

LEGISLATIVE COORDINATING COUNCIL

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Operating Expenditures:					
State General Fund	\$ 646,991	\$ 19,738,370	\$ 3,059,662	\$ 757,225	\$ 757,225
Other Funds	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 646,991</i>	<i>\$ 19,738,370</i>	<i>\$ 3,059,662</i>	<i>\$ 757,225</i>	<i>\$ 757,225</i>
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0	0	0
<i>Subtotal</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 646,991	\$ 19,738,370	\$ 3,059,662	\$ 757,225	\$ 757,225
Percentage Change:					
Operating Expenditures					
State General Fund	6.4 %	2,950.8 %	372.9 %	(96.2) %	(75.3) %
All Funds	6.4	2,950.8	372.9	(96.2)	(75.3)
FTE Positions	8.0	8.0	8.0	8.0	8.0

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 Legislative Coordinating Council is responsible for coordinating the delivery of legislative services. The Council consists of the President of the Senate, the Speaker of the House, the Speaker Pro Tem of the House, and the Majority and Minority leaders of each chamber. The budget includes the compensation and expenses associated with Council meetings and the salaries and wages and travel expenses of the staff of the Division of Legislative Administrative Services.

MAJOR ISSUES FROM PRIOR YEARS

In previous years, concerns have been raised in both the House Budget Committee and Senate Subcommittee that legislative agencies be fully staffed. The agency has fully funded its existing positions in this budget request.

In **2003**, the Governor implemented a new placeholder budget process for all legislative and judicial branch agencies. The fiscal year (FY) 2004 budget recommended by the Governor was the exact amount approved for FY 2003 by the 2003 Legislature. This process left all the budget decisions to be made by the Legislature during the legislative session.

In **2004**, the Governor modified the placeholder budget process used in 2003. Both the Legislative Branch and the Judicial Branch budgets were recommended by the Governor as the agency requested, without proposed changes. While required under 2003 SB 21 (law) to submit the judicial budget without change, it was a policy decision to use the same process for the Legislative Branch.

During the **2005 Session**, the Legislature added funding for meetings of the newly created 2010 Commission and the At-Risk Education Council.

In the **2006 Session**, the Legislature added \$338,860 for FY 2008 to fund a complete study of the current pay system.

During the **2007 Session**, the Legislature added \$100,000 for FY 2009 to fund a study of the current benefit package offered to classified state employees.

In the **2012 Session**, the Legislature shifted 4.0 FTE positions from this budget to the budget of the Legislature to consolidate legislative computer services.

During the **2017 Session**, the Legislature added \$200,000 for FY 2018 to fund possible expenditures for the Child Welfare System Task Force created by 2017 SB 126.

During the **2020 Session**, the Legislature added \$50.0 million, all from the State General Fund (SGF), for the coronavirus pandemic (COVID-19) response in FY 2020, to be released by the Legislative Coordinating Council following submission by the Director of the Budget and review by the joint Legislative Budget Committee.

BUDGET SUMMARY AND KEY POINTS

FY 2021 – Current Year. The **agency** estimates expenditures of \$19.7 million, all from the State General Fund (SGF), in FY 2021, which is the same as the approved amount. The estimate includes \$19.0 million in remaining coronavirus relief moneys that were appropriated in FY 2020 and reappropriated into FY 2021. The majority of remaining expenditures for this agency are in salaries and wages for the 8.0 FTE positions, which is the same as the approved number.

The **Governor** recommends FY 2021 expenditures totaling \$3.1 million, all SGF. This recommendation is a reductions of \$16.7 million, or 84.5 percent, below the agency's revised estimate. The recommendation includes a lapse of \$16.7 million in the Coronavirus Response account of the SGF in FY 2021.

