

DEPARTMENT OF ADMINISTRATION

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 100,899,482	\$ 115,890,652	\$ 591,921,802	\$ 114,381,404	\$ 103,172,758
Federal Funds	1,400,819	712,367	712,367	716,899	716,899
All Other Funds	41,668,754	44,599,546	44,599,546	43,346,335	39,461,845
<i>Subtotal</i>	<u>\$ 143,969,055</u>	<u>\$ 161,202,565</u>	<u>\$ 637,233,715</u>	<u>\$ 158,444,638</u>	<u>\$ 143,351,502</u>
Capital Improvements:					
State General Fund	\$ 40,730,825	\$ 39,504,696	\$ 355,899,696	\$ 44,635,669	\$ 147,252,457
Federal Funds	873,274	-	-	-	-
All Other Funds	10,546,243	16,232,975	16,232,975	11,991,788	-
<i>Subtotal</i>	<u>\$ 52,150,342</u>	<u>\$ 55,737,671</u>	<u>\$ 372,132,671</u>	<u>\$ 56,627,457</u>	<u>\$ 147,252,457</u>
<i>Off-Budget*</i>	\$ 92,421,173	\$ 87,693,789	\$ 87,693,789	\$ 87,693,789	\$ 89,474,900
Total On-Budget	\$ 196,119,397	\$ 216,940,236	\$ 1,009,366,386	\$ 215,072,095	\$ 290,603,959
Total Off-Budget	92,421,173	87,693,789	87,693,789	87,693,789	89,474,900
GRAND TOTAL	<u>\$ 288,540,570</u>	<u>\$ 304,634,025</u>	<u>\$ 1,097,060,175</u>	<u>\$ 302,765,884</u>	<u>\$ 380,078,859</u>
Percentage Change:					
State General Fund	5.4 %	9.7 %	569.2 %	2.3 %	(73.6) %
All Funds	18.5 %	5.6 %	280.2 %	(0.6) %	(65.4) %
FTE Positions	464.0	462.7	467.7	462.7	470.7

*Staff note: Off-Budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless otherwise specified.

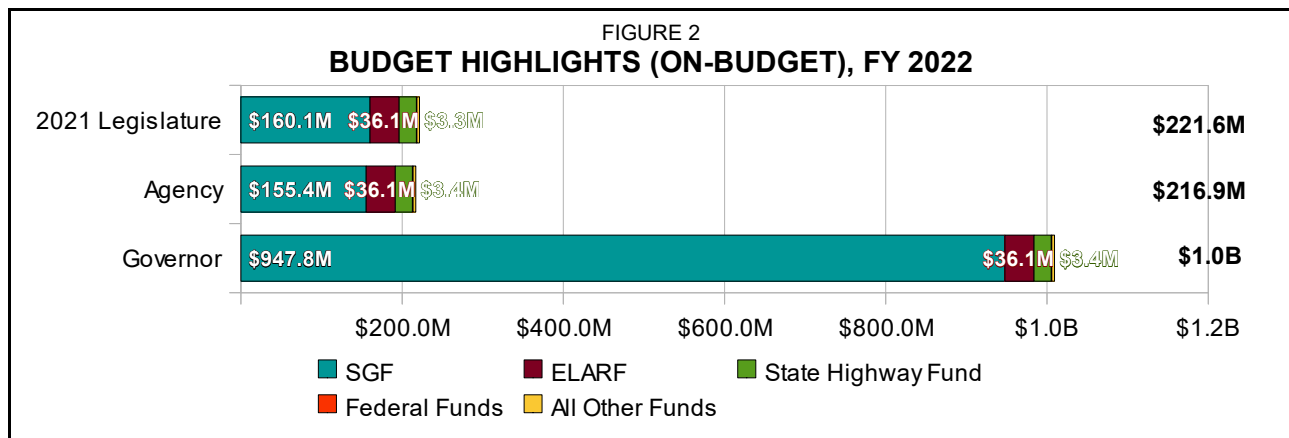
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Department of Administration provides central services for state agencies and also includes a number of other entities and programs for administrative purposes. The Secretary of Administration, who is appointed by and serves at the pleasure of the Governor, manages the Department with the assistance of a deputy secretary. Through its different divisions, the Department provides a centralized accounting system, administers a centralized purchasing system, maintains a uniform personnel system, oversees the design and construction of all state buildings, operates the state printing plant, and maintains and operates state buildings and grounds in Topeka.

The Department submits a two-part budget: an on-budget budget, which reflects expenditures for agency operations, and an off-budget budget, which includes expenditures for services performed for other state agencies. The off-budget budget is reflected in the on-budget expenditures of other state agencies and such expenditures are not reflected in the Department's on-budget expenditures to avoid double counting the same expenditures. Administration of the state employee Workers Compensation program and Health Care Benefits program was transferred into the Department of Administration from the Kansas Department of Health and Environment as part of a 2019 reorganization and consolidation of health care programs.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$221.2 million in on-budget expenditures and 92.2 on-budget FTE positions for the Department of Administration in FY 2022, including \$159.8 million from the State General Fund (SGF), \$36.1 million from the Expanded Lottery Act Revenues Fund (ELARF), and \$21.3 million in transfers from the State Highway Fund. Subsequent to the 2021 Session, \$324,544 in unspent SGF was shifted from FY 2021 to FY 2022. Included within that amount are \$316,995 for the Division of the Budget, \$2,720 for the Office of the Long-Term Care Ombudsman, \$620 for the rehabilitation and repair of state facilities, and \$4,210 for miscellaneous operating expenditures. This adjustment changes the current year approved amount without any legislative action required.



The **agency** requests a revised estimate of \$216.9 million in on-budget expenditures and 89.0 on-budget FTE positions in FY 2022, including \$155.4 million SGF, \$36.1 million from the ELARF, and \$21.3 million in transfers from the State Highway Fund. This represents a reduction of \$4.6 million, or 2.1 percent, below the amount approved by the 2021 Legislature.

The reduction is primarily attributable to a lapse of \$4.6 million SGF for savings related to the **issuance of pension obligation bonds**. The 2021 Legislature added \$28.8 million SGF for estimated debt service payments for bonds issued pursuant to 2021 HB 2405, which authorized the issuance of up to \$500.0 million in bonds, plus costs, at an interest rate not to exceed 4.3 percent. In August 2021, the Kansas Development Finance Authority finalized and executed the bond purchase agreement at an interest rate of 2.7 percent. Accordingly, debt service payments decrease from \$28.8 million, which was estimated at the interest cap of 4.3 percent, to \$24.2 million, at the lower rate of 2.7 percent. The revised estimate includes a lapse of the difference, \$4.6 million, in FY 2022. Additionally, the revised estimate includes a lapse of \$29,954 SGF to reflect a decrease in Kansas Public Employees Retirement System (KPERs) employer contribution rates from 15.09 percent to 14.33 percent in FY 2022, based on the issuance of those bonds, pursuant to 2021 SB 159.

The revised estimate also includes \$87.7 million in off-budget expenditures and 373.7 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2022, off-budget expenditures increase by \$1.8 million, or 2.1 percent, above the FY 2022 approved amount. The increase is primarily due to maintenance and servicing fees across many of the agency's programs (\$1.7 million).

The **Governor** recommends \$1.0 billion in on-budget expenditures and 94.0 on-budget FTE positions in FY 2022, including \$947.8 million SGF, \$36.1 million from the ELARF, and \$21.3 million in transfers from the State Highway Fund. This represents an increase of \$792.4 million, or 365.3 percent, above the agency's revised estimate. The most significant increase is attributable to the

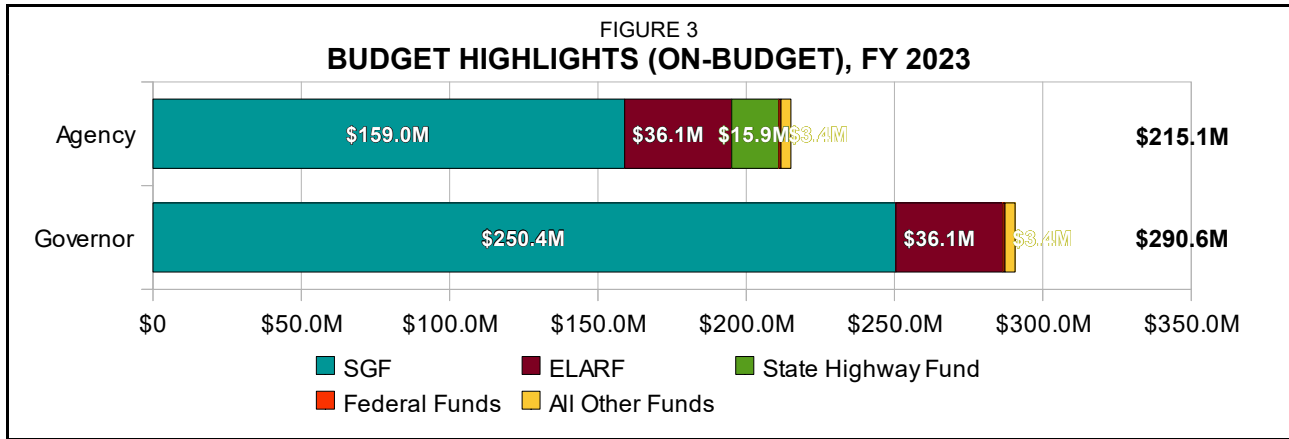
Governor's recommendation to expend \$460.0 million SGF for a one-time **\$250 tax rebate to eligible Kansas residents** (\$500 for residents that filed jointly). This rebate occurs as a one-time direct payment, and all Kansas residents who filed a 2020 tax return in 2021 would be eligible. The Office of the Governor estimates that this payment would affect over 1.2 million resident taxpayers. The recommended amount includes expenditures for the rebate itself as well as for administrative costs.

The Governor's recommendation also includes \$332.2 million SGF to pay off two bonds early, ahead of scheduled final debt service payments in FY 2035. First, the recommendation includes \$160.5 million SGF to pay off **Series 2015A**, which consists of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building. The recommendation includes debt service payments (\$27.8 million) and the remaining balance (\$132.7 million) for FY 2023. Second, the recommendation includes \$171.8 million SGF to pay off **Series 2015G**, which is a debt service bond for the State's portion of the National Bio and Agro-Defense Facility located in Manhattan, Kansas. The recommendation includes debt service payments (\$17.4 million) and the remaining balance (\$154.3 million) for FY 2023. Debt service payments in FY 2022 for both bonds are already included in the agency's revised estimate, and the Governor does not recommend adjustments to that amount.

The Governor's recommendation also includes \$200,000 SGF and 5.0 FTE positions for the Division of the Child Advocate within the Office of Public Advocates. Executive Order 21-27 created the Office of Public Advocates within the agency and transferred the following entities to it:

- **OFFICE OF THE LONG-TERM CARE OMBUDSMAN.** This program currently exists within the Department of Administration. Estimated expenditures are already included in the agency's revised estimate and total \$729,446 in FY 2022.
- **KANCARE OMBUDSMAN.** This program would be transferred from the Kansas Department for Aging and Disability Services (KDADS). Its responsibilities include assisting in the resolution of concerns about services, coverage, access, and rights related to KanCare, the Medicaid program for the State of Kansas. Estimated expenditures are included in the KDADS revised estimate in FY 2022.
- **DIVISION OF THE CHILD ADVOCATE.** Executive Order 21-28 created this program within the Department of Administration to provide oversight for the child welfare system in Kansas. Estimated expenditures are not included in the agency's revised estimate. The recommendation includes salary (\$122,207) and fringe benefit (\$77,793) expenditures for five new positions within the agency.

The recommendation also includes \$87.7 million in off-budget expenditures and 373.7 off-budget FTE positions, which is the same as the agency's revised estimate in FY 2022.



The **agency** requests \$215.1 million in on-budget expenditures and 89.0 on-budget FTE positions for FY 2023, including \$159.0 million SGF, \$36.1 million from the ELARF, and \$15.9 million in transfers from the State Highway Fund. This represents a reduction of \$1.9 million, or 0.9 percent, below the agency's revised estimate in FY 2022.

The request includes an overall reduction of \$2.0 million for changes in debt service expenditures. Of that amount, there is an increase of \$3.5 million SGF, offset by reductions of \$4,031 from the ELARF and \$5.5 million in transfers from the State Highway Fund. There are five sets of bonds included within this adjustment: (1) **Statehouse Renovation Bonds** (\$2.3 million reduction), which were issued for the renovation of the Kansas Statehouse; (2) **Series 2015A** (\$1.0 million increase), which includes four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building; (3) **Series 2015G** (\$3.3 million reduction), which is the State's portion of the National Bio and Agro-Defense Facility (NBAF) located in Manhattan, Kansas; (4) **Series 2020R** (\$3.1 million reduction), which refunded bonds related to renovations of the Kansas Statehouse, the NBAF, and public broadcasting facilities; and (5) **Series 2021P** (\$5.8 million increase), which refunded bonds related to renovations of the Kansas Statehouse, the NBAF, Kansas State Fairgrounds, and Kansas Department of Wildlife and Parks facilities.

The request also includes \$89.5 million in off-budget expenditures and 373.7 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2023, off-budget expenditures increase by \$1.8 million, or 2.0 percent, above the FY 2022 revised estimate. The increase is primarily due to higher expenditures for workers' compensation claims (\$420,387) and building rent (\$863,500).

The **Governor** recommends \$290.6 million in on-budget expenditures and 96.9 on-budget FTE positions for FY 2023, including \$250.4 million SGF, \$36.1 million from the ELARF, and no State Highway Fund appropriations. This represents an increase of \$75.5 million, or 26.0 percent, above the agency request.

The most significant increase is attributable to the Governor's recommendation to appropriate \$120.0 million SGF for the rehabilitation and repair of the **Docking State Office Building**. The 2021 Legislature added language authorizing the Department of Administration to issue up to \$120.0 million in bonds for the Docking Building, subject to approval from the State Finance Council. Incorporating recommendations from the Joint Committee on State Building Construction, the State Finance Council approved the renovation of the Docking Building into a three-story building with office and meeting space. The Office of the Governor indicates this proposal would utilize the budget surplus to fund the project in its entirety rather than incurring additional debt.

The Governor also recommends **ending extraordinary transfers from the Kansas Department of Transportation** beginning in FY 2023. For the Department of Administration, this includes an increase of \$15.9 million SGF and a corresponding decrease of \$15.9 million in transfers from the State Highway Fund. The \$15.9 million allocated to this agency funds debt service payments for the state, and adopting the recommendation would result in such payments being primarily made from the SGF instead.

The recommendation also includes a reduction of \$45.2 million SGF to account for the Governor's proposal to pay off **Series 2015A** (\$27.8 million SGF) and **Series 2015G** (\$17.4 million SGF) bonds in FY 2022. If those bonds are paid off in FY 2022, then those budgeted expenditures would not continue into FY 2023 and onward.

The recommendation also includes an increase of \$724,814 SGF and 8.0 FTE positions for the **Office of Public Advocates**. This includes expenditures for the KanCare Ombudsman (\$224,814 SGF, 3.0 FTE positions) and the Division of the Child Advocate (\$500,000 SGF, 5.0 FTE positions).

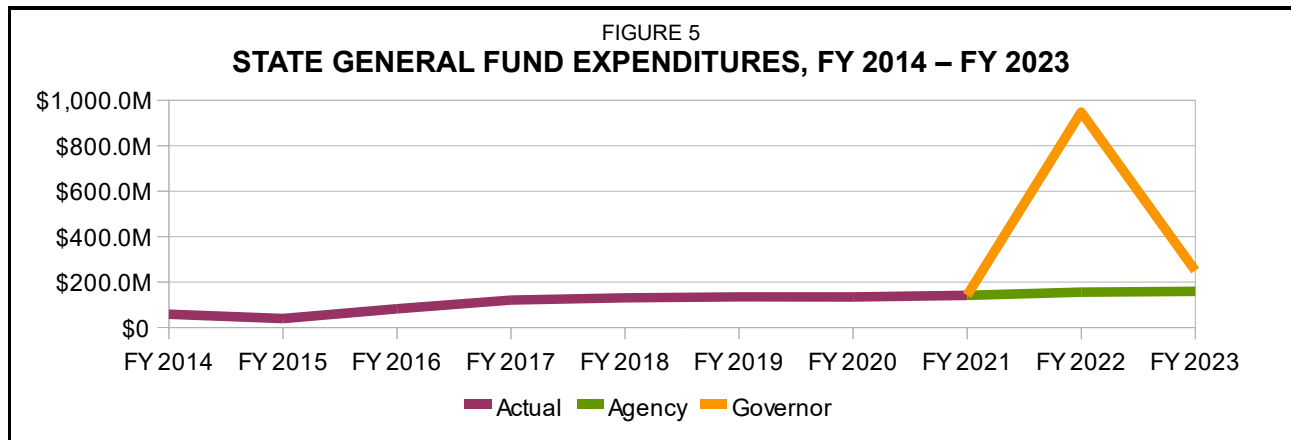
The recommendation also includes \$89.5 million in off-budget expenditures and 373.7 off-budget FTE positions, which is the same as the agency request for FY 2023.

