

CITIZENS' UTILITY RATEPAYER BOARD

	Actual FY 2020	Agency Est. FY 2021	Gov. Rec. FY 2021	Agency Req. FY 2022	Gov. Rec. FY 2022
Operating Expenditures:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	864,510	1,085,704	1,085,704	1,007,590	1,007,590
<i>Subtotal</i>	<i>\$ 864,510</i>	<i>\$ 1,085,704</i>	<i>\$ 1,085,704</i>	<i>\$ 1,007,590</i>	<i>\$ 1,007,590</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	\$ 864,510	\$ 1,085,704	\$ 1,085,704	\$ 1,007,590	\$ 1,007,590
Percentage Change:					
Operating Expenditures					
State General Fund	-- %	-- %	-- %	-- %	-- %
All Funds	2.2	25.6	25.6	(7.2)	(7.2)
FTE Positions	7.0	7.0	7.0	7.0	7.0

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

In 1989, the Legislature created the Citizens' Utility Ratepayer Board (CURB) as part of the Kansas Corporation Commission (KCC). Beginning in FY 1993, CURB was separated from the KCC for budgeting, purchasing, and related management functions, making it an independent agency. CURB is overseen by a five-member board, which is appointed by the Governor for four-year staggered terms. The Board currently employs one consumer counsel, two attorneys, two technical positions, and two support staff members.

CURB's mission is to protect the interests of residential and small commercial utility ratepayers in Kansas by providing them with competent, quality legal representation before the KCC, the Courts, and the Legislature. While Kansas gas, electric, and telephone utility companies enjoy legal representation in these arenas, the cost of employing an attorney, the highly technical nature of the issues involved, and the necessity of traveling to Topeka for hearings hinders the participation of many ratepayers. Consequently, CURB was given the authority to represent ratepayers, initiate or intervene in cases that affect ratepayers, and request rehearing or reviewing of KCC orders that affect ratepayers. This authority is limited, however, in that CURB may not participate in cases involving electric and telephone cooperatives that have a membership of less than 15,000. CURB is funded by assessments levied against the public utilities in whose cases CURB can intervene.

In addition to its work at the state level, when CURB became independent, it was able to join the National Association of State Utility Consumer Advocates (NASUCA). Through NASUCA, the agency represents Kansas consumers in utility issues considered by Congress, the Federal Energy Regulatory Commission, the Federal Communications Commission, and other federal agencies.

MAJOR ISSUES FROM PRIOR YEARS

The **2010 Legislature** passed SB 229, which amended KSA 75-3170 to require certain fee funds, such as the Utility Regulatory Fee Fund, to contribute 10.0 percent, reduced from 20.0 percent, of revenues to the State General Fund (SGF) to cover the costs of state governmental services performed on behalf of the agency.

The **Governor** in **2011** issued Executive Order 11-02, which created the new additional function of CURB as the Citizens' Regulatory Review Board. CURB was tasked to act as the Citizens' Regulatory Review Board and take on the new duty of reviewing proposed state agency regulations for the impact on the lives of Kansas citizens. Specifically, the review board is tasked with receiving, and at its discretion, reviewing and advising the Governor of any concerns with proposed regulations.

The **2012 Legislature** added \$16,729, all from special revenue funds, in view of current and expected increases in ratepayer cases for FY 2013.

The **2013 Legislature** deleted \$27,100, all from special revenue funds, to reflect reduced funding for salaries and wages for FY 2014. It also deleted \$32,022, all from special revenue funds, to reflect reduced funding for salaries and wages for FY 2015.

The **2015 Legislature** added \$12,608, all from special revenue funds, to provide a 3.5 percent salary increase above the FY 2015 base salary amount for 5.0 FTE positions for FY 2016. Additionally, the Legislature added \$27,290, all from special revenue funds, to provide a 6.0 percent salary increase for 6.0 FTE positions above the FY 2015 base salary amount for FY 2017.

The **2016 Legislature** deleted \$3,018, all from special revenue funds, to eliminate the remaining three quarters of death and disability payments for FY 2017.

