

## House Budget Committee Report

**Agency:** Kansas Department of Labor

**Bill No.** HB 2396

**Bill Sec.** 24

**Analyst:** Potts

**Analysis Pg. No.** Vol. 1, pg. 230

**Budget Page No.** 292

Expenditure Summary	Agency Estimate FY 2021	Governor Recommendation FY 2021	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,445,722	\$ 1,445,565	\$ 0
Other Funds	713,110,762	743,110,762	0
<i>Subtotal</i>	<u>\$ 714,556,484</u>	<u>\$ 744,556,327</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,595,000	1,595,000	0
<i>Subtotal</i>	<u>\$ 1,595,000</u>	<u>\$ 1,595,000</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 716,151,484</b></u>	<u><b>\$ 746,151,327</b></u>	<u><b>\$ 0</b></u>
FTE positions	506.1	506.1	0.0

### Agency Estimate

The **agency** estimates revised FY 2021 total expenditures of \$716.2 million, including \$1.4 million from the State General Fund (SGF). This is an increase of \$512.1 million, or 250.9 percent, all from special revenue funds, above the FY 2021 approved amount.

The agency estimates revised FY 2021 capital improvement expenditures of \$1.6 million, all from special revenue funds. This is an increase of \$460,000, or 40.5 percent, above the FY 2021 approved amount. This increase is entirely due to the agency's supplemental request for capital improvement projects. These projects include a roof replacement at 401 SW Topeka, adjusted costs for the first floor remodel at 2650 E. Circle Dr. South, masonry work at 2650 East Circle Dr. South, and a barrier for the front desk at 401 SW Topeka.

The agency estimates revised FY 2021 operating expenditures of \$714.6 million, including \$1.4 million SGF. This is an increase of \$511.6 million, or 252.1 percent, all from special revenue funds, above the FY 2021 approved amount. The increase is primarily due to increased expenditures benefit payments from the Unemployment Insurance Trust Fund. The increase is also due to increased expenditures on staffing due to additional positions, primarily in the Unemployment Insurance program. The revised estimate includes 506.1 FTE positions, which is an increase of 119.7 positions above the FY 2021 approved number. This increase is due to additional staffing in response to the COVID-19 pandemic and increased unemployment insurance program activity.

### **Governor's Recommendation**

The **Governor** recommends total FY 2021 expenditures of \$746.2 million, including \$1.4 million SGF. This is an all funds increase of \$30.0 million, or 4.2 percent, and an SGF decrease of \$157, or less than 0.1 percent, from the agency's FY 2021 revised estimate.

The Governor recommends FY 2021 capital improvements expenditures of \$1.6 million, all from special revenue funds. This is the same as the agency's FY 2021 revised capital improvements estimate.

The Governor recommends FY 2021 operating expenditures of \$746.2 million, including \$1.4 million SGF. This is an all funds increase of \$30.0 million, or 4.2 percent, and an SGF decrease of \$157, or less than 0.1 percent, from the agency's FY 2021 revised estimate. The SGF decrease is due to lapsing moneys reappropriated from FY 2020 into FY 2021. The all funds increase is caused by the Governor including the \$30.0 million transfer from the Coronavirus Relief Fund recommended by the SPARK Taskforce and approved by the State Finance Council. This transfer was approved after the agency submitted its budget and therefore was not included in the agency's revised estimate. These funds have been primarily used for contracted staffing in the Unemployment Insurance call center as well as in Information Technology to implement new unemployment insurance programs.

### **House Budget Committee Recommendation**

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

### **House Committee Recommendation**

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

### **House Committee of the Whole Recommendation (Sub. for HB 2397)**

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

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## Senate Subcommittee Report

**Agency:** Kansas Department of Labor

**Bill No.** SB 268

**Bill Sec.** 24

**Analyst:** Potts

**Analysis Pg. No.** Vol. 1, pg. 230

**Budget Page No.** 292

Expenditure Summary	Agency Estimate FY 2021	Governor Recommendation FY 2021	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,445,722	\$ 1,445,565	\$ 0
Other Funds	713,110,762	743,110,762	0
<i>Subtotal</i>	<u>\$ 714,556,484</u>	<u>\$ 744,556,327</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,595,000	1,595,000	0
<i>Subtotal</i>	<u>\$ 1,595,000</u>	<u>\$ 1,595,000</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 716,151,484</b></u>	<u><b>\$ 746,151,327</b></u>	<u><b>\$ 0</b></u>
FTE positions	506.1	506.1	0.0

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The agency estimates revised FY 2021 capital improvement expenditures of \$1.6 million, all from special revenue funds. This is an increase of \$460,000, or 40.5 percent, above the FY 2021 approved amount. This increase is entirely due to the agency's supplemental request for capital improvement projects. These projects include a roof replacement at 401 SW Topeka, adjusted costs for the first floor remodel at 2650 E. Circle Dr. South, masonry work at 2650 East Circle Dr. South, and a barrier for the front desk at 401 SW Topeka.