EXPENDITURES AND FINANCING

FIGURE 4
**BUDGET SUMMARY BY CATEGORY OF EXPENDITURE (ON-BUDGET)
 FY 2021 – FY 2023**

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 7,247,312	\$ 7,502,593	\$ 7,702,593	\$ 7,511,888	\$ 8,208,702
Contractual Services	2,637,649	2,263,753	2,276,953	2,426,816	2,454,816
Commodities	138,811	315,175	315,175	315,175	315,175
Capital Outlay	272,805	74,500	74,500	24,500	24,500
Debt Service Interest	88,277,540	93,716,544	109,534,494	92,756,259	76,938,309
<i>Subtotal</i>	<i>\$ 98,574,117</i>	<i>\$ 103,872,565</i>	<i>\$ 119,903,715</i>	<i>\$ 103,034,638</i>	<i>\$ 87,941,502</i>
Aid to Local Units	382,299	250,000	250,000	250,000	250,000
Other Assistance	6,067,639	160,000	460,160,000	160,000	160,000
<i>Subtotal—Operating</i>	<i>\$ 105,024,055</i>	<i>\$ 104,282,565</i>	<i>\$ 580,313,715</i>	<i>\$ 103,444,638</i>	<i>\$ 88,351,502</i>
Capital Improvements	3,617,019	3,450,113	3,450,113	3,449,493	123,449,493
Debt Service Principal	87,478,323	109,207,558	425,602,558	108,177,964	78,802,964
TOTAL	\$ 196,119,397	\$ 216,940,236	\$ 1,009,366,386	\$ 215,072,095	\$ 290,603,959
Financing:					
State General Fund	\$ 141,630,307	\$ 155,395,348	\$ 947,821,498	\$ 159,017,073	\$ 250,425,215
ELARF	36,546,903	36,114,485	36,114,485	36,110,453	36,110,453
State Highway Fund	12,964,005	21,344,868	21,344,868	15,876,278	-
Federal Funds	2,274,093	712,367	712,367	716,899	716,899
All Other Funds	2,704,089	3,373,168	3,373,168	3,351,392	3,351,392
TOTAL	\$ 196,119,397	\$ 216,940,236	\$ 1,009,366,386	\$ 215,072,095	\$ 290,603,959
FTE Positions	92.2	88.9	93.9	88.9	96.9

STATE GENERAL FUND



FY 2022 ANALYSIS

FIGURE 6
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE*
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 159,810,179	\$ 61,439,229	\$ 221,249,408	463.0
1. SGF Reappropriation	324,545	-	324,545	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 160,134,724</i>	<i>\$ 61,439,229</i>	<i>\$ 221,573,953</i>	<i>463.0</i>
Agency Revised Estimate:				
2. SGF Reappropriation	\$ (154,494)	\$ -	\$ (154,494)	--
3. SGF Lapse—2021K KPERS Bonds	(4,570,203)	-	(4,570,203)	--
4. SGF Lapse—Fringe Benefit Adjustment	(14,679)	-	(14,679)	--
5. All Other Adjustments	-	105,659	105,659	(0.4)
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 155,395,348</i>	<i>\$ 61,439,229</i>	<i>\$ 216,940,236</i>	<i>462.7</i>
Governor’s Recommendation:				
6. Resident Tax Rebate	\$ 460,000,000	\$ -	\$ 460,000,000	--
7. Bond Payoff—2015A	160,460,850	-	160,460,850	--
8. Bond Payoff—2015G NBAF	171,765,300	-	171,765,300	--
9. Office of Public Advocates	200,000	-	200,000	5.0
TOTAL	\$ 947,821,498	\$ 61,439,229	\$ 1,009,366,386	467.7

* Staff Note: this number represents both on- and off-budget FTE positions.

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, one adjustment was made to the \$221.2 million in on-budget expenditures appropriated to the Department of Administration for FY 2022. This adjustment changes the current year approved amount without any legislative action required and includes the following:

1. **SGF REAPPROPRIATION.** \$324,544 in unspent SGF was shifted from FY 2021 to FY 2022. Included within that amount are \$316,995 for the Division of the Budget, \$2,720 for the Office of the Long-Term Care Ombudsman, \$620 for the rehabilitation and repair of state facilities, and \$4,210 for miscellaneous operating expenditures.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$216.9 million in on-budget expenditures and 89.0 on-budget FTE positions in FY 2022, including \$155.4 million SGF, \$36.1 million from the Expanded Lottery Act Revenues Fund (ELARF), and \$21.3 million in transfers from the State Highway Fund. This represents a reduction of \$4.6 million, or 2.1 percent, below the amount approved by the 2021 Legislature. The revised estimate includes the following adjustments:

2. **SGF REAPPROPRIATION.** The revised estimate includes a reduction of \$154,494 SGF for budgeted unspent funds within the Division of the Budget that would shift from FY 2022 to FY 2023.
3. **SGF LAPSE—2021K KPERS PENSION OBLIGATION BONDS.** The revised estimate includes a lapse of \$4.6 million SGF for savings related to the issuance of pension obligation bonds. The 2021 Legislature added \$28.8 million SGF for estimated debt service payments for bonds issued pursuant to 2021 HB 2405, which authorized the issuance of up to \$500.0 million in bonds, plus costs, at an interest rate not to exceed 4.3 percent. In August 2021, the Kansas Development Finance Authority finalized and

executed the bond purchase agreement at an interest rate of 2.7 percent. Accordingly, debt service payments decrease from \$28.8 million, which was estimated at the interest cap of 4.3 percent, to \$24.2 million, at the lower rate of 2.7 percent. The revised estimate includes a lapse of the difference, \$4.6 million, in FY 2022.

4. **SGF LAPSE–FRINGE BENEFIT ADJUSTMENT.** The revised estimate includes a lapse of \$14,679 SGF for fringe benefit expenditures. This adjustment includes a reduction of \$29,954 SGF to reflect revised KPERS employer contribution rates for FY 2022. SB 159 (2021) included language to adjust employer contribution rates based on the issuance of the \$500.0 million in pension obligation bonds authorized by 2021 HB 2405. Accordingly, KPERS employer contribution rates decreased from 15.09 percent to 14.33 percent in FY 2022. The reductions in employer contribution rates are offset by a \$15,275 increase in the unemployment insurance rate, from 0.08 to 0.46 percent.
5. **ALL OTHER ADJUSTMENTS.** The revised estimate includes an increase of \$105,659 in a variety of other expenditures, primarily from distributions in fee funds and federal funds that exceed approved amounts. Examples of such funds include the Purchasing Fee Fund (\$100,845 increase), the Federal Cash Management Fund (\$40,936 decrease), and federal funds within the Office of the Long-Term Care Ombudsman (\$31,840 increase). The revised estimate also includes an overall reduction of 0.4 FTE positions for personnel changes in the Office of Financial Management (1.1 FTE reduction) and the Office of Systems Management (0.8 FTE increase).

The revised estimate also includes \$87.7 million in off-budget expenditures and 373.7 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. In FY 2022, off-budget expenditures increase by \$1.8 million, or 2.1 percent, above the FY 2022 approved amount. The decrease is primarily due to maintenance and servicing fees across many of the agency's programs (\$1.7 million).

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$1.0 billion in on-budget expenditures and 94.0 on-budget FTE positions in FY 2022, including \$947.8 million SGF, \$36.1 million from the ELARF, and \$21.3 million in transfers from the State Highway Fund. This represents an increase of \$792.4 million, or 365.3 percent, above the agency's revised estimate.

The **Governor's** recommendation includes the following adjustments:

6. **RESIDENT TAX REBATE.** The Governor's recommendation includes an increase of \$460.0 million SGF for a one-time \$250 tax rebate to eligible Kansas residents (\$500 for residents that filed jointly). This rebate occurs as a one-time direct payment, and all Kansas residents who filed a 2020 tax return in 2021 are eligible. The Office of the Governor estimates that this payment would affect over 1.2 million resident taxpayers. The recommended amount includes expenditures for the rebate itself as well as for administrative costs.
7. **BOND PAYOFF–2015A.** The Governor's recommendation includes an increase of \$160.5 million SGF to pay off Series 2015A bonds early, ahead of the scheduled final debt service payment in FY 2035. Series 2015A consists of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building. The recommendation includes debt service payments (\$27.8 million) and the remaining balance (\$132.7 million) for FY 2023. Debt service payments in FY 2022 are already included in the agency's revised

estimate, and the Governor does not recommend adjustments to that amount. The next call date for these bonds is May 1, 2023.

8. **BOND PAYOFF–2015G.** The Governor's recommendation also includes an increase of \$171.8 million SGF to pay off Series 2015G bonds early, ahead of the scheduled final debt service payment in FY 2035. Series 2015G is a debt service bond for the state's portion of the National Bio and Agro-Defense Facility located in Manhattan, Kansas. The recommendation includes debt service payments (\$17.4 million) and the remaining balance (\$154.3 million) for FY 2023. Debt service payments in FY 2022 are already included in the agency's revised estimate, and the Governor does not recommend adjustments to that amount. The next call date for these bonds is April 1, 2023.

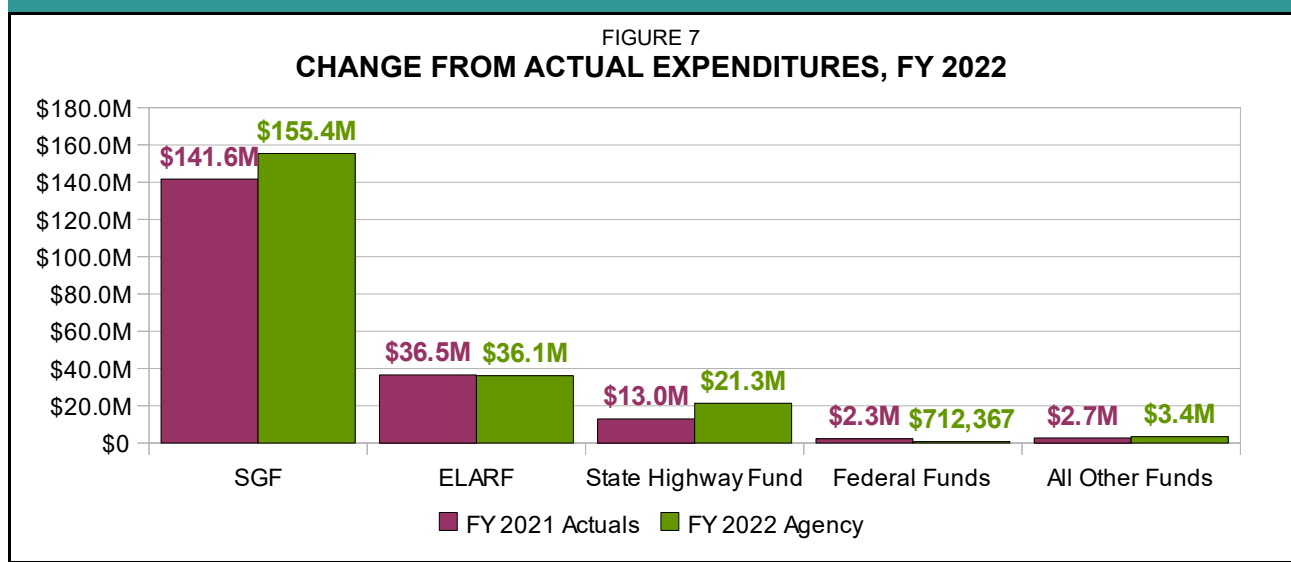
9. **OFFICE OF PUBLIC ADVOCATES.** The Governor's recommendation includes an increase of \$200,000 SGF and 5.0 FTE positions for the Division of the Child Advocate within the Office of Public Advocates. Executive Order 21-27 created the Office of Public Advocates within the Department of Administration and transferred the following entities to it:
 - **Office of the Long-Term Care Ombudsman.** This program was established pursuant to KSA 75-7301, *et seq.*, and currently exists within the Department of Administration. Estimated expenditures are already included in the agency's revised estimate and total \$729,446 in FY 2022.

 - **KanCare Ombudsman.** This program would be transferred from the Kansas Department for Aging and Disability Services (KDADS). Its responsibilities include assisting in the resolution of concerns about services, coverage, access, and rights related to KanCare, the Medicaid program for the State of Kansas. Estimated expenditures are included in the KDADS revised estimate in FY 2022.

 - **Division of the Child Advocate.** Executive Order 21-28 created this program within the Department of Administration to provide oversight for the child welfare system in Kansas. Estimated expenditures are not included in the agency's revised estimate. The recommendation includes salary (\$122,207) and fringe benefit (\$77,793) expenditures for five new positions within the agency.

The recommendation also includes \$87.7 million in off-budget expenditures and 373.7 off-budget FTE positions, which is the same as the agency's revised estimate in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The **agency** requests a revised estimate of \$216.9 million in on-budget expenditures and 89.0 on-budget FTE positions in FY 2022, including \$155.4 million SGF, \$36.1 million from the Expanded Lottery Act Revenues Fund (ELARF), and \$21.3 million in transfers from the State Highway Fund. This represents an increase of \$20.8 million, or 10.6 percent, above FY 2021 actual expenditures, primarily due to the addition of \$28.8 million SGF for debt service payments on pension obligation bonds issued during the 2021 Interim. HB 2405 (2021) authorized the Kansas Development Finance Authority to issue up to \$500.0 million in bonds, plus costs. The bond agreement was finalized and executed in August 2021. The increase is partially offset by a reduction of \$6.0 million SGF in one-time costs related to a Securities Act Fee Fund lawsuit in FY 2021. Those expenditures do not continue into FY 2022.

FY 2023 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 155,395,348	\$ 61,439,229	\$ 216,940,236	462.7
Agency Request:				
1. SGF Reappropriation	\$ 154,494	\$ -	\$ 154,494	--
2. Debt Service Adjustments	3,491,550	(5,461,500)	(1,969,950)	--
3. All Other Adjustments	(24,319)	(28,366)	(52,685)	--
<i>Subtotal—Agency Request</i>	<i>\$ 159,017,073</i>	<i>\$ 55,949,363</i>	<i>\$ 215,072,095</i>	<i>462.7</i>
Governor's Recommendation:				
4. Docking State Office Building	\$ 120,000,000	\$ -	\$ 120,000,000	--
5. Debt Service Funding Switch	15,876,278	(15,876,278)	-	--
6. Bond Payoff—2015A	(27,779,250)	-	(27,779,250)	--
7. Bond Payoff—2015G	(17,413,700)	-	(17,413,700)	--
8. Office of Public Advocates	724,814	-	724,814	8.0
TOTAL	\$ 250,425,215	\$ 55,949,363	\$ 290,603,959	470.7

AGENCY REQUEST

The **agency** requests \$215.1 million in on-budget expenditures and 89.0 on-budget FTE positions for FY 2023, including \$159.0 million SGF, \$36.1 million from the ELARF, and \$15.9 million in transfers from the State Highway Fund. This represents a reduction of \$1.9 million, or 0.9 percent, below the agency's revised estimate in FY 2022. The agency request includes the following adjustments:

1. **SGF REAPPROPRIATION.** The request includes an increase of \$154,494 SGF for budgeted unspent funds within the Division of the Budget that shifted over from FY 2022 to FY 2023. The request also includes \$150,000 SGF in expenditures within the Division of the Budget for gubernatorial transition expenditures, as required by KSA 75-137.
2. **DEBT SERVICE ADJUSTMENTS.** The request includes an overall reduction of \$2.0 million for changes in debt service expenditures. Of that amount, there is an increase of \$3.5 million SGF, offset by a reductions of \$4,031 from the ELARF and \$5.5 million in transfers from the State Highway Fund. Bonds with significant expenditure changes are as follows:
 - **Statehouse Renovation Bonds.** The request includes a reduction of \$2.3 million in transfers from the State Highway Fund for bonds issued for the renovation of the Kansas Statehouse.
 - **2015A.** The request includes an increase of \$1.0 million SGF in debt service expenditures for Series 2015A bonds, which includes four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building.
 - **2015G.** The request includes a reduction of \$3.3 million SGF in debt service expenditures for Series 2015G bonds, which is the State's portion of the National Bio and Agro-Defense Facility (NBAF) located in Manhattan, Kansas.