FY 2022 – Budget Year. The **agency** requests \$757,225, all SGF, for FY 2022, which is a decrease of \$19.0 million, or 96.2 percent, below the FY 2021 revised estimate. The majority of the change, \$19.0 million, is the lack of reappropriated moneys from the Coronavirus Response account of the SGF. Additional adjustments include decreases for travel and computer programming, partially offset by increases in employer contributions for group health insurance and the Kansas Public Employees Retirement System (KPERs). The total number of positions requested is 8.0 FTE positions for FY 2022, which is the same number as in FY 2021.

The **Governor** concurs with the agency's FY 2022 request.

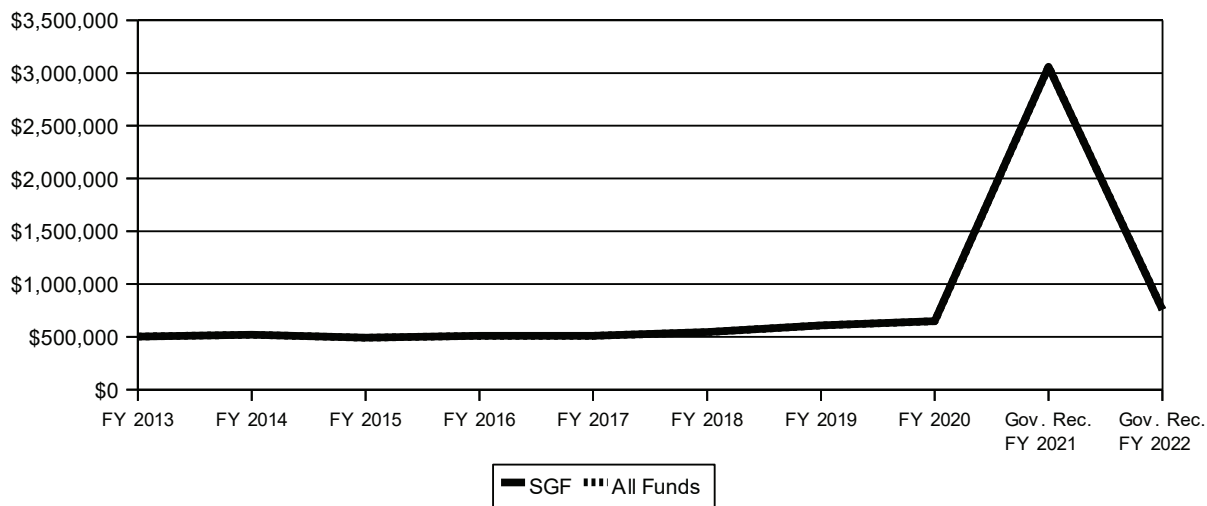
PERFORMANCE MEASURES

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
There were no performance measures submitted for this agency.						
<u>Agency Expenditures</u>						
All Funds (Dollars in Thousands)	\$ 544.5	\$ 608.3	\$ 661.4	\$ 647.0	\$ 3,059.7	\$ 757.2
FTE Positions	8.0	8.0	8.0	8.0	8.0	8.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2013 – FY 2022



OPERATING EXPENDITURES FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 502,628	(30.1)%	\$ 502,628	(30.1)%	15.0
2014	519,324	3.3	519,324	3.3	15.0
2015	491,234	(5.4)	491,234	(5.4)	8.0
2016	509,404	3.7	509,404	3.7	8.0
2017	508,772	(0.1)	508,772	(0.1)	8.0
2018	544,491	7.0	544,491	7.0	8.0
2019	608,254	11.7	608,254	11.7	8.0
2020	646,991	6.4	646,991	6.4	8.0
2021 Gov. Rec.	3,059,662	372.9	3,059,662	372.9	8.0
2022 Gov. Rec.	757,225	(75.3)	757,225	(75.3)	8.0
Ten-Year Change Dollars/Percent	\$ 254,597	50.7 %	\$ 254,597	50.7 %	(7.0)