The **2017 Legislature** added \$4,374 for FY 2018 and \$6,156 for FY 2019, all from special revenue funds, to restore Kansas Public Employees Retirement System (KPERs) employer contributions to the approved levels in each respective fiscal year. Additionally, the Legislature added \$4,609, all from special revenue funds, for a 2.5 percent adjustment for all state employees with less than five years of service (except for Highway Patrol law enforcement personnel and employees at the Schools for the Deaf and the Blind, employees at the Kansas Bureau of Investigation who are part of the Recruitment and Retention Plan, and other statewide elected officials); a 5.0 percent adjustment for state employees who have not had a pay adjustment in five years; and a 2.5 percent adjustment for judges and non-judicial staff for FY 2018 and FY 2019.

The **2018 Legislature** added \$13,981, all from special revenue funds, for salary adjustments for FY 2019 equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay Matrix in FY 2018.

BUDGET SUMMARY AND KEY POINTS

FY 2021 – Current Year. The **agency** estimates FY 2021 revised expenditures of \$1.1 million, all from special revenue funds, which is an increase of \$86,045, or 8.6 percent, above the FY 2021 approved amount. This increase is primarily due to funds carried forward from FY 2020 for consultant services. The revised estimate includes 7.0 FTE positions, which is the same as the approved number.

The **Governor** concurs with the agency's FY 2021 revised estimate.

FY 2022 – Budget Year. The **agency** requests FY 2022 expenditures of \$1.0 million, all from special revenue funds, which is a decrease of \$78,144, or 7.2 percent, below the FY 2021 revised estimate. This decrease is attributable to a return to normal levels of funding for consultant services after a large amount moved forward from FY 2020 to FY 2021. The request includes 7.0 FTE positions, which is the same as the FY 2021 revised estimate.

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

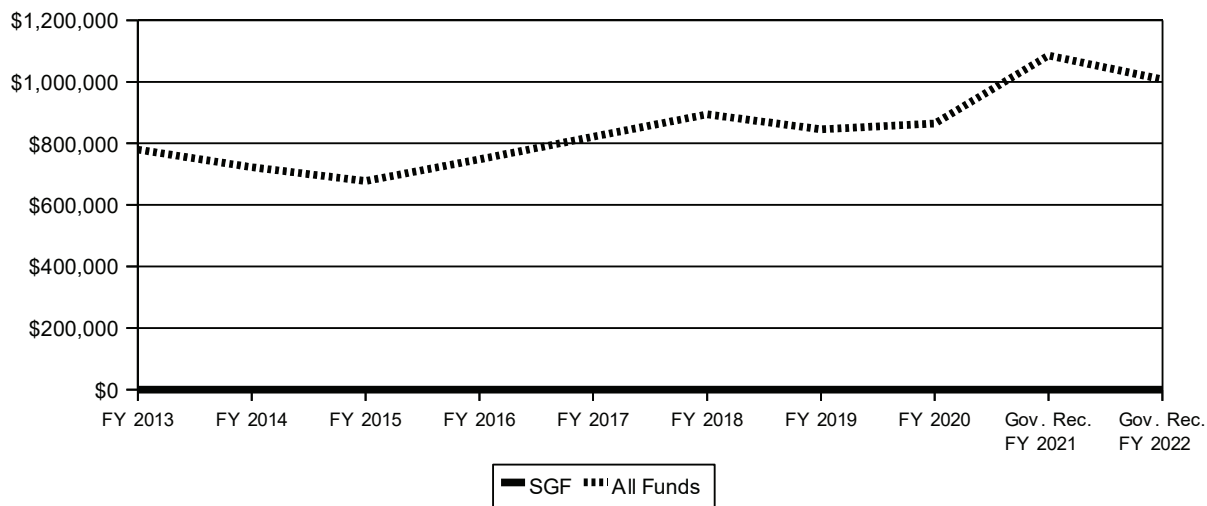
PERFORMANCE MEASURES

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
Percentage of Total Filed Rate Cases in Which CURB Intervened	45.0 %	62.0 %	100.0 %	100.0 %	100.0%	100.0%
Percentage of Total Filed Utility Practices Cases That CURB Analyzed and/or Intervened in	86.0 %	86.0 %	86.0 %	97.0 %	90.0 %	90.0 %
Number of Constituents Contacting CURB with Whom CURB Interacted	13	25	18	38	50	65
Percentage of Staff Time Expended in Research or Analysis of Utility-related Policies for the Benefit of Constituents	53.0 %	45.0 %	54.0 %	36.0 %	45.0 %	40.0 %
Agency Expenditures						
All Funds (Dollars in Millions)	\$ 0.9	\$ 0.8	\$ 1.0	\$ 0.9	\$ 1.1	\$ 1.0
FTE Positions	7.0	7.0	7.0	7.0	7.0	7.0

