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Adam C. Proffitt, Secretary

Laura Kelly, Governor

September 11, 2024

Mr. Adam Proffitt, Director of the Budget
Attn: Leyton Gunn
Division of the Budget
900 SW Jackson, Suite 504-N
Landon State Office Building
Topeka, Kansas 66612

Dear Mr. Proffitt:

As Secretary for the Department of Administration, I hereby submit for your consideration the revised Fiscal Year 2025 and Fiscal Year 2026 budget document for the Department. It has been prepared in accordance with the instructions transmitted with your letter sent July 9, 2024. To the best of my knowledge and belief, the information and explanation included in this budget request are correct and complete.

As always, my staff and I are prepared to provide any additional information which you or our budget analyst may require.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt".

Adam Proffitt, Secretary
Department of Administration

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of AdministrationProgram Agency Overview**AGENCY VISION:**

Kansas Department of Administration is recognized for the high quality of its services, the responsiveness of its employees and its commitment to continuous improvement.

AGENCY MISSION:

The Department of Administration is a service agency. Our customers are Kansas taxpayers and our fellow state employees and agencies. It is our mission to provide excellent customer service, every time.

THEMATIC GOAL:

Customer satisfaction, confidence, and trust in service delivery and operations management.

Defining objectives:

- Continuously meet or exceed stakeholder expectations
- Keep rates and charges competitive and reasonable while continuously improving services
- Develop and communicate data, information, policies, laws and regulations that are understandable, accessible and reasonable
- Increase organizational productivity.

OFFICES ESTABLISHED TO ASSIST WITH AGENCY MISSION:

- Office of the Secretary
- Office of Chief Counsel
- Office of Financial Management
- Office of Facilities and Property Management
- Office of Systems Management
- Office of Printing, Central Mail and Surplus
- Office of Procurement and Contracts
- Office of Personnel Services
- Division of State Employee Health Benefits Programs
- Office of Accounts and Reports

OTHER OFFICES AFFILIATED WITH THE DEPARTMENT OF ADMINISTRATION:

Division of the Budget (DOB) and Office of the Public Advocates (OPA) (Long-Term Care Ombudsman and KanCare Ombudsman)

STATUTORY HISTORY:

The Department of Administration (DofA) was created by the Legislature in 1953. Current provisions are found in K.S.A. 75-3701 et seq. The DofA was authorized to develop financial plans and policies; coordinate and supervise the fiscal affairs and procedures of the state; provide accounting, including budgetary accounting, fiscal reporting, pre-auditing, purchasing and storekeeping services; conduct special investigations upon request of

the Governor or Legislature; develop plans for improving and economizing the operations of state agencies; administer all personnel matters; and provide central services such as mail and message, electronic data processing, telephone, duplicating and building management.

In 1965, the Department was reorganized into six Divisions: Administration, Accounts and Reports, Budget, Personnel, Purchasing and Architectural Services.

In 1972, the Department was reorganized, creating a Secretary of Administration; establishing a Division of Computer Services with an advisory Board; activating a Division of Administrative Services to be assigned central mail services, federal surplus property distribution, central duplicating services, central motor pool, Capitol Area Security Patrol and central telephone service; replacing the three-member Civil Service Board with a five-member Civil Service Commission; and attaching the Board of Treasury Examiners and the State Records Board to the reorganized DofA.

In 1974, the Kansas Legislature created a Division of State Planning and Research within the DofA to coordinate the planning done in various state agencies and to assume some of the duties previously performed by the Kansas Department of Economic Development; created a Public Television Commission within the department to conduct or contract for feasibility studies on alternative methods of developing a statewide public television system; transferred the municipal audit function from the State Auditor to the Division of Accounts and Reports; provided authority for the Secretary of Administration to control and coordinate telecommunications services for all state agencies, including the appointment by the Secretary of Administration of a State Telecommunications Advisory Committee to be composed of representatives of users of telecommunications services within the various state agencies; and changed the name of the Division of Information and Communications Systems to the Division of Computer Services.

By executive order, an Office for Equal Employment Opportunity was established in 1975 and assigned to the DofA. In 1976, a Division of Printing was created within the Department to assume the duties of the former office of the State Printer. The 1976 Legislature also abolished the Division of Administrative Services and assigned its functions to other divisions of the department. That year the State Finance Council was detached from the Department and established as a separate state agency.

In 1978, the Legislature placed under the Secretary all functions previously administered by the Director of Architectural Services. A seven-member State Building Advisory Commission was created, and an unclassified Director of Architectural Services was established to manage architectural and engineering services. Review and approval of school building plans was transferred to the Department of Education.

During 1978-1980, the Department was organized into eight divisions: Accounts and Reports, Budget, Personnel Services, Purchases, Computer Services, Printing, Architectural Services and State Planning and Research.

The 1980 Legislature made two specific changes affecting the organization. The Division of State Planning and Research was abolished, with the HUD-701 planning function being transferred to the Kansas Department of Economic Development and with the A-95 program, demographic work

and some research being transferred to the DOB. Another change by the 1980 Legislature was the reconstructing and renaming of the Division of Computer Services to a new Division of Information Systems and Computing.