Summary of Operating 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:									
Administration	\$ 646,991	\$ 19,738,370	\$ 757,225	\$ (18,981,145)	(96.2)%	\$ 3,059,662	\$ 757,225	\$ (2,302,437)	(75.3)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 630,676	\$ 720,019	\$ 726,925	\$ 6,906	1.0 %	\$ 720,019	\$ 726,925	\$ 6,906	1.0 %
Contractual Services	16,315	39,643	30,300	(9,343)	(23.6)	39,643	30,300	(9,343)	(23.6)
Commodities	0	0	0	0	--	0	0	0	--
Capital Outlay	0	0	0	0	--	0	0	0	--
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 646,991	\$ 759,662	\$ 757,225	\$ (2,437)	(0.3) %	\$ 759,662	\$ 757,225	\$ (2,437)	(0.3) %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	18,978,708	0	(18,978,708)	(100.0)	2,300,000	0	(2,300,000)	(100.0)
TOTAL	\$ 646,991	\$ 19,738,370	\$ 757,225	\$ (18,981,145)	(96.2)%	\$ 3,059,662	\$ 757,225	\$ (2,302,437)	(75.3)%
Financing:									
State General Fund	\$ 646,991	\$ 19,738,370	\$ 757,225	\$ (18,981,145)	(96.2)%	\$ 3,059,662	\$ 757,225	\$ (2,302,437)	(75.3)%
All Other Funds	0	0	0	0	--	0	0	0	--
TOTAL	\$ 646,991	\$ 19,738,370	\$ 757,225	\$ (18,981,145)	(96.2)%	\$ 3,059,662	\$ 757,225	\$ (2,302,437)	(75.3)%

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 \$745,222 for the Legislative Coordinating Council 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 \$24,993,148, based on the reappropriation of FY 2020 funding that was not spent in FY 2020 and has shifted to FY 2021; and
- A transfer of \$6.0 million, including \$5.0 million to the Department of Commerce and \$1.0 million to the Kansas State Fair, for COVID-19 relief.

These adjustments change the FY 2021 approved SGF amount to \$19,738,370. That amount is reflected in the table below as the currently approved FY 2021 SGF amount.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2021	Agency Estimate FY 2021	Agency Change from Approved	Governor Rec. FY 2021	Governor Change from Approved
State General Fund	\$ 19,738,370	\$ 19,738,370	\$ 0	\$ 3,059,662	\$ (16,678,708)
All Other Funds	0	0	0	0	0
TOTAL	\$ 19,738,370	\$ 19,738,370	\$ 0	\$ 3,059,662	\$ (16,678,708)
FTE Positions	8.0	8.0	0.0	8.0	0.0

The **agency** estimates \$19.7 million, all SGF, in FY 2021, which is the same as the approved amount. The estimate includes \$19.0 million in remaining coronavirus relief moneys that were appropriated in FY 2020 and reappropriated into FY 2021. The majority of remaining expenditures for this agency are in salaries and wages for the 8.0 FTE positions, which is the same as the approved number.

The **Governor** recommends FY 2021 expenditures totaling \$3.1 million, all SGF. This recommendation is a reductions of \$16.7 million, or 84.5 percent, below the agency's revised estimate. The recommendation includes a lapse of \$16.7 million in the Coronavirus Response account of the SGF in FY 2021.

B. FY 2022 – Budget Year

FY 2022 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 757,225	\$ 757,225	\$ 0
FTE Positions	8.0	8.0	0.0
Change from FY 2021:			
<i>Dollar Change:</i>			
State General Fund	\$ (18,981,145)	\$ (2,302,437)	
All Other Funds	0	0	
TOTAL	\$ (18,981,145)	\$ (2,302,437)	
<i>Percent Change:</i>			
State General Fund	(96.2) %	(75.3) %	
All Other Funds	--	--	
TOTAL	(96.2) %	(75.3) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests \$757,225, all SGF, for FY 2022, which is a decrease of \$19.0 million, or 96.2 percent, below the FY 2021 revised estimate. The majority of the change, \$19.0 million, is the lack of reappropriated moneys from the Coronavirus Response account of the SGF. Additional adjustments include decreases for travel and computer programming, partially offset by increases in employer contributions for group health insurance and KPERS.