BUDGET TRENDS

OPERATING EXPENDITURES FY 2013 – FY 2022



OPERATING EXPENDITURES FY 2013 – FY 2022

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2013	\$ 0	-- %	\$ 779,820	(8.1)%	6.0
2014	0	--	722,602	(7.3)	6.0
2015	0	--	677,585	(6.2)	5.0
2016	0	--	748,223	10.4	5.0
2017	0	--	821,586	9.8	6.0
2018	0	--	894,311	8.9	7.0
2019	0	--	845,553	(5.5)	7.0
2020	0	--	864,510	2.2	7.0
2021 Gov. Rec.	0	--	1,085,704	25.6	7.0
2022 Gov. Rec.	0	--	1,007,590	(7.2)	7.0
Ten-Year Change Dollars/Percent	\$ 0	-- %	\$ 227,770	29.2 %	1.0

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	\$ 864,510	\$ 1,085,704	\$ 1,007,590	\$ (78,114)	(7.2)%	\$ 1,085,704	\$ 1,007,590	\$ (78,114)	(7.2)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 586,283	\$ 605,653	\$ 610,946	\$ 5,293	0.9%	\$ 605,653	\$ 610,946	\$ 5,293	0.9%
Contractual Services	268,275	450,066	366,450	(83,616)	(18.6)	450,066	366,450	(83,616)	(18.6)
Commodities	3,057	7,185	7,190	5	0.1	7,185	7,190	5	0.1
Capital Outlay	6,895	22,800	23,004	204	0.9	22,800	23,004	204	0.9
Debt Service	0	0	0	0	--	0	0	0	--
<i>Subtotal - Operations</i>	\$ 864,510	\$ 1,085,704	\$ 1,007,590	\$ (78,114)	(7.2)%	\$ 1,085,704	\$ 1,007,590	\$ (78,114)	(7.2)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	0	0	0	0	--	0	0	0	--
TOTAL	\$ 864,510	\$ 1,085,704	\$ 1,007,590	\$ (78,114)	(7.2)%	\$ 1,085,704	\$ 1,007,590	\$ (78,114)	(7.2)%
Financing:									
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	--%	\$ 0	\$ 0	\$ 0	--%
Utility Regulatory Fee Fund	864,510	1,085,704	1,007,590	(78,114)	(7.2)	1,085,704	1,007,590	(78,114)	(7.2)
All Other Funds	0	0	0	0	--	0	0	0	--
TOTAL	\$ 864,510	\$ 1,085,704	\$ 1,007,590	\$ (78,114)	(7.2)%	\$ 1,085,704	\$ 1,007,590	\$ (78,114)	(7.2)%

BUDGET OVERVIEW

A. FY 2021 – Current Year

Adjustments to Approved State General Fund Budget

The agency's revised estimate does not include any State General Fund (SGF) expenditures.

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	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	999,659	1,085,704	86,045	1,085,704	86,045
TOTAL	\$ 999,659	\$ 1,085,704	\$ 86,045	\$ 1,085,704	\$ 86,045
FTE Positions	7.0	7.0	0.0	7.0	0.0

The **agency** requests a FY 2021 revised estimate of \$1.1 million, all from special revenue funds, which is an increase of \$86,045, or 8.6 percent, above the FY 2021 approved amount. This increase is due to increased expenditures in contractual services and capital outlay. Expenditures are detailed below:

- **Salaries and Wages.** The agency requests revised salaries and wages expenditures of \$605,653, which is a decrease of \$281, or less than 0.1 percent, below the FY 2021 approved amount. The decrease is due to decreased expenditures on KPERS;
- **Contractual Services.** The agency requests revised contractual services expenditures of \$450,066, which is an increase of \$76,506, or 20.5 percent, above the FY 2021 approved amount. This increase is due to carry-over funds for consultant services from FY 2020. The agency states it is authorized each year by language in the appropriations bill to carry over unspent funds for consultant services between fiscal years to ensure sufficient funds during years with a higher number of rate cases; and
- **Capital Outlay.** The agency requests revised capital outlay expenditures of \$22,800, which is an increase of \$9,820, or 75.7 percent, above the FY 2021 approved amount. This increase is due to the purchase of computers and a paper shredder.

