistance.** The agency requests a revised estimate of \$160,000, all from the Federal Cash Management Fund, for on-budget other assistance expenditures in FY 2021. The revised estimate is an increase of \$100,000, or 166.7 percent, above the FY 2021 approved budget. The increase is due to adjusted estimates on Federal Cash Management Act payments.

In addition to operating expenditures, the revised estimate also includes \$51.4 million, including \$40.9 million SGF, in on-budget capital improvements expenditures in FY 2021, which is the same as the FY 2021 approved budget. The revised estimate includes expenditures for the issuance of Series 2019F/G bonds, which refunded existing bonds related to Capitol restoration projects, the Eisenhower State Office Building, and debt restructuring.

The revised estimate also includes \$87.3 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2021, off-budget expenditures decrease by \$2.7 million, or 3.0 percent, below the FY 2021 approved budget. The decrease is primarily due to lower expenditures on building rent (\$3.7 million), utilities (\$1.1 million), and printing (\$1.1 million). The reduction is offset by higher estimated expenditures on the issuance of Series 2020K bonds, which 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 (\$3.4 million). The agency also requests a revised estimate of 371.9 off-budget FTE positions in FY 2021, which is an increase of 3.1 FTE positions above the FY 2021 approved budget.

The **Governor** recommends \$192.2 million, including \$136.4 million SGF, for on-budget expenditures in FY 2021. The recommendation is an all funds decrease of \$603,457, or 0.3 percent, below the FY 2021 revised estimate. The decrease is due to the Governor's recommendation not to adopt the agency's supplemental request to renovate the Docking State Office Building (\$1.6 million), partially offset by distributions from the Coronavirus Relief Fund made after submission of the agency revised estimate (\$997,539). The Governor's recommendation also includes 93.1 on-budget FTE positions, which is the same as the FY 2021 revised estimate.

The Governor's recommendation also includes \$87.3 million in off-budget expenditures, all from special revenue funds, and 371.9 off-budget FTE positions, which are the same as the FY 2021 revised estimate.

Supplemental Detail

Supplementals	FY 2021 SUPPLEMENTALS					
	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Docking State Office Building Renovation	\$ 1,600,000	\$ 1,600,000	0.0	\$ 0	\$ 0	0.0

The **agency** requests \$1.6 million, all SGF, in FY 2021 to begin the renovation process for the Docking State Office Building.

During the 2020 Legislative Session, the agency presented four proposed options to the House Committee on Appropriations and the Senate Committee on Ways and Means. One of those options was to renovate and reuse the entire building, with added laboratory space for the Kansas Department of Health and Environment (KDHE). Exterior components of the building would be replaced where necessary, preserving historical elements where possible, while interior components would be emptied and updated with new mechanical, electrical, and plumbing systems to prepare for new office space. The central power plant, campus facilities maintenance operations, central warehouse, and the capitol police would remain in the building. New functions to be accommodated include space for compatible state agencies, space for a health clinic and other state service agencies, a training and meeting center, interactive exhibit commons, shared conference rooms, wellness support rooms, outdoor event space, and additional dedicated capitol police parking. Based on initial estimates, this option would provide 532,592 gross square feet of total space, including 186,243 square feet of available agency space and 83,813 square feet of space for the KDHE Lab.

The agency estimates total project costs of \$155.0 million. Of that amount, \$10.0 million would be used for schematic and construction design spread across two years, \$1.6 million in FY 2021 and \$8.4 million for FY 2022. The remaining \$145.0 million is budgeted for bonded debt service for an estimated 20-year duration, beginning in FY 2022. If approved, the agency would begin the design and development phase in FY 2021, completing schematic plans to utilize the entire building and to include laboratory space for KDHE. The agency would then move into the construction phase for FY 2022, with a 24-month construction phase estimated to begin around February 2022. Additional details about the enhancement request for FY 2022 may be found on page 1219.

The **Governor** does not recommend adopting the agency's supplemental request.

Governor's Allotments

On June 29, 2020, the Governor announced SGF allotments or reductions for FY 2021 of \$374.5 million. Included in the Governor's allotted budget were \$146.7 million in human services caseload adjustments, \$79.3 million to delay the FY 2021 State Foundation Aid payment for K-12 Education, \$46.7 million in reductions due to a suspension of KPERS Death and Disability contributions, and \$101.8 million in other adjustments.

Allotments included in this document reduce the FY 2021 approved budget without any required Legislative approval and are included in the approved amounts in the table above. As it relates to this agency, the allotment adjustments totaled \$703,108 and include reductions in rehabilitation and repair expenditures, KPERS Death and Disability contributions, and SGF monies that were freed up because the agency was reimbursed pandemic response expenditures from the Coronavirus Relief Fund. The allotments applied to this agency are detailed below:

GOVERNOR'S ALLOTMENTS			
Allotment	SGF	All Funds	FTE
July Allotment			
Capitol Complex R&R	\$ (626,399)	(626,399)	0.0
KPERS Death and Disability	(39,252)	(39,252)	0.0
Coronavirus Relief Fund	(37,457)	(37,457)	0.0
TOTAL	\$ (703,108)	\$ (703,108)	0.0

B. FY 2022 – Budget Year

FY 2022 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 149,100,942	\$ 136,762,357	\$ (12,338,585)
FTE Positions	463.1	463.1	0.0
Change from FY 2021:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	(661,948)	(661,948)	
TOTAL	\$ (661,948)	\$ (661,948)	
<i>Percent Change:</i>			
State General Fund	8.0 %	(4.1) %	
All Other Funds	(0.8)	(0.8)	
TOTAL	3.1 %	(2.1) %	
Change in FTE Positions	(1.0)	(1.0)	

The **agency** requests \$209.4 million, including \$153.6 million SGF, for on-budget expenditures for FY 2022. For FY 2022, on-budget expenditures increase by \$16.6 million, or 8.6 percent, above the FY 2021 revised estimate. The increase is primarily due to the operating expenditures portion of the agency's enhancement request to renovate and rehabilitate the entire Docking State Office Building, including the addition of laboratory space for the Kansas Department of Health and Environment (\$11.4 million, an increase of \$9.8 million from the agency's supplemental request for FY 2021). The enhancement request also includes debt service principal expenditures that is reflected in the capital improvements request (\$7.0 million). **Absent the enhancements**, the request is an operating expenditures decrease of \$2.2 million, or 1.5 percent, below the FY 2021 revised estimate. The non-enhancement decrease is primarily due to lower debt service interest payments, including for KPERS Pension Obligation Bonds (\$1.6 million) and bonds related to the National Bio and Agro-Defense Facility (\$582,787). The agency also requests 92.2 on-budget FTE positions, which is the same as the FY 2021 revised estimate.

The revised estimate is detailed below by major category of expenditure:

- **Salaries and Wages.** The agency requests a revised estimate of \$7.8 million, including \$5.8 million SGF, for on-budget salaries and wages expenditures for FY 2022. The request is an all funds increase of \$78,130, or 1.0 percent, above the FY 2021 revised estimate. The increase is primarily due to higher employer contributions to public employees retirement (\$47,703) and group health insurance (\$14,383). The increase is also attributable to shrinkage budgeted in FY 2021 that is not present for FY 2022. Shrinkage is the difference between the cost of fully funding salaries and wages for an entire fiscal year, assuming all positions are filled at all times, and actual salaries and wages costs, taking vacancies into account;
- **Contractual Services.** The agency requests a revised estimate of \$10.5 million, including \$9.3 million SGF, for on-budget contractual services expenditures for FY 2022. The request is an all funds increase of \$6.9 million, or 190.2 percent, above the FY 2021 revised estimate. The increase is primarily due to the agency's enhancement request to renovate and rehabilitate the entire Docking State Office Building, including the addition of laboratory space for the Kansas Department of Health and Environment (\$6.8 million). Additional details on this project may be found on pages 1215 and 1219. **Absent the supplemental and enhancement,** the request is an all funds increase of \$112,716, or 5.5 percent, above the FY 2021 revised estimate. The non-enhancement increase is primarily due to higher payments for surety bonds and insurance premiums (\$325,000);
- **Commodities.** The agency requests a revised estimate of \$320,645, including \$37,275 SGF, for on-budget commodities expenditures for FY 2022. The request is the same as the FY 2021 revised estimate;
- **Capital Outlay.** The agency requests a revised estimate of \$26,800, including \$20,800 SGF, for on-budget capital outlay expenditures for FY 2022. The request is the same as the FY 2021 revised estimate;
- **Debt Service.** The agency requests a revised estimate of \$130.0 million, including \$89.8 million SGF, for on-budget debt service interest payments for FY 2022. The request is an all funds increase of \$656,483, or 0.5 percent, above the FY 2021 revised estimate. The increase is primarily due to the agency's enhancement request to renovate and rehabilitate the Docking State Office Building, which includes debt service payments for an estimated 20-year term (\$3.0 million). Additional details on this project may be found on pages 1215 and 1219. **Absent the enhancement,** the request is an all funds decrease of \$2.3 million, or 1.3 percent, below the FY 2021 revised estimate. The non-enhancement decrease is primarily due to lower interest payments on bonds related to debt service refunding (\$1.2 million), the National Bio and Agro-Defense Facility (\$582,787), and renovation of the Kansas Statehouse (\$373,575);
- **Aid to Local Units of Government.** The agency requests a revised estimate of \$250,000, all from the Flood Control Emergency Federal Fund, for on-budget aid to local units of government for FY 2022. The request is the same as the FY 2021 revised estimate; and
- **Other Assistance.** The agency requests a revised estimate of \$160,000, all from the Federal Cash Management Fund, for on-budget other assistance

expenditures for FY 2022. The request is the same as the FY 2021 revised estimate.

In addition to operating expenditures, the request also includes \$60.3 million, including \$48.8 million SGF, in on-budget capital improvements expenditures for FY 2022, which is an increase of \$9.0 million, or 17.5 percent, above the FY 2021 revised estimate. The increase is primarily due to the agency's enhancement request to renovate and rehabilitate the Docking State Office Building (\$7.0 million). **Absent the enhancement**, the capital improvements request is an all funds increase of \$2.0 million, or 3.9 percent, above the FY 2021 revised estimate. The non-enhancement increase is primarily due to higher principal payments on bonds related to renovations of the Kansas Statehouse (\$1.7 million).

The request also includes \$85.9 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures decrease by \$1.4 million, or 1.6 percent, below the FY 2021 revised estimate. The decrease is primarily due to lower expenditures for contracts to support the management of the State Employee Health Benefits Program (\$928,685) and on printing equipment (\$332,000). The agency also requests 370.9 off-budget FTE positions for FY 2022, which is a decrease of 1.0 FTE position below the FY 2021 revised estimate.

The **Governor** recommends \$192.5 million, including \$131.1 million SGF, for on-budget expenditures for FY 2022. The recommendation is an all funds decrease of \$16.9 million, or 8.1 percent, and an SGF decrease of \$22.6 million, or 14.7 percent, below the FY 2022 agency request. The SGF decrease is primarily due to the Governor's recommendation not to adopt the agency's enhancement request to renovate the Docking State Office Building (\$18.4 million). The SGF decrease is also attributable to lower debt service principal and interest payments on bonds related to the NBAF (\$2.7 million) and bond restructuring (\$1.1 million). The recommendation also includes a decrease in principal payments on Kansas Statehouse renovation bonds (\$10.3 million, all from the State Highway Fund), offset by the issuance of 2020R/S series bonds (\$15.9 million, all from the State Highway Fund), which refunds 2010E-1, 2010E-2, 2010O-2, 2010F, and 2011B series bonds. The recommendation also includes 92.2 on-budget FTE positions, which is the same as the FY 2022 agency request.

The Governor's recommendation also includes \$85.9 million in off-budget expenditures, all from special revenue funds, and 370.9 off-budget FTE positions, which are the same as the FY 2022 agency request.

Enhancement Detail

Enhancements	FY 2022 ENHANCEMENTS					
	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Docking State Office Building Renovation	\$ 18,400,000	\$ 18,400,000	0.0	\$ 0	\$ 0	0.0

The **agency** requests \$18.4 million, all SGF, for FY 2022 to continue the renovation process for the Docking State Office Building, including \$11.4 million in operation expenditures and \$7.0 million for capital improvement expenditures. This request is built upon the agency's supplemental request to develop schematic designs in FY 2021 to utilize the entire building and

to include laboratory space for KDHE. Details on the supplemental request, as well as background information presented to the 2020 Legislature, may be found on page 1215.

For FY 2022, the agency would begin the construction design phase, which includes the completion of the construction drawings that would be used for soliciting bids and the selection of a construction manager who will develop a guaranteed maximum price for the project. The agency estimates \$155.0 million for the entire project, including \$10.0 million for schematic and construction design (\$1.6 million in FY 2021 and \$8.4 million for FY 2022) and \$145.0 million for bonded debt service. The agency estimates the 24-month construction phase would begin around February 2022. The agency's preliminary estimates for the project are detailed below:

DOCKING STATE OFFICE BUILDING RENOVATION PROJECT – AGENCY ESTIMATES				
Item	FY 2021	FY 2022	FY 2023-2041	Total
Schematic Design	\$ 1,600,000	\$ -	\$ -	\$ 1,600,000
Design Development	-	2,100,000	-	2,100,000
Construction Design	-	4,200,000	-	4,200,000
Asbestos Abatement	-	1,800,000	-	1,800,000
Pre-Construction Services	-	300,000	-	300,000
Debt Service*	-	10,000,000	190,000,000	200,000,000
TOTAL	\$ 1,600,000	\$ 18,400,000	\$ 190,000,000	\$ 210,000,000

* The agency estimates a 20-year bond period with annual payments of \$10.0 million.

The **Governor** does not recommend adopting the agency's enhancement request.

FY 2022 Reduced Resources

The Governor has requested that specified agencies with SGF moneys provide a reduced resources budget submission of 10.0 percent for FY 2022. The information below provides details of the agency's reduced resources budget submission for the SGF.

FY 2022 REDUCED RESOURCES						
Item	Agency Recommendation			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Hold Positions Open						
Personnel Services	\$ (50,000)	\$ (50,000)	0.0	\$ (50,000)	\$ (50,000)	0.0
LTC Ombudsman	(29,435)	(29,435)	0.0	(29,435)	(29,435)	0.0
Division of the Budget	(44,052)	(44,052)	0.0	(44,052)	(44,052)	0.0
<i>Subtotal</i>	<u>\$ (123,487)</u>	<u>\$ (123,487)</u>	<u>0.0</u>	<u>\$ (123,487)</u>	<u>\$ (123,487)</u>	<u>0.0</u>
Eliminate Positions						
Division of the Budget	\$ (135,430)	\$ (135,430)	0.0	\$ (135,430)	\$ (135,430)	0.0
Reduce Expenditures						
Secretary of Admin.	\$ (10,000)	\$ (10,000)	0.0	\$ (10,000)	\$ (10,000)	0.0
Chief Counsel	(20,000)	(20,000)	0.0	(20,000)	(20,000)	0.0
Accounts and Reports	(100,000)	(100,000)	0.0	(100,000)	(100,000)	0.0
Systems Management	(258,000)	(258,000)	0.0	0	0	0.0
<i>Subtotal</i>	<u>\$ (388,000)</u>	<u>\$ (388,000)</u>	<u>0.0</u>	<u>\$ (130,000)</u>	<u>\$ (130,000)</u>	<u>0.0</u>
Rehab and Repair						
Facilities	\$ (374,000)	\$ (374,000)	0.0	\$ 0	\$ 0	0.0
Capital Improvements	0	0	0.0	(507)	(507)	0.0
<i>Subtotal</i>	<u>\$ (374,000)</u>	<u>\$ (374,000)</u>	<u>0.0</u>	<u>\$ (507)</u>	<u>\$ (507)</u>	<u>0.0</u>
TOTAL	<u>\$ (1,020,917)</u>	<u>\$ (1,020,917)</u>	<u>0.0</u>	<u>\$ (389,424)</u>	<u>\$ (389,424)</u>	<u>0.0</u>

The **agency** submits the \$1.0 million, all SGF, in reduced resources for FY 2022. The agency would implement these reductions by holding open vacant positions (\$123,487), eliminating two position in the Division of the Budget (\$135,430), reducing contractual service expenditures (\$388,000), and lowering rehabilitation and repair expenditures (\$374,000).

The **Governor** recommends partial adoption of the agency proposal, for a reduction of \$389,424, all SGF, for FY 2022. The Governor recommends not adopting the reductions for contractual services expenditures in the Office of Systems Management (\$258,000) and for rehabilitation and repair of state facilities (\$374,000).