- **2020R.** The request includes a reduction of \$3.1 million in transfers from the State Highway Fund for Series 2020R bonds, which refunded bonds related to renovations of the Kansas Statehouse, NBAF, and public broadcasting facilities.
 - **2021P.** The request includes an increase of \$5.8 million SGF for the issuance of Series 2021P bonds, which refunded bonds related to renovations of the Kansas Statehouse, NBAF, Kansas State Fairground, and Kansas Department of Wildlife and Parks facilities.
3. **ALL OTHER ADJUSTMENTS.** The request includes a reduction of \$52,685 in a variety of other expenditures such as employer contributions for group health insurance.

The request also includes \$89.5 million in off-budget expenditures and 373.7 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another. For FY 2023, off-budget expenditures increase by \$1.8 million, or 2.0 percent, above the FY 2022 revised estimate. The increase is primarily due to higher expenditures for workers' compensation claims (\$420,387) and building rent (\$863,500).

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$290.6 million in on-budget expenditures and 96.9 on-budget FTE positions for FY 2023, including \$250.4 million SGF, \$36.1 million from the ELARF, and no transfers from the State Highway Fund. This represents an increase of \$75.5 million, or 26.0 percent, above the agency request.

The **Governor's** recommendation includes the following adjustments:

4. **DOCKING STATE OFFICE BUILDING.** The Governor's recommendation includes \$120.0 million SGF for the rehabilitation and repair of the Docking State Office Building. The 2021 Legislature added language authorizing the Department of Administration to issue up to \$120.0 million in bonds for the Docking Building, subject to approval from the State Finance Council. Incorporating recommendations from the Joint Committee on State Building Construction, the State Finance Council approved the renovation of the Docking Building into a three-story building with office and meeting space. The Office of the Governor indicates this proposal would utilize the budget surplus to fund the project in its entirety rather than incurring additional debt.
5. **DEBT SERVICE FUNDING SWITCH.** The Governor's recommendation includes an increase of \$15.9 million SGF and a corresponding decrease of \$15.9 million in State Highway Fund appropriations to end extraordinary transfers from the Kansas Department of Transportation beginning in FY 2023. The \$15.9 million allocated to the Department of Administration funds debt service payments for the State, and adopting the recommendation would result in such payments being primarily made from the SGF instead.
6. **BOND PAYOFF–2015A.** The Governor's recommendation includes a reduction of \$27.8 million SGF to account for the proposal to pay off Series 2015A bonds in FY 2022. These bonds consist of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building.
7. **BOND PAYOFF–2015G.** The Governor's recommendation includes a reduction of \$17.4 million SGF to account for the proposal to pay off Series 2015G bonds in FY 2022.

These bonds are debt service payments for the State's portion of the National Bio and Agro-Defense Facility in Manhattan, Kansas.

8. **OFFICE OF PUBLIC ADVOCATES.** The Governor's recommendation includes an increase of \$724,814 SGF and 8.0 FTE positions for the Office of Public Advocates. This includes expenditures for the KanCare Ombudsman (\$224,814 SGF, 3.0 FTE positions) and the Division of the Child Advocate (\$500,000 SGF, 5.0 FTE positions).

The recommendation also includes \$89.5 million in off-budget expenditures and 373.7 off-budget FTE positions, which is the same as the agency request for FY 2023.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

FIGURE 9
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023

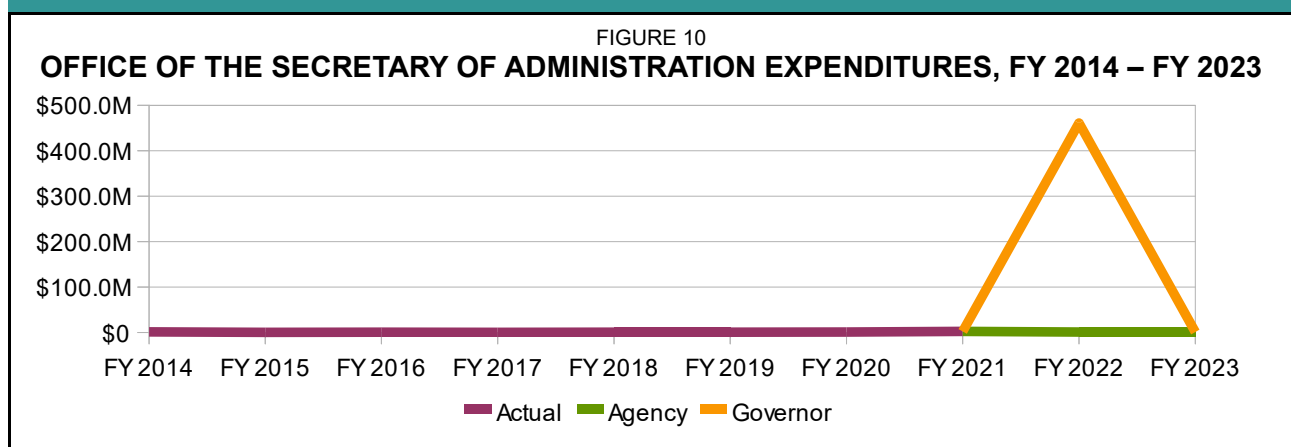
Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures					
Secretary	\$ 2,275,041	\$ 667,800	\$ 460,667,800	\$ 668,221	\$ 668,221
Chief Counsel	253,613	375,660	375,660	375,655	375,655
Facilities	837,651	801,288	801,288	801,569	801,569
Printing and Mailing	272,575	454,000	454,000	430,536	430,536
Procurement	7,356,286	1,559,243	1,559,243	1,560,898	1,560,898
Financial Management	561,384	433,292	433,292	433,441	433,441
Personnel Services	1,306,710	1,547,261	1,547,261	1,550,215	1,550,215
Accounts and Reports	2,001,072	1,953,658	1,953,658	1,955,629	1,955,629
Systems Management	534,291	270,359	270,359	264,347	264,347
Division of the Budget	1,650,870	1,774,014	1,774,014	1,916,155	1,916,155
Public Advocates	727,118	729,446	929,446	731,713	1,456,527
Debt Service	175,755,863	202,924,102	535,150,252	200,934,223	155,741,273
Capital Improvements	2,586,923	3,450,113	3,450,113	3,449,493	123,449,493
<i>Total-On-Budget</i>	<u>\$ 196,119,397</u>	<u>\$ 216,940,236</u>	<u>\$ 1,009,366,386</u>	<u>\$ 215,072,095</u>	<u>\$ 290,603,959</u>
Off-Budget*	92,421,173	87,693,789	87,693,789	89,474,900	89,474,900
GRAND TOTAL	<u>\$ 288,540,570</u>	<u>\$ 304,634,025</u>	<u>\$ 1,097,060,175</u>	<u>\$ 304,546,995</u>	<u>\$ 380,078,859</u>
FTE Positions:					
Secretary	5.2	5.0	5.0	5.0	5.0
Chief Counsel	2.0	2.0	2.0	2.0	2.0
Facilities	1.0	1.0	1.0	1.0	1.0
Procurement	15.0	15.0	15.0	15.0	15.0
Financial Management	1.9	1.9	1.9	1.9	1.9
Personnel Services	15.1	15.1	15.1	15.1	15.1
Accounts and Reports	27.0	24.0	24.0	24.0	24.0
Systems Management	1.0	1.0	1.0	1.0	1.0
Division of the Budget	13.0	13.0	13.0	13.0	13.0
Public Advocates	11.0	11.0	16.0	11.0	19.0
<i>Total-On-Budget</i>	<u>92.2</u>	<u>89.0</u>	<u>94.0</u>	<u>89.0</u>	<u>97.0</u>
Off-Budget*	371.9	373.7	373.7	373.7	373.7
GRAND TOTAL	<u>464.1</u>	<u>462.7</u>	<u>467.7</u>	<u>462.7</u>	<u>470.7</u>

*Staff note: Off-budget expenditures represent payments from one state agency to another and are categorized as such to avoid double counting. These expenditures are not represented in charts and tables unless otherwise specified.

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.

OFFICE OF THE SECRETARY OF ADMINISTRATION



STATUTORY BASIS: • KSA 75-3701 *et seq.*, 75-3702a

PROGRAM GOALS: • Establish the vision and mission for the agency, direct agency operations to reflect those priorities, and allocate resources to execute those operations.

The Office of the Secretary of Administration manages the Department of Administration, supervises various offices and their functions, establishes agency priorities, and allocates resources based on agency goals. This Office includes the following subprograms:

SECRETARY OF ADMINISTRATION

The Secretary of Administration, among other statutory duties, establishes the vision of the agency and works with the Office Directors to move agency operations to reflect that vision and mission. The Secretary of Administration also serves as a member of the Kansas State Employees Health Care Commission, the Capitol Plaza Authority, and the State Finance Council. The Office of the Secretary also manages the Department of Administration, supervises office responsibilities, and allocates resources accordingly.

STATE FINANCE COUNCIL

The State Finance Council is a joint committee composed of the legislative leadership from the House and Senate and the Governor that is empowered to make some

financial decisions while the Legislature is not in session. KSA 75-3708 governs membership of the council.

OFFICE OF PUBLIC AFFAIRS

The Office of Legislative and Public Affairs executes internal and external communications for the agency, including contact with the media, assisting with Kansas Open Records Act requests, and coordinating with other agency public information officers. The Office also serves as the legislative liaison between the agency and the Legislature.

KANSAS CRIMINAL JUSTICE INFORMATION SYSTEM (KCJIS) ADMINISTRATION

The Secretary of Administration serves as a co-chairperson of the KCJIS Committee, pursuant to KSA 74-5701. The Secretary's responsibilities include the administration and distribution of federal funds. KCJIS provides the criminal justice and law enforcement community with access to the National Crime Information Center (NCIC) and delivers Kansas driver's license information, vehicle registration information, and criminal history records.

FIGURE 11
OFFICE OF THE SECRETARY OF ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
There are no performance measures submitted for this program.					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ 599,137	\$ 679,282		\$ 460,524,277	\$ 524,716
Federal Funds	72,258	1,454,722		-	-
All Other Funds	143,012	141,037		143,523	143,505
<i>Subtotal—On-Budget</i>	<u>\$ 814,407</u>	<u>\$ 2,275,041</u>		<u>\$ 460,667,800</u>	<u>\$ 668,221</u>
Off-Budget*	270,031	146,771		335,164	335,342
GRAND TOTAL	<u>\$ 1,084,438</u>	<u>\$ 2,421,812</u>		<u>\$ 461,002,964</u>	<u>\$ 1,003,563</u>
Percentage Change:					
SGF	12.5 %	13.4 %		67,695.7 %	(99.9) %
All Funds	48.6 %	123.3 %		18,935.5 %	(99.8) %
FTE Positions	5.0	7.0		7.0	7.0

BUDGET ANALYSIS

The **agency** requests \$668,221 in on-budget expenditures and 5.0 on-budget FTE positions for the Office of the Secretary of Administration for FY 2023. This represents an increase of \$421, or 0.1 percent, above the agency's revised estimate in FY 2022. The request includes a \$2,406 increase for employer contributions for group health insurance, offset by a \$1,515 decrease in unemployment compensation and a \$714 decrease in employer contributions to the public employees retirement system.

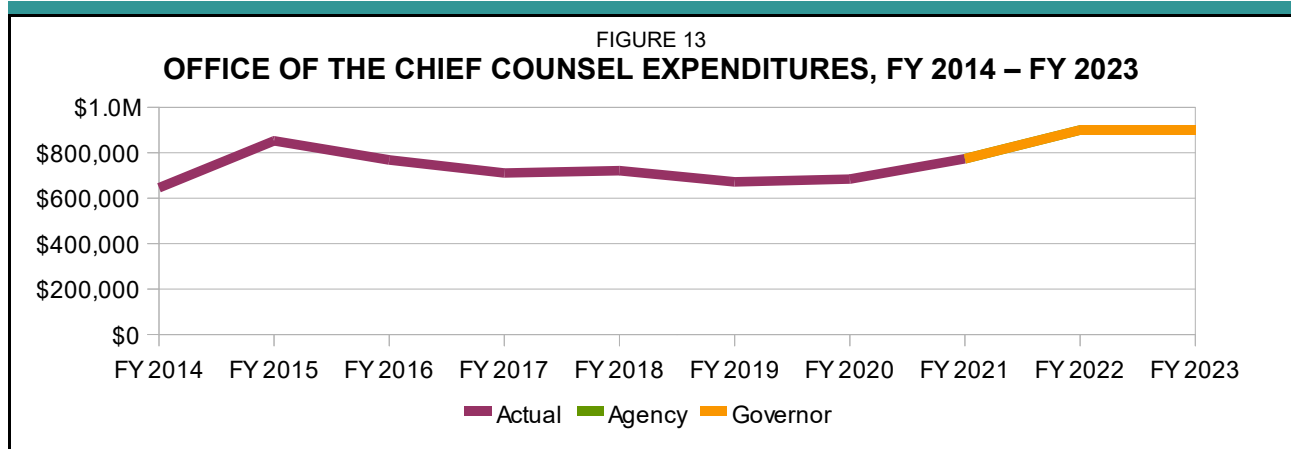
The request also includes \$335,342 in off-budget expenditures and 2.0 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 12
**OFFICE OF THE SECRETARY OF ADMINISTRATION SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

Item	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Administration	\$ 524,063	\$ 363,433	\$ 460,363,433	\$ 363,616	\$ 363,616
State Finance Council	3,520	3,000	3,000	3,000	3,000
Public Information	195,730	209,161	209,161	209,356	209,356
KCJIS Administration	96,508	92,206	92,206	92,249	92,249
COVID-19 Transactions	1,455,220	-	-	-	-
<i>Subtotal</i>	<u>\$ 2,275,041</u>	<u>\$ 667,800</u>	<u>\$ 460,667,800</u>	<u>\$ 668,221</u>	<u>\$ 668,221</u>
Off-Budget:					
Administration	\$ 253,792	\$ 335,164	\$ 335,164	\$ 335,342	\$ 335,342
COVID-19 Transactions	(107,021)	-	-	-	-
<i>Subtotal</i>	<u>\$ 146,771</u>	<u>\$ 335,164</u>	<u>\$ 335,164</u>	<u>\$ 335,342</u>	<u>\$ 335,342</u>
TOTAL	<u>\$ 2,421,812</u>	<u>\$ 1,002,964</u>	<u>\$ 461,002,964</u>	<u>\$ 1,003,563</u>	<u>\$ 1,003,563</u>

OFFICE OF THE CHIEF COUNSEL



STATUTORY BASIS: • KSA 75-3701 *et seq.*, 75-3705a, 75-3702j

PROGRAM GOALS:

- Provide departmental offices and customer agencies with timely preparation and review of requested agreements, opinions, policies, procedures and other items requiring the services of counsel.
- Provide state agency and other governmental attorneys with relevant, cost-effective continuing legal education (CLE) and training opportunities.
- Provide agencies with cost-effective means to prepare and obtain required departmental approval of regulations.