The **Governor** concurs with the agency's FY 2021 revised estimate.

B. FY 2022 – Budget Year

FY 2022 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,007,590	\$ 1,007,590	\$ 0
FTE Positions	7.0	7.0	0.0
Change from FY 2021:			
<i>Dollar Change:</i>			
State General Fund	\$ 0	\$ 0	
All Other Funds	(78,114)	(78,114)	
TOTAL	\$ (78,114)	\$ (78,114)	
<i>Percent Change:</i>			
State General Fund	0.0 %	0.0 %	
All Other Funds	(7.2)	(7.2)	
TOTAL	(7.2) %	(7.2) %	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2022 expenditures of \$1.0 million, all from special revenue funds, which is a decrease of \$78,114, or 7.2 percent, below the FY 2021 revised estimate. This decrease is due to a decrease in contractual services, partially offset by an increase in salaries and wages. Major expenditures are detailed below:

- **Salaries and Wages.** The agency requests salaries and wages expenditures of \$610,946, which is an increase of \$5,293, or 0.9 percent, above the FY 2021 revised estimate. This increase is due to increased employer contributions to KPERS and group health insurance; and
- **Contractual Services.** The agency requests contractual services expenditures of \$366,450, which is a decrease of \$83,616, or 18.6 percent, below the FY 2021 revised estimate. This decrease is due to a return to normal levels of expenditures on consultant services after a large carry forward occurred in FY 2021, partially offset by a slight increase in travel expenditures.

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. **This agency has no longevity payments for FY 2021 or FY 2022.**

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	0.0 %	0.0 %
Utility Regulatory Fee Fund	100.0	100.0
TOTAL	100.0 %	100.0 %