Governor's Recommended Salary and Wage Adjustments

For FY 2022, the Governor recommends adding \$31.5 million, including \$11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding \$10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

Longevity Bonus Payments. In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400) and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is \$3.0 million, including \$1.1 million SGF. For FY 2022, the estimated cost is \$3.1 million, including \$1.1 million SGF. **For this agency, FY 2021 longevity payments total \$43,560, including \$8,429 SGF, and FY 2022 longevity payments total \$44,560, including \$8,290 SGF.**

Kansas Public Employees Retirement System (KPERs). The employer retirement contribution rate, including Death and Disability contributions, for the KPERs State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The FY 2021 rate excludes the 1.0 percent KPERs Death and Disability contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERs State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of \$177.3 million, including \$158.7 million SGF, for FY 2022. The Governor's recommendation would also incorporate \$25.8 million in KPERs layering payments into the amortization schedules. **No savings from this policy are currently included in this agency's budget.**

KPERs Death and Disability Group Insurance Fund. During FY 2021, a moratorium on employer contributions to the KPERs Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented *via* the Governor's allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at \$46.7 million in contributions from the SGF. Included in this amount were savings of approximately \$40.3 million from KPERs School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of \$46.7 million to annualize the payments for the full fiscal year.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2022	Gov. Rec. Percent of Total FY 2022
State General Fund	45.6 %	42.7 %
Expanded Lottery Act Revenue Fund	15.7	16.9
State Highway Fund	1.8	0.8
All Other Funds	36.9	39.6
TOTAL	100.0 %	100.0 %

(Note: Totals may not add due to rounding.)

State Buildings Operating Fund Analysis

KSA 75-3654 establishes the State Buildings Operating Fund in the State Treasury. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the Department of Administration issued pursuant to vouchers approved by the Secretary of Administration or by a person designated by the Secretary. The main revenue source in the State Buildings Operating Fund is rent revenue. Rent was figured on net square footage in FY 2020 at a rate of \$19.75 per square foot for office space. The monumental building surcharge is another significant revenue source for this fund. This revenue is used for the support of the State Capitol, Judicial Center, Cedar Crest, and the Capitol Complex parking lots. The rate in FY 2020 is \$2.70 per square foot.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 4,509,800	\$ 2,840,389	\$ 2,840,389	\$ 2,683,845	\$ 2,683,845
Revenue	23,275,920	23,935,405	23,935,405	24,236,553	24,236,553
Transfers in	0	0	0	0	0
<i>Funds Available</i>	\$ 27,785,720	\$ 26,775,794	\$ 26,775,794	\$ 26,920,398	\$ 26,920,398
Less:					
Expenditures	\$ 23,588,684	\$ 22,707,679	\$ 22,707,679	\$ 22,774,577	\$ 22,774,577
Transfers Out	975,830	975,830	975,830	975,830	975,830
Off-Budget Expenditures	380,817	408,440	408,440	408,440	408,440
Ending Balance	\$ 2,840,389	\$ 2,683,845	\$ 2,683,845	\$ 2,761,551	\$ 2,761,551
Ending Balance as Percent of Expenditures	12.0%	11.8%	11.8%	12.1%	12.1%

ESTIMATED RECEIPTS (FY 2020 - FY 2022)

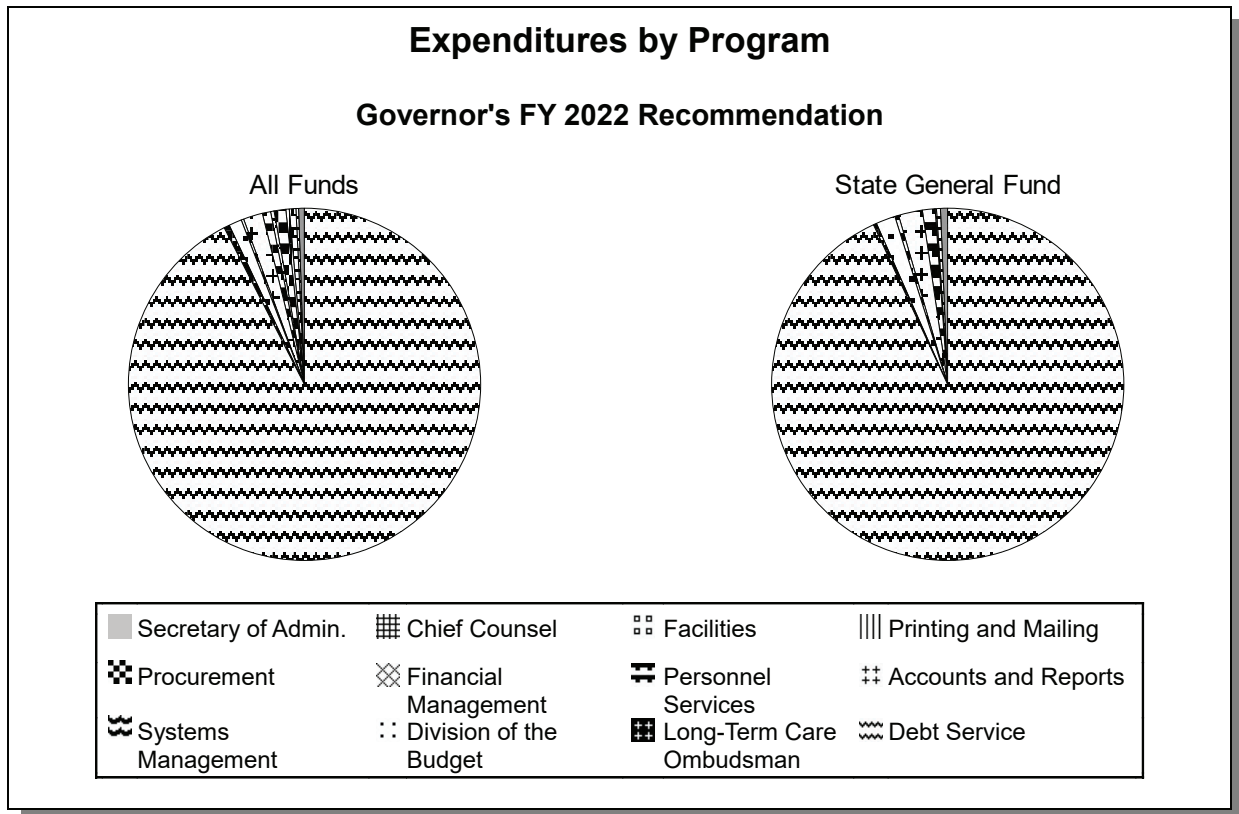
	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Charges for Technical & Skilled Services Other Than Inspections	\$ 105,842	\$ 100,000	\$ 100,000
Other Service Charges	5,016,138	5,148,760	5,452,803
Sale of Usable Condemned Materials	74	0	0
Departmental or Agency Sales	969,683	950,000	950,000
Income from Rent of Real Estate and Buildings	3,491	3,500	3,500
Capitol Complex Building Rental Fees	17,068,425	17,655,145	17,652,250
Other Rents & Royalties	26,735	28,000	28,000
Sale of Land, Buildings, and Other Real Estate	89,712	50,000	50,000
Recovery of Prior Fiscal Year Expenditures	420	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(975,830)	(975,830)	(975,830)
TOTAL	\$ 22,304,690	\$ 22,959,575	\$ 23,260,723

State Buildings Depreciation Fund Analysis

KSA 75-3655 establishes the State Buildings Depreciation Fund in the State Treasury. Moneys sufficient to provide for the replacement of depreciable machinery and equipment and for maintenance and capital improvements, for State-owned buildings at the former Forbes Air Force base and for the Docking State Office Building, the Landon State Office Building, and Memorial Hall shall be transferred from the State Buildings Operating Fund. Transfers shall not be less than 5.0 percent of amounts collected for rental charges for State-owned office space at the former Forbes Air Force base, the Docking State Office Building, and the Landon State Office Building.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 1,384,767	\$ 1,391,267	\$ 1,391,267	\$ 973,142	\$ 973,142
Revenue	0	0	0	0	0
Transfers in	750,000	750,000	750,000	750,000	750,000
Funds Available	\$ 2,134,767	\$ 2,141,267	\$ 2,141,267	\$ 1,723,142	\$ 1,723,142
Less:					
Expenditures	\$ 743,500	\$ 1,168,125	\$ 1,168,125	\$ 425,000	\$ 425,000
Transfers Out	0	0	0	0	0
Off-Budget Expenditures	0	0	0	0	0
Ending Balance	\$ 1,391,267	\$ 973,142	\$ 973,142	\$ 1,298,142	\$ 1,298,142
Ending Balance as Percent of Expenditures	187.1%	83.3%	83.3%	305.4%	305.4%

PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Secretary of Administration	\$ 745,212	0.5 %	\$ 612,867	0.7 %
Chief Counsel	337,309	0.2	307,309	0.3
Facilities and Property Management	824,302	0.6	0	--
Printing and Mailing	422,000	0.3	0	--
Procurement and Contracts	1,457,208	1.1	0	--
Financial Management	423,677	0.3	131,781	0.1
Personnel Services	1,050,704	0.8	1,050,704	1.1
State Employee Health	0	0.0	0	--
Accounts and Reports	2,410,418	1.8	2,018,830	2.2
Systems Management	323,985	0.2	323,985	0.4
Information Technology	0	0.0	0	--
Division of the Budget	1,615,339	1.2	1,615,339	1.8
Long-Term Care Ombudsman	695,456	0.5	264,919	0.3
Debt Service	126,456,747	92.5	85,230,369	93.1
Clearing	0	0.0	0	--
TOTAL	\$ 136,762,357	100.0 %	\$ 91,556,103	100.0 %

FTE POSITIONS BY PROGRAM FY 2020 – FY 2022

Program	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Secretary	5.2	5.2	5.2	5.2	5.2
Chief Counsel	2.0	2.0	2.0	2.0	2.0
Facilities	1.0	1.0	1.0	1.0	1.0
Printing and Mailing	0.0	0.0	0.0	0.0	0.0
Procurement	15.0	15.0	15.0	15.0	15.0
Financial Management	2.9	1.9	1.9	1.9	1.9
Personnel Services	15.1	15.1	15.1	15.1	15.1
State Employee Health	0.0	0.0	0.0	0.0	0.0
Accounts and Reports	25.1	27.0	27.0	27.0	27.0
Systems Management	1.0	1.0	1.0	1.0	1.0
Information Technology	0.0	0.0	0.0	0.0	0.0
Division of the Budget	13.0	13.0	13.0	13.0	13.0
LTC Ombudsman	11.0	11.0	11.0	11.0	11.0
Debt Service	0.0	0.0	0.0	0.0	0.0
Clearing	0.0	0.0	0.0	0.0	0.0
<i>Subtotal-On-Budget</i>	<u>91.3</u>	<u>92.2</u>	<u>92.2</u>	<u>92.2</u>	<u>92.2</u>
Off-Budget:					
Secretary	1.8	1.8	1.8	1.8	1.8
Chief Counsel	5.0	5.0	5.0	5.0	5.0
Facilities	187.0	187.0	187.0	187.0	187.0
Printing and Mailing	53.0	53.0	53.0	53.0	53.0
Procurement	0.0	0.0	0.0	0.0	0.0
Financial Management	16.2	17.2	17.2	17.2	17.2
Personnel Services	8.9	8.9	8.9	8.9	8.9
State Employee Health	0.0	45.0	45.0	45.0	45.0
Accounts and Reports	35.9	36.0	36.0	35.0	35.0
Systems Management	18.0	18.0	18.0	18.0	18.0
Information Technology	0.0	0.0	0.0	0.0	0.0
Division of the Budget	0.0	0.0	0.0	0.0	0.0
LTC Ombudsman	0.0	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0	0.0
Clearing	0.0	0.0	0.0	0.0	0.0
<i>Subtotal-Off-Budget</i>	<u>325.8</u>	<u>371.9</u>	<u>371.9</u>	<u>370.9</u>	<u>370.9</u>
TOTAL	<u>417.1</u>	<u>464.1</u>	<u>464.1</u>	<u>463.1</u>	<u>463.1</u>

(Note: For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.)

PROGRAMS					
SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Secretary	\$ 814,407	\$ 750,308	\$ 1,747,815	\$ 755,212	\$ 745,212
Chief Counsel	306,930	355,462	355,462	357,309	337,309
Facilities	983,528	2,105,935	505,935	9,224,302	824,302
Printing and Mailing	606,526	422,000	422,000	422,000	422,000
Procurement	1,372,450	1,428,161	1,428,161	1,457,208	1,457,208
Financial Management	481,573	422,220	422,220	423,677	423,677
Personnel Services	1,406,134	1,409,814	1,409,814	1,100,704	1,050,704
State Employee Health	0	0	0	0	0
Accounts and Reports	2,480,670	2,390,351	2,390,351	2,510,418	2,410,418
Systems Management	73,447	131,956	131,956	323,985	323,985
Information Technology	0	0	0	0	0
Division of the Budget	1,655,379	1,968,086	1,968,086	1,794,821	1,615,339
LTC Ombudsman	681,411	719,388	718,424	724,891	695,456
Debt Service	130,826,502	129,349,932	129,349,932	130,006,415	126,456,747
Clearing	0	0	0	0	0
<i>Subtotal-On-Budget</i>	<u>\$ 141,688,957</u>	<u>\$ 141,453,613</u>	<u>\$ 140,850,156</u>	<u>\$ 149,100,942</u>	<u>\$ 136,762,357</u>
Off-Budget:					
Secretary	\$ 270,031	\$ 209,883	\$ 209,883	\$ 211,782	\$ 211,782
Chief Counsel	377,118	529,521	529,521	533,046	533,046
Facilities	24,122,845	18,781,715	18,781,715	18,921,602	18,921,602
Printing and Mailing	11,597,679	9,486,243	9,486,243	8,901,256	8,901,256
Procurement	0	0	0	0	0
Financial Management	1,058,699	1,382,253	1,382,253	1,391,739	1,391,739
Personnel Services	703,135	701,527	701,527	1,025,653	1,025,653
State Employee Health	0	37,203,259	37,203,259	36,537,279	36,537,279
Accounts and Reports	4,296,186	4,493,750	4,493,720	4,550,851	4,550,851
Systems Management	7,846,606	7,433,539	7,433,539	7,522,442	7,522,442
Information Technology	0	0	0	0	0
Division of the Budget	0	0	0	0	0
LTC Ombudsman	0	0	0	0	0
Debt Service	554,155	1,368,453	1,368,453	1,332,545	1,332,545
Clearing	21,624	22,000	22,000	22,000	22,000
<i>Subtotal-Off-Budget</i>	<u>\$ 50,848,078</u>	<u>\$ 81,612,143</u>	<u>\$ 81,612,113</u>	<u>\$ 80,950,195</u>	<u>\$ 80,950,195</u>
TOTAL	<u>\$ 192,537,035</u>	<u>\$ 223,065,756</u>	<u>\$ 222,462,269</u>	<u>\$ 230,051,137</u>	<u>\$ 217,712,552</u>
Financing:					
State General Fund	\$ 96,816,928	\$ 97,103,864	\$ 95,502,868	\$ 104,867,065	\$ 91,556,103
All Other Funds	95,720,107	125,961,892	126,959,431	125,184,072	126,156,449
TOTAL	<u>\$ 192,537,035</u>	<u>\$ 223,065,756</u>	<u>\$ 222,462,299</u>	<u>\$ 230,051,137</u>	<u>\$ 217,712,552</u>
FTE Positions	417.1	464.1	464.1	463.1	463.1

A. Office of the Secretary of Administration

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

- **Secretary of Administration.** The Secretary of Administration, among other statutory duties, establishes the vision of the agency and works with the Office

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

- **State Finance Council.** The State Finance Council is a joint committee composed of the legislative leadership from the House and Senate and the Governor that is empowered to make some financial decisions while the Legislature is not in session. KSA 75-3708 governs membership of the council;
- **Office of 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 public information officers. The Office also serves as the legislative liaison between the agency and the Legislature; and
- **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.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
There are no outcome measures submitted for this program.						
<u>Agency Expenditures</u>						
All Funds (Dollars in Thousands)	\$ 671.0	\$ 730.0	\$ 935.8	\$ 1,084.4	\$ 1,957.7	\$ 957.0
FTE Positions	5.0	5.0	7.0	7.0	7.0	7.0

Although the Office of the Secretary of Administration does not have submitted outcome measures, it has nonetheless identified a number of objectives useful in determining overall performance:

- **State Employee Recruitment and Retention.** The Office develops and enhances structures, practices, and policies to improve upon the state workforce by working with Executive Branch agencies to identify areas from the employee survey for improvement and assist with implementation of policy or procedure changes, exploring options with the Health Care Commission to reduce the cost of healthcare to state employees, and identifying professional development resources, structures, and partnerships to better support state employees;
- **Streamline Statewide Procurement Process.** The Office analyzes the procurement process for ways to maximize customer service, while also promoting transparency and competitive bidding by reviewing current regulations, business processes, and organizational structures to make statewide

procurements more effective, efficient, and transparent; minimizing the number of non-competitive bid requests approved; and evaluating requests for non-competitive bid events received by the Office of Procurement and Contracts from state agencies, pursuant to KSA 75-3739, to determine the level of activity each fiscal year;

- **Strengthen Delivery of Services.** The Office works to ensure that agency services are provided effectively and efficiently by working with agencies and state government leadership to gauge the level of satisfaction with agency services; increasing the level and quality of services to non-cabinet agencies; and proactively communicating with units of government about the services the agency offers; and
- **Review Business Operations.** The Office analyzes regulations, business processes, and organizational structures to identify areas of efficiency gains or improvement by working with the agency's executive team and its counterparts across state government to make processes more effective, efficient, and transparent. The Office also interfaces with other state agencies to solicit formal and informal reports on satisfaction with agency services.