The Office of the Chief Counsel provides legal services for the Department of Administration and is responsible for all legal work arising from the agency's activities. Its primary objective includes providing departmental offices and customer agencies with the timely preparation and review of requested agreements, opinions, policies, and procedures. Pursuant to KSA 75-3705a, the Secretary of Administration may appoint

attorneys for the Department of Administration, including the chief attorney. Services include providing legal opinions and advice to the Secretary of Administration; advising the Office of Facilities and Property Management regarding real estate, construction, and property management issues; and advising the Office of Procurement and Contracts regarding procurement, negotiation, and contracting issues.

FIGURE 14
OFFICE OF THE CHIEF COUNSEL, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Regulations Submitted	225	398	293	375	375
2.Number of Contracts Completed*	90	104	92	90	90
3.Number of KORA Requests Closed*	120	152	113	120	120
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ 302,848	\$ 250,995		\$ 352,660	\$ 352,655
Federal Funds	-	-		-	-
All Other Funds	4,082	2,618		23,000	23,000
<i>Subtotal–On-Budget</i>	<u>\$ 306,930</u>	<u>\$ 253,613</u>		<u>\$ 375,660</u>	<u>\$ 375,655</u>
Off-Budget*	377,118	519,968		524,445	524,310
GRAND TOTAL	<u>\$ 684,048</u>	<u>\$ 773,581</u>		<u>\$ 900,105</u>	<u>\$ 899,965</u>

Percentage Change:					
SGF	(43.2) %	(17.1) %		40.5 %	(0.0) %
All Funds	1.8 %	13.1 %		16.4 %	(0.0) %
FTE Positions	7.0	7.0		7.0	7.0

* The Office of the Governor does not utilize this measure for evaluation purposes.

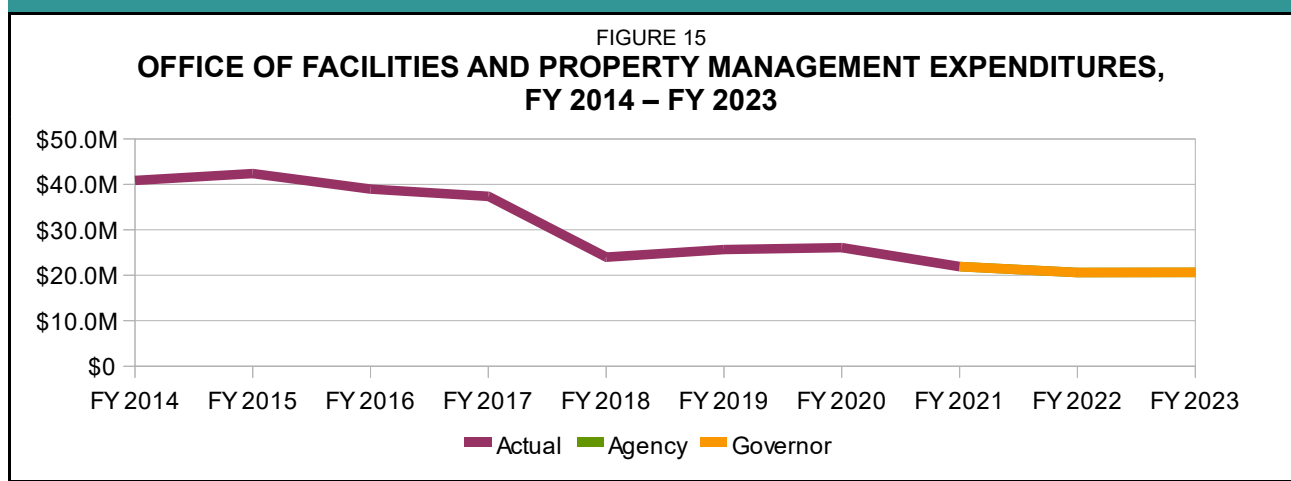
BUDGET ANALYSIS

The **agency** requests \$375,655 in on-budget expenditures and 2.0 on-budget FTE positions for the Office of the Chief Counsel for FY 2023. This represents a decrease of \$5, or less than 0.1 percent, below the agency's revised estimate in FY 2022. The request includes a \$568 increase for employer contributions for group health insurance, offset by a \$374 decrease in unemployment compensation and a \$228 decrease in employer contributions to the public employees retirement system.

The request also includes \$524,310 in off-budget expenditures and 5.0 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

OFFICE OF FACILITIES AND PROPERTY MANAGEMENT



STATUTORY BASIS: • KSA 75-3762, 75-1250 *et seq.*, 75-5801 *et seq.*, 75-3739, 75-3765(a)(1)

PROGRAM GOALS:

- Respond to all tenant building maintenance, unscheduled cleanups, and emergency services in an efficient manner (including mechanical, electrical and plumbing systems) in the Capitol Complex, Forbes, and Cedar Crest.
- Efficiently provide quality housekeeping services to Capitol Complex buildings, Forbes and leased buildings, Zibell, Scott, Mills, and the State Defense Building. In addition, complete Statehouse and Statehouse Grounds event setup and teardown as required.
- Track number of actions processed for project code review, bid posting, and administration by Planning and Administration staff.

The Office of Facilities and Property Management centrally administers state-owned and state-leased facilities and protects the State's interest in all state facilities planning, design, and construction activities. The Office provides engineering services, maintenance and construction, building services and housekeeping, design and compliance services, asset management, and state employee parking. The Office was established in 2013 to ensure state employees enjoy a clean, safe, efficient, and comfortable environment in state-owned buildings. Its previous incarnation, the Division of Facilities Management, was created in 1989 to consolidate functions relating to state facilities and space requirements for state agencies.

ENGINEERING SERVICES

The Office provides engineering services to protect the State's interest in all state facilities planning, design, and construction activities. The Engineering section assists in monitoring state buildings to keep them safe and comfortable. This section also helps plan and oversee projects done by outside vendors on

state-owned buildings to ensure quality of workmanship and adherence to contracts;

MAINTENANCE AND CONSTRUCTION

The Office maintains the buildings by providing plumbing, heating and cooling, painting, landscaping, carpentry, electrical work, and other services to help maintain the buildings. This is done mostly through a preventive maintenance schedule that helps ensure all building systems are operating normally and are in good working condition. These preventive maintenance schedules help find and fix problems before they cause issues or system failure.

BUILDING SERVICES

The Building Services subprogram provides housekeeping services for state-owned and state-leased buildings in Topeka. Buildings include the Kansas Statehouse, Kansas Judicial Center, Docking, Landon, Memorial, Curtis, Eisenhower, Forbes, 1020 Kansas, Kansas Insurance Building, and Cedar Crest. Leased buildings include Zibell, Scott, Mills, and the State Defense Building.

DESIGN AND COMPLIANCE

The Design and Compliance subprogram provides planning, design reviews, and construction administration for all statewide capital improvement projects totaling approximately \$100.0 million annually. Design and Compliance administers architectural and engineering firm selection. KSA 75-1250 *et seq.* established the requirements for contracts regarding architectural services. KSA 75-5801 *et seq.* established the requirements for engineering services.

ASSET MANAGEMENT

The Asset Management subprogram administers and approves state leases for all

state agencies, pursuant to KSA 75-3739, which states that no state agency shall enter into any lease of real property without prior approval of the Secretary of Administration.

GROUNDS SERVICES

The Grounds Services subprogram administers parking for the Capitol Complex. This includes waiting lists for free employee surface parking as well as waiting lists and billing for parking in the Curtis State Office Building parking garage. Surface lots are maintained through funds collected in the Monumental Building Surcharge, and the Curtis State Office Building Garage is maintained with fees collected through reserved parking fees.

FIGURE 16
OFFICE OF FACILITIES AND PROPERTY MANAGEMENT, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Events Scheduled at the Statehouse	466	315	372	350	400
2.Number of Work Orders	6,582	4,963	5,985	5,690	6,530
3.Cost Per Square Foot Cleaned	\$ 1.34	\$ 1.36	\$ 1.34	\$ 1.38	\$ 1.40
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 393,851	\$ 305,728		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	589,677	531,923		801,288	801,569
Subtotal-On-Budget	\$ 983,528	\$ 837,651		\$ 801,288	\$ 801,569
Off-Budget*	24,122,845	21,077,941		19,790,886	19,824,460
GRAND TOTAL	\$ 25,106,373	\$ 21,915,592		\$ 20,592,174	\$ 20,626,029
Percentage Change:					
SGF	62.7 %	(22.4) %		(100.0) %	-- %
All Funds	2.1 %	(12.7) %		(6.0) %	0.2 %
FTE Positions	188.0	188.0		188.0	188.0

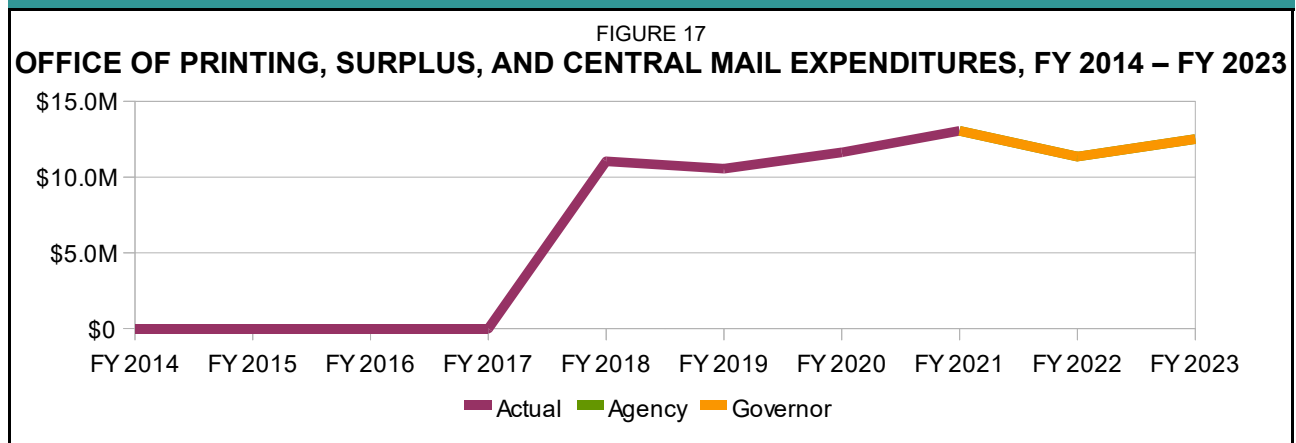
BUDGET ANALYSIS

The agency requests \$801,569 in on-budget expenditures and 1.0 on-budget FTE position for the Office of Facilities and Property Management for FY 2023. This represents an increase of \$281, or less than 0.1 percent, above the agency's revised estimate in FY 2022. The request includes a \$569 increase for employer contributions for group health insurance, offset by a \$189 decrease in unemployment compensation and a \$115 decrease in employer contributions to the public employees retirement system.

The request also includes \$19.8 million in off-budget expenditures and 187.0 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The Governor concurs with the agency request for FY 2023.

OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL



STATUTORY BASIS: • KSA 75-1005, 75-1001a, 75-4512, 75-6601

PROGRAM GOALS:

- Excel and increase the number of digital impressions to state agencies, producing a quality product that is cost-effective and delivered on time.
- Increase state agency surplus reimbursements.
- Increase number of donees and sales of surplus property.
- Increase pieces of mail processed and promote convenient, cost-effective mail services to state agencies to maximize volume capacity.

The Office of Printing, Surplus, and Central Mail provides printing, copying, binding, fulfillment, and mail services for state agencies and operates the Surplus Property program. KSA 75-1005 grants the State Printer to do all the printing and binding required by the Legislature, Supreme Court, Governor, or any state agency. Additionally, KSA 75-4512 allows the Secretary of Administration to provide and maintain central and consolidated mail services for state agencies. This Office includes the following subprograms:

PRINTING

The State Printing Plant provides printing, copying, and binding services for state agencies. It produces a variety of prints, ranging from business cards and letterhead to bound statute volumes, legislative printing, maps, and tax forms.

SURPLUS

The Surplus subprogram facilitates the disposition and reallocation of excess and surplus state and federal property. The State

Surplus Property Act, KSA 75-6601 *et seq.*, establishes the Surplus Property program. In FY 2005, the Surplus Property program was transferred from the Department of Corrections to the Department of Administration, and in FY 2007, the Surplus Property program merged with the Division of Printing. Additionally, this subprogram enables and encourages the reutilization of agency excess property to reduce expenditures for supply and capital outlay items and provides a mechanism for state agencies, local units of government, and nonprofit organizations to acquire surplus materials and equipment in a cost-effective manner.

CENTRAL MAIL

Central Mail provides mail and packaging services, and processes incoming and outgoing mail in Topeka for state agencies. Services provided to those agencies include the following: pickup, sorting, and delivery of building mail; applying postage for letters, flats, and packages on outgoing U.S. Postal Service mail; and pickup of stamped mail.

FIGURE 18
OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percentage of Agencies Using State Printer	84.0 %	84.0 %	86.0 %	85.0 %	85.0 %
2. Number of Pieces of Mail Handled (in Millions)	9.6	9.3	9.2	10.0	10.0
3. Total Surplus Sales	\$ 632,841	\$ 658,495	\$ 710,283	\$ 700,000	\$ 725,000
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	606,526	272,575		454,000	430,536
<i>Subtotal—On-Budget</i>	<u>\$ 606,526</u>	<u>\$ 272,575</u>		<u>\$ 454,000</u>	<u>\$ 430,536</u>
Off-Budget*	11,597,679	12,776,640		10,895,079	12,077,044
GRAND TOTAL	<u>\$ 12,204,205</u>	<u>\$ 13,049,215</u>		<u>\$ 11,349,079</u>	<u>\$ 12,507,580</u>
Percentage Change:					
SGF	-- %	-- %		-- %	-- %
All Funds	18.5 %	(55.1) %		66.6 %	(5.2) %
FTE Positions	53.0	53.0		53.0	53.0

BUDGET ANALYSIS

The **agency** requests \$430,536 in on-budget expenditures and no on-budget FTE positions for the Office of Printing, Surplus, and Central Mail for FY 2023. This represents a decrease of \$23,464, or 5.2 percent, below the agency's revised estimate in FY 2022. The request includes a \$15,536 increase for rent and a \$10,000 increase for freight expenditures, partially offset by a \$50,000 decrease to account for a truck that was purchased in the previous fiscal year.

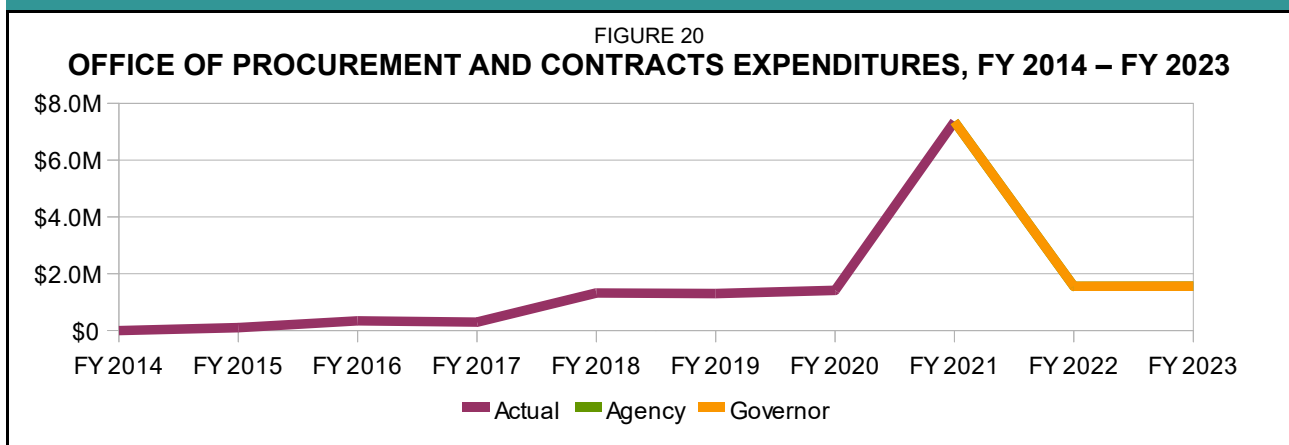
The request also includes \$10.9 million in off-budget expenditures and 53.0 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 19
**OFFICE OF PRINTING, SURPLUS, AND CENTRAL MAIL SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

Item	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Surplus Property	\$ 272,575	\$ 454,000	\$ 454,000	\$ 430,536	\$ 430,536
Off-Budget:					
Surplus Property	\$ 346,732	\$ 366,178	\$ 366,178	\$ 367,723	\$ 367,723
Central Mail	7,864,368	5,460,009	5,460,009	5,592,247	5,592,247
Printing	4,565,540	5,068,892	5,068,892	6,117,074	6,117,074
<i>Subtotal</i>	<u>\$ 12,776,640</u>	<u>\$ 10,895,079</u>	<u>\$ 10,895,079</u>	<u>\$ 12,077,044</u>	<u>\$ 12,077,044</u>
TOTAL	<u>\$ 13,049,215</u>	<u>\$ 11,349,079</u>	<u>\$ 11,349,079</u>	<u>\$ 12,507,580</u>	<u>\$ 12,507,580</u>

OFFICE OF PROCUREMENT AND CONTRACTS



STATUTORY BASIS: • KSA 75-3737a–75-3744; 75-37.130; 75-37,102; 75-3739(a), 75-3317–75-3322c

PROGRAM GOALS:

- Provide information on the amount of procurement activity generated through the Office of Procurement and Contracts. All purchase requisitions.
- Minimize the number of non-competitive bid requests approved.
- Maximize the number of state contracts that are managed in a fiscal year by the Office of Procurement and Contracts.
- Maximize the number of statewide contracts available to political subdivisions within the state.
- Implement strategic sourcing of state contracts for goods and services when practicable.