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

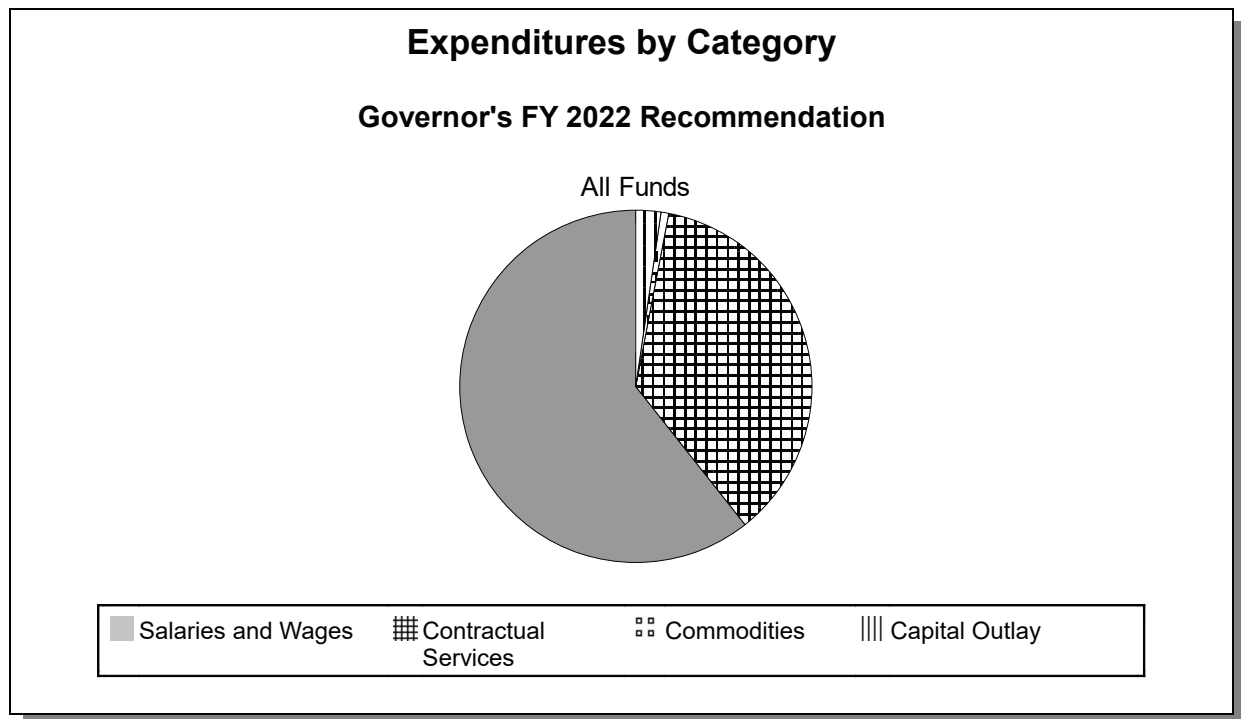
Utility Regulatory Fee Fund

The Utility Regulatory Fee Fund is a statutory fee fund funded through quarterly assessments on gas, electric, and telephone companies in Kansas, as required by KSA 66-1502 and KSA 66-1503. One assessment is based on end-of-year expenditures plus anticipated increases for the ensuing year, which is then prorated among the utilities. That amount cannot exceed the greater of \$100 or 0.2 percent of a company's gross operating revenue derived from intrastate operations in the prior calendar year. Another assessment is made for actual costs incurred by CURB during an investigation of a particular public utility. This assessment cannot exceed three-fifths of 1.0 percent (*i.e.*, 0.6 percent) of the utility's gross operating revenue derived from intrastate operations in the prior calendar year.

Because the Utility Regulatory Fee Fund is funded quarterly, receipts will change to accommodate the expenditures. Consequently, the balances shown are less meaningful than for most agencies. In particular, the agency contracts with consultants for utility cases, and these contracts do not always coincide with the State's fiscal year. Moreover, in some instances, the contracts do not terminate until a case is resolved. Thus, expenditures are estimated for each fiscal year according to budget submission instructions. However, the agency updates its estimates quarterly.

Resource Estimate	Actual FY 2020	Agency Estimate FY 2021	Gov. Rec. FY 2021	Agency Request FY 2022	Gov. Rec. FY 2022
Beginning Balance	\$ 202,089	\$ 215,434	\$ 215,434	\$ 79,730	\$ 79,730
Revenue	877,855	950,000	950,000	1,022,000	1,022,000
Transfers in	0	0	0	0	0
<i>Funds Available</i>	<u>\$ 1,079,944</u>	<u>\$ 1,165,434</u>	<u>\$ 1,165,434</u>	<u>\$ 1,101,730</u>	<u>\$ 1,101,730</u>
Less:					
Expenditures	\$ 864,510	\$ 1,085,704	\$ 1,085,704	\$ 1,007,590	\$ 1,007,590
Transfers Out	0	0	0	0	0
Off-Budget Expenditures	0	0	0	0	0
Ending Balance	<u>\$ 215,434</u>	<u>\$ 79,730</u>	<u>\$ 79,730</u>	<u>\$ 94,140</u>	<u>\$ 94,140</u>
Ending Balance as Percent of Expenditures	24.9%	7.3%	7.3%	9.3%	9.3%
Month Highest Ending Balance	June <u>\$ 220,006</u>	June <u>\$ 252,252</u>	June <u>\$ 252,252</u>	June <u>\$ 198,191</u>	June <u>\$ 198,191</u>
Month Lowest Ending Balance	November <u>\$ 49,010</u>	November <u>\$ 56,193</u>	November <u>\$ 56,193</u>	November <u>\$ 44,150</u>	November <u>\$ 44,150</u>

CATEGORY DETAIL



Category	Gov. Rec. All Funds FY 2022	Percent of Total	Gov. Rec. SGF FY 2022	Percent of Total
Salaries and Wages	\$ 610,946	60.6 %	\$ 0	-- %
Contractual Services	366,450	36.4	0	--
Commodities	7,190	0.7	0	--
Capital Outlay	23,004	2.3	0	--
TOTAL	\$ 1,007,590	100.0 %	\$ 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	7.0	7.0	7.0	7.0	7.0

(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.)