OFFICE OF THE SECRETARY OF ADMINISTRATION SUBPROGRAMS SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Administration	\$ 487,175	\$ 444,021	\$ 443,989	\$ 446,463	\$ 436,463
State Finance Council	1,776	3,000	3,000	3,000	3,000
Public Information	185,935	211,583	211,583	213,334	213,334
KCJIS Administration	67,263	91,704	91,704	92,415	92,415
COVID-19 Transactions	72,258	0	997,539	0	0
<i>Subtotal</i>	<u>\$ 814,407</u>	<u>\$ 750,308</u>	<u>\$ 1,747,815</u>	<u>\$ 755,212</u>	<u>\$ 745,212</u>
Off-Budget:					
Administration	\$ 135,360	\$ 209,883	\$ 209,883	\$ 211,782	\$ 211,782
State Finance Council	0	0	0	0	0
Public Information	9,500	0	0	0	0
KCJIS Administration	150	0	0	0	0
COVID-19 Transactions	125,021	0	0	0	0
<i>Subtotal</i>	<u>\$ 270,031</u>	<u>\$ 209,883</u>	<u>\$ 209,883</u>	<u>\$ 211,782</u>	<u>\$ 211,782</u>
TOTAL	<u>\$ 1,084,438</u>	<u>\$ 960,191</u>	<u>\$ 1,957,698</u>	<u>\$ 966,994</u>	<u>\$ 956,994</u>

The **agency** requests \$966,994, including \$622,867 SGF, for the Office of the Secretary of Administration for FY 2022. The request includes \$755,212 in on-budget expenditures, including \$622,867 SGF. For FY 2022, on-budget expenditures increase by \$4,904, or 0.7 percent, above the FY 2021 revised estimate. The increase is primarily due to employer contributions for the public employees retirement system (\$2,792), group health insurance (\$1,176), and deferred compensation plans (\$1,050). The Office of the Secretary of Administration also includes 5.2 on-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The request also includes \$211,782 in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures increase by \$1,899, or 0.9 percent, above the FY 2021 revised estimate. The increase is primarily due to employer contributions for the public employees retirement system (\$975), group health insurance (\$521), and deferred compensation plans (\$450). The Office of the Secretary of Administration request also includes 1.8 off-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** recommends expenditures of \$956,994, including \$612,867 SGF, for the Office of the Secretary of Administration for FY 2022. The recommendation includes \$745,212 in on-budget expenditures, including \$612,867 SGF. For FY 2022, on-budget expenditures decrease by \$10,000, or 1.3 percent, below the FY 2022 agency request. The decrease is due to the Governor's recommendation to adopt the agency's reduced resources budget (\$10,000). The recommendation includes 5.2 on-budget FTE positions for FY 2022, which is the same as the FY 2022 agency request.

The recommendation also includes \$211,782 in off-budget expenditures and 1.8 off-budget FTE positions, which are the same as the FY 2022 agency request.

B. Office of the Chief Counsel

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; advising the Office of Procurement and Contracts regarding procurement; negotiation and contracting issues; and other services.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Regulations Submitted for Review	233	225	225	400	375	375
Number of Contracts Completed*	77	81	85	90	100	100
Number of Register Notices Published in the <i>Kansas Register</i> *	34	37	35	37	40	40
Number of KORA Requests Received*	146	159	160	184	190	190
Number of Continuing Legal Education General Credits Provided*	12	12	12	12	12	12
Agency Expenditures						
All Funds (Dollars in Thousands)	\$ 720.9	\$ 671.9	\$ 892.6	\$ 684.0	\$ 885.0	\$ 870.4
FTE Positions	7.5	7.0	7.0	7.0	7.0	7.0

* The Governor's Office does not utilize this measure for evaluation purposes.

The Office of the Chief Counsel works to maximize fiscal resources and revenues available to the State by providing legal services, continuing legal education for state agency attorneys, and approving proposed administrative regulations. Accordingly, the Office has identified the following objectives as integral towards its goals:

- Regulation Oversight.** The Office provides state agencies with cost-effective means to prepare and obtain the required departmental approval of regulations. It works toward this objective by developing procedures and strategies for ensuring that revisions and drafts of regulations conform to the Kansas regulatory style and are consistent with the intent of the agency. Additionally, the Office develops and posts information about drafting and adopting regulation on the agency's website. Accordingly, the Office estimates completion of 375 regulations in FY 2021 and for FY 2022;
- Timely Delivery of Requested Documents.** The Office provides departmental offices and customer agencies with the timely preparation and review of requested agreements, opinions, policies, procedures, and other items. It works towards this objective by prioritizing the review of contracts, leases, and other agreements. Accordingly, the Office estimates completion of 100 contracts in FY 2021 and for FY 2022. Additionally, the Office monitors open records requests and facilitates prompt response by departmental offices. The Office estimates it will receive 190 Kansas Open Records Act requests in FY 2021 and for FY 2022; and
- Continuing Legal Education (CLE) and Training.** The Office provides state agencies and other governmental attorneys with relevant cost-effective continuing legal education and training opportunities. It works towards this objective by processing input from state agencies on topics for which educational opportunities are desired and maintaining mailing lists to promote training sessions, offering online CLE information and registration as possible. Accordingly, the Office estimates it will provide 12 CLE general credits in FY 2021 and for FY 2022.

OFFICE OF THE CHIEF COUNSEL SUBPROGRAMS SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Chief Counsel	\$ 306,930	\$ 270,118	\$ 270,118	\$ 271,159	\$ 251,159
Labor Relations	0	85,344	85,344	86,150	86,150
<i>Subtotal</i>	<u>\$ 306,930</u>	<u>\$ 355,462</u>	<u>\$ 355,462</u>	<u>\$ 357,309</u>	<u>\$ 337,309</u>
Off-Budget:					
Chief Counsel	\$ 377,118	\$ 529,521	\$ 529,521	\$ 533,046	\$ 533,046
TOTAL	<u>\$ 684,048</u>	<u>\$ 884,983</u>	<u>\$ 884,983</u>	<u>\$ 890,355</u>	<u>\$ 870,355</u>

The **agency** requests \$890,355, including \$327,309 SGF, for the Office of the Chief Counsel for FY 2022. The request includes \$357,309 in on-budget expenditures, including \$327,309 SGF. For FY 2022, on-budget expenditures increase by \$1,847, or 0.5 percent, above the FY 2021 revised estimate. The increase is primarily due to employer contributions for the

public employees retirement system (\$1,411) and group health insurance (\$567). The Office of the Chief Counsel request also includes 2.0 on-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The request also includes \$533,046 in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures increase by \$3,525, or 0.7 percent, above the FY 2021 revised estimate. The increase is primarily due to employer contributions for the public employees retirement system (\$2,885) and group health insurance (\$903). The Office of the Chief Counsel request also includes 5.0 off-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** recommends expenditures of \$870,355, including \$307,309 SGF, for the Office of the Chief Counsel for FY 2022. The recommendation includes \$337,309 in on-budget expenditures, including \$307,309 SGF. For FY 2022, on-budget expenditures decrease by \$20,000, or 5.6 percent, below the FY 2022 agency request. The decrease is due to the Governor's recommendation to adopt the agency's reduced resources budget (\$20,000). The recommendation includes 2.0 on-budget FTE positions for FY 2022, which is the same as the FY 2022 agency request.

The recommendation also includes \$533,046 in off-budget expenditures and 5.0 off-budget FTE positions, which are the same as the FY 2022 agency request.

C. Office of Facilities and Property Management

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

- **Engineering Services.** The Office provides engineering services to protect the State's interest in all state facilities planning, design, and construction activities. The Engineering section assists in monitoring state buildings to keep them safe and comfortable. This section also helps plan and oversee projects done by outside vendors on State-owned buildings to ensure quality of workmanship and adherence to contracts;
- **Maintenance and Construction.** The Office maintains the buildings by providing plumbing, heating and cooling, painting, landscaping, carpentry, electrical work, and other services to help maintain the buildings. This is done mostly through a preventive maintenance schedule that helps ensure all building systems are operating normally and are in good working condition. These preventive maintenance schedules help find and fix problems before they cause issues or system failure. This subprogram also responds to customer concerns and complaints about building issues, such as temperature, lighting, and other miscellaneous items, in a timely and professional manner;

- **Building Services.** The Building Services subprogram provides housekeeping services for State-owned and -leased buildings in Topeka. Buildings include the Kansas Statehouse, Kansas Judicial Center, Docking, Landon, Memorial, Curtis, Eisenhower, Forbes, 1020 Kansas, Kansas Insurance Building, and Cedar Crest. Leased buildings include Zibell, Scott, Mills, and the State Defense Building. Tasks completed by Building Services include emptying trash, cleaning restrooms, dusting, vacuuming carpets, mopping floors, stripping and waxing of floors, and other special cleaning projects as they arise or are assigned;
- **Design and Compliance.** The Design and Compliance subprogram provides planning, design reviews, and construction administration for all statewide capital improvement projects totaling approximately \$100 million annually. Design and Compliance administers architectural and engineering firm selection. KSA 75-1250 *et seq.* established the requirements for contracts regarding architectural services. KSA 75-5801 *et seq.* established the requirements for engineering services. This subprogram also performs Life Safety Code and Americans with Disabilities Act design reviews in addition to field inspection services for both code compliance and quality control during construction;
- **Asset Management.** The Asset Management subprogram administers and approves state leases for all state agencies, pursuant to KSA 75-3739, which states that no state agency shall enter into any lease of real property without prior approval of the Secretary of Administration; and
- **Grounds Services.** The Grounds Services subprogram administers parking for the Capitol Complex. This includes waiting lists for free employee surface parking as well as waiting lists and billing for parking in the Curtis State Office Building parking garage. Surface lots are maintained through funds collected in the Monumental Building Surcharge, and the Curtis State Office Building Garage is maintained with fees collected through reserved parking fees.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Events Scheduled at the Kansas Statehouse	256	336	350	466	350	400
Number of Work Orders	6,000	6,425	6,250	6,582	6,340	6,630
Cost Per Square Foot Cleaned	\$ 1.32	\$ 1.34	\$ 1.36	\$ 1.36	\$ 1.38	\$ 1.40
Number of Square Feet Covered by Housekeeping (In Millions)*	2.1	2.1	2.1	2.1	2.1	2.1
Number of Actions Taken on Projects*	2,785	2,315	2,500	2,565	2,500	2,250
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 22.9	\$ 24.6	\$ 23.8	\$ 25.1	\$ 19.3	\$ 19.7
FTE Positions	190.0	188.0	188.0	188.0	188.0	188.0

* The Governor's Office does not utilize this measure for evaluation purposes.

The Office of Facilities and Property Management works to provide services to user agencies, visitors, and employees in a timely and efficient manner. Accordingly, the Office has identified the following objectives as integral to its goals:

- Kansas Statehouse Events.** The Office is responsible for event setup and tear down for all events in the Kansas Statehouse and on the Statehouse grounds. It works towards this objective by coordinating with the scheduled events for those areas. Accordingly, the Office estimates 350 events in FY 2021 and 400 events for FY 2022;
- Work Orders.** The Office is responsible for work orders assigned to respective trades by the Customer Service Center and online submission process. It works towards this objective by tracking and responding to all tenant building maintenance, unscheduled cleanups, and emergency services at the Capitol Complex, Forbes, and Cedar Crest. Accordingly, the Office estimates receiving 6,340 work orders in FY 2021 and 6,630 work orders for FY 2022;
- Housekeeping Services.** The Office provides quality housekeeping services to Capitol Complex buildings, Forbes and leased buildings, Zibell, Scott, Mills, and the State Defense Building. It works toward this objective by ensuring spaces are clean at a level appropriate for each type of space and by providing service at an efficient cost. Accordingly, the Office estimates housekeeping services expenditures of \$1.38 per square foot in in FY 2021 and \$1.40 per square foot for FY 2022; and
- Capital Project Services.** The Office provides planning, design reviews, and construction administration for all statewide capital improvement projects valued at \$1.0 million or less. It works toward this objective by tracking the number of actions processed for project code review, bid posting, and administration. The Office processed 2,565 actions in FY 2020 and anticipates processing 2,500 actions in FY 2021 and 2,250 actions for FY 2022.

OFFICE OF FACILITIES AND PROPERTY MANAGEMENT SUBPROGRAMS SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Engineering Services	\$ 535,384	\$ 7,608	\$ 7,608	\$ 0	\$ 0
Maintenance and Construction	0	1,600,000	0	8,400,000	0
Building Services	14,634	15,000	15,000	15,000	15,000
Asset Management	335,000	400,000	400,000	725,000	725,000
Grounds Services	98,510	83,327	83,327	84,302	84,302
<i>Subtotal</i>	<u>\$ 983,528</u>	<u>\$ 2,105,935</u>	<u>\$ 505,935</u>	<u>\$ 9,224,302</u>	<u>\$ 824,302</u>
Off-Budget:					
Engineering Services	\$ 5,853,218	\$ 2,184,636	\$ 2,184,636	\$ 2,183,710	\$ 2,183,710
Maintenance and Construction	11,678,880	10,106,240	10,106,240	10,377,478	10,377,478
Building Services	2,973,782	2,955,408	2,955,408	2,982,461	2,982,461
Design and Compliance	2,470,185	2,295,075	2,295,075	2,307,873	2,307,873
Asset Management	142,829	311,707	311,707	144,218	144,218
Grounds Services	1,003,951	928,649	928,649	925,862	925,862
<i>Subtotal</i>	<u>\$ 24,122,845</u>	<u>\$ 18,781,715</u>	<u>\$ 18,781,715</u>	<u>\$ 18,921,602</u>	<u>\$ 18,921,602</u>
TOTAL	<u>\$ 25,106,373</u>	<u>\$ 20,887,650</u>	<u>\$ 19,287,650</u>	<u>\$ 28,145,904</u>	<u>\$ 19,745,904</u>

The **agency** requests \$28.1 million, including \$8.4 million SGF, for the Office of Facilities and Property Management for FY 2022. The request includes \$9.2 million in on-budget expenditures, including \$8.4 million SGF. For FY 2022, on-budget expenditures increase by \$7.1 million, or 338.0 percent, above the FY 2021 revised estimate. The increase is primarily due to the agency's request to renovate the Docking State Office Building. This request includes supplemental funding of \$1.6 million in FY 2021 and \$8.4 million for FY 2022, all SGF, to complete schematic and construction designs to use for soliciting bids. The maximum guaranteed price for completing the project would be developed by a construction manager selected in FY 2022. Additional details may be found on pages 1215 and 1219. The increase is also attributable to an increase in surety bonds and insurance premiums (\$325,000). The Office of Facilities and Property Management request also includes 1.0 on-budget FTE position for FY 2022, which is the same as the FY 2021 revised estimate.