The Office of Procurement and Contracts is responsible for procuring goods and services at the best price for the agencies of the State of Kansas and when appropriate establishing contracts that are available to political subdivisions of the State of Kansas. In addition, the Office of Procurement and Contracts

provides oversight for the State’s Purchasing Card program. The Office is also involved in the State Use Program, which prioritizes sales of certain goods and services by qualified vendors, who employ people with disabilities, as set forth in KSA 75-3317 to 75-33-22c.

FIGURE 21
OFFICE OF PROCUREMENT AND CONTRACTS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Prior Authorization Contracts Approved*	3,989	3,489	3,753	3,600	3,600
2.Number of Open State Contracts**	3,670	3,887	3,787	3,800	3,800
3.Number of Requisitions Received**	7,569	6,624	7,114	7,200	7,200
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 2,300	\$ 6,001,300		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	1,370,150	1,354,986		1,559,243	1,560,898
Subtotal–On-Budget	\$ 1,372,450	\$ 7,356,286		\$ 1,559,243	\$ 1,560,898
Off-Budget*	-	-		-	-
GRAND TOTAL	\$ 1,372,450	\$ 7,356,286		\$ 1,559,243	\$ 1,560,898

Percentage Change:					
SGF	(23.9) %	260,826.1 %		(100.0) %	-- %
All Funds	9.0 %	436.0 %		(78.8) %	0.1 %
FTE Positions	15.0	15.0		15.0	15.0

* These prior authorization contract approvals do not include grants and utility encumbrances.

** The Office of the Governor does not utilize this measure for evaluation purposes.

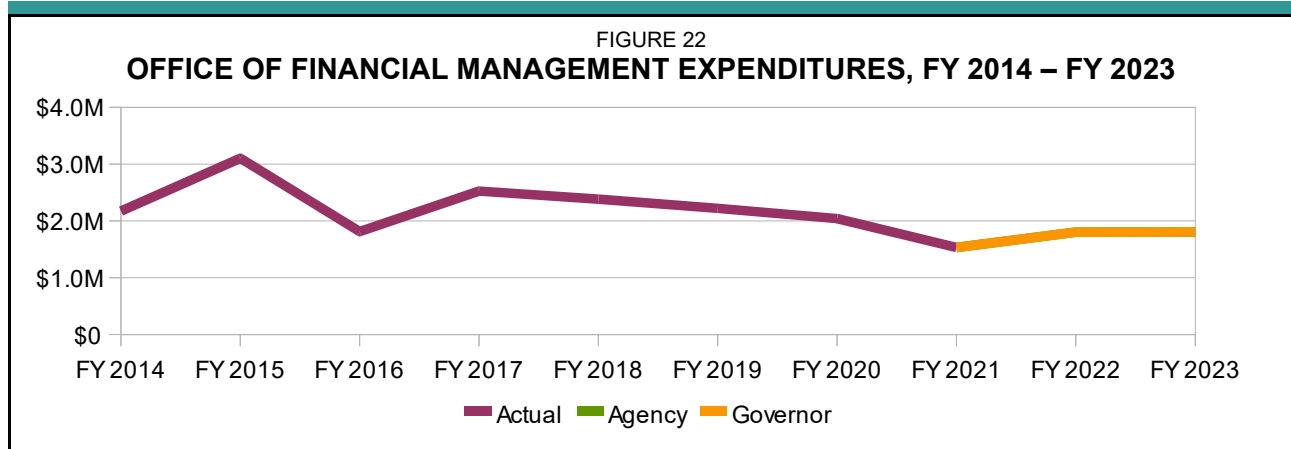
BUDGET ANALYSIS

The **agency** requests \$1.6 million in on-budget expenditures and 15.0 on-budget FTE positions for the Office of Procurement and Contracts for FY 2023. This represents an increase of \$1,655, or 0.1 percent, above the agency's revised estimate in FY 2022. The request includes a \$6,627 increase for employer contributions for group health

insurance, partially offset by a \$3,275 decrease in unemployment compensation and a \$2,000 decrease in employer contributions to the public employees retirement system.

The **Governor** concurs with the agency request for FY 2023.

OFFICE OF FINANCIAL MANAGEMENT



STATUTORY BASIS: • KSA 75-3701 *et seq.*

PROGRAM GOALS: • Provide accounting and fiscal management services to the Department of Administration and other state agencies.
• Provide timely services for our agency and to our customers.

The Office of Financial Management provides accounting services for the agency, serves as the central budgeting office for all departmental offices, and maintains the Small Agency Service Center. The Office was established in FY 2013 to enhance the efficiency of financial management system processing for state agencies and to help attain cost savings for the State.

FINANCIAL MANAGEMENT

The Financial Management subprogram conducts the primary operations for the Office of Financial Management and is composed of two sections—Accounting and Budgeting. General duties include consulting, supporting, and assisting in monitoring and improving the financial health of the Agency, along with administering the security of the SMART system for agency processors, paying the debt service for the State, and compiling the necessary data for the SWCAP (Statewide Cost Allocation Plan).

ACCOUNTING SERVICES

The Accounting Services section provides accounting services to all offices within the agency, including accounts payable (approving requisitions, entering and approving payments, entering assets, general ledger entries, and travel and expense reimbursements) and

accounts receivable services (entering deposits, receiving credit cards, preparing billings, and tracking outstanding accounts receivable balances).

BUDGETING SERVICES

The Budget Services section serves as the agency's central budgeting office, coordinating the development and submission of the agency's budget, providing an agency-wide perspective on policy, revenue, and expenditure issues. The Budget Services section is also involved in the development of various rates charged to other state agencies for internal services. These rates are forecast for future years and used in budget development by all agencies.

AGENCY SERVICE CENTER

During the implementation of the State's financial management system project, which created SMART, an opportunity was identified for the Department of Administration to provide accounting support by processing accounting transactions on behalf of numerous non-cabinet agencies, boards, and commissions. Accordingly, the Agency Service Center's goal is to enhance the efficiency of financial management system processing for these agencies and help attain cost savings for the State of Kansas.

FIGURE 23
OFFICE OF FINANCIAL MANAGEMENT, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Savings to State from Operating Small Agency Service Center	\$ 221,835	\$ 221,835	\$ 220,082	\$ 222,000	\$ 222,000
2.Late Charges Paid on Invoices*	\$ -	\$ -	\$ -	\$ 200	\$ 200
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 110,237	\$ 139,378		\$ 142,586	\$ 142,671
Federal Funds	332,681	382,299		250,000	250,000
All Other Funds	38,655	39,707		40,706	40,770
<i>Subtotal–On-Budget</i>	<u>\$ 481,573</u>	<u>\$ 561,384</u>		<u>\$ 433,292</u>	<u>\$ 433,441</u>
Off-Budget*	1,058,699	971,485		1,369,420	1,371,609
GRAND TOTAL	<u>\$1,540,272</u>	<u>\$ 1,532,869</u>		<u>\$ 1,802,712</u>	<u>\$ 1,805,050</u>
Percentage Change:					
SGF	(18.3) %	26.4 %		2.3 %	0.1 %
All Funds	(10.6) %	16.6 %		(22.8) %	0.0 %
FTE Positions	22.0	19.0		17.9	17.9

BUDGET ANALYSIS

The **agency** requests \$433,441 in on-budget expenditures and 1.9 on-budget FTE positions for the Office of Financial Management for FY 2023. The request includes a \$885 increase for employer contributions for group health insurance, offset by a \$479 decrease in unemployment compensation and a \$294 decrease in employer contributions to the public employees retirement system.

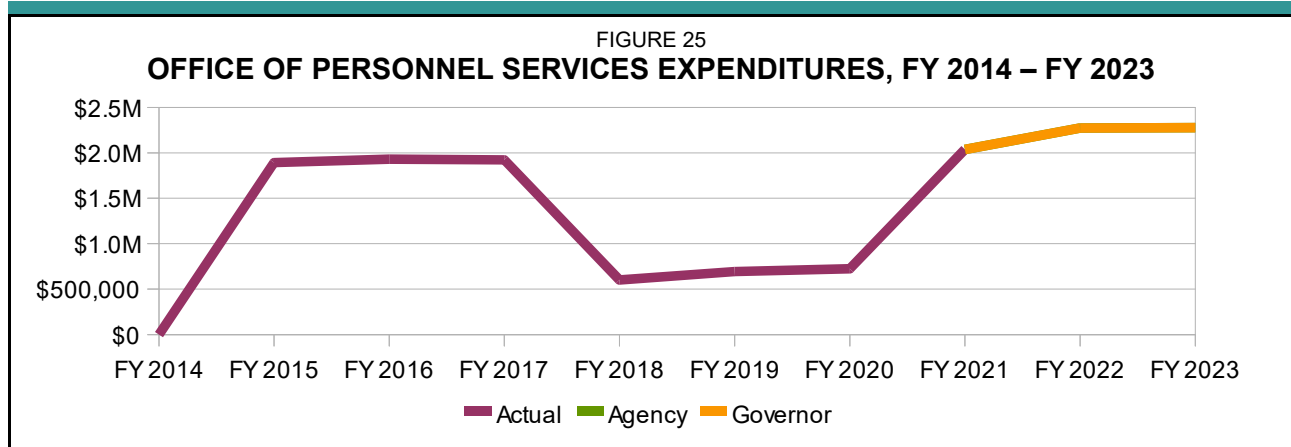
The request also includes \$1.4 million in off-budget expenditures and 16.1 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 24
**OFFICE OF FINANCIAL MANAGEMENT SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Financial Management	\$ 561,384	\$ 433,292	\$ 433,292	\$ 433,441	\$ 433,441
Off-Budget:					
Financial Management	\$ 796,487	\$ 1,054,192	\$ 1,054,192	\$ 1,055,976	\$ 1,055,976
Agency Service Center	174,998	315,228	315,228	315,633	315,633
<i>Subtotal</i>	<u>\$ 971,485</u>	<u>\$ 1,369,420</u>	<u>\$ 1,369,420</u>	<u>\$ 1,371,609</u>	<u>\$ 1,371,609</u>
TOTAL	<u>\$ 1,532,869</u>	<u>\$ 1,802,712</u>	<u>\$ 1,802,712</u>	<u>\$ 1,805,050</u>	<u>\$ 1,805,050</u>

OFFICE OF PERSONNEL SERVICES



STATUTORY BASIS: • KSA 75-3701; 75-3746; 75-2925 *et seq.*; 75-37,115; 75-37,105; 75-4362, 75-7363

PROGRAM GOALS:

- Provide quality services and information that meets the human resources needs of customer agencies.
- Reduce the amount of time that it takes for agencies to fill both classified and unclassified positions.
- Provide enhanced and expanded training and staff development opportunities for state employees.

The Office of Personnel Services (OPS) administers the Kansas Civil Service Act and other related statutes to provide a comprehensive human resources (HR) program for the State. The Office was established in FY 2013 to strengthen and sustain an HR system that is consistent, efficient, and meets the needs of state agencies. Its prior incarnation, the Office of Human Resources, was created by Executive Order 11-04, which directed all non-Regents HR staff in agencies under the Governor's jurisdiction to report to the Director of Human Resources and established the Office to implement consistent HR policies, procedures, and practices for the state workforce.

STATE AGENCY HR MANAGEMENT

The Office assists state agencies by providing technical and expert assistance on recruitment, selection, performance and position management, classification, compensation, employee relations, guidance and discipline, employee recognition, employee development and training, layoffs, furloughs, time and leave, payroll, benefits, federal Family and Medical Leave Act (FMLA) requirements, federal Americans with Disabilities Act (ADA) requirements, the Shared Leave program, and retirement.

DATA MANAGEMENT

The Data Management Unit administers the Statewide Human Resource and Payroll (SHARP) System, Data Warehouse and HR-related internet application development, and maintenance. Data Management staff provide assistance to both employees and fellow Office staff members on information requests and on transaction entry in SHARP.

POLICY AND COMPLIANCE

The Policy and Compliance Unit is responsible for the administration of the State's classification, compensation, and performance management policies, as well as compliance with the federal Fair Labor Standards Act (FLSA) and FMLA in a continuing effort to establish consistent and efficient HR policies for all agencies. Staff members from this section work in teams with Office staff assigned to agencies, as well as state agency management and operations staff to review and, where necessary, propose changes to HR policies and practices in order to provide more efficient and consistent policies across the state workforce. This section is also responsible for conducting compliance examinations to ensure HR policies are being implemented and administered consistently throughout the state workforce.

FIGURE 26
OFFICE OF PERSONNEL SERVICES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Non-Cabinet Agencies Receiving HR Assistance	52	57	53	57	57
2.Percentage of Customer Agencies Satisfied with OPS Services	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
3.Number of Queries and Reports Provided for Agencies, KORA, and Legislative Inquiries	1,485	1,770	1,481	1,800	1,850
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 1,400,797	\$ 1,299,572		\$ 1,530,171	\$ 1,533,173
Federal Funds	-	-		-	-
All Other Funds	5,337	7,138		17,090	17,042
<i>Subtotal—On-Budget</i>	<i>\$ 1,406,134</i>	<i>\$ 1,306,710</i>		<i>\$ 1,547,261</i>	<i>\$ 1,550,215</i>
Off-Budget*	703,135	730,763		725,665	726,569
GRAND TOTAL	\$ 2,109,269	\$ 2,037,473		\$ 2,272,926	\$ 2,276,784
Percentage Change:					
SGF	(2.4) %	(7.2) %		17.7 %	0.2 %
All Funds	0.1 %	(3.4) %		11.6 %	0.2 %
FTE Positions	24.0	24.0		24.0	24.0

BUDGET ANALYSIS

The **agency** requests \$1.6 million in on-budget expenditures and 15.1 on-budget FTE positions for the Office of Personnel Services for FY 2023. The request includes a \$7,691 increase for employer contributions for group health insurance, partially offset by a \$3,131 decrease in unemployment compensation and a \$1,848 decrease in employer contributions to the public employees retirement system.

