

The request also includes \$95.0 million in off-budget expenditures and 368.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another.

Governor's Recommendation

The **Governor** recommends \$181.7 million in on-budget expenditures and 111.2 on-budget FTE positions for FY 2025, including \$127.5 million SGF and \$34.6 million from ELARF. The Governor concurs with the agency request but recommends three additions, totaling \$4.7 million, detailed below.

First, the Governor recommends \$3.2 million, including \$4.2 million SGF and a reduction of \$1.1 million from the ARPA State Relief Fund, to **pay off the remaining principal balance of the Master Lease Purchase Agreement**. In FY 2022, the agency spent \$5.9 million to replace outdated printing equipment used to provide printing, copying, and binding services for state agencies. The agreement requires annual debt service payments of \$1.1 million through FY 2028. The recommendation would pay off the remaining balance in FY 2025.

Second, the Governor recommends \$1.5 million SGF to **maintain the centralized electronic credential verification system** created pursuant to 2023 SB 66.

Lastly, the Governor recommends \$1.5 million SGF to replace \$1.5 million from ELARF in **debt service principal payments for Series 2004C KPERS pension obligation bonds**. This swap would be a one-time event and does not change the \$21.2 million in debt service principal payments for FY 2025. Payments for this bonds are typically made from ELARF, but the Governor notes the fund has an insufficient ending balance for FY 2025.

Joint Committee on State Building Construction Recommendation

The **Joint Committee** concurs with the Governor's recommendation for FY 2025, with the following recommendation:

1. The **Joint Committee** recommends the House Committee on Appropriations and the Senate Committee on Ways and Means review the Governor's recommendation to address the indebtedness of the State as it relates to bonds issued for capital improvements projects.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2025, with the following adjustment:

1. Delete language increasing the SGF expenditure limitation on official hospitality for the Office of the Secretary of Administration and the Office of Public Advocates for FY 2025, and review prior to finalization of the budget.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation for FY 2025, with the following adjustment:

1. Delete \$3.2 million, including a reduction of \$4.2 million SGF and an addition of \$1.1 million from the ARPA State Relief Fund, to not adopt the Governor's recommendation to pay off the remaining balance of the Master Lease Purchase Agreement in FY 2025.

Senate Committee of the Whole Recommendation (Sub. for SB 514)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2025, with the following adjustment:

1. Add \$4.0 million SGF to partially refund the remaining balance of Series 2020S bonds for FY 2025. These bonds refinanced prior obligations for the National Bio and Agro-Defense Facility and renovations to the Kansas Statehouse.
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House Budget Committee Report

Agency: Department of Administration

Bill No. HB 2802

Bill Sec. 38, 121

Analyst: Wu

Budget Analysis Vol. 1, Pg. 274

GBR Vol. 2, Pg. 16

Expenditure Summary	Agency Request FY 2025	Governor Recommendation FY 2025	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 102,731,852	\$ 109,978,882	\$ (639,860)
Federal Funds	1,725,931	1,725,931	-
Other Funds	41,200,534	34,565,437	-
<i>Subtotal</i>	<u>\$ 145,658,317</u>	<u>\$ 146,270,250</u>	<u>\$ (639,860)</u>
Capital Improvements:			
State General Fund	\$ 24,781,881	\$ 24,781,881	-
Federal Funds	6,373,491	5,321,733	-
Other Funds	250,000	5,345,097	-
<i>Subtotal</i>	<u>\$ 31,405,372</u>	<u>\$ 35,448,711</u>	<u>\$ -</u>
TOTAL	<u>\$ 177,063,689</u>	<u>\$ 181,718,961</u>	<u>\$ (639,860)</u>

FTE positions*

480.1

480.1

(5.0)

* *Note:* Includes the Governor's Budget Amendment (GBA) No. 1, Items 1-4, to add \$497.7 million SGF to address state debt in FY 2024 instead of for FY 2025.