The request also includes \$19.3 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures increase by \$139,887, or 0.7 percent, above the FY 2021 revised estimate. The increase is primarily due to additional expenditures for utility costs (\$250,000) as well as higher employer contributions for the public employees retirement system (\$52,970) and group health insurance (\$36,314). The increase is offset by lower expenditures for surety bonds and insurance (\$170,000); vehicles (\$15,000); equipment and machinery; and office furniture (\$6,500). The Office of Facilities and Property Management request also includes 187.0 off-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** recommends expenditures of \$19.7 million, all from special revenue funds, for the Office of Facilities and Property Management for FY 2022. The recommendation includes \$824,302 in on-budget expenditures, all from special revenue funds. For FY 2022, on-budget expenditures decrease by \$8.4 million, or 91.1 percent, below the FY 2022 agency request. The decrease is due to the Governor's recommendation not to adopt the agency's enhancement request to renovate the Docking State Office Building (\$8.4 million). The recommendation includes 1.0 on-budget FTE positions for FY 2022, which is the same as the FY 2022 agency request.

The recommendation also includes \$18.9 million in off-budget expenditures and 187.0 off-budget FTE positions, which are the same as the FY 2022 agency request.

D. Office of Printing, Surplus, and Central Mail

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 grants the State Printer to do all the printing and binding required by the Legislature, Supreme Court, Governor, or any state agency. Additionally, KSA 75-4512 allows the Secretary of Administration to provide and maintain central and consolidated mail services for state agencies. This Office includes the following subprograms:

- **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. In FY 2005, the Surplus Property program was transferred from the Department of Corrections to the Department of Administration, and in FY 2007, the Surplus Property program merged with the Division of Printing. Additionally, this subprogram 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; and
- Central Mail.** Central Mail provides mail and packaging services, and processes incoming and outgoing 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 pickup of stamped mail.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Printing						
Percent of State Agencies Using State Printer	89.0 %	89.0 %	90.0 %	84.0 %	85.0 %	85.0 %
Number of Digital Impressions Produced (In Millions)*	25.9	29.9	35.0	27.7	29.0	30.0
Surplus						
Total Surplus Property Sales (In Millions)	\$ 1.1	\$ 0.8	\$ 1.4	\$ 0.6	\$ 0.6	\$ 0.7
Total Federal Surplus Sales*	\$ 112,831	\$ 178,202	\$ 225,000	\$ 111,931	\$ 125,000	\$ 130,000
Total State Surplus Sales*	\$ 1,012,602	\$ 610,109	\$ 1,200,000	\$ 520,685	\$ 500,000	\$ 525,000
Sales to State Agencies*	\$ 194,196	\$ 302,695	\$ 325,000	\$ 43,432	\$ 40,000	\$ 40,000
Sales to Other Government Entities*	\$ 666,271	\$ 290,477	\$ 340,000	\$ 328,791	\$ 375,000	\$ 375,000
Sales to General Public*	\$ 386,635	\$ 345,921	\$ 350,000	\$ 260,393	\$ 200,000	\$ 200,000
Central Mail						
Total Pieces of Mail Handled (In Millions)	9.8	8.6	9.5	9.6	9.8	10.0
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 10.7	\$ 10.3	\$ 12.4	\$ 12.2	\$ 9.9	\$ 9.3
FTE Positions	52.8	53.0	53.0	53.0	53.0	53.0
* The Governor's Office does not utilize this measure for evaluation purposes.						

The Office of Printing, Surplus, and Central Mail works to provide a wide range of printing, duplicating, and binding services for state agencies. Accordingly, the Office has identified the following objectives:

- Increase Digital Impressions.** The Office provides an increasing number of digital impressions to state agencies, delivered in a timely manner. It works toward this objective by tracking jobs through the production process and shifting production resources as appropriate to best meet customer needs. Accordingly, the Office estimates production of 29.0 million digital impressions in FY 2021 and 30.0 million digital impressions for FY 2022. Additionally, the Office also interacts with customers through roundtable discussions and surveys to ensure that value-added services and products are being delivered. The Office estimates that 85.0 percent of state agencies will use the State Printer in FY 2021 and for FY 2022;

- **Increase Surplus Vehicle Sales.** The Office works to increase sales of fixed-price vehicles by attending more federal Government Services Administration automobile auctions and purchasing more used vehicles based on requests. The Office estimates that it will acquire 15 vehicles in FY 2021 and 18 vehicles for FY 2022. Additionally, the Office also estimates fixed-price vehicle sales totaling \$175,000 in FY 2021 and \$185,000 for FY 2022;
- **Increase Surplus Program Donees.** The Office works toward increasing the number of donees utilizing surplus programs by proactively interacting with and advertising more utilizing email, social media, and traditional websites, as well as by periodically promoting discounts. The Office estimates 20 new donees in FY 2021 and for FY 2022. Additionally, the Office also estimates providing \$2.5 million in value for donees in FY 2021 and for FY 2022;
- **Increase Surplus Property Sales.** The Office works toward increasing the sale of surplus property by proactively interacting with agencies, donees, and public entities to market products available to them. The Office estimates total surplus property sales of \$630,000 in FY 2021 and \$656,000 for FY 2022; and
- **Central Mail Efficiency.** The Office works toward increasing the amount of mail processed and excelling at providing superior customer service to clients by proactively interacting with state agencies to market mail services. The Office estimates it will process 5.9 million central mail inserts in FY 2021 and 6.0 million inserts for FY 2022. Additionally, the Office also estimates it will handle 9.8 million pieces of central mail in FY 2021 and 10.0 million pieces for FY 2022.

OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL SUBPROGRAMS SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Surplus Property	\$ 606,526	\$ 422,000	\$ 422,000	\$ 422,000	\$ 422,000
Off-Budget:					
Surplus Property	\$ 145,750	\$ 326,793	\$ 326,793	\$ 329,717	\$ 329,717
Central Mail	6,187,216	5,105,649	5,105,649	4,736,796	4,736,796
Printing	5,264,713	4,053,801	4,053,801	3,834,743	3,834,743
<i>Subtotal</i>	<u>\$ 11,597,679</u>	<u>\$ 9,486,243</u>	<u>\$ 9,486,243</u>	<u>\$ 8,901,256</u>	<u>\$ 8,901,256</u>
TOTAL	<u>\$ 12,204,205</u>	<u>\$ 9,908,243</u>	<u>\$ 9,908,243</u>	<u>\$ 9,323,256</u>	<u>\$ 9,323,256</u>

The **agency** requests \$9.4 million, all from special revenue funds, for the Office of Printing, Surplus, and Central Mail for FY 2022. The request includes \$422,000 in on-budget expenditures, all from special revenue funds. For FY 2022, on-budget expenditures are the same as the FY 2021 revised estimate. The Office of Printing, Surplus, and Central Mail does not include any on-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The request also includes \$8.9 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures decrease by \$584,987, or 6.2 percent, above the FY 2021 revised

estimate. The decrease is primarily due to lower expenditures for communication costs (\$410,000) and printing equipment (\$332,000). The decrease is offset by higher expenditures for printing and advertising (\$20,000); building rent (\$17,000); and printing supplies and materials (\$50,000). The Office of Printing, Surplus, and Central Mail also includes 53.0 off-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Office of Printing, Surplus, and Central Mail for FY 2022.

E. Office of Procurement and Contracts

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. In addition, the Office of Procurement and Contracts 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.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Number of Requisitions Received*	6,987	7,150	7,173	7,569	7,200	7,200
Number of Contracts Available to Political Subdivisions*	946	1,106	975	1,221	1,221	N/A
Number of Bid Events Conducted*	2,586	2,608	2,481	2,572	2,600	2,600
Number of Open State Contracts*	4,267	3,805	4,389	3,670	3,800	3,800
Number of Prior Authorization Contracts Approved**	4,528	3,780	4,224	3,989	3,600	3,600
Percentage of Prior Authorization Requests**	64.8 %	52.9 %	58.9 %	52.7 %	50.0 %	50.0 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.5
FTE Positions	16.0	16.0	15.0	15.0	15.0	15.0

* The Governor's Office does not utilize this measure for evaluation purposes.
 ** These prior authorization contract approvals do not include grants and utility encumbrances.

The agency has identified the following objectives for the Office of Procurement and Contracts:

- **Procurement Activity Oversight.** All purchase requisitions generated by state agencies through SMART (the Statewide Management, Accounting and Reporting Tool) require review and action. The Office provides information on procurements by recording the number of requisitions submitted through SMART. Accordingly, the Office estimates receipt of 7,200 requisitions in FY 2021 and for FY 2022;
- **Maximize Statewide Contract Availability.** The Office works toward increasing the number of statewide contracts available to political subdivisions by having vendors awarded statewide contracts offer contract pricing to political

subdivisions, utilizing the combined potential spend to negotiate better pricing. Accordingly, the Office estimates that 1,221 contracts will be available to political subdivisions in FY 2021;

- **Strategic Sourcing.** The Office strategically sources state contracts for goods and services when practicable by evaluating requests for bid events received from state agencies to determine statewide application and to utilize usage data to achieve pricing. Accordingly, the Office estimates it will conduct 2,600 bid events in FY 2021 and for FY 2022;
- **Maximize State Contract Management.** The Office works to maximize the number of state contracts managed each fiscal year by evaluating the number of contracts that are open and under its purview. Accordingly, the Office anticipates 3,800 open contracts in FY 2021 and for FY 2022; and
- **Minimize Non-Competitive Contracts.** The Office works to minimize the number of non-competitive bid requests by evaluating requests for non-competitive bid events received from state agencies to determine the level of activity each fiscal year. Accordingly, the Office estimates 3,600 prior authorization contracts, representing 50.0 percent of requests, in FY 2021 and for FY 2022.

OFFICE OF PROCUREMENT AND CONTRACTS SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 1,116,781	\$ 1,173,841	\$ 1,173,841	\$ 1,202,888	\$ 1,202,888
Contractual Services	246,530	244,950	244,950	244,950	244,950
Commodities	8,384	3,370	3,370	3,370	3,370
Capital Outlay	755	6,000	6,000	6,000	6,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,372,450</u>	<u>\$ 1,428,161</u>	<u>\$ 1,428,161</u>	<u>\$ 1,457,208</u>	<u>\$ 1,457,208</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 1,372,450</u>	<u>\$ 1,428,161</u>	<u>\$ 1,428,161</u>	<u>\$ 1,457,208</u>	<u>\$ 1,457,208</u>
Financing:					
State General Fund	\$ 2,300	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,370,150	1,428,161	1,428,161	1,457,208	1,457,208
TOTAL	<u>\$ 1,372,450</u>	<u>\$ 1,428,161</u>	<u>\$ 1,428,161</u>	<u>\$ 1,457,208</u>	<u>\$ 1,457,208</u>
FTE Positions	15.0	15.0	15.0	15.0	15.0

The **agency** requests \$1.5 million, all from special revenue funds, for the Office of Procurement and Contracts for FY 2022. The request does not include off-budget expenditures and is an all funds increase of \$29,047, or 2.0 percent, above the FY 2021 revised estimate. The increase is primarily due to a reduction of shrinkage (\$19,000), which is the difference between the cost of fully funding salaries and wages for an entire fiscal year, assuming all positions are filled at all times, and actual salaries and wages costs, taking vacancies into account. The increase is also attributable to higher employer contributions for the public

employees retirement system (\$7,587) and group health insurance (\$3,114). The Office of Procurement and Contracts request also includes 15.0 FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Office of Procurement and Contracts for FY 2022.

F. Office of Financial Management

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. This Office includes the following subprograms:

- **Financial Management.** The Financial Management subprogram conducts the primary operations for the Office of Financial Management and is composed of two sections—Accounting and Budgeting. General duties include consulting, supporting, and assisting in monitoring and improving the financial health of the Agency, along with administering the security of the SMART system for agency processors, paying the debt service for the State, and compiling the necessary data for SWCAP (Statewide Cost Allocation Plan);
 - **Accounting Services.** The Accounting Services section provides accounting services to all offices within the agency, including accounts payable (approving requisitions, entering and approving payments, entering assets, general ledger entries, and travel and expense reimbursements) and accounts receivable services (entering deposits, receiving credit cards, preparing billings, and tracking outstanding accounts receivable balances);
 - **Budgeting Services.** The Budget Services section serves as the agency's central budgeting office, coordinating the development and submission of the agency's budget, providing an agency-wide perspective on policy, revenue, and expenditure issues. The Budget Services section is also involved in the development of various rates charged to other state agencies for internal services. These rates are forecast for future years and used in budget development by all agencies; and
- **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.

The Service Center employs three accountants who provide accounting and financial management services for agencies. Each accountant is assigned a group of agencies and functions as each agency's accountant. The accountants are knowledgeable of the agency's operations, financial management, and statutory responsibilities. Services include entering contracts; creating requisitions and payments; entering assets, deposits, and general ledger

entries; and travel and expense reimbursements. The Service Center is available to assist agency accounting departments during vacations, sick leave, or gaps in employment, ensuring that there are no delays in making their statutory required deposits or paying invoices in a timely manner.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Savings to the State from Operating the Service Center	\$ 211,293	\$ 216,575	\$ 222,000	\$ 221,835	\$ 222,000	\$ 222,000
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 1.5	\$ 1.7	\$ 1.8	\$ 1.5	\$ 1.8	\$ 1.8
FTE Positions	22.0	22.0	19.0	19.0	19.0	19.0
* The Governor's Office does not utilize this measure for evaluation purposes.						

The Office of Financial Management provides accounting and fiscal management services to the Department of Administration and to other state agencies. Its three primary functions include providing accounting and budgeting services, as well as managing the Non-Cabinet Agency Service Center. Accordingly, the agency has identified the following objective for the Office:

- Centralized Agency Services.** The Non-Cabinet Agency Service Center provides efficiencies by centralizing the processing and approving of vouchers, deposits, travel and expense reports, requisitions, and journals for small agencies as requested. The Office works towards this objective by processing and approving documents for agencies, estimating \$222,000 in savings in FY 2021 and for FY 2022.

OFFICE OF FINANCIAL MANAGEMENT SUBPROGRAMS SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Financial Management	\$ 481,573	\$ 422,220	\$ 422,200	\$ 423,677	\$ 423,677
Off-Budget:					
Financial Management	\$ 799,166	\$ 1,066,661	\$ 1,066,661	\$ 1,074,113	\$ 1,074,113
Agency Service Center	259,533	315,592	315,592	317,626	317,626
<i>Subtotal</i>	\$ 1,058,699	\$ 1,382,253	\$ 1,382,253	\$ 1,391,739	\$ 1,391,739
TOTAL	\$ 1,540,272	\$ 1,804,473	\$ 1,804,453	\$ 1,815,416	\$ 1,815,416

The **agency** requests \$1.8 million, including \$131,781 SGF, for the Office of Financial Management for FY 2022. The request includes \$423,677 in on-budget expenditures, including \$131,781 SGF. For FY 2022, on-budget expenditures increase by \$1,457, or 0.3 percent, above the FY 2021 revised estimate. The increase is primarily due to higher employer contributions for the public employees retirement system (\$1,089) and group health insurance (\$464). The Office of Financial Management also includes 1.9 on-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The request also includes \$1.4 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures increase by \$9,486, or 0.7 percent, above the FY 2021 revised estimate. The increase is primarily due to higher employer contributions for the public employees retirement system (\$7,215) and group health insurance (\$2,932). The Office of Financial Management also includes 17.2 off-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Office of Financial Management for FY 2022.

G. Office of Personnel Services

The Office of Personnel Services (OPS) administers the Kansas Civil Service Act and other related statutes to provide a comprehensive human resources (HR) program for the State. The Office was established in FY 2013 to strengthen and sustain a human resources system that is consistent, efficient, and meets the needs of state agencies. Its prior incarnation, 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 report to the Director of Human Resources and established the Office to implement consistent HR policies, procedures, and practices for the state workforce. The Office expanded its efforts in assisting state agencies by providing technical and expert assistance on recruitment, selection, performance management, position management, classification, compensation, employee relations, guidance and discipline, employee recognition, layoffs, furloughs, time and leave, payroll, benefits, the Family and Medical Leave Act (FMLA), the Americans with Disabilities Act (ADA), the Shared Leave program, and retirement. This Office includes the following subprograms:

- **State Agency Human Resource 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, FMLA, ADA, Shared Leave program, and retirement. Staff from the Office will continue to be available to assist agencies as they reassess and reorganize their operations and staffing needs in furtherance of efficiency. Partnering with agency management in these endeavors is critical as staff will be able to provide valuable assistance and guidance as agencies work through the challenges presented by those undertakings;
- **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. This subprogram also produces an annual Workforce Report and provides regular HR-related reports and *ad hoc* queries in support of the Department of Administration's efforts and in response to agency, legislative, and media requests; and
- **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. Other responsibilities include developing and maintaining the State's personnel regulations, coordinating statewide initiatives for hiring veterans, and administering the State's alcohol and drug screening programs. Furthermore, staff members from this section also administer the State's classified pay plan, review salary requests for unclassified positions, conduct annual salary surveys for the State workforce, and work with the Legislature and Department Labor Relations Director to develop and implement changes to state employee pay.