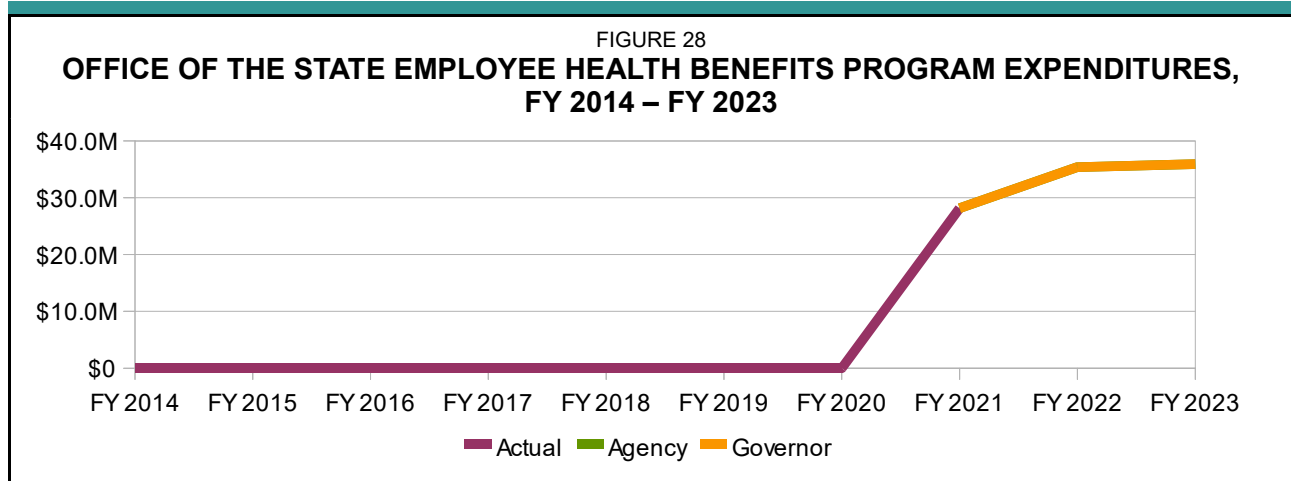
The request also includes \$726,569 in off-budget expenditures and 8.9 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 27
**OFFICE OF PERSONNEL SERVICES SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Personnel Services	\$ 10,390	\$ -	\$ -	\$ -	\$ -
State Agency HR Mgmt.	904,238	1,060,503	1,060,503	1,062,057	1,062,057
Data Management	83,303	168,757	168,757	170,073	170,073
Policy and Compliance	308,779	318,001	318,001	318,085	318,085
<i>Subtotal</i>	<i>\$ 1,306,710</i>	<i>\$ 1,547,261</i>	<i>\$ 1,547,261</i>	<i>\$ 1,550,215</i>	<i>\$ 1,550,215</i>
Off-Budget:					
Personnel Services	\$ 178,678	\$ 168,073	\$ 168,073	\$ 168,332	\$ 168,332
State Agency HR Mgmt.	445,079	449,448	449,448	449,954	449,954
Data Management	107,006	108,144	108,144	108,283	108,283
<i>Subtotal</i>	<i>\$ 730,763</i>	<i>\$ 725,665</i>	<i>\$ 725,665</i>	<i>\$ 726,569</i>	<i>\$ 726,569</i>
TOTAL	\$ 2,037,473	\$ 2,272,926	\$ 2,272,926	\$ 2,276,784	\$ 2,276,784

OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM



- STATUTORY BASIS:** • KSA 75-6501 *et seq.*
- PROGRAM GOALS:**
- Manage the fund balance to be 10.0 to 13.0 percent of plan expenditures over the preceding three years.
 - Improve the health of members of the plan.
 - Integrate the Nurse Triage Program to reduce claim expense in the State Self-Insurance Fund.

The Office of the State Employee Health Benefits Program includes expenditures for the State Employee Health Plan (SEHP) and the State Self-Insurance Fund (SSIF). During the 2020 Legislative Session, Governor Laura Kelly submitted Executive Reorganization Order (ERO) No. 45, which moved both the SEHP and SSIF from the Kansas Department of Health and Environment to the Department of Administration.

STATE EMPLOYEE HEALTH PLAN

The agency administers the SEHP on behalf of the Health Care Commission (HCC). The HCC was statutorily created in 1984 to design and implement a health care benefits program. For the SEHP, the HCC contracts with an actuarial service to provide guidance in setting rates and insuring the financial stability of the program and manages the plan on a long-term basis through establishing funds in the positive years to help pay for shortages in negative years and maintaining minimal rate increases.

As of July 1, 2020, there are 134 public employers participating in SEHP. These non-state public employers included 20 school districts; 56 cities, counties, or townships; 24 extension offices or libraries; 16 public hospitals; 4 water districts; 9 housing

authorities; and 9 miscellaneous local government entities. The number of members in the groups range from 1 to 453. There are 12 groups who have more than 200 members, and 20 groups have between 100 and 200 members.

STATE SELF-INSURANCE FUND

The workers compensation program for state employees, called the SSIF, was implemented in 1974. It is a self-insured, self-administered program funded by agencies based on an experience rating. The agency rates are developed by an actuarial service using claims experience, payroll history, and caps on expenses. Rates are approved by the Department of Administration and published by the Division of the Budget. The program manages and processes claims for injuries that arise out of and in the course of employment. Medical compensation to treat the employee’s injury does not have a cap. Medical payments to providers are based on a fee schedule developed by the Workers Compensation Division of the Kansas Department of Labor. On average, 247 accident reports are received monthly. In FY 2019, the SSIF spent about \$17.8 million on claims expenditures with about 87.3 percent for medical services and 12.7 percent for indemnity.

FIGURE 29
**OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM,
PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of Preventative Dental Cleanings	84,594	86,286	90,559	88,000	91,500
2.Number of Member Wellness Visits	33,840	34,517	34,821	35,200	35,900
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ -	\$ -		\$ -	\$ -
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal-On-Budget</i>	\$ -	\$ -		\$ -	\$ -
Off-Budget*	31,746,352	28,147,570		35,383,201	35,925,002
GRAND TOTAL	\$ 31,746,352	\$ 28,147,570		\$ 35,383,201	\$ 35,925,002
Percentage Change:					
SGF	N/A	-- %		-- %	-- %
All Funds	N/A	(11.3) %		25.7 %	1.5 %
FTE Positions	N/A	45.0		45.0	45.0

PERFORMANCE AND BUDGET ANALYSIS

The agency requests \$35.9 million in off-budget expenditures and 45.0 off-budget FTE positions for the Office of the State Employee Health Benefits Program for FY 2023. This represents an increase of \$541,801, or 1.5 percent, above the agency's revised estimate in FY 2022. The request includes \$14.4 million in expenditures for workers' compensation claims, which represents an increase of \$420,397

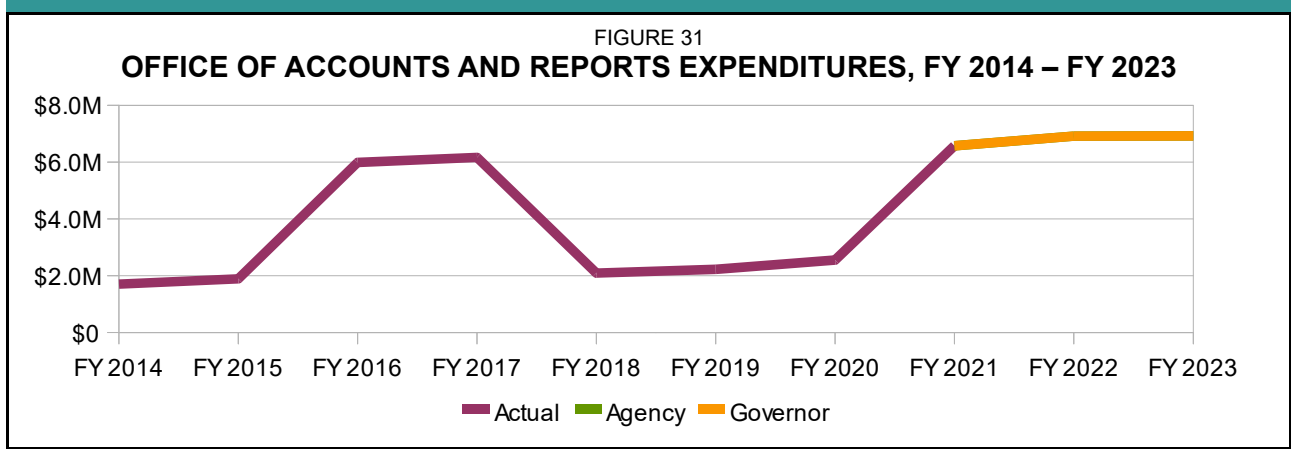
above the previous fiscal year. The request also includes \$15.7 million in expenditures for various professional services, which is a slight increase of \$105,600 above the previous fiscal year.

The Governor concurs with the agency request for FY 2023.

FIGURE 30
**OFFICE OF THE STATE EMPLOYEE HEALTH BENEFITS PROGRAM SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget	\$ -	\$ -	\$ -	\$ -	\$ -
Off-Budget:					
Director's Office	\$ 674,748	\$ 1,025,871	\$ 1,025,871	\$ 1,029,960	\$ 1,029,960
Health Management	9,316,021	10,572,229	10,572,229	10,571,227	10,571,227
Health Plan Operations	3,222,003	3,214,661	3,214,661	3,324,801	3,324,801
Design and Fiscal	382,140	1,352,370	1,352,370	1,353,609	1,353,609
Membership Services	1,398,280	1,128,162	1,128,162	1,119,089	1,119,089
Workers Compensation	13,154,378	18,089,908	18,089,908	18,526,316	18,526,316
<i>Subtotal</i>	\$ 28,147,570	\$ 35,383,201	\$ 35,383,201	\$ 35,925,002	\$ 35,925,002
TOTAL	\$ 28,147,570	\$ 35,383,201	\$ 35,383,201	\$ 35,925,002	\$ 35,925,002

OFFICE OF ACCOUNTS AND REPORTS



- STATUTORY BASIS:** • KSA 75-3701 *et seq.*, 75-3083 *et seq.*, 40-2301 *et seq.*, 75-5501 *et seq.*, 75-3728
- PROGRAM GOALS:**
- Identify and implement solutions that support transparency to taxpayers and other interested groups.
 - Provide appropriate guidance and support for minimized findings on external audits while ensuring compliance with statutory deadlines.
 - Provide quality customer service to agencies, taxpayers and others served and supported through the KDRS/KTOP programs with the goal of maximizing collection of outstanding debt accounts for the State of Kansas, municipalities and foreign state agencies.
 - Reduce the cost of printing and mailing by encouraging employees to opt for electronic W-2s and encouraging suppliers to receive payments by ACH.
 - Ensure statewide statutory, regulatory, and accounting policy compliance while developing and maintaining an effective and efficient audit plan that minimizes risks for the state.

The Office of Accounts and Reports is responsible for preparing the State of Kansas' official Comprehensive Annual Financial Report (CAFR) and performing audits over state agencies' expenditures, local funds, assets, accounts receivable, and other financial activities. The Office also oversees statewide accounting and payroll functions.

The Office is organized into three sections: Statewide Controls, Reporting, and Collections; Statewide Agency Audits and Municipals; and Statewide Payroll and Accounting. Statutory requirements assigned to the Office include the development and maintenance of KanView, the State's taxpayer transparency website.

FIGURE 32
OFFICE OF ACCOUNTS AND REPORTS, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. CAFR Submitted Prior to Dec. 31 with an Unmodified Audit Opinion	Yes	Yes	Yes	Yes	Yes
2. Percent of Electronic W-2 Employee Consents Statewide	49.0 %	51.2 %	49.0 %	51.0 %	52.0 %
3. Number of New Debts Entered into Kansas Debt Recovery System	447,728	385,596	447,141	484,200	434,900

	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ 2,096,013	\$ 1,691,923		\$ 1,619,340	\$ 1,621,557
Federal Funds	-	-		-	-
All Other Funds	384,657	309,149		334,318	334,072
<i>Subtotal—On-Budget</i>	<u>\$ 2,480,670</u>	<u>\$ 2,001,072</u>		<u>\$ 1,953,658</u>	<u>\$ 1,955,629</u>
Off-Budget*	4,296,186	4,574,447		4,961,692	4,967,184
GRAND TOTAL	<u>\$ 6,776,856</u>	<u>\$ 6,575,519</u>		<u>\$ 6,915,350</u>	<u>\$ 6,922,813</u>
Percentage Change:					
SGF	(81.3) %	(19.3) %		(4.3) %	0.1 %
All Funds	(56.6) %	(3.0) %		5.2 %	0.1 %
FTE Positions	61.0	63.0		62.0	62.0

BUDGET ANALYSIS

The **agency** requests \$2.0 million in on-budget expenditures, which is an increase of \$1,971, or 0.1 percent, above the FY 2022 revised estimate and 24.0 on-budget FTE positions for the Office of Accounts and Reports for FY 2023. The request includes a \$8,400 increase for employer contributions for group health insurance, partially offset by decreases of \$4,467 in unemployment compensation and \$2,733 in employer contributions for retirement.

The request also includes \$5.0 million in off-budget expenditures and 38.0 off-budget FTE positions for FY 2023, which are categorized as such to avoid double counting payments from one state agency to another.

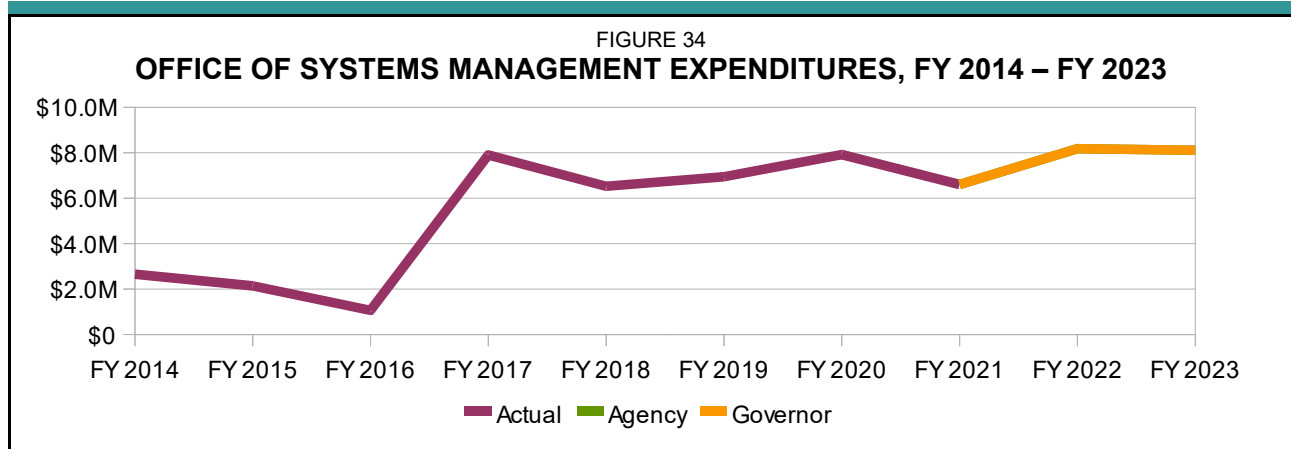
The **Governor** concurs with the agency request for FY 2023.

FIGURE 33

**OFFICE OF ACCOUNTS AND REPORTS SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

Item	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Chief Financial Officer	\$ 108,329	\$ 73,835	\$ 73,835	\$ 73,928	\$ 73,928
Audit Services	408,475	373,657	373,657	374,079	374,079
Financial Integrity	350,656	464,619	464,619	465,255	465,255
Internal Controls	161,342	178,465	178,465	178,912	178,912
Federal Reporting	169,542	160,000	160,000	160,000	160,000
Municipal Services	266,865	174,318	174,318	174,072	174,072
Statewide Payroll	81,669	82,722	82,722	82,973	82,973
Statewide Accounting	425,826	446,042	446,042	446,410	446,410
Setoff	28,368	-	-	-	-
<i>Subtotal</i>	<u>\$ 2,001,072</u>	<u>\$ 1,953,658</u>	<u>\$ 1,953,658</u>	<u>\$ 1,955,629</u>	<u>\$ 1,955,629</u>
Off-Budget:					
Chief Financial Officer	\$ 610,189	\$ 438,165	\$ 438,165	\$ 437,783	\$ 437,783
Audit Services	251,775	178,005	178,005	177,914	177,914
Financial Integrity	184,947	541,220	541,220	541,220	541,220
Revolving Fund	211,157	238,410	238,410	238,699	238,699
Internal Controls	118,452	85,181	85,181	85,181	85,181
Federal Reporting	14,700	188,742	188,742	189,222	189,222
Statewide Payroll	1,008,780	1,039,424	1,039,424	1,040,942	1,040,942
Statewide Accounting	1,543,082	1,650,072	1,650,072	1,652,620	1,652,620
Setoff	631,365	602,473	602,473	603,603	603,603
<i>Subtotal</i>	<u>\$ 4,574,447</u>	<u>\$ 4,961,692</u>	<u>\$ 4,961,692</u>	<u>\$ 4,967,184</u>	<u>\$ 4,967,184</u>
TOTAL	<u>\$ 6,575,519</u>	<u>\$ 6,915,350</u>	<u>\$ 6,915,350</u>	<u>\$ 6,922,813</u>	<u>\$ 6,922,813</u>

OFFICE OF SYSTEMS MANAGEMENT



STATUTORY BASIS: • KSA 75-3701 *et seq.*

- PROGRAM GOALS:**
- Maintain or improve performance of the SHARP and SMART batch cycles and ensure uptime during business hours.
 - Address and resolve programmatic abends (program crashes), application defects, user enhancement requests, and application updates.
 - Identify, research, and resolve agency user issues at both a Tier 1 and a Tier 1.5 level for the PeopleSoft ERP, including SMART, and SHARP, as well Employee Self Service, eSupplier, and Candidate Gateway.
 - Safeguard end-user and application security of the SMART and SHARP systems.