The total number of positions requested is 8.0 FTE positions for FY 2022, which is the same number as in FY 2021.

The **Governor** concurs with the agency's FY 2022 request.

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 \$640, all SGF, and FY 2022 longevity payments total \$680, all 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.

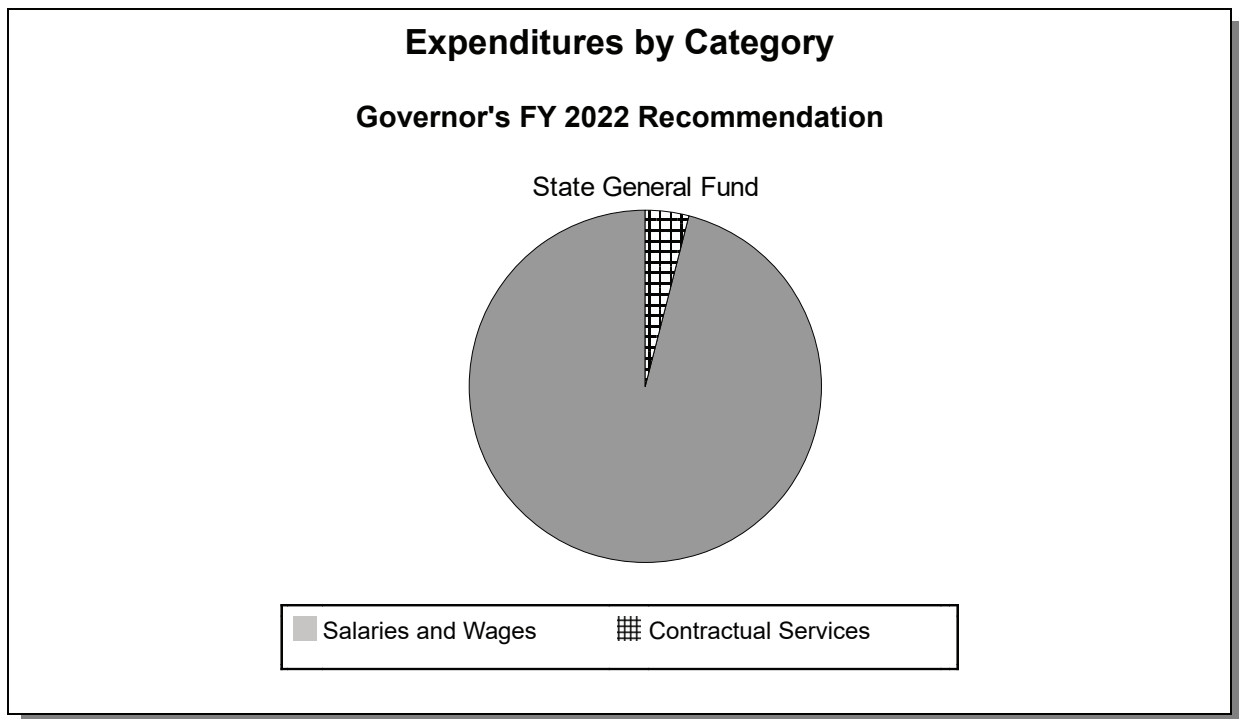
The Governor recommends the KPERs State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would 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	100.0 %	100.0 %
<i>(Note: Totals may not add due to rounding.)</i>		

CATEGORY DETAIL



Category	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Salaries and Wages	\$ 726,925	96.0 %	\$ 726,925	96.0 %
Contractual Services	30,300	4.0	30,300	4.0
Commodities	0	0.0	0	0.0
Capital Outlay	0	0.0	0	0.0
Aid to Local Units	0	0.0	0	0.0
Other Assistance	0	0.0	0	0.0
TOTAL	\$ 757,225	100.0 %	\$ 757,225	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
Administration	8.0	8.0	8.0	8.0	8.0

(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.)