In FY 2018, the Policy and Compliance Unit began working with select state agencies to develop and implement a telework policy with the primary purpose of reducing agency real estate and leasing costs. The agency indicates the goal is to establish a statewide policy for all state agencies to utilize in conjunction with staffing and real estate decisions. Work on this initiative continued into FY 2021, with the goal of establish a statewide policy for all state agencies to utilize in conjunction with staffing and real estate decisions, incorporating best practices and lessons learned from the extensive teleworking required during the COVID-19 pandemic. In addition to the primary goal, it is the goal that this program may also be used as a potential employee incentive to enhance State agencies' efforts in the areas of recruitment and retention of employees.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Human Resources						
Number of Non-Cabinet Agencies Receiving HR Assistance from OPS	49	51	52	52	53	54
Percentage of Non-Cabinet Agencies Receiving HR Assistance from OPS*	85.9 %	89.5 %	86.6 %	91.2 %	93.0 %	94.7 %
Reduce Vacancies						
Number of Days from Start of Hiring Process to Job Posting—Classified*	3.7	3.8	3.6	4.0	3.8	3.7
Number of Days from Start of Hiring Process to Job Posting—Unclassified*	2.1	2.1	2.0	2.2	2.2	2.1
Total Number of Days from Start of Hiring Process to Job Offer— Classified	31.4	30.9	28.1	33.1	29.8	27.4
Total Number of Days from Start of Hiring Process to Job Offer— Unclassified	22.3	21.4	20.4	22.9	21.1	20.1
Professional Development						
Number of Training Courses Made Available to All Agencies—State*	163	168	173	170	173	177
Number of Training Courses Made Available to All Agencies—Vendor*	5,985	6,882	7,220	7,220	7,300	7,400
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.1	\$ 2.1	\$ 2.1
FTE Positions	24.0	24.0	24.0	24.0	24.0	24.0
* The Governor's Office does not utilize this measure for evaluation purposes.						

The Office of Personnel Services works to strengthen and sustain a human resource system that is consistent, efficient, and meets the needs of state agencies. Accordingly, the agency has identified the following objectives for the Office:

- Human Resource Services.** The Office works to provide quality services and information that meets the human resource needs of customer agencies by conducting a survey to assess customer satisfaction, as well as providing human resource services in a timely and efficient manner. Accordingly, the Office estimates providing human resource assistance to 53 non-cabinet agencies in FY 2021 and 54 non-cabinet agencies for FY 2022;
- Reduce Vacancies.** The Office works to reduce the amount of time it takes for state agencies to fill both classified and unclassified positions by improving the timeliness of individual components of the hiring process. Accordingly, the Office estimates an average processing time of requests of less than 3.5 hours in FY 2021 and for FY 2022; and
- Professional Development.** The Office works to provide enhanced and expanded training and staff development opportunities for state employees by developing outreach strategies to better communicate availability of training opportunities. Accordingly, the Office estimates making 7,300 training courses available to state agencies in FY 2021 and 7,400 training courses for FY 2022.

**OFFICE OF PERSONNEL SERVICES SUBPROGRAMS
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Personnel Services	\$ 375	\$ 0	\$ 0	\$ 0	\$ 0
State Agency HR Mgmt.	937,959	932,526	932,526	619,535	569,535
Data Management	160,921	164,685	164,685	166,097	166,097
Policy and Compliance	306,879	312,603	312,603	315,072	315,072
<i>Subtotal</i>	<u>\$ 1,406,134</u>	<u>\$ 1,409,814</u>	<u>\$ 1,409,814</u>	<u>\$ 1,100,704</u>	<u>\$ 1,050,704</u>
Off-Budget:					
Personnel Services	\$ 148,209	\$ 147,410	\$ 147,410	\$ 466,691	\$ 466,691
State Agency HR Mgmt.	447,456	450,250	450,250	454,258	454,258
Data Management	107,470	103,867	103,867	104,704	104,704
<i>Subtotal</i>	<u>\$ 703,135</u>	<u>\$ 701,527</u>	<u>\$ 701,527</u>	<u>\$ 1,025,653</u>	<u>\$ 1,025,653</u>
TOTAL	<u>\$ 2,109,269</u>	<u>\$ 2,111,341</u>	<u>\$ 2,111,341</u>	<u>\$ 2,126,357</u>	<u>\$ 2,076,357</u>

The **agency** requests \$1.8 million, including \$1.1 million SGF, for the Office of Personnel Services for FY 2022. The request includes \$1.1 million in on-budget expenditures, all SGF. For FY 2022, on-budget expenditures decrease by \$309,110, or 21.9 percent, above the FY 2021 revised estimate. The decrease is primarily due to a shift of expenditures from on-budget to off-budget, including for building rent (\$165,990); professional and other services (\$100,000); and communications (\$52,000). The Office of Personnel Services request also includes 15.1 on-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The request also includes \$1.0 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures increase by \$324,126, or 46.2 percent, above the FY 2021 revised estimate. The increase is primarily due to expenditures that were shifted from on-budget to off-budget, detailed above (\$317,990). The Office of Personnel Services request also includes 8.9 off-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** recommends expenditures of \$2.1 million, including \$1.1 million SGF, for the Office of Personnel Services for FY 2022. The recommendation includes \$1.1 million in on-budget expenditures, all SGF. For FY 2022, on-budget expenditures decrease by \$50,000, or 4.5 percent, below the FY 2022 agency request. The decrease is due to the Governor's recommendation to adopt the agency's reduced resources budget (\$50,000). The recommendation includes 15.1 on-budget FTE positions for FY 2022, which is the same as the FY 2022 agency request.

The recommendation also includes \$1.0 million in off-budget expenditures and 8.9 off-budget FTE positions, which are the same as the FY 2022 agency request.

H. Office of the State Employee Health Benefits Program

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

Environment to the Department of Administration. Article 1, § 6 of the Kansas Constitution provides that an ERO becomes effective on the July 1 following its transmittal to the Legislature unless, within 60 calendar days and before the adjournment of the Legislative Session, either the Senate or the House of Representatives adopts a resolution disapproving the ERO. ERO No. 45 was not considered prior to the March 30 deadline and therefore went into effect on July 1, 2020.

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.

Covered members in the SEHP include state employees and their dependents, retired and disabled state employees and their dependents, state employees on leave without pay, elected officials, and vending facility operators who are blind. There are also non-state groups allowed to participate in the SEHP, including unified school districts, community colleges, technical colleges, vocational technical schools, cities, counties, townships, libraries, public hospitals, extension councils, and certain other public entities. The cost to administer this portion of the program is reflected in the premiums charged to the groups, resulting in different composite rate and employee premiums than state agencies.

As of July 1, 2020, there are 134 public employers participating in SEHP. These non-state public employers included 20 school districts; 56 cities, counties, or townships; 24 extension offices or libraries; 16 public hospitals; 4 water districts; 9 housing authorities; and 9 miscellaneous local government entities. The number of members in the groups range from 1 to 453. There are 12 groups who have more than 200 members, and 20 groups have between 100 and 200 members.

State Self-Insurance Fund

The workers compensation program for state employees, called the SSIF, was implemented in 1974. It is a self-insured, self-administered program funded by agencies based on an experience rating. The agency rates are developed by an actuarial service using claims experience, payroll history, and caps on expenses. Rates are approved by the Department of Administration and published by the Division of the Budget. The program manages and processes claims for injuries that arise out of and in the course of employment. Medical compensation to treat the employee's injury does not have a cap. Medical payments to providers are based on a fee schedule developed by the Workers Compensation Division of the Kansas Department of Labor. Additionally, compensation is paid for loss of time, permanent impairment, or death. A medical review service is utilized to review claims for medical appropriateness, nurse case management on complex cases, and pricing. On average, 247 accident reports are received monthly. In FY 2019, the SSIF spent about \$17.8 million on claims expenses with about 87.3 percent for medical services and 12.7 percent for indemnity.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
State Employee Health Plan						
Number of Participants Enrolled*	49,849	48,413	N/A	46,731	47,225	N/A
Active State of Kansas Employees*	32,570	32,540	N/A	32,433	33,547	N/A
Active Non-State Public Employees*	6,622	5,721	N/A	4,442	4,170	N/A
Direct Bill / Retiree Members*	10,313	9,746	N/A	9,463	9,193	N/A
COBRA Members*	344	406	N/A	393	315	N/A
Percent of Wellness Prog. Participation*	90 %	85 %	N/A	90 %	90 %	90 %
State Self-Insurance Fund						
Number of Cases Processed	2,961	2,983	N/A	2,703	2,950	2,950
Total Outstanding Claims (In Millions)*	\$ N/A	\$ N/A	\$ N/A	\$ 59.0	\$ 58.9	\$ 58.7
Total Required Balance (In Millions)*	\$ N/A	\$ N/A	\$ N/A	\$ 4.5	\$ 4.5	\$ 4.6
Agency Expenditures						
All Funds (Dollars in Millions)	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 37.2	\$ 36.5
FTE Positions	N/A	N/A	N/A	N/A	45.0	45.0
* The Governor's Office does not utilize this measure for evaluation purposes.						

As of July 1, 2020, total enrollment in the SEHP included 47,225 active policies and 83,453 covered lives, including retirees and former employees living in all 50 states. In plan year 2019, 92.1 percent of the active state employees and 86.9 percent of public employer groups were enrolled in medical, dental, or vision insurance. For the active state population, 53.0 percent are enrolled in single coverage, and 47.0 percent provide coverage for their dependents. Enrollment within the SEHP includes the following services:

- **Medical.** All members have a choice of five different medical insurance plans. As of June 30, 2020, 46.4 percent of active members selected Plan A; 43.2 percent selected Plan C; 1.7 percent selected Plan J; 7.5 percent selected Plan N; and 1.2 percent selected Plan Q. In plan year 2019, about \$308.4 million was spent on medical claims for self-funded plans;
- **Prescription Drugs.** Prescription drugs are administered by a pharmacy benefits manager. The plan design includes a tiered coinsurance program with a separate copayment for special case medications. Certain prescription drugs are not covered by the plan but may be purchased at a discount by the employee through the pharmacy benefits manager. The generic dispensing rate for SEHP is currently over 86.0 percent. In plan year 2019, claims costs were \$83.5 million, with an average cost of \$89.15 per member;
- **Dental.** Employees began contributing to their dental coverage in plan year 2017. Dental coverage is optional for both employees and dependents. In plan year 2019, dental claims costs totaled \$27.4 million, with an average cost of \$26.46 per member;
- **Vision.** Coverage for vision benefits is provided in two levels and is completely funded by SEHP members. In plan year 2019, there were 36,755 state employees enrolled in the vision plan, with 10,566 members enrolled in the basic plan and 26,189 enrolled in the enhanced plan;

- **Direct Bill Medicare Programs.** Direct Bill members who are eligible for Medicare may enroll in one of five Kansas Senior Plans, Medicare supplement plans, or two Medicare Advantage plan options. Direct bill members paid about \$22.3 million in premiums for the fully-insured Medicare health plans. In plan year 2019, there were 8,093 members in the Medicare Supplement Plan and 774 in the Medicare Advantage Plans;
- **COBRA Administration.** The SEHP uses a third-party administrator for management of COBRA continuation benefits, record keeping, and premium collections. In plan year 2019, there were 376 members participating in COBRA through the SEHP; and
- **Voluntary Benefits.** Beginning in plan year 2018, employees may purchase voluntary benefits from Metropolitan Life, including accident insurance, hospital indemnity insurance, and critical illness insurance. Employees pay the entire amount of the premiums for the plans selected. In plan year 2019, there were 7,917 members enrolled in accident insurance plans, 5,063 members enrolled in hospital indemnity insurance plans, and 5,583 members enrolled in critical illness insurance plans.

In addition to the medical, dental, and vision plans offered by the SEHP, the following ancillary services are also available:

- **Flexible Spending Account (FSA).** FSA programs are offered to active state employees and are provided through a third-party administrator. These programs include a healthcare FSA; a limited-purpose FSA, for those employees enrolled in Plan C or N, to allow the use of pre-tax dollar for qualified out-of-pocket expenses for health, dental, and vision care; and a dependent care FSA, to help employees with daycare expenses for dependents under age 13 or in elderly care. In plan year 2019, there were 9,092 active state employees who participate in these programs;
- **Premium Billing Administration.** These services are provided for the non-state public employer groups and Direct Bill Members. The administrator provides invoices to the members, collects premiums, and remits premiums back to the state; and
- **HealthQuest.** Instituted in 1988, HealthQuest is a comprehensive health and wellness program that offers a variety of services, including annual online health assessments; on-site biometric screenings; coaching services; weight management programs; web-based lifestyle programs; online health resources; monthly newsletters and webinars; and an employee assistance program for counseling, referrals, and other resources. Employees enrolled in the medical portion of the SEHP earn credits by participating in wellness activities offered through the HealthQuest Rewards Program. Participation in HealthQuest is optional, and employees are not required to participate to be enrolled in the SEHP.

**OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM SUBPROGRAMS
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Off-Budget:					
Director's Office	\$ 0	\$ 769,821	\$ 769,821	\$ 792,385	\$ 792,385
Health Management	0	10,572,865	10,572,865	10,548,095	10,548,095
Health Plan Operations	0	3,874,458	3,874,458	3,641,485	3,641,485
Design and Fiscal	0	486,907	486,907	482,225	482,225
Membership Services	0	1,771,570	1,771,570	1,771,402	1,771,402
Workers Compensation	0	19,727,638	19,727,638	19,301,687	19,301,687
KDHE SEHP & SSIF*	31,746,352	0	0	0	0
<i>Subtotal</i>	<u>\$ 31,746,352</u>	<u>\$ 37,203,259</u>	<u>\$ 37,203,259</u>	<u>\$ 36,537,279</u>	<u>\$ 36,537,279</u>
 TOTAL	 <u>\$ 31,746,352</u>	 <u>\$ 37,203,259</u>	 <u>\$ 37,203,259</u>	 <u>\$ 36,537,279</u>	 <u>\$ 36,537,279</u>

* This program reflects expenditures in the Kansas Department of Health and Environment budget.

The **agency** requests \$36.5 million, all from special revenue funds, for the Office of the State Employee Health Benefits Program for FY 2022. The request includes only off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. The request is an all funds decrease of \$665,980, or 1.8 percent, below the FY 2021 revised estimate. The decrease is primarily due to lower expenditures for equipment maintenance (\$928,685); computer systems and support equipment (\$67,000); and building rent (\$30,550). The decrease is offset by higher expenditures for repairing and servicing fees (\$116,750) as well as for employer contributions for the public employees retirement system (\$20,189) and group health insurance (\$16,855). The Office of the State Employee Health Benefits Program request also includes 45.0 FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Office of the State Employee Health Benefits Program for FY 2022.

I. Office of Accounts and Reports

The Office of Accounts and Reports, (OA&R), formerly the Office of the Chief Financial Officer, 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 also oversees statewide accounting and payroll functions. The Office was established in FY 2013 to identify and implement solutions that support transparency in reporting to taxpayers and other interested groups. In FY 2015, the Office assumed responsibilities over the Statewide Accounting and Statewide Payroll teams, as well as the State Revolving Fund (SRF), Setoff Program, and Kansas Treasury Offset Program (KTOP).

The Office is organized into three primary sections: Statewide Controls, Reporting, and Collections; Statewide Agency Audits and Municipals; and Statewide Payroll and Accounting. Each section is composed of teams responsible for specific programs and systems. Statutory requirements assigned to the Office include the development and maintenance of KanView, the State's taxpayer transparency website. KanView provides the public with a means of obtaining

historical data on statewide expenditures, revenues, employee compensation, state indebtedness, and other financial data and information.