The Office of Systems Management provides state agencies with centralized system services, including purchasing, accounting, human resources, payroll, and a reporting database for business intelligence software. The Office was established in FY 2012 to control costs for the systems it maintains and to provide effective customer service. Services rendered by the office include support for the Statewide Management, Accounting and Reporting Tool (SMART) and the Statewide Human Resource and Payroll System (SHARP). SMART is a PeopleSoft software product purchased from Oracle and modified to meet the needs of the State of Kansas.

SYSTEMS MANAGEMENT

The Systems Management subprogram conducts the primary operations for the Office of Systems Management and is composed of three teams: The Systems Development team includes PeopleSoft development for the SMART and SHARP systems; the System Architecture, Security, and Workflow team provides system infrastructure support, security, and workflow for systems supported by the Oracle Communications Order and Service Management system, and batch job scheduling; and the Governance of Managed Services and

Hosting Partner team ensures the Master Hosting Agreement is accurately provided by Sierra-Cedar.

STATE SERVICE DESK

The State Service Desk team provides assistance to SMART and SHARP users to address problems encountered while utilizing the systems. This includes password changes for SMART/SHARP and Employee Self-Service, maintaining auto notifications and system announcements, monitoring, and adding solutions.

SYSTEM ARCHITECTURE, SECURITY, AND WORKFLOW

The System Architecture, Security, and Workflow team provides system security setup and access to users of SMART, SHARP, and Data Warehouse/BI Analytics, as well as workflow setup and modifications to ensure accurate notifications of next-step processing within the systems. The scheduling of batch jobs is included in this team's responsibilities, which includes a complex setup of dependencies and job error handling.

GOVERNANCE OF MANAGED SERVICES AND HOSTING PARTNER

The Governance of Managed Services and Hosting Partner Team is responsible for working with the Upgrade and Hosting teams of Sierra-Cedar, the managed services and hosting partner. These responsibilities include tracking

service level agreement metrics, monitoring contractual obligations for both the State of Kansas and Sierra-Cedar, and monitoring the progress of development and future implementation of Oracle Business Intelligence Analytics 12g.

FIGURE 35
OFFICE OF SYSTEMS MANAGEMENT, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Percent Uptime During Business Hours–SMART	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
2.Percent Uptime During Business Hours–SHARP	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ 73,447	\$ 534,291		\$ 270,359	\$ 264,347
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal–On-Budget</i>	<u>\$ 73,447</u>	<u>\$ 534,291</u>		<u>\$ 270,359</u>	<u>\$ 264,347</u>
Off-Budget*	7,846,606	6,067,665		7,908,237	7,843,801
GRAND TOTAL	<u>\$7,920,053</u>	<u>\$ 6,601,956</u>		<u>\$ 8,178,596</u>	<u>\$ 8,108,148</u>
Percentage Change:					
SGF	(89.4) %	627.5 %		(49.4) %	(2.2) %
All Funds	14.0 %	(16.6) %		23.9 %	(0.9) %
FTE Positions	19.0	19.0		19.8	19.8

BUDGET ANALYSIS

The **agency** requests \$264,347 in on-budget expenditures and 1.0 on-budget FTE position for the Office of Systems Management for FY 2023. The request includes a \$6,156 decrease in equipment repair and servicing expenditures.

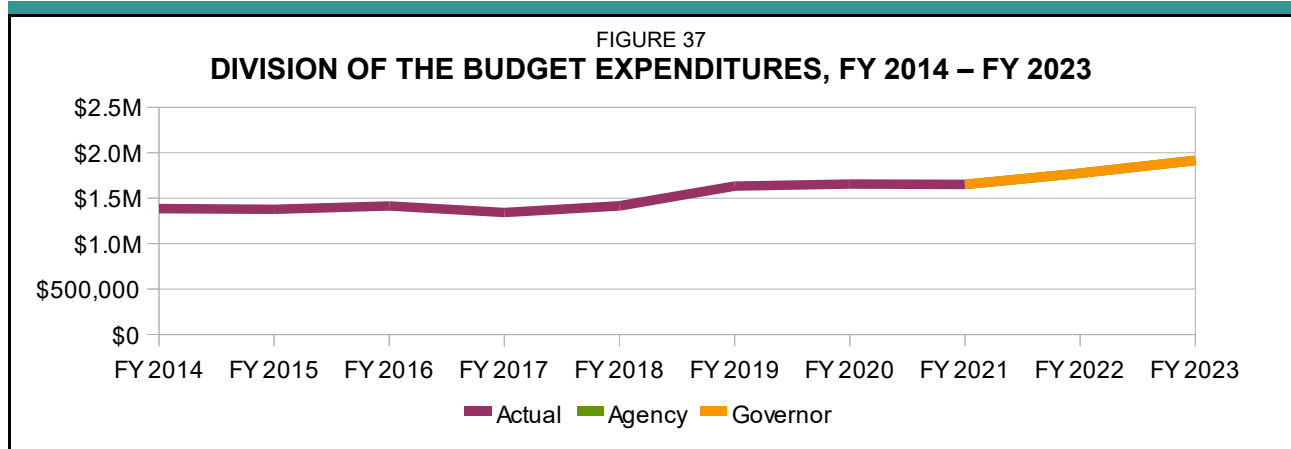
The request also includes \$7.8 million in off-budget expenditures and 18.8 off-budget FTE positions for FY 2023.

The **Governor** concurs with the agency request for FY 2023.

FIGURE 36
**OFFICE OF SYSTEMS MANAGEMENT SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

Item	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
On-Budget:					
Systems Management	\$ 461,311	\$ 196,719	\$ 196,719	\$ 190,563	\$ 190,563
State Service Desk	72,980	73,640	73,640	73,784	73,784
<i>Subtotal</i>	<u>\$ 534,291</u>	<u>\$ 270,359</u>	<u>\$ 270,359</u>	<u>\$ 264,347</u>	<u>\$ 264,347</u>
Off-Budget:					
Systems Management	\$ 5,840,730	\$ 7,671,239	\$ 7,671,239	\$ 7,606,341	\$ 7,606,341
State Service Desk	226,935	236,998	236,998	237,460	237,460
<i>Subtotal</i>	<u>\$ 6,067,665</u>	<u>\$ 7,908,237</u>	<u>\$ 7,908,237</u>	<u>\$ 7,843,801</u>	<u>\$ 7,843,801</u>
TOTAL	<u>\$ 6,601,956</u>	<u>\$ 8,178,596</u>	<u>\$ 8,178,596</u>	<u>\$ 8,108,148</u>	<u>\$ 8,108,148</u>

DIVISION OF THE BUDGET



STATUTORY BASIS: • KSA 75-3715, 75-3721, 75-3722, 75-4802, 11-201, 75-6701, 75-6704, 75-137

PROGRAM GOALS:

- Perform comprehensive policy, management, and fiscal analysis.
- Produce an accurate budget reflecting the Governor’s priorities.
- Balance state receipts and expenditures.
- Provide accurate budget and policy information in a timely manner.
- Provide assistance to state agencies in budget development and execution, including strategic planning and performance measurement.

The Division of the Budget has central responsibility for the state budget process, including related policy issues, and for providing management services to state agencies. Because of its central role in budget formulation, the Division serves as a source of explanation to the Legislature and to legislative staff and committees while the Governor’s proposals are being considered for adoption. The Division performs a series of duties related to budget execution and financial administration. The staff monitors cash flow and takes appropriate steps to ensure State General Fund solvency throughout the year. The Division interprets appropriations language and counsels agency managers when questions arise about legislative intent and the management of state government.

The Division issues instructions and directives that determine how agencies propose and justify requests for expenditure authority. Requests submitted according to those instructions are analyzed by Division staff. Findings and conclusions arising from that analysis are submitted to the Governor and

become the basis for the Governor’s recommendations to the Legislature. Agency budget requests are guided by expected revenues that will support a base budget with limited adjustments for such statewide costs as group health insurance, KPERS rates, and so on. In some years, agencies must also submit a reduced resource budget, using estimates provided by the Division, based on the assumption that revenues might decline enough to make a base budget unsupportable. Additionally, if agencies are proposing a new program or expansion of an existing program, a request for funds and positions related to such an enhancement is submitted as a discrete adjustment.

The 2018 Legislature granted new duties to the Division of the Budget in the process of agencies adopting administrative rules and regulations. Prior to submitting a new or revised administrative rule or regulation to the Department of Administration, state agencies must now obtain the approval of the proposed regulations and the economic impact statement from the Director of the Budget.

FIGURE 38
DIVISION OF THE BUDGET, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent of Agency Budgets that Include at Least One Outcome Measure for Each Program	91.4 %	90.3 %	88.9 %	90.3 %	90.3 %
2. Percent of Fiscal Notes Completed by Bill Hearing Date	100.0 %	100.0 %	99.9 %	100.0 %	100.0 %
Output Measure:					
3. Number of Fiscal Notes Completed	580	761	662	600	600
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 1,655,379	\$ 1,650,870		\$ 1,774,014	\$ 1,916,155
Federal Funds	-	-		-	-
All Other Funds	-	-		-	-
<i>Subtotal—On-Budget</i>	<u>\$ 1,655,379</u>	<u>\$ 1,650,870</u>		<u>\$ 1,774,014</u>	<u>\$ 1,916,155</u>
Off-Budget*	-	-		-	-
GRAND TOTAL	<u>\$ 1,655,379</u>	<u>\$ 1,650,870</u>		<u>\$ 1,774,014</u>	<u>\$ 1,916,155</u>
Percentage Change:					
SGF	1.4 %	(0.3) %		7.5 %	8.0 %
All Funds	1.4 %	(0.3) %		7.5 %	8.0 %
FTE Positions	13.0	13.0		13.0	13.0

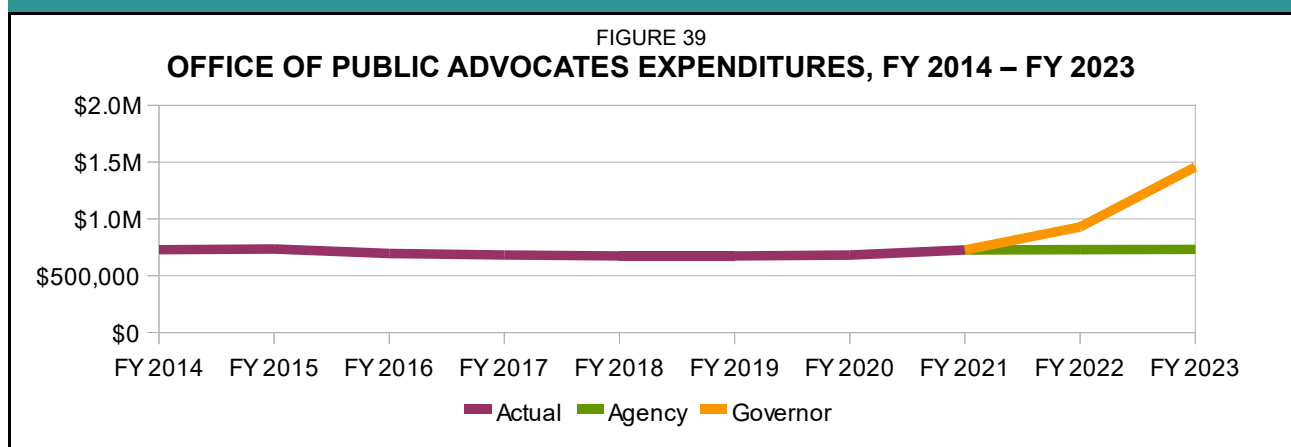
BUDGET ANALYSIS

The **agency** requests \$1.9 million in expenditures and 13.0 FTE positions for the Division of the Budget for FY 2023. This represents an increase of \$142,141, or 8.0 percent, above the agency's revised estimate in FY 2022. The increase is primarily attributable to \$150,000 SGF allocated to the Division for gubernatorial transition expenditures, as required by KSA 75-137. The request also includes a \$5,922 increase for employer

contributions for group health insurance, offset by a \$4,248 decrease in unemployment compensation and a \$2,588 decrease in employer contributions to the public employees retirement system.

The **Governor** concurs with the agency request for FY 2023.

OFFICE OF PUBLIC ADVOCATES*



* *Staff Note:* Expenditures other than the Governor's recommendation for FY 2022 and FY 2023 reflect only the Office of the Long-Term Care Ombudsman. The Office of Public Advocates was created in October 2021 by Executive Order 21-27.

STATUTORY BASIS: • 42-USC 3001 *et seq.*, KSA 75-5916 to 75-5922
• Executive Order No. 21-27, 21-28

PROGRAM GOALS: • Provide advocacy, self-empowerment, and education services to each resident in a Kansas long-term care facility.

Executive Order 21-27 created the Office of Public Advocates within the Department of Administration and transferred the following entities to it:

OFFICE OF THE LONG-TERM CARE OMBUDSMAN

The Office of the Long-Term Care Ombudsman (LTCO) protects and improves the quality of care and quality of life for residents of long-term care communities through advocacy for and on behalf of residents. The LTCO is a resident-centered advocacy program. The resident of a long-term care community is the client regardless of the source of the complaint or request for service. The LTCO is funded by a combination of State General Fund moneys and federal funds, including Medicaid under the

Social Security Act, and the Older Americans Act.

KANCARE OMBUDSMAN

Prior to the creation of the Office of Public Advocates, the KanCare Ombudsman existed within the Kansas Department for Aging and Disability Services. Its responsibilities include assisting in the resolution of concerns about services, coverage, access, and rights related to KanCare, the Medicaid program for the State of Kansas.

DIVISION OF THE CHILD ADVOCATE

Executive Order 21-28 created this program within the Department of Administration to provide oversight for the child welfare system in Kansas.

FIGURE 40
OFFICE OF PUBLIC ADVOCATES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Number of Visits by Ombudsman to Long-Term Care Facilities	1,974	37	1,678	1,900	3,000
2. Total Complaints Investigated	1,134	1,293	1,219	1,300	1,300
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 292,451	\$ 290,046		\$ 467,079	\$ 989,628
Federal Funds	388,960	437,072		462,367	466,899
All Other Funds	-	-		-	-
Subtotal-On-Budget	\$ 681,411	\$ 727,118		\$ 929,446	\$ 1,456,527
Off-Budget*	-	-		-	-
GRAND TOTAL	\$ 681,411	\$ 727,118		\$ 929,446	\$ 1,456,527
Percentage Change:					
SGF	1.9 %	(0.8) %		61.0 %	111.9 %
All Funds	1.2 %	6.7 %		27.8 %	56.7 %
FTE Positions	11.0	11.0		16.0	19.0

BUDGET ANALYSIS

The **agency** requests \$731,713 in expenditures and 11.0 FTE positions for the Office of the Long-Term Care Ombudsman for FY 2023. The agency submitted its budget request prior to the issuance of Executive Orders 21-27 and 21-28. Accordingly, reorganization of the program into the Office of Public Advocates is not reflected in the agency request. The request represents a \$2,267 increase in expenditures, about 0.3 percent, and is primarily attributable to a \$4,597 increase for employer contributions for group health insurance, partially offset by a \$1,648 decrease in unemployment compensation and a \$901 decrease in employer contributions to the public employees retirement system.

