

## House Budget Committee Report

**Agency:** Kansas Department of Revenue      **Bill No.** HB 2396

**Bill Sec.** 21

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

**Budget Page No.** 96

Expenditure Summary	Agency Estimate FY 2021	Governor Recommendation FY 2021	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 15,962,196	\$ 15,340,649	\$ 0
Other Funds	92,566,139	92,736,139	0
<i>Subtotal</i>	\$ 108,528,335	\$ 108,076,788	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
<i>Subtotal</i>	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 108,528,335</b>	<b>\$ 108,076,788</b>	<b>\$ 0</b>
FTE positions	1,089.2	1,049.2	0.0

### Agency Estimate

The **agency** requests a revised estimate of \$108.5 million, including \$16.0 million from the State General Fund (SGF), in FY 2021. The revised estimate is an all funds increase of \$59,264, or 0.1 percent, and no change in SGF from the approved budget. The revised estimate includes \$1.6 million in hardware and software implementation costs for the channel modernization project. The increases were partially offset by a reduction of \$890,000 in Aid to Local Units of Government from the Special County Mineral Production Tax Fund, which receives an 8.0 percent excise tax on coal, oil, or gas produced in Kansas, a reduction of \$323,186 in the motor vehicle division related to the sale of vehicle license tags and paper and \$150,000 in assigned counsel fees.

The revised estimate includes 1,089.3 FTE positions, an increase of 10.6 FTE positions above the approved number. The agency added 17.0 additional FTE positions in the Motor Vehicle Division for the Wichita West Driver's License location and 3.0 FTE roving positions in the Wichita region. The agency also added 4.0 FTE positions in the Tax Administration Division for information technology analysts who were transferred from Administration. The increases were partially offset by FTE reductions in the Administration Division, mostly in Information Technology analysts.

### Governor's Recommendation

The **Governor** recommends expenditures of \$108.1 million, including \$15.3 million SGF, in FY 2021. The recommendation is an all funds decrease of \$451,547, or 0.4 percent, and an SGF decrease of \$621,547, or 3.9 percent, below the FY 2021 revised agency estimate. The

Governor recommends deleting \$218,999, or 0.3 percent, from the agency salaries and wages request by increasing the shrinkage rate. The recommendation also deletes \$402,548 for out-of-state and international travel due to COVID-19 travel restrictions. The SGF reductions are partially offset by a federal funds increase of \$170,000 in Coronavirus Relief Fund moneys from the Office of Recovery. KDOR has indicated it plans to expend \$60,000 in contractual services expenditures for cleaning and sanitizing of both employee and public-facing facilities due to the COVID-19 pandemic; and \$110,000 in commodities expenditures for personal protective equipment and thermal kiosks for employee temperature screenings.

The Governor recommends 1,049.2 FTE positions, a decrease of 40.0 FTE positions below the agency's FY 2021 revised estimate. The Governor states that KDOR has maintained 70.0 vacant and funded FTE positions to conform with shrinkage requirements and those positions should be eliminated. The reduction includes 15.0 FTE positions in the Motor Vehicle Division, 10.0 FTE positions in Administration, 10.0 FTE positions in Tax Administration, and 5.0 FTE positions in Property Valuation.

### **Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation in FY 2021.

### **Committee Recommendation**

The **Committee** concurs with the Budget Committee recommendation in FY 2021.

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### Senate Subcommittee Report

**Agency:** Kansas Department of Revenue      **Bill No.** SB 268

**Bill Sec.** 21

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

**Budget Page No.** 96

Expenditure Summary	Agency Estimate FY 2021	Governor Recommendation FY 2021	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 15,962,196	\$ 15,340,649	\$ (66,000)
Other Funds	92,566,139	92,736,139	(80,600)
<i>Subtotal</i>	<u>\$ 108,528,335</u>	<u>\$ 108,076,788</u>	<u>\$ (146,600)</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>
<b>TOTAL</b>	<u><b>\$ 108,528,335</b></u>	<u><b>\$ 108,076,788</b></u>	<u><b>\$ (146,600)</b></u>
FTE positions	1,089.2	1,049.2	0.0

#### Agency Estimate

The **agency** requests a revised estimate of \$108.5 million, including \$16.0 million from the State General Fund (SGF), in FY 2021. The revised estimate is an all funds increase of \$59,264, or 0.1 percent, and no change in SGF from the approved budget. The revised estimate includes \$1.6 million in hardware and software implementation costs for the channel modernization project. The increases were partially offset by a reduction of \$890,000 in Aid to Local Units of Government from the Special County Mineral Production Tax Fund, which receives an 8.0 percent excise tax on coal, oil, or gas produced in Kansas, a reduction of \$323,186 in the motor vehicle division related to the sale of vehicle license tags and paper and \$150,000 in assigned counsel fees.