Statewide Controls, Reporting, and Collections

- **Financial Integrity.** The Financial Integrity Team is responsible for all aspects of the CAFR, which, by statute, is required to be presented to the Governor on or before December 31 following the close of the fiscal year. This includes requesting various agency financial confirmations, data reconciliations, and preparation of the CAFR in accordance with generally accepted accounting principles for government;
- **Internal Controls.** The Internal Controls Team is responsible for developing and maintaining the OA&R Continuity of Operations Plan and for providing assistance to other offices within the Department of Administration for development of an agency-wide plan. Additional responsibilities include assessing risk at agency and central operating levels, as well as identifying potential weaknesses in accounting controls within the central accounting system. The Team provides analysis and documentation of issues and proposes corrective actions for management consideration and prioritization;

In FY 2016, the Internal Controls Team completed the State of Kansas Internal Controls Framework. The new Internal Controls Framework was based on the U.S. Government Accountability Office Standards for Internal Control in the Federal Government, known as the Green Book. Upon approval and introduction of the State of Kansas Internal Controls Framework to state agencies, the team will work with state agencies to implement provisions of the Framework including the standards for internal control in Kansas to meet Kansas specific requirements, to draft internal control policies, and then monitor state agency implementation efforts and compliance; and

- **Federal Reporting.** The Federal Reporting Team is responsible for statewide coordination and development of educational opportunities to assist state agencies in compliance with provisions of the new Uniform Grant Guidance, also known as the Super Circular. The Team works with state agencies at fiscal year-end to aggregate federal fund awards expenditures in order to create the schedule of expenditures of federal awards (SEFA), which is used by the external auditors to determine which federal programs will be audited.

Statewide Payroll and Accounting

- **Statewide Payroll.** The Statewide Payroll Team is responsible for the central statewide payroll system and processing, including payroll accounting, calculation, distribution, and analysis as required by KSA 75-5501 *et seq.* The Statewide Human Resources and Payroll system (SHARP) is a web-based Oracle/PeopleSoft Human Capital Management System that pays 53,750 employees bi-weekly and issues 72,000 W-2s annually with an annual payroll totaling \$2.8 billion;

- **Setoff.** The Setoff Program is governed by KSA 75-6201 *et seq.* and was established in 1981, following legislation that allowed the Department of Administration to set moneys owed by the State of Kansas to vendors and individuals against debts those entities owe to the State. State payments that are matched to debtor information include state payroll, individual income tax refunds, homestead tax refunds, miscellaneous state payments, unclaimed property, and Kansas public employee retirement payments. Effective July 1, 2018, new legislative authority was granted for the Department of Administration to enter into agreements with the State-owned casinos' management to implement matching of prize payment winnings against the state debtor file and setoff of those winnings to apply to the debt balance; and
- **Kansas Treasury Offset Program.** The Kansas Treasury Offset Program (KTOP) is governed by KSA 75-6216, which allows the Secretary of Administration to enter into a reciprocal agreement with the U.S. Department of the Treasury Bureau of the Fiscal Service (BFS). The State of Kansas and BFS have entered into a reciprocal offset agreement known as the State Reciprocal Program (SRP), which provides for the collection of unpaid state debts by offset of federal non-tax payments, as well as for the collection of delinquent federal non-tax debt by offset of state payments *via* the federal Treasury Offset Program (TOP). The Reciprocal Offset Agreement also allows Kansas Department of Revenue (KDOR) tax debts to be collected from federal non-tax payments. Collections for KDOR tax debts are remitted from TOP directly to KDOR.

Statewide Agency Audits and Municipal Services

- **Statewide Accounting.** The Statewide Accounting Team is responsible for the centrally maintained and integrated system for the accounting functions of all state agencies as required by KSA 75-3728 *et seq.* The section operates in a diverse and complex multi-agency environment with frequently changing conditions and maintains two areas of focus: the accurate and timely processing of statewide daily accounting transactions and the ongoing maintenance, updates, and enhancements to the statewide accounting system;
- **Audit Services.** The Audit Services Team administers the Delegated Audit Program, performing annual agency audits of expenditures, local funds, assets, accounts receivable, examination of bills, claims, refunds and other demands on state funds, and other financial activity. It also performs pre-audits on non-delegated transactions statewide for compliance with statutes, regulations, policies, and accepted accounting principles. The Audit Services Team develops and updates the statewide accounting Policy Manual. The Team also assists agencies with developing their agency-specific policies in accordance with these same statewide guidelines;
- **Municipal Services.** The Municipal Services Office prescribes and develops a municipal audit guide that is to be followed by licensed municipal accountants and certified public accountants that engage in municipal audits. The Office partners with the Kansas Municipal Auditing and Accounting Guide (KMAAG) Board of Editors and the Kansas Society of Certified Public Accountants to annually review and edit the KMAAG. In addition, as required by KSA 75-1124, all audits required under the Municipal Audit Law are to be filed with the Office; and

- State Revolving Fund.** The State Revolving Fund Team provides accounting and reporting services for the Kansas Public Water Supply Loan Fund and the Kansas Water Pollution Control Revolving Fund. These are programs under the authority of the Kansas Department of Health and Environment and provide the funding necessary for low interest loans for qualifying water projects of local units of Kansas government. These services are part of a three-party interagency agreement financed by the Kansas Department of Health and Environment, with other services provided by the Kansas Development Finance Authority.

Statewide Accounting

- Central Responsibilities.** The Central Responsibilities Team maintains responsibility for tasks that impact the integration of the statewide accounting and payroll systems. These responsibilities include establishing and maintaining budgetary appropriations in those systems; reviewing and executing daily pay cycles to authorize agency business payments; approving statewide vendors; maintaining issuance of automated clearinghouse returns; issuing annual 1099 and 1042-S forms; and reconciling and remitting payroll tax withholdings, employer contributions, and employee deductions; and
- Accounting Processing and Systems.** The Accounting Processing and Systems Teams is responsible for the centrally maintained and integrated accounting systems of all state agencies, pursuant to KSA 75-3728 *et seq.* These teams are primarily focused on the accurate and timely processing of statewide daily accounting transactions, as well as ongoing maintenance, updates, and enhancements to the accounting system.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Controls, Reporting, and Collections						
CAFR Submitted Prior to December 31 with an Unmodified Audit Opinion	Yes	Yes	Yes	Yes	Yes	Yes
Number of External Audit Findings*						
Financial Audit	2	4	--	2	4	6
SEFA	14	13	--	8	12	15
SRF	0	0	--	0	0	0
Payroll and Accounting						
Total New Debts Entered Into Kansas Debt Recovery System	393,228	508,098	--	447,728	470,000	484,200
New Debts Researched and Validated for Entry into KDRS	4,348	3,793	--	7,414	7,785	8,015
Agency Audits & Municipal Services						
Number of Audit Findings*	--	--	--	150	150	150
Number of Repeat Audit Findings*	--	--	--	75	75	75
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 6.0	\$ 15.6	\$ 7.3	\$ 6.8	\$ 6.9	\$ 7.0
FTE Positions	59.0	59.0	61.0	61.0	63.0	62.0
* The Governor's Office does not utilize this measure for evaluation purposes.						

The agency has identified the following objectives for the Office of Accounts and Reports:

- **Comprehensive Annual Financial Report (CAFR).** The Office works to ensure completion of the CAFR, with an unmodified opinion prior to the statutory due date of December 31 following the fiscal year end of the audit, and provide the Schedule of Expenditures of Federal Awards (SEFA) to independent auditors in accordance with agreed-upon due dates. The Office's strategies for meeting this deadline include monitoring the progress of agency and component unit confirmation submissions that represent dependencies for CAFR completion, participating in weekly status meetings with auditors, providing the Financial Integrity Team with appropriate resources and training, and setting definitive due dates for the DA-89 SEFA reporting worksheet and the certification for agencies. The Office submitted the CAFR prior to December 31 in FY 2020 and FY 2021 and anticipates continuing to meet the deadline for FY 2022;
- **Debt Recovery.** The Office works to maximize the resources available from the Kansas Debt Recovery System (KDRS) and the KTOP by continuing to market participation in the programs as a debt recovery solution through presentations and outreach. Accordingly, the Office estimates 4,785 new debts validated for entry in FY 2021 and 8,015 new debts validated for FY 2022; and
- **Agency Audits.** The Audit Plan is a formal document based on a three-year cycle, with a different set of components planned for and conducted within each fiscal year. The Agency Audit Services Team maintains and updates the Audit Plan for revisions or new areas of audits requested or approved by management. Furthermore, the team also works to perform audits of state agencies each year by tracking audit work in progress and completion. Agency on-site visits and audits were not conducted in FY 2019 because the team experienced 80.0 percent turnover during the fiscal year, with extended vacancies. On-site audits were suspended until the team has been reestablished and sufficient training is underway. Accordingly, the Office estimates 150 audit findings in FY 2021 and for FY 2022.

**OFFICE OF ACCOUNTS AND REPORTS SUBPROGRAMS
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Chief Financial Officer	\$ 306,625	\$ 0	\$ 0	\$ 0	\$ 0
Audit Services	409,971	570,780	570,780	575,955	575,955
Financial Integrity	605,778	473,484	473,484	577,724	477,724
Internal Controls	140,116	343,369	343,369	346,276	346,276
Federal Reporting	125,486	322,359	322,359	323,747	323,747
Municipal Services	338,443	188,661	188,661	190,652	190,652
Statewide Payroll	94,330	0	0	0	0
Statewide Accounting	429,922	491,698	491,698	496,064	496,064
Setoff	29,999	0	0	0	0
<i>Subtotal</i>	<u>\$ 2,480,670</u>	<u>\$ 2,390,351</u>	<u>\$ 2,390,351</u>	<u>\$ 2,510,418</u>	<u>\$ 2,410,418</u>
Off-Budget:					
Chief Financial Officer	\$ 117,681	\$ 249,866	\$ 249,866	\$ 247,059	\$ 247,059
Audit Services	148,337	54,720	54,720	55,980	55,980
Financial Integrity	190,499	538,410	538,410	541,220	541,220
Revolving Fund	303,922	217,358	217,358	243,696	243,696
Internal Controls	145,665	26,690	26,690	27,170	27,170
Federal Reporting	22,090	17,670	17,670	17,990	17,990
Statewide Payroll	1,050,820	1,108,239	1,108,239	1,117,182	1,117,182
Statewide Accounting	1,625,178	1,500,513	1,500,513	1,514,858	1,514,858
Setoff	691,994	780,284	780,284	785,696	785,696
<i>Subtotal</i>	<u>\$ 4,296,186</u>	<u>\$ 4,493,750</u>	<u>\$ 4,493,750</u>	<u>\$ 4,550,851</u>	<u>\$ 4,550,851</u>
TOTAL	<u>\$ 6,776,856</u>	<u>\$ 6,884,101</u>	<u>\$ 6,884,101</u>	<u>\$ 7,061,269</u>	<u>\$ 6,961,269</u>

The **agency** requests \$7.1 million, including \$2.1 million SGF, for the Office of Accounts and Reports for FY 2022. The request includes \$2.5 million in on-budget expenditures, including \$2.1 million SGF. For FY 2022, on-budget expenditures increase by \$120,067, or 5.0 percent, above the FY 2021 revised estimate. The increase is primarily due to higher expenditures for statewide audit services (\$100,000) as well as for employer contributions for the public employees retirement system (13,624) and group health insurance (\$7,277). The Office of Accounts and Reports request also includes 27.0 on-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The request also includes \$4.6 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures increase by \$57,101, or 1.3 percent, above the FY 2021 revised estimate. The increase is primarily due to additional expenditures for professional services (\$40,000) and a reduction of shrinkage (\$92,800). Shrinkage is the difference between the cost of fully funding salaries and wages for an entire fiscal year, assuming all positions are filled at all times, and actual salaries and wages costs, taking vacancies into account. The increase is partially offset by the elimination of one Manager/Administrator position (\$108,344). The Office of Accounts and Reports request also includes 35.0 off-budget FTE positions for FY 2022, which is a decrease of 1.0 FTE position below the FY 2021 revised estimate. The decrease is due to the elimination of one Manager/Administrator position.

The **Governor** recommends expenditures of \$7.0 million, including \$2.0 million SGF, for the Office of Accounts and Reports for FY 2022. The recommendation includes \$2.4 million in

on-budget expenditures, including \$2.0 million SGF. For FY 2022, on-budget expenditures decrease by \$100,000, or 4.0 percent, below the FY 2022 agency request. The decrease is due to the Governor's recommendation to adopt the agency's reduced resources budget (\$100,000). The recommendation includes 27.0 on-budget FTE positions for FY 2022, which is the same as the FY 2022 agency request.

The recommendation also includes \$4.6 million in off-budget expenditures and 35.0 off-budget FTE positions, which are the same as the FY 2022 agency request.

J. Office of Systems Management

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. The Office was established in FY 2012 to control costs for the systems it maintains and to provide effective customer service, including the following: ensuring software versions are updated; central security and workflow oversight and modifications; development and implementation of modifications needed to support user requirements, federal and state laws, and Kansas regulations; oversight of a central ticketing system for problem reporting and resolution; system infrastructure support; and providing quality customer service.

Services rendered by the office include support for the Statewide Management, Accounting and Reporting Tool (SMART) and the Statewide Human Resource and Payroll System (SHARP). SMART is a PeopleSoft software product purchased from Oracle and modified to meet the unique needs of the State of Kansas. The SMART system allows for accounts payable, travel and expense, accounts receivable, billing, purchasing, project costing, asset management, and general ledger in a centralized manner for all state agencies.

- **Systems Management.** The Systems Management subprogram conducts the primary operations for the Office of Systems Management and is composed of three teams: The Systems Development team includes PeopleSoft development for the SMART and SHARP systems; the System Architecture, Security, and Workflow team provides system infrastructure support, security, and workflow for systems supported by the Oracle Communications Order and Service Management system, and batch job scheduling; and the Governance of Managed Services and Hosting Partner team ensures the Master Hosting Agreement is accurately provided by Sierra-Cedar;
- **State Service Desk.** The State 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, maintaining auto notifications and system announcements, monitoring, and adding solutions;
- **System Architecture, Security, and Workflow.** The System Architecture, Security and Workflow team provides system security set-up and access to users of SMART, SHARP and Data Warehouse/BI Analytics, as well as workflow set-up and modifications to ensure accurate notifications of next step processing within the systems. The scheduling of batch jobs is included in this team's responsibilities, which includes a complex setup of dependencies and job error handling; and

- Governance of Managed Services and Hosting Partner.** 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.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percent of Up-Time During Business Hours—SMART	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Percent of Up-Time During Business Hours—SHARP	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Number of Programmatic Errors, Application Defects, and User Requests Addressed—SMART*	1,120	1,074	1,200	1,200	1,100	1,100
Number of Programmatic Errors, Application Defects, and User Requests Addressed—SHARP*	435	401	500	501	500	500
Number of Support Tickets Logged*	22,137	22,158	25,000	24,257	25,000	25,000
<u>Agency Expenditures</u>						
All Funds (Dollars in Millions)	\$ 6.5	\$ 6.9	\$ 7.6	\$ 7.9	\$ 7.6	\$ 7.8
FTE Positions	20.0	20.0	19.0	19.0	19.0	19.0

* The Governor's Office does not utilize this measure for evaluation purposes.

The agency has identified the following objectives for the Office of Systems Management:

- System Performance and Up-time.** The Office works to maintain performance of SHARP and SMART batch cycles and ensure up-time during business hours by requiring monitoring of nightly batch processes to look for long-running jobs and submitting tickets to improve any lowness as needed. Accordingly, the Office estimates it will continue to maintain 100.0 percent up-time of both SHARP and SMART systems in FY 2021 and for FY 2022;
- Resolve Problems.** The Office works to address and resolve programmatic abnormal ends, application defects, user enhancement requests, and application updates by prioritizing and addressing issues. Accordingly, the Office estimates addressing 500 errors for SHARP and 1,100 errors for SMART both in FY 2021 and for FY 2022; and
- User Issue Resolution.** The Office works to identify, research, and resolve agency user issues for SHARP, SMART, and Employee Self-Service strategy by receiving phone calls and identifying the best approach for appropriate resolution of individual issues. Accordingly, the Office estimates logging 25,000 tickets in FY 2021 and for FY 2022.

**OFFICE OF SYSTEMS MANAGEMENT SUBPROGRAMS
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
Systems Management	\$ 0	\$ 66,435	\$ 66,435	\$ 258,000	\$ 258,000
State Service Desk	73,447	65,521	65,521	65,985	65,985
<i>Subtotal</i>	<u>\$ 73,447</u>	<u>\$ 131,956</u>	<u>\$ 131,956</u>	<u>\$ 323,985</u>	<u>\$ 323,985</u>
Off-Budget:					
Systems Management	\$ 7,607,349	\$ 7,189,886	\$ 7,189,886	\$ 7,277,113	\$ 7,277,113
State Service Desk	239,257	243,653	243,653	245,329	245,329
<i>Subtotal</i>	<u>\$ 7,846,606</u>	<u>\$ 7,433,539</u>	<u>\$ 7,433,539</u>	<u>\$ 7,522,442</u>	<u>\$ 7,522,442</u>
TOTAL	<u>\$ 7,920,053</u>	<u>\$ 7,565,495</u>	<u>\$ 7,565,495</u>	<u>\$ 7,846,427</u>	<u>\$ 7,846,427</u>

The **agency** requests \$7.8 million, including \$323,985 SGF, for the Office of Systems Management for FY 2022. The request includes \$323,985 in on-budget expenditures, all SGF. For FY 2022, on-budget expenditures increase by \$192,029, or 145.5 percent, above the FY 2021 revised estimate. The increase is primarily due to higher expenditures for system repair and maintenance (\$120,000) as well as for other service fees (\$71,565). The Office of Systems Management request also includes 1.0 on-budget FTE position for FY 2022, which is the same as the FY 2021 revised estimate.