The **Governor** recommends \$1.5 million in expenditures and 19.0 FTE positions for the Office of Public Advocates for FY 2023. This represents an increase of \$724,814 SGF and 8.0 FTE positions due to the implementation of Executive Order 21-27, which organized the Office of the Long-Term Care Ombudsman, the KanCare Ombudsman (\$224,814 SGF in expenditures and 3.0 FTE positions) and the Division of the Child Advocate (\$500,000 SGF in expenditures and 5.0 FTE positions) within the newly created Office of Public Advocates.

FIGURE 41
**OFFICE OF PUBLIC ADVOCATES SUBPROGRAMS
SUMMARY OF EXPENDITURES, FY 2021 – FY 2023**

Item	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Long-Term Care Ombudsman	\$ 727,118	\$ 729,446	\$ 729,446	\$ 731,713	\$ 731,713
KanCare Ombudsman	-	-	-	-	224,814
Division of the Child Advocate	-	-	200,000	-	500,000
TOTAL	\$ 727,118	\$ 729,446	\$ 929,446	\$ 731,713	\$ 1,456,527

DEBT SERVICE

FIGURE 42
DEBT SERVICE, GOVERNOR'S RECOMMENDATION, FY 2022 – FY 2023

	FY 2022			FY 2023		
	Principal	Interest	Total	Principal	Interest	Total
On-Budget:						
KPERS Pension Bonds	\$ 56,920,000	\$ 67,377,868	\$ 124,297,868	\$ 55,000,000	\$ 69,290,482	\$ 124,290,482
Statehouse Renovations	1,765,000	583,000	2,348,000	-	-	-
John Redmond Reservoir	1,080,000	594,750	1,674,750	-	-	-
KU Medical Ed. Bldg.	940,000	922,750	1,862,750	-	-	-
2015A Refinancing	168,995,000	14,662,800	183,657,800	-	-	-
2015G NBAF	174,220,000	18,264,050	192,484,050	-	-	-
2016H Refinancing	4,935,000	1,353,000	6,288,000	5,190,000	1,099,875	6,289,875
2019F/G Refinancing	4,257,558	2,329,726	6,587,284	4,437,964	2,137,502	6,575,466
2020R Refinancing	11,960,000	3,200,950	15,160,950	9,380,000	2,667,450	12,047,450
2020S Refinancing	530,000	245,600	775,600	550,000	224,000	774,000
2021P Refinancing	-	-	-	4,245,000	1,519,000	5,764,000
<i>Subtotal</i>	<u>\$ 425,602,558</u>	<u>\$ 109,534,494</u>	<u>\$ 535,137,052</u>	<u>\$ 78,802,964</u>	<u>\$ 76,938,309</u>	<u>\$ 155,741,273</u>
Off-Budget:						
2019F/G Eisenhower	\$ 1,052,442	\$ 575,894	\$ 1,628,336	\$ 1,097,037	\$ 528,378	\$ 1,625,415
2020K Curtis	2,860,901	655,726	3,516,627	3,002,735	591,642	3,594,377
2020K DCF Service Center	554,112	100,925	655,037	571,274	88,513	659,787
<i>Subtotal</i>	<u>\$ 4,467,455</u>	<u>\$ 1,332,545</u>	<u>\$ 5,800,000</u>	<u>\$ 4,671,046</u>	<u>\$ 1,208,533</u>	<u>\$ 5,879,579</u>
TOTAL	<u>\$ 430,070,013</u>	<u>\$ 110,867,039</u>	<u>\$ 540,937,052</u>	<u>\$ 83,474,010</u>	<u>\$ 78,146,842</u>	<u>\$ 161,620,852</u>
Financing:						
SGF	\$ 391,234,583	\$ 86,443,116	\$ 477,677,699	\$ 59,697,964	\$ 59,932,856	\$ 119,630,820
ELARF	18,135,000	17,979,485	36,114,485	19,105,000	17,005,453	36,110,453
State Highway Fund	16,232,975	5,111,893	21,344,868	-	-	-
SBOF	4,467,455	1,332,545	5,800,000	4,671,046	1,208,533	5,879,579
TOTAL	<u>\$ 430,070,013</u>	<u>\$ 110,867,039</u>	<u>\$ 540,937,052</u>	<u>\$ 83,474,010</u>	<u>\$ 78,146,842</u>	<u>\$ 161,620,852</u>

The Department of Administration budgets and pays the debt service on a number of different bonds issued for a variety of reasons. Debt service expenditures account for the majority of the Department of Administration's budget. Except for principal payments for KPERS bonds, debt service principal payments are included within agency budgets as a capital improvements expense, whereas interest payments are included as an operating expense.

Pursuant to the Kansas Development Finance Authority (KDFA) Act, KSA 74-8901 *et seq.*, bonds are defined as any bonds, leases, notes, debentures, interim certificates, grant and revenue anticipation notes, interest in a lease, lease certificate of participation, or other evidences of indebtedness issued by the KDFA pursuant to the Act, whether or not the interest is subject to federal income taxation.

KPERS BONDS (2004C, 2015H, 2021K)

The Legislature has authorized the issuance of pension obligation bonds to improve the funded status of the Kansas Public Employees Retirement System (KPERS) on three occasions. The 2003 and 2021 Legislature authorized the issuance of up to \$500.0 million in bonds, while the 2015 Legislature authorized the issuance of up to \$1.0 billion. Each bond issue was a 30-year taxable bond, the proceeds of which were invested across the KPERS portfolio.

STATEHOUSE RENOVATIONS

Since 2001, the agency has paid the debt service on bonds issued for renovation of the Kansas Statehouse. There have been 16 subsequent bond issuances for the Statehouse.

JOHN REDMOND RESERVOIR

In FY 2014, the Governor endorsed a plan to issue \$25.0 million in bonds for the dredging of 3.0 million cubic yards of sediment from this

reservoir to restore water supply lost to sedimentation. During legislative deliberations, portions of the project were reduced, lowering the need for bond issuance to \$20.0 million. The project restored water supply storage in John Redmond Reservoir near Burlington in Coffey County.

KU MEDICAL EDUCATION BUILDING

In FY 2015, the Legislature relocated debt service for the University of Kansas (KU) Medical Education Building to the Department of Administration to consolidate debt service funded by the SGF.

NATIONAL BIO AND AGRO-DEFENSE FACILITY (NBAF)

In 2015, the agency became responsible for the **Series 2015G** bond issuance for a total of \$203.6 million. This issuance provided additional funding for NBAF.

CURTIS STATE OFFICE BUILDING, DCF TOPEKA SERVICE CENTER (2020K)

In 2020, the agency became responsible for the **Series 2020K** bond issuance for a total of \$37.2 million. 2020K transferred ownership of the Curtis State Office Building and the Department for Children and Families (DCF) Topeka Service Center from the Topeka Public Building Commission to the State of Kansas.

DEBT SERVICE REFINANCING

The Department of Administration also pays the debt service on refinanced, or refunded, bonds, which are frequently issued to achieve

savings on outstanding bonds. The following bonds that refinance prior obligations are included in the Governor's recommendation:

Series 2015A was issued for a total of \$240.5 million and refinances bonds originally issued for the Kansas Department of Transportation's Comprehensive Transportation Program, renovation of the Kansas Statehouse, the KU Medical Education Building, and the John Redmond Reservoir.

Series 2016H was issued for a total of \$51.5 million and refinances bonds originally issued for the Kansas Law Enforcement Training Center, restoration of the Capitol Complex, renovation of the National Guard Armory, renovations for Department of Corrections facilities, and the construction and remodeling of KU pharmacy facilities.

Series 2019F/G were issued for a total of \$74.5 million and refinance bonds originally issued for the Eisenhower State Office Building and previous bond restructuring.

Series 2020R and **2020S** were issued for a total of \$87.9 million and refinance bonds originally issued for debt service on a variety of projects such as renovations to the Kansas Statehouse and public broadcasting facilities.

Series 2021P was issued for a total of \$38.9 million and refinances bonds originally issued for restoration of the Capitol Complex.

FIGURE 43

SUMMARY OF OUTSTANDING BONDS, GOVERNOR'S RECOMMENDATION, FY 2023

Series	Items	June 30, 2023 Balance	Final Payment
2004C	KPERS Pension Obligation Bonds	\$ 291,985,000	FY 2034
2015H	KPERS Pension Obligation Bonds	857,485,000	FY 2045
2016H	Refinancing (2007M, 2008L)	31,395,000	FY 2029
2019F	Refinancing (2009A, 2009M-1, M-2)	55,155,000	FY 2035
2019G	Refinancing (2009N)	2,205,000	FY 2025
2020K	Curtis State Office Building, Myriad Building	26,790,038	FY 2029
2020R	Refinancing (2010E-1, E-2, 2010O-2, 2011B)	55,265,000	FY 2035
2020S	Refinancing (2010F)	5,330,000	FY 2032
2021K	KPERS Pension Obligation Bonds	475,305,000	FY 2051
2021P	Refinancing (2013A)	30,075,000	FY 2033
TOTAL		\$ 1,830,990,038	

CAPITAL IMPROVEMENTS

Each year, the Department of Administration conducts projects it deems important for the upkeep of the buildings within its control, using funding from its maintenance reserve funds and from the State General Fund. The following projects are included in FY 2022 and for FY 2023:

CAPITOL COMPLEX REHAB AND REPAIR

This project includes maintenance, asbestos abatement, minor building refurbishments, and replacement of major equipment components that break down during operations. The agency indicates the ramifications of not performing these projects are a decrease of system availability, costly damage, and the potential inability to continue operations. Capitol Complex buildings include the Landon State Office Building, the Eisenhower State Office

Building, Memorial Hall, the Statehouse, the Judicial Center, and Cedar Crest.

DOCKING STATE OFFICE BUILDING

The 2021 Legislature added language authorizing the Department of Administration to issue up to \$120.0 million in bonds for Docking, subject to approval from the State Finance Council. Incorporating recommendations from the Joint Committee on State Building Construction, the State Finance Council approved the renovation of Docking into a three-story building with office and meeting space.

Additionally, each year, the agency also budgets and pays for the principal debt service on bonds issued for a variety of reasons. Details on those bonds may be found in the previous section.

FIGURE 44
CAPITAL IMPROVEMENTS (ON-BUDGET), FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Capital Projects:					
Capitol Complex R&R	\$ 3,617,019	\$ 3,450,113	\$ 3,450,113	\$ 3,449,493	\$ 3,449,493
Docking State Office Bldg.	-	-	-	-	120,000,000
<i>Subtotal–Projects</i>	\$ 3,617,019	\$ 3,450,113	\$ 3,450,113	\$ 3,449,493	\$ 123,449,493
Debt Service Principal:					
Public Broadcasting	\$ 425,000	\$ -	\$ -	\$ -	\$ -
Debt Restructuring	525,000	-	-	-	-
Statehouse Renovations	7,940,000	1,765,000	1,765,000	-	-
John Redmond Reservoir	1,025,000	1,080,000	1,080,000	1,130,000	-
KU Medical Ed. Bldg.	895,000	940,000	940,000	990,000	-
2015A Refinancing	16,640,000	16,180,000	168,995,000	18,020,000	-
2015G NBAF	11,790,000	10,640,000	174,220,000	9,235,000	-
2016H Refinancing	4,695,000	4,935,000	4,935,000	5,190,000	5,190,000
2019F/G Refinancing	4,598,323	4,257,558	4,257,558	4,437,964	4,437,964
2020R Refinancing	-	11,960,000	11,960,000	9,380,000	9,380,000
2020S Refinancing	-	530,000	530,000	550,000	550,000
2021P Refinancing	-	-	-	4,245,000	4,245,000
<i>Subtotal–Debt</i>	\$ 48,533,323	\$ 52,287,558	\$ 368,682,558	\$ 53,177,964	\$ 23,802,964
TOTAL	\$ 52,150,342	\$ 55,737,671	\$ 372,132,671	\$ 56,627,457	\$ 147,252,457
SGF	\$ 40,730,825	\$ 39,504,696	\$ 355,899,696	\$ 44,635,669	\$ 147,252,457
ELARF	425,000	-	-	-	-
State Highway Fund	10,076,287	16,232,975	16,232,975	11,991,788	-
Federal Funds	873,274	-	-	-	-
All Other Funds	44,956	-	-	-	-
TOTAL	\$ 52,150,342	\$ 55,737,671	\$ 372,132,671	\$ 56,627,457	\$ 147,252,457

FY 2022 CAPITAL IMPROVEMENTS

The **agency** requests a revised estimate of \$55.7 million in on-budget capital improvement expenditures in FY 2022, including \$39.5 million SGF and \$16.2 million in transfers from the State Highway Fund. In FY 2022, capital project expenditures include only rehabilitation and repair expenditures for Capitol Complex buildings (\$3.5 million). This funding includes maintenance, asbestos abatement, minor building refurbishments, and replacement of major equipment components that break down during operations. Debt service expenditures include principal payments for bonds related to debt service refinancing (\$36.7 million) and the National Bio and Agro-Defense Facility (NBAF) (\$10.1 million).

The **Governor** recommends \$372.1 million in on-budget capital improvement expenditures in FY 2022, including \$355.9 million SGF and \$16.2 million in transfers from the State Highway Fund. This represents an increase of \$316.4 million, or 525.5 percent, above the agency's revised estimate and is attributable to the Governor's proposal to pay off **Series 2015A** (\$169.0 million) and **Series 2015G** (\$174.2 million) bonds early, ahead of the scheduled final debt service payment in FY 2035. Series 2015A consists of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building, while Series 2015G includes the State's portion of NBAF debt service.

FY 2023 CAPITAL IMPROVEMENTS

The **agency** requests \$56.6 million in on-budget capital improvement expenditures for FY 2023, including \$44.6 million SGF and \$12.0 million in transfers from the State Highway Fund. For FY 2023, capital project expenditures include only rehabilitation and repair expenditures for Capitol Complex buildings (\$3.4 million), while debt service expenditures include various bond refinances (\$40.4 million) and NBAF (\$9.2 million).

The **Governor** recommends \$147.3 million SGF in on-budget capital improvement expenditures for FY 2023. No transfers from the State Highway Fund are included in this recommendation. This represents an increase of \$90.6 million, or 147.8 percent, above the agency request for FY 2023, primarily due to the Governor's recommendation to add \$120.0 million SGF for the issuance of bonds to renovate the Docking State Office Building at the recommendation of the Joint Committee of State Building Construction and the State Finance Council.

FIGURE 45
CAPITAL IMPROVEMENTS (OFF-BUDGET), FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Principal:					
Facilities Improvements	\$ 725,000	\$ -	\$ -	\$ -	\$ -
2019F/G Eisenhower	1,136,677	1,052,442	1,052,442	1,097,037	1,097,037
2020K Curtis, Myriad Bldg.	3,495,802	3,415,013	3,415,013	3,574,009	3,574,009
<i>Subtotal-Debt</i>	<i>\$ 5,357,479</i>	<i>\$ 4,467,455</i>	<i>\$ 4,467,455</i>	<i>\$ 4,671,046</i>	<i>\$ 4,671,046</i>
TOTAL	\$ 5,357,479	\$ 4,467,455	\$ 4,467,455	\$ 4,671,046	\$ 4,671,046
Financing:					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	5,357,479	4,467,455	4,467,455	4,671,046	4,671,046
TOTAL	\$ 5,357,479	\$ 4,467,455	\$ 4,467,455	\$ 4,671,046	\$ 4,671,046

FY 2022 CAPITAL IMPROVEMENTS (OFF-BUDGET)

The **agency's** revised estimate also includes \$4.5 million in off-budget capital improvements expenditures in FY 2022. These expenditures include only debt service principal payments on bonds related to the Eisenhower State Office Building, the Curtis State Office Building, and

the Myriad Building where the DCF Topeka Service Center is located.

The **Governor** concurs with the agency's revised estimate in FY 2022.

FY 2023 CAPITAL IMPROVEMENTS (OFF-BUDGET)

The **agency** request also includes \$4.7 million in off-budget capital improvements expenditures for FY 2023. These expenditures include only debt service payments on bonds related to the Eisenhower State Office Building, the Curtis State Office Building, and the Myriad

Building where the DCF Topeka Service Center is located.

The **Governor** concurs with the agency request for FY 2023.