

House Budget Committee Report

Agency: Kansas Department of Revenue **Bill No.** HB 2397 **Bill Sec.** 43

Analyst: Dear **Analysis Pg. No.** Vol. 2 p. 375 **Budget Page No.** 96

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 16,061,282	\$ 14,455,154	\$ 0
Other Funds	92,850,875	92,850,875	0
<i>Subtotal</i>	<u>\$ 108,912,157</u>	<u>\$ 107,306,029</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 108,912,157</u></u>	<u><u>\$ 107,306,029</u></u>	<u><u>\$ 0</u></u>
 FTE positions	 1,089.2	 1,049.2	 0.0

Agency Request

The **agency** requests \$108.9 million, including \$16.1 million SGF for FY 2022. The request is an all funds increase of \$383,822, or 0.4 percent, and an SGF increase of \$99,086, or 0.6 percent, above the FY 2021 revised estimate. Salaries and wages costs increased by \$929,336, including \$636,450 SGF, due to salaries and wages fringe benefit costs and the end of the Kansas Public Employees Retirement System (KPERs) Death and Disability employer contribution suspension. The channel modernization project is expected to be completed in FY 2021, which results in a reduction of \$1.5 million in capital outlay and contractual services expenditures. The channel modernization project includes \$100,000 in annual software and hardware maintenance fees in FY 2022. The reduction in the channel management project was partially offset by an increase in estimated Aid to Local Units of Governments of \$400,000 for the Special County Mineral Production Tax Fund. The request includes 1,089.3 FTE positions, the same as the FY 2021 revised estimate.

Governor's Recommendation

The **Governor** recommends expenditures of \$107.3 million, including \$14.5 million SGF, for FY 2022. The recommendation is an SGF-only decrease of \$1.6 million, or 10.0 percent, below the FY 2022 agency request. The decrease is attributable to the Governor's recommended adoption of the agency reduced resources proposal totaling \$1.6 million, including \$1.2 million in staff reductions and \$442,950 in travel reductions.

The Governor recommends 1,049.2 FTE positions, a reduction of 40.0 FTE positions below the FY 2022 agency request. The recommendation carries forward the staffing level reduction recommendation from FY 2021.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2022.

House Committee Recommendation

The **Committee** concurs with the Budget Committee recommendation for FY 2022.

Senate Subcommittee Report

Agency: Kansas Department of Revenue **Bill No.** SB 267 **Bill Sec.** 43

Analyst: Dear **Analysis Pg. No.** Vol. 2 p. 1,375 **Budget Page No.** 96

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 16,061,282	\$ 14,455,154	\$ (12,000)
Other Funds	92,850,875	92,850,875	(112,500)
<i>Subtotal</i>	<u>\$ 108,912,157</u>	<u>\$ 107,306,029</u>	<u>\$ (124,500)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 108,912,157</u></u>	<u><u>\$ 107,306,029</u></u>	<u><u>\$ (124,500)</u></u>
FTE positions	1,089.2	1,049.2	0.0

Agency Request

The **agency** requests \$108.9 million, including \$16.1 million SGF for FY 2022. The request is an all funds increase of \$383,822, or 0.4 percent, and an SGF increase of \$99,086, or 0.6 percent, above the FY 2021 revised estimate. Salaries and wages costs increased by \$929,336, including \$636,450 SGF, due to salaries and wages fringe benefit costs and the end of the Kansas Public Employees Retirement System (KPERs) Death and Disability employer

contribution suspension. The channel modernization project is expected to be completed in FY 2021, which results in a reduction of \$1.5 million in capital outlay and contractual services expenditures. The channel modernization project includes \$100,000 in annual software and hardware maintenance fees in FY 2022. The reduction in the channel management project was partially offset by an increase in estimated Aid to Local Units of Governments of \$400,000 for the Special County Mineral Production Tax Fund. The request includes 1,089.3 FTE positions, the same as the FY 2021 revised estimate.

Governor's Recommendation

The **Governor** recommends expenditures of \$107.3 million, including \$14.5 million SGF, for FY 2022. The recommendation is an SGF-only decrease of \$1.6 million, or 10.0 percent, below the FY 2022 agency request. The decrease is attributable to the Governor's recommended adoption of the agency reduced resources proposal totaling \$1.6 million, including \$1.2 million in staff reductions and \$442,950 in travel reductions.

The Governor recommends 1,049.2 FTE positions, a reduction of 40.0 FTE positions below the FY 2022 agency request. The recommendation carries forward the staffing level reduction recommendation from FY 2021.

Senate Committee on Assessment and Taxation Recommendation

The **Committee on Assessment and Taxation** concurs with the Governor's recommendations with the following adjustments:

1. Delete \$12,000, all from the SGF, for an operations reduction due to a renegotiated cell phone contract for FY 2022.
2. Delete \$112,500, all from special revenue funds, for out of state travel reductions for FY 2022.

Senate Committee Recommendation

The **Committee** concurs with the Senate Commerce Committee recommendation with the following adjustment:

1. Add \$112,500, all from special revenue funds, for out of state travel reductions and review at Omnibus for FY 2022.

Senate Committee of the Whole Recommendation (Sub. for SB 267)

The **Committee of the Whole** concurs with the Committee recommendation for FY 2022.

Conference Committee Recommendation (SB 159)

1. Add language directing that all driver's license office locations which were open to the public and closed as a result of the COVID-19 public health emergency reopen on or

before June 1, 2021 with the same services as prior to the public health emergency in FY 2022.

2. Add \$356,571, all SGF, to implement the provisions of SB 50 concerning marketplace facilitators and income tax deductions and exemptions for FY 2022.

	Governor's Recommendation FY 2022	Legislative Action	Legislative Approved FY 2022	Governor's Veto FY 2022	Final Legislative Approved FY 2022
All Funds					
State Operations	\$ 103,686,029	\$ 344,571	\$ 104,030,600	\$ 0	\$ 104,030,600
Aid to Local Units	3,620,000	0	3,620,000	0	3,620,000
Other Assistance	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 107,306,029</i>	<i>\$ 344,571</i>	<i>\$ 107,650,600</i>	<i>\$ 0</i>	<i>\$ 107,650,600</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 107,306,029	\$ 344,571	\$ 107,650,600	\$ 0	\$ 107,650,600

State General Fund

State Operations	\$ 14,455,154	\$ 344,571	\$ 14,799,725	\$ 0	\$ 14,799,725
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operating</i>	<i>\$ 14,455,154</i>	<i>\$ 344,571</i>	<i>\$ 14,799,725</i>	<i>\$ 0</i>	<i>\$ 14,799,725</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 14,455,154	\$ 344,571	\$ 14,799,725	\$ 0	\$ 14,799,725

FTE Positions	1,049.2	0.0	1,049.2	0.0	1,049.2
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