The request also includes \$7.5 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures increase by \$88,903, or 1.2 percent, above the FY 2021 revised estimate. The increase is primarily due to higher expenditures for service fees (\$53,435); system repair and maintenance costs (\$13,000); and employer contributions for the public employees retirement system (\$10,715). The Office of Systems Management request also includes 18.0 off-budget FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** concurs with the agency's request for the Office of Systems Management for FY 2022.

K. Division of the Budget

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 State General Fund solvency throughout the year. The Division interprets appropriations language and counsels agency managers when questions arise about legislative intent and the management of state government. It verifies and distributes the census data that determine how state aid to local governments is to be apportioned. Staff within the Division is more recently serving a role in assistance with disclosure of the State's financial status when state agencies seek to issue bonds for capital projects backed with state appropriations for debt service. In addition, the Division makes recommendations on agency requests for State Finance Council action and executive directives.

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 resource budget, using estimates provided by the Division, based on the assumption that revenues might decline enough to make a base budget unsupportable. Additionally, if agencies are proposing a new program or expansion of an existing program, a request for funds and positions related to such an enhancement is submitted as a discrete adjustment.

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.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Percent of Agency Budgets that Include at Least One Outcome Measure for Each Program	87.1 %	84.9 %	89.2 %	89.2 %	90.0 %	90.0 %
Percent of Fiscal Notes Completed by the Bills' Hearing Date	100.0 %	99.7 %	100.0 %	100.0 %	100.0 %	100.0 %
Number of Fiscal Notes Completed	559	644	600	600	600	600
Number of Administrative Regulations Reviewed*	N/A	588	500	616	620	620
Number of Administrative Regulations Reviewed with a Fiscal Effect Over \$3.0 Million Over a 2-Year Period*	N/A	6	6	10	5	5
Number of Cash Flow Problems Identified*	4	4	4	10	9	5
Number of Cash Flow Models Developed and Maintained*	47	44	44	50	51	50
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 1.4	\$ 1.6	\$ 1.9	\$ 1.7	\$ 2.0	\$ 1.6
FTE Positions	12.0	12.0	13.0	13.0	13.0	13.0

* The Governor's Office does not utilize this measure for evaluation purposes.

The Division of the Budget has identified the following objectives as integral to its goal of performing comprehensive policy analysis and providing accurate budgetary information reflecting the State's funds, as well as the Governor's priorities.

- Performance-Based Budgeting.** The Division works to ensure the information contained in The Governor's Budget Report and in state agency budget submissions reflect strategic planning and performance measurements by promoting and encouraging the use of strategic planning in state government. Accordingly, the Division estimates 100.0 percent of agency budget submissions will include at least one outcome measure for each program in FY 2021 and for FY 2022;

- Production of Fiscal Notes.** The Division also works toward providing accurate budget and policy information in a timely manner, responding to inquiries from the public, the Governor's Office, legislators, the media, and representatives from other local governments by facilitating the flow of information *via* telephone calls, correspondence, and email. Additionally, the division prepares memorandums, letters, and survey responses that effectively reply to inquiries by requested deadlines. Furthermore, the Division also prepares fiscal notes on a timely basis, as to maximize usefulness to legislative committees, the Governor, and other entities. Accordingly, the Division estimates completion of 600 fiscal notes in FY 2021 and for FY 2022;
- Administrative Regulations.** The Division works to produce an accurate budget reflecting the Governor's priorities by communicating the Governor's priorities through agency training, comprehensive budget instructions, and other contacts. Additionally, the Division manages a comprehensive budget review process, which includes utilization of tracking mechanisms and reconciliation processes. Furthermore, the Division also develops techniques for estimating expenditures and revenues resulting from changes in state and federal law or administrative practices. Accordingly, the Division estimates review of 620 administrative regulations, including five regulations with a fiscal effect of more than \$3.0 million over a two-year period, in FY 2021 and for FY 2022; and
- Special Revenue Funds.** The Division also assists with balancing state receipts and expenditures by aiding state agencies in maintaining solvency of special revenue funds. Toward this end, the Division utilizes cash flow models on major funds and monitors current year status of receipts and expenditures. The Division also works with state agencies to develop alternatives to meet obligations of funds that have cash flow problems. Accordingly, the Division estimates development and use of 50 cash flow models in FY 2021 and for FY 2022.

DIVISION OF THE BUDGET SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 1,443,861	\$ 1,573,688	\$ 1,573,688	\$ 1,586,682	\$ 1,407,200
Contractual Services	202,489	384,623	384,623	198,364	198,364
Commodities	9,029	8,775	8,775	8,775	8,775
Capital Outlay	0	1,000	1,000	1,000	1,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 1,655,379</u>	<u>\$ 1,968,086</u>	<u>\$ 1,968,086</u>	<u>\$ 1,794,821</u>	<u>\$ 1,615,339</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 1,655,379</u>	<u>\$ 1,968,086</u>	<u>\$ 1,968,086</u>	<u>\$ 1,794,821</u>	<u>\$ 1,615,339</u>
Financing:					
State General Fund	\$ 1,655,379	\$ 1,968,086	\$ 1,968,086	\$ 1,794,821	\$ 1,615,339
All Other Funds	0	0	0	0	0
TOTAL	<u>\$ 1,655,379</u>	<u>\$ 1,968,086</u>	<u>\$ 1,968,086</u>	<u>\$ 1,794,821</u>	<u>\$ 1,615,339</u>
FTE Positions	13.0	13.0	13.0	13.0	13.0

The **agency** requests \$1.8 million, all SGF, for the Division of the Budget for FY 2022. The request does not include off-budget expenditures and is an all funds decrease of \$173,265, or 8.8 percent, below the FY 2021 revised estimate. The decrease is primarily due to contractual services expenditures for efficiency projects as needed by the Governor and Director of the Budget (\$191,110) that were budgeted for FY 2021 and are not present for FY 2022. The decrease is partially offset by higher expenditures for employer contributions for the public employees retirement system (\$9,918) and group health insurance (\$3,948). The Division of the Budget request also includes 13.0 FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** recommends expenditures of \$1.6 million, all SGF, for the Division of the Budget for FY 2022. The recommendation is an all funds decrease of \$179,482, or 10.0 percent, below the FY 2022 agency request. The decrease is due to the Governor's recommendation to adopt the agency's reduced resources budget, which includes eliminating one Policy Liaison position (\$117,238) and one temporary Office Assistant position (\$18,192), as well as holding vacant positions open until the requisite savings are generated (\$44,052). The recommendation includes 13.0 FTE positions for FY 2022, which is the same as the FY 2022 agency request.

L. Office of the Long-Term Care Ombudsman

The Office of 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 State General Fund moneys and federal funds, including Medicaid under the Social Security Act, and the Older Americans Act.

The LTCO operates one primary office in Topeka and eight regional offices, which manage volunteer ombudsmen. The goal of the volunteers is to visit each Kansas facility weekly and build a relationship with the facility residents. Volunteers are not compensated for their time or expenses. In the event a volunteer is unable to resolve the resident's complaint, the ombudsman refers the complaint to the Kansas Department for Aging and Disability Services for investigation with the permission of the resident.

PERFORMANCE MEASURES						
Measure	Actual FY 2018	Actual FY 2019	Gov. Rec. FY 2020	Actual FY 2020	Gov. Rec. FY 2021	Gov. Rec. FY 2022
Total Number of Complaints Investigated	1,363	1,231	1,275	1,134	1,275	1,275
Percent of Complaints Resolved to the Satisfaction of the Complainant*	86.0 %	85.0 %	85.0 %	79.0 %	80.0 %	80.0 %
Percent of Adult Care Homes with Assigned Volunteer Ombudsman	9.0 %	9.0 %	8.0 %	9.0 %	8.0 %	8.0 %
Number of Visits by an Ombudsman to Long-Term Care Facilities*	3,343	3,022	3,100	1,974	1,200	3,000
Agency Expenditures						
All Funds (Dollars in Thousands)	\$ 673.9	\$ 673.3	\$ 746.8	\$ 681.4	\$ 718.4	\$ 695.5
FTE Positions	11.0	11.0	11.0	11.0	11.0	11.0
* The Governor's Office does not utilize this measure for evaluation purposes.						

The Office of the Long-Term Care Ombudsman works to treat each resident in a Kansas long-term care facility with dignity and respect through advocacy, self-empowerment, and education. Accordingly, the Office has identified the following objectives as integral to its goals.

- **Complaint Resolution.** The LTCO receives, investigates, and works to resolve complaints of residents by providing ongoing education to all ombudsmen and investigating complaints with the resident's goals in mind. Ombudsmen volunteers receive 30 hours of training to prepare for their advocacy role, after which each volunteer is assigned to a long-term care facility near them. Regional ombudsmen provide ongoing training and support ombudsmen volunteers. The LTCO indicates ombudsmen volunteers contributed 2,789 hours of services, worth more than \$70,400, to the program in FY 2020. The LTCO also follows standardized procedures for competent and timely responses to resident complaints. Accordingly, the LTCO estimates resolving 1,275 complaints in FY 2021 and for FY 2022;
- **Access to Ombudsmen.** The LTCO works to provide all residents with regular and timely access to an ombudsman by increasing the overall number of active ombudsman volunteers across the state and providing regular visits to all long-term care facilities to ensure residents know how to access services. The LTCO indicates an evaluation of long-term care ombudsman programs recommended, to adequately address problems concerning care of residents, state programs should have a paid program staff member for every 2,000 residents. At its current funding level, the LTCO has more than 4,370 facility beds per paid program staff. Accordingly, the LTCO estimates 8.0 percent of adult care homes will have access to an assigned ombudsman volunteer in FY 2021 and for FY 2022. Additionally, the LTCO estimates that an ombudsman will visit long-term care facilities 1,200 times in FY 2021 and 3,000 times for FY 2022;

Also, the LTCO reports having 76 ombudsman volunteers as of the beginning of FY 2021. This leaves more than 91.0 percent of long-term care residents in the State without regular access to services. The LTCO indicates volunteer recruitment, retention, and training are difficult, especially without a Volunteer Coordinator working on those issues. The LTCO does not currently have such a coordinator, and those duties have been reassigned to the regional ombudsman, diminishing the time available to spend on complaint resolutions and other advocacy efforts;

- **Safeguarding Services.** The LTCO works to provide services to protect the health, safety, welfare, and rights of residents by promoting and providing technical support for resident and family councils. Additionally, the LTCO provides in-service training to long-term care facility staff and attends council meetings by invitation. Furthermore, the Office also provides training to facility staff on resident rights, person-centered care, abuse, neglect, and exploitation;
- **Communicating Resident Concerns.** The LTCO works to provide information to consumers, facility staff, public and private agencies, legislators, and the media about the problems and concerns of residents of long-term care facilities by making presentations to community groups and senior citizen organizations. Additionally, the LTCO provides an annual report with information and recommendations to the Governor, the Legislature, the Silver-Haired Legislature, other government entities, and the media regarding problems and concerns of

residents. Furthermore, the Office meets on a regular basis with advocates and members of the adult care industry for the purpose of discussing the ombudsman program, as well as quality resident care; and

- **Rules and Regulations Compliance.** The LTCO works to analyze, comment on, and monitor federal, state, and local laws, regulations, and policies that affect long-term care residents by monitoring proposed legislation and actively participating in stakeholder groups related to rights, care, and quality of life for residents of long-term care facilities. Additionally, the office provides testimony and advocacy as appropriate on proposed laws and regulations.

OFFICE OF THE LONG-TERM CARE OMBUDSMAN SUMMARY OF EXPENDITURES FY 2020 – FY 2022					
Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Expenditures:					
Salaries and Wages	\$ 569,641	\$ 586,588	\$ 586,588	\$ 592,091	\$ 562,656
Contractual Services	104,150	107,000	106,036	107,000	107,000
Commodities	6,760	7,000	7,000	7,000	7,000
Capital Outlay	860	18,800	18,800	18,800	18,800
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 681,411</u>	<u>\$ 719,388</u>	<u>\$ 718,424</u>	<u>\$ 724,891</u>	<u>\$ 695,456</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 681,411</u>	<u>\$ 719,388</u>	<u>\$ 718,424</u>	<u>\$ 724,891</u>	<u>\$ 695,456</u>
Financing:					
State General Fund	\$ 292,451	\$ 293,730	\$ 292,766	\$ 294,354	\$ 264,919
All Other Funds	388,960	425,658	425,658	430,537	430,537
TOTAL	<u>\$ 681,411</u>	<u>\$ 719,388</u>	<u>\$ 718,424</u>	<u>\$ 724,891</u>	<u>\$ 695,456</u>
FTE Positions	11.0	11.0	11.0	11.0	11.0

The **agency** requests \$724,891, including \$294,354 SGF, for the Office of the Long-Term Care Ombudsman for FY 2022. The request does not include off-budget expenditures and is an all funds increase of \$5,503, or 0.8 percent, above the FY 2021 revised estimate. The increase is primarily due to higher employer contributions for the public employees retirement system (\$3,597) and group health insurance (\$2,147). The Office of the Long-Term Care Ombudsman request also includes 11.0 FTE positions for FY 2022, which is the same as the FY 2021 revised estimate.

The **Governor** recommends expenditures of \$695,456, including \$264,919 SGF, for the Office of the Long-Term Care Ombudsman for FY 2022. The recommendation is an all funds decrease of \$29,435, or 4.1 percent, below the FY 2022 agency request. The decrease is due to the Governor's recommendation to adopt the agency's reduced resources budget, which includes holding open a vacant position through part of FY 2022 (\$29,435). The Office indicates that adoption of this recommendation would hinder its ability to provide advocacy services for residents of long-term care facilities; investigate residents' complaints in a timely manner; and provide information and assistance to providers on issues such as abuse, residential rights, and infection control. The recommendation includes 11.0 FTE positions for FY 2022, which is the same as the FY 2022 agency request.

M. Debt Service

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. In FY 2021, debt service expenditures account for 66.0 percent of total expenditures, including 92.6 percent of on-budget expenditures. 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, whether or not the interest on is subject to federal income taxation, issued by the KDFA pursuant to the Act.

OUTSTANDING BONDS SUMMARY OF BALANCES FY 2020 – FY 2022			
Series	Title	Balance 6/30/2020	Est. Balance 6/30/2021
2004C	KPERS	\$ 346,440,000	\$ 329,225,000
2010E	Public Broadcasting, Capitol Restoration, NBAF, Debt Restructure	29,140,000	0
2010F	NBAF, Debt Restructure	7,835,000	0
2010O	State Capitol, TAG Armories	24,125,000	0
2011B	State Capitol	33,790,000	7,595,000
2013A	State Capitol	44,450,000	41,010,000
2015A	KU Medical Education Building, Kansas Water Office	189,575,000	171,015,000
2015G	NBAF	180,755,000	172,375,000
2015H	KPERS	924,665,000	902,935,000
2016H	Debt Restructure	46,215,000	41,520,000
2019F	Debt Restructure, Eisenhower, Capitol Restoration	68,600,000	63,890,000
2019G	Debt Restructure	5,340,000	4,315,000
2020K	Curtis State Office Building, DCF Topeka Service Center	0	33,779,060
2020R	2010E-1, E-2, 2010O-2, 2011B	0	76,605,000
2020S	2010F	0	6,410,000
TOTAL		\$1,900,930,000	\$1,850,674,060

Detailed descriptions of these bonds may be found in the Capital Improvements section, on page 1266.