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

Agency Request

The **agency** requests \$177.1 million in on-budget expenditures and 111.2 on-budget FTE positions for FY 2025, including \$127.5 million SGF and \$36.1 million from ELARF. This represents a reduction of \$9.9 million below the agency's revised estimate in FY 2024.

The decrease is primarily due to the agency **expending all remaining funds for the renovation of the Docking State Office Building in FY 2024**. These expenditures do not continue into FY 2025 and beyond, which results in a reduction of \$8.2 million, including \$5.1 million SGF.

The request also includes \$639,860 and 5.0 FTE positions to **add five new Policy Analyst positions within the Division of the Budget**, which exists as an independently administered entity within the Department of Administration. These new positions would partner with the eleven existing Budget Analyst positions on policy research and development. This request includes base pay (\$433,149), employer contributions for fringe benefits (\$157,386), and the purchase of computers, equipment, and office furniture (\$49,325).

The revised estimate also includes a request to **increase the SGF expenditure limitation on official hospitality for the Office of the Secretary of Administration** (from \$2,000 to \$6,000) **and the Office of Public Advocates** (from \$1,000 to \$3,000). The agency does not request additional funding for this purpose, and planned expenditures are equal to the amount approved by the 2023 Legislature.

The request also includes \$95.0 million in off-budget expenditures and 368.9 off-budget FTE positions, which are categorized as such to avoid double counting payments from one state agency to another.

Governor's Recommendation

The **Governor** recommends \$181.7 million in on-budget expenditures and 111.2 on-budget FTE positions for FY 2025, including \$127.5 million SGF and \$34.6 million from ELARF. The Governor concurs with the agency request but recommends three additions, totaling \$4.7 million, detailed below.

First, the Governor recommends \$3.2 million, including \$4.2 million SGF and a reduction of \$1.1 million from the ARPA State Relief Fund, to **pay off the remaining principal balance of the Master Lease Purchase Agreement**. In FY 2022, the agency spent \$5.9 million to replace outdated printing equipment used to provide printing, copying, and binding services for state agencies. The agreement requires annual debt service payments of \$1.1 million through FY 2028. The recommendation would pay off the remaining balance in FY 2025.

Second, the Governor recommends \$1.5 million SGF to **maintain the centralized electronic credential verification system** created pursuant to 2023 SB 66.

Lastly, the Governor recommends \$1.5 million SGF to replace \$1.5 million from ELARF in **debt service principal payments for Series 2004C KPERS pension obligation bonds**. This swap would be a one-time event and does not change the \$21.2 million in debt service principal payments for FY 2025. Payments for this bonds are typically made from ELARF, but the Governor notes the fund has an insufficient ending balance for FY 2025.

Joint Committee on State Building Construction Recommendation

The **Joint Committee** concurs with the Governor's recommendation for FY 2025, with the following recommendation:

1. The **Joint Committee** recommends the House Committee on Appropriations and the Senate Committee on Ways and Means review the Governor's recommendation to address the indebtedness of the State as it relates to bonds issued for capital improvements projects.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2025, with the following adjustment:

1. Delete \$639,860 SGF and 5.0 FTE positions to not adopt the agency request to add five new Policy Analyst positions within the Division of the Budget for FY 2025.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2025, with the following adjustment:

1. Add language authorizing the receipt of gifts, grants, bequests, and donations to the Friends of Cedar Crest Endowment Fund and allow for use of endowment funds for FY 2025. The agency would be required to authorize these funds before use and to submit a report on its findings to the House Committee on Appropriations and the Senate Committee on Ways and Means on, or before, January 13, 2025.

2023 HB 2184 established the Fund for the living quarters at Cedar Crest and included language prohibiting use of funds until FY 2026. This recommendation would accelerate use of these funds to FY 2025.

2. Add language authorizing the Governor's Residence Advisory Commission to expend funds from existing resources to explore the possibility of renovating Cedar Crest for FY 2025. Additionally, add language increasing membership of the Commission to include the First Vice President of the Friends of Cedar Crest Association.

House Committee of the Whole Recommendation (Sub. for HB 2273)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2025.