The revised estimate includes 1,089.3 FTE positions, an increase of 10.6 FTE positions above the approved number. The agency added 17.0 additional FTE positions in the Motor Vehicle Division for the Wichita West Driver's License location and 3.0 FTE roving positions in the Wichita region. The agency also added 4.0 FTE positions in the Tax Administration Division for information technology analysts who were transferred from Administration. The increases were partially offset by FTE reductions in the Administration Division, mostly in Information Technology analysts.

## **Governor's Recommendation**

The **Governor** recommends expenditures of \$108.1 million, including \$15.3 million SGF, in FY 2021. The recommendation is an all funds decrease of \$451,547, or 0.4 percent, and an SGF decrease of \$621,547, or 3.9 percent, below the FY 2021 revised agency estimate. The Governor recommends deleting \$218,999, or 0.3 percent, from the agency salaries and wages request by increasing the shrinkage rate. The recommendation also deletes \$402,548 for out-of-state and international travel due to COVID-19 travel restrictions. The SGF reductions are partially offset by a federal funds increase of \$170,000 in Coronavirus Relief Fund moneys from the Office of Recovery. KDOR has indicated it plans to expend \$60,000 in contractual services expenditures for cleaning and sanitizing of both employee and public-facing facilities due to the COVID-19 pandemic; and \$110,000 in commodities expenditures for personal protective equipment and thermal kiosks for employee temperature screenings.

The Governor recommends 1,049.2 FTE positions, a decrease of 40.0 FTE positions below the agency's FY 2021 revised estimate. The Governor states that KDOR has maintained 70.0 vacant and funded FTE positions to conform with shrinkage requirements and those positions should be eliminated. The reduction includes 15.0 FTE positions in the Motor Vehicle Division, 10.0 FTE positions in Administration, 10.0 FTE positions in Tax Administration, and 5.0 FTE positions in Property Valuation.

## **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 \$66,000, all from the SGF, for operations reductions including: a renegotiated cell phone contract (\$6,000), state vehicle maintenance (\$10,000), state vehicle fuel expenditures (\$20,000), and office supplies (\$30,000) in FY 2021.
2. Delete \$80,600, all from special revenue funds, for out of state travel reductions in FY 2021.

## **Senate Committee Recommendation**

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

1. Add \$80,600, all from special revenue funds, for out of state travel reductions and review at Omnibus in FY 2021.

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

The **Committee of the Whole** concurs with the Committee recommendation in FY 2021.

## **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 2021.

	Governor's Recommendation FY 2021	Legislative Action	Legislative Approved FY 2021	Governor's Veto FY 2021	Final Legislative Approved FY 2021
<b>All Funds</b>					
State Operations	\$ 104,856,788	\$ (66,000)	\$ 104,790,788	\$ 0	\$ 104,790,788
Aid to Local Units	3,220,000	0	3,220,000	0	3,220,000
Other Assistance	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 108,076,788</i>	<i>\$ (66,000)</i>	<i>\$ 108,010,788</i>	<i>\$ 0</i>	<i>\$ 108,010,788</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 108,076,788</b>	<b>\$ (66,000)</b>	<b>\$ 108,010,788</b>	<b>\$ 0</b>	<b>\$ 108,010,788</b>

**State General Fund**

State Operations	\$ 15,340,649	\$ (66,000)	\$ 15,274,649	\$ 0	\$ 15,274,649
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operating</i>	<i>\$ 15,340,649</i>	<i>\$ (66,000)</i>	<i>\$ 15,274,649</i>	<i>\$ 0</i>	<i>\$ 15,274,649</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 15,340,649</b>	<b>\$ (66,000)</b>	<b>\$ 15,274,649</b>	<b>\$ 0</b>	<b>\$ 15,274,649</b>

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