**DEBT SERVICE INTEREST
SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

Item	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
On-Budget:					
KPERS Bonds*	\$100,109,809	\$ 100,123,724	\$ 100,123,724	\$ 100,118,071	\$ 100,118,071
Public Broadcasting	29,115	9,875	9,875	0	0
Statehouse Debt	4,706,720	3,430,748	3,430,748	3,057,173	583,000
Restructuring Bonds	1,683,657	594,618	594,618	569,743	0
NBAF Debt Service	12,171,985	11,620,439	11,620,439	11,037,652	10,085,350
John Redmond Res.	692,000	646,000	646,000	594,750	594,750
KU Medical Ed. Bldg.	1,010,000	967,500	967,500	922,750	922,750
Debt Refund (2015A)	8,614,423	7,837,050	7,837,050	7,023,550	7,023,550
Debt Refund (2016H)	1,808,793	1,593,750	1,593,750	1,353,000	1,353,000
Debt Refund (2019F/G)	0	2,526,228	2,526,228	2,329,726	2,329,726
Debt Refund (2020R/S)	0	0	0	0	3,446,550
Docking State Office Building Renovations	0	0	0	3,000,000	0
<i>Subtotal</i>	<u>\$130,826,502</u>	<u>\$ 129,349,932</u>	<u>\$129,349,932</u>	<u>\$130,006,415</u>	<u>\$126,456,747</u>
Off-Budget:					
Facilities Projects	\$ 53,500	\$ 18,125	\$ 18,125	\$ 0	\$ 0
Debt Refund (2019F/G)	500,655	624,468	624,468	575,894	575,894
Debt Refund (2020K)	0	725,860	725,860	756,651	756,651
<i>Subtotal</i>	<u>\$ 554,155</u>	<u>\$ 1,368,453</u>	<u>\$ 1,368,453</u>	<u>\$ 1,332,545</u>	<u>\$ 1,332,545</u>
TOTAL	<u>\$131,380,657</u>	<u>\$ 130,718,385</u>	<u>\$ 130,718,385</u>	<u>\$ 131,338,960</u>	<u>\$ 127,789,292</u>

* The amount for KPERS Bonds includes both principal and interest payments

The **agency** requests \$131.3 million, including \$89.8 million SGF, for debt service interest payments for FY 2022. The request includes \$130.0 million in on-budget expenditures, including \$89.8 million SGF, \$4.1 million from the State Highway Fund, and \$36.1 million from the Expanded Lottery Act Revenues Fund. For FY 2022, on-budget expenditures increase by \$656,483, or 0.5 percent, above the FY 2021 revised estimate. The increase is primarily due to the agency request to renovate the Docking State Office Building (\$3.0 million). This request includes enhancement funding of \$3.0 million in interest payments, reflected in this program, and \$7.0 million in principal payments, reflected on page 1269, for an estimated total of \$200.0 million in bonds for a 20-year duration. Additional details on the request may be found on pages 1215 and 1219. The increase is partially offset by lower interest payments for 2015A series bonds (\$813,500) and for renovation of the Kansas Statehouse (\$373,575).

The request also includes \$1.3 million in off-budget expenditures, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2022, off-budget expenditures decrease by \$35,908, or 2.6 percent, below the FY 2021 revised estimate. The decrease is primarily due to lower interest payments on 2019F/G series bonds (\$48,574).

The **Governor** recommends \$127.8 million, including \$85.2 million SGF, for debt service interest payments for FY 2022. The recommendation includes \$126.5 million in on-budget expenditures, including \$85.2 million SGF, \$5.1 million from the State Highway Fund, and \$36.1 million from the Expanded Lottery Act Revenues Fund. For FY 2022, the Governor recommends an on-budget expenditures decrease of \$3.5 million, or 2.7 percent, below the FY 2022 agency request. Of that amount, SGF expenditures decrease by \$4.5 million, while State Highway Fund expenditures increase by \$972,377. The SGF decrease is primarily due to the Governor's

recommendation not to adopt the agency's enhancement request to renovate the Docking State Office Building (\$3.0 million) as well as to lower expenditures for interest payments on bonds related to renovation of the NBAF (\$952,302) and bond restructuring (\$569,743). The recommendation also includes a decrease in interest payments on Kansas Statehouse renovation bonds (\$2.5 million, all from the State Highway Fund), offset by the issuance of 2020R/S series bonds (\$3.4 million, all from the State Highway Fund), which refunds 2010E-1, 2010E-2, 2010O-2, 2010F, and 2011B series bonds.

The recommendation also includes \$1.3 million in off-budget expenditures, which is the same as the FY 2022 agency request.

CAPITAL IMPROVEMENTS

Each year, the agency conducts projects it deems important for the upkeep of the buildings within its control, using funding from its maintenance reserve funds and from the State General Fund. The following projects are included in FY 2021 and for FY 2022:

- **Capitol Complex Rehabilitation and Repair.** This project includes maintenance, asbestos abatement, minor building refurbishments, and replacement of major equipment components that break down during operations. The agency indicates the ramifications of not performing these projects are a decrease of system availability, costly damage, and the potential inability to continue operations. Capitol Complex buildings include the Landon State Office Building, the Eisenhower State Office Building, Memorial Hall, the Statehouse, the Judicial Center, and Cedar Crest;
- **State Building Rehabilitation and Repair.** KSA 75-3655 establishes the State Buildings Depreciation Fund in the Office of the State Treasurer. Moneys sufficient to provide for the replacement of depreciating machinery and equipment and for maintenance for State-owned buildings are transferred from the State Buildings Operating Fund; and
- **State Printing Plant Rehabilitation and Repair.** This project includes maintenance on mechanical components and systems beyond their useful life, such as condensate pumps and piping, screw air compressors, chilled water pumps, and hot water circulating pumps. The agency indicates failing to perform these projects can result in the failure of critical systems, such as building operations and electrical, mechanical, and security systems.

Additionally, each year, the agency also budgets and pays for the principal debt service on bonds issued for a variety of reasons. The following payments are included in FY 2021 and for FY 2022:

- **Public Broadcasting.** Since 2001, the agency has paid the debt service on bonds issued to assist Kansas public television stations to switch from analog to digital formats. The bonds will be fully paid off in FY 2021;
- **Statehouse Debt.** Since 2001, the agency has paid the debt service on bonds issued for renovation of the Kansas Statehouse. There have been 16 subsequent bond issuances for the Statehouse renovation. The bonds will be fully paid off in FY 2033;
- **NBAF Debt Service.** In 2010, the agency began making debt service payments on bonds issued for the National Bio and Agro-defense Facility (NBAF). In 2015, the agency became responsible for a 2015G bond issuance for a total of \$203.6 million. This issuance provided additional funding for NBAF. The bonds will be fully paid off in FY 2035;
- **John Redmond Reservoir.** In FY 2014, the Governor endorsed a plan to issue \$25 million in bonds for the dredging of 3.0 million cubic yards of sediment from

this reservoir to restore water supply lost to sedimentation. During legislative deliberations, portions of the project were reduced, lowering the need for bond issuance to \$20 million. The project restored water supply storage in John Redmond Reservoir near Burlington in Coffey County. Streambank stabilization projects will also take place above the reservoir. The bonds will be fully paid off in FY 2035;

- **KU Medical Education Building.** In FY 2015, the Legislature relocated debt service for the University of Kansas (KU) Medical Education Building to the Department of Administration to consolidate State General Funded debt service. The bonds will be fully paid off in FY 2035;
- **Debt Service Refunding (2015A).** In 2015, the agency became responsible for a 2015A bond issuance for a total of \$240.5 million. This issuance refunded 2006A, originally issued as the Kansas Department of Transportation's Comprehensive Transportation Program, and 2005H, 2006L, and 2007K, all of which were originally issued for the Statehouse renovation. In addition, 2015A funded new projects at the KU Medical Education Building and the John Redmond Reservoir. The bonds will be fully paid off in FY 2035;
- **Debt Service Refunding (2016H).** In 2015, the agency became responsible for a 2016H bond issuance for a total of \$51.5 million. 2016H refunds 2007M, which includes \$18.2 million for the Kansas Law Enforcement Training Center, and 2008L, which includes Kansas Capitol Restoration, National Guard Armory renovations, Department of Corrections Facilities renovations, and construction and remodeling of KU pharmacy facilities in Lawrence and Wichita. The bonds will be fully paid off in FY 2045;
- **Debt Service Refunding (2019F/G).** In 2019, the Department became responsible for the 2019F/G series bond issuance for a total of \$74.5 million. 2019F/G refunded 2009A, 2009M-1, 2009M-2, and 2009N series bonds, which included debt service for projects such as the Eisenhower State Office Building and bond restructuring;
- **Debt Service Refunding (2020K).** In 2020, the agency became responsible for the 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 Topeka Service Center from the Topeka Public Building Commission to the State of Kansas. The agency will continue to collect \$0.75 per net rentable square foot, which will be transferred to the Curtis State Office Building Maintenance Reserve Fund. The reserve fund is used for large or unexpected maintenance issues that may arise;
- **Debt Service Refunding (2020R/S).** In 2020, the agency became responsible for the 2020R/S series bond issuance for a total of \$87.9 million. 2020R/S refunds 2010E-1, 2010E-2, 2010O-2, 2010F, and 2011B series bonds, which includes debt services for projects such as renovations of the Kansas Statehouse and public broadcasting bonds;
- **Facilities Improvement Projects.** In 2001, the Legislature granted bonding authority to the Department of Administration to make expenditures for the

consolidation of the Landon State Office Building; development of a staff training center at the Brigham Building; establishment of housing for Kansas Services for the Blind at the Woodward Building; remodel of KDHE laboratory facilities at Forbes Building #740; and upgrade of the steam system within the Capitol Complex. Those projects were completed in 2020, and debt service payments will be completed in FY 2021; and

- Docking State Office Building.** During the 2020 Legislative Session, the agency presented the House Committee on Appropriations and the Senate Committee on Ways and Means with four options to rehabilitate and renovate the Docking State Office Building. The agency budget submission includes requests for supplemental and enhancement funding in FY 2021 and for FY 2022 to proceed with one of the presented options, to renovate the entire building with included laboratory space for KDHE. Additional information on this request may be found on pages 1215 and 1219.

CAPITAL IMPROVEMENTS (ON-BUDGET)				
Project	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Capital Projects:				
Capitol Complex	\$ 2,823,601	\$ 2,823,601	\$ 3,450,000	\$ 3,449,493
Debt Service Principal:				
Public Broadcasting	\$ 425,000	\$ 425,000	\$ 0	\$ 0
Statehouse Debt	7,940,000	7,940,000	9,595,000	1,765,000
Restructuring Debt Service	525,000	525,000	550,000	0
NBAF Debt Service	11,790,000	11,790,000	12,350,000	10,640,000
John Redmond Reservoir	1,025,000	1,025,000	1,080,000	1,080,000
KU Medical Education Bldg.	895,000	895,000	940,000	940,000
Debt Refunding (2015A)	16,640,000	16,640,000	16,180,000	16,180,000
Debt Refunding (2016H)	4,695,000	4,695,000	4,935,000	4,935,000
Debt Refunding (2019F/G)	4,598,323	4,598,323	4,257,558	4,257,558
Debt Refunding (2020R/S)	0	0	0	12,490,000
Docking State Office Building	0	0	7,000,000	0
<i>Subtotal</i>	<u>\$ 48,533,323</u>	<u>\$ 48,533,323</u>	<u>\$ 56,887,558</u>	<u>\$ 52,287,558</u>
TOTAL	\$ 51,356,924	\$ 51,356,924	\$ 60,337,558	\$ 55,737,051
Financing:				
State General Fund	\$ 40,855,637	\$ 40,855,637	\$ 48,764,583	\$ 39,504,076
State Highway Fund	10,076,287	10,076,287	11,572,975	16,232,975
ELARF	425,000	425,000	0	0
All Other Funds	0	0	0	0
TOTAL	\$ 51,356,924	\$ 51,356,924	\$ 60,337,558	\$ 55,737,051

FY 2021 – Current Year. The agency requests a revised estimate of \$51.4 million, including \$40.9 million SGF, for on-budget capital improvements expenditures in FY 2021. The revised estimate includes \$2.8 million for capital projects and \$48.5 million for debt service principal payments, all SGF. In FY 2021, capital project expenditures include only rehabilitation and repair expenses for Capitol Complex buildings (\$2.8 million). This funding includes maintenance, asbestos abatement, minor building refurbishments, and replacement of major equipment components that break down during operations. Debt service expenditures include

principal payments for bonds related to debt service refunding (\$25.9 million), the The National Bio and Agro-Defense Facility (NBAF) (\$11.8 million), and renovations of the Kansas Statehouse (\$7.9 million).

The **Governor** concurs with the agency request for on-budget capital improvement expenditures in FY 2021.

FY 2022 – Budget Year. The agency requests \$60.3 million, including \$48.8 million SGF, for on-budget capital improvements expenditures for FY 2022. The revised estimate includes \$3.5 million for capital projects and \$56.9 million for debt service principal payments, all SGF. For FY 2022, capital project expenditures include only rehabilitation and repair expenses for Capitol Complex buildings (\$3.5 million). Top priorities identified by the Office of Facilities and Property Management include replacing four to six air handler units in the Landon and Eisenhower State Office Buildings; replacing one chiller unit in the Docking Utility Plant; replacing a third floor window in the Kansas Judicial Center; and elevator modernization in the Curtis State Office Building. Debt service expenditures include principal payments for bonds related to debt service refunding (\$25.4 million), the NBAF (\$12.3 million), and renovations of the Kansas Statehouse (\$10.0 million). The agency request also includes enhancement funding for debt related to renovations to the Docking State Office Building (\$7.0 million).

The **Governor** recommends \$55.7 million, including \$39.5 million SGF, for on-budget capital improvement expenditures for FY 2022. The recommendation is an all funds decrease of \$4.6 million, or 7.6 percent, below the FY 2022 agency request. Of that amount, SGF expenditures decrease by \$9.3 million, while State Highway Fund expenditures increase by \$4.7 million. The SGF decrease is primarily due to the Governor's recommendation not to adopt the agency's enhancement request to renovate the Docking State Office Building (\$7.0 million) as well as to lower expenditures for interest payments on bonds related to the NBAF (\$1.7 million) and bond restructuring (\$550,000). The recommendation also includes a decrease in principal payments on Kansas Statehouse renovation bonds (\$7.8 million, all from the State Highway Fund), offset by the issuance of 2020R/S series bonds (\$12.5 million, all from the State Highway Fund), which refunds 2010E-1, 2010E-2, 2010O-2, 2010F, and 2011B series bonds.

CAPITAL IMPROVEMENTS (OFF-BUDGET)				
Project	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Capital Projects:				
State Buildings	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000
State Printing Plant	75,000	75,000	75,000	75,000
<i>Subtotal</i>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Debt Service Principal:				
Facilities Improvement Projects	\$ 725,000	\$ 725,000	\$ 0	\$ 0
Debt Refunding (2019F/G)	1,136,677	1,136,677	1,052,442	1,052,442
Debt Refunding (2020K)	3,372,555	3,372,555	3,415,013	3,415,013
<i>Subtotal</i>	<u>\$ 5,234,232</u>	<u>\$ 5,234,232</u>	<u>\$ 4,467,455</u>	<u>\$ 4,467,455</u>
TOTAL	<u>\$ 5,734,232</u>	<u>\$ 5,734,232</u>	<u>\$ 4,967,455</u>	<u>\$ 4,967,455</u>
Financing:				
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	5,734,232	5,734,232	4,967,455	4,967,455
TOTAL	<u>\$ 5,734,232</u>	<u>\$ 5,734,232</u>	<u>\$ 4,967,455</u>	<u>\$ 4,967,455</u>

FY 2021 – Current Year. The agency requests a revised estimate of \$5.7 million, all from special revenue funds, for off-budget capital improvements expenditures in FY 2021. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The revised estimate includes \$500,000 for capital projects and \$5.2 million for debt service principal payments. In FY 2021, capital project expenditures include additional rehabilitation and repair expenses for state buildings (\$425,000) and for the State Printing Plant (\$75,000). Debt service expenditures include principal payments for bonds related to debt service refunding (\$4.5 million) and facilities improvement projects (\$725,000).

The **Governor** concurs with the agency request for off-budget capital improvements expenditures in FY 2021.

FY 2022 – Budget Year. The agency requests \$5.0 million, all from special revenue funds, for off-budget capital improvement expenditures for FY 2022. Off-budget expenditures are categorized as such to avoid double counting payments from one state agency to another. The request includes \$425,000 for capital projects and \$4.9 million for debt service principal payments. For FY 2022, capital project expenditures include only additional rehabilitation and repair expenses for state buildings (\$425,000) and for the State Printing Plant (\$75,000). Debt service expenditures include only principal payments for debt service refunding (\$4.5 million).

The **Governor** concurs with the agency request for off-budget capital improvements expenditures for FY 2022.