The agency estimates revised FY 2021 operating expenditures of \$714.6 million, including \$1.4 million SGF. This is an increase of \$511.6 million, or 252.1 percent, all from special revenue funds, above the FY 2021 approved amount. The increase is primarily due to increased expenditures benefit payments from the Unemployment Insurance Trust Fund. The increase is also due to increased expenditures on staffing due to additional positions, primarily in the Unemployment Insurance program. The revised estimate includes 506.1 FTE positions,

which is an increase of 119.7 positions above the FY 2021 approved number. This increase is due to additional staffing in response to the COVID-19 pandemic and increased unemployment insurance program activity.

### **Governor's Recommendation**

The **Governor** recommends total FY 2021 expenditures of \$746.2 million, including \$1.4 million SGF. This is an all funds increase of \$30.0 million, or 4.2 percent, and an SGF decrease of \$157, or less than 0.1 percent, from the agency's FY 2021 revised estimate.

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The Governor recommends FY 2021 operating expenditures of \$746.2 million, including \$1.4 million SGF. This is an all funds increase of \$30.0 million, or 4.2 percent, and an SGF decrease of \$157, or less than 0.1 percent, from the agency's FY 2021 revised estimate. The SGF decrease is due to lapsing moneys reappropriated from FY 2020 into FY 2021. The all funds increase is caused by the Governor including the \$30.0 million transfer from the Coronavirus Relief Fund recommended by the SPARK Taskforce and approved by the State Finance Council. This transfer was approved after the agency submitted its budget and therefore was not included in the agency's revised estimate. These funds have been primarily used for contracted staffing in the Unemployment Insurance call center as well as in Information Technology to implement new unemployment insurance programs.

### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation with the following notation:

1. The Subcommittee recommends reviewing the agency's budget at Omnibus.

### **Senate Committee Recommendation**

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

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

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

### **Conference Committee Recommendation (HB 2007)**

The **Conference Committee** concurs with the Governor's recommendation in FY 2021 with the following adjustment:

1. Add language prohibiting any state agency from expending funds to issue a request for proposal, continue the process of any previously issued request for proposal, or enter into a contract to modernize the unemployment insurance technology infrastructure in

FY 2021 unless such request or contract has been reviewed by the Unemployment Compensation Modernization and Improvement Council, recommended to the Legislative Coordinating Council, and authorized by the Legislative Coordinating Council.

**Omnibus Action (SB 159)**

No action was taken in FY 2021.

	Governor's Recommendation FY 2021	Legislative Action FY 2021	Legislative Approved FY 2021	Omnibus Legislative Action FY 2021	Final Legislative Approved FY 2021
<b>All Funds</b>					
State Operations	\$ 82,527,665	\$ 0	\$ 82,527,665	\$ 0	\$ 82,527,665
Aid to Local Units	0	0	0	0	0
Other Assistance	662,028,662	0	662,028,662	0	662,028,662
<i>Subtotal - Operations</i>	<i>\$ 744,556,327</i>	<i>\$ 0</i>	<i>\$ 744,556,327</i>	<i>\$ 0</i>	<i>\$ 744,556,327</i>
Capital Improvements	1,595,000	0	1,595,000	0	1,595,000
<b>TOTAL</b>	<b><u>\$ 746,151,327</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 746,151,327</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 746,151,327</u></b>

**State General Fund**

State Operations	\$ 1,445,565	\$ 0	\$ 1,445,565	\$ 0	\$ 1,445,565
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
<i>Subtotal - Operating</i>	<i>\$ 1,445,565</i>	<i>\$ 0</i>	<i>\$ 1,445,565</i>	<i>\$ 0</i>	<i>\$ 1,445,565</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b><u>\$ 1,445,565</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 1,445,565</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 1,445,565</u></b>

FTE Positions	513.6	0.0	513.6	0.0	513.6
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