The 1984 Legislature created the Division of Information Systems and Communications, combining the former Division of Information Systems and Computing and the Office of Telecommunications. Legislation was also passed creating a Health Care Commission and placing the budgeting and administrative functions for the Commission in the Department. During 1985, the Legislature transferred responsibility for intergovernmental review of federally financed projects from the Department of Human Resources to the DofA and approved a modest sum to initiate a centralized records management program.

In 1988, the Secretary of Administration placed the Office for Equal Employment Opportunity under the director of the Division of Personnel Services.

In 1989, the Secretary created a new Division of Facilities Management. This Division incorporated Buildings and Grounds Maintenance, Central Motor Pool, Parking, Lease Administration, and capital improvement planning.

In 1993, the Kansas Public Broadcasting Commission was abolished, and the Kansas Public Broadcasting Council was created in the Department to distribute these funds.

In 1998, the Department of Social and Rehabilitation Service's Hearings Office and the State Long-Term Care Ombudsman Offices were transferred to the DofA.

In 2001, the Division of Architectural Services was dissolved and was placed within the Division of Facilities Management.

In 2004, the Office of Health Care Planning and Finance was transferred to the DofA.

In 2005, the Office of Health Care Planning and Finance was abolished, and the Division of Health Policy and Finance was created.

In 2006, the Division of Health Policy and Finance was transferred to the newly created Kansas Health Policy Authority.

In 2009, the Office of Administrative Hearings became a separate state agency.

A functional restructuring took place in August 2011. It was designed to programmatically align related functions of the Department into various Offices. The following divisions of the DofA were abolished:

- Division of Accounts and Reports
- Division of Personnel Services
- Division of Purchasing
- Division of Facilities Management
- Division of Information Systems and Communications
- Division of Printing and Surplus Property

The following offices of the DofA were established:

- Office of Chief Counsel
- Office of Management Analysis and Standards
- Office of Human Resources
- Office of Business Process Improvement
- Office of Facilities and Property Management
- Office of Information and Technology Services
- Office of Inspector General
- Office of General Services

Further restructuring in 2012 added the Office of Systems Management and Office of Research and Development. The Office of Management Analysis and Standards and the Office of Research and Development were later merged with the Office of Inspector General. These changes are reflected in the list below.

- Office of Chief Counsel
- Office of Human Resources
- Office of Business Process Improvement
- Office of Facilities and Property Management
- Office of Systems Management
- Office of Inspector General
- Office of General Services

In January 2013, adjustments to the organization resulted in dissolving the Offices of General Services, Inspector General and Business Process Improvement, moving the functions of Procurement, Printing, Central Mail and Surplus Property into the Office of Facilities and Property Management and changing the name to the Office of Facilities and Procurement Management. The Payroll and Central Accounting functions were moved to the Office of Systems Management. The remaining financial functions were moved into the newly created Office of Financial Management. The Office of Human Resources changed its name to the Office of Personnel Services.

In 2013, the Office of Chief Financial Officer was created. All other changes are reflected in the list below.

- Office of Chief Counsel
- Office of Financial Management
- Office of Facilities and Procurement Management
- Office of Systems Management
- Office of Personnel Services
- Office of Chief Financial Officer

In March 2015, adjustments to the organization were made. Procurement became a separate office. The Payroll and Central Accounting functions, the Setoff and KTOP programs and the State Revolving Fund were moved to the Office of Chief Financial Officer. The changes are reflected in the list below:

- Office of Chief Counsel
- Office of Financial Management
- Office of Facilities and Procurement Management
- Office of Systems Management
- Office of Personnel Services
- Office of Procurement and Contracts
- Office of Chief Financial Officer

In 2017, adjustments to the organization were made. Printing, Central Mail and Surplus became a separate office. The changes are reflected in the list below:

- Office of Chief Counsel
- Office of Financial Management
- Office of Facilities and Procurement Management
- Office of Printing, Central Mail and Surplus
- Office of Systems Management
- Office of Personnel Services
- Office of Procurement and Contracts
- Office of Chief Financial Officer

In July 2019, the Office of Information and Technology Services became an independent state agency and removed the agency from under the DofA.

In August 2019, the Office of Chief Financial Officer reverted to the naming convention used in statutes and was renamed the Office of Accounts and Reports.

In the 2020 legislative session, Executive Reorganization Order No. 45 transferred the functions of the State Employees' Health Benefits Program (SEHBP) and the State Workers Compensation Self-insurance Fund from the Department of Health and Environment to the DofA. SEHBP was newly established as a separate office in the DofA.

The current offices are reflected in the list below:

- Office of Chief Counsel
- Office of Financial Management
- Office of Facilities and Procurement Management
- Office of Printing, Central Mail and Surplus
- Division of State Employees' Health Benefits Program
- Office of Systems Management
- Office of Personnel Services
- Office of Procurement and Contracts
- Office of Accounts and Reports

In October 2021, Executive Order No. 21-27 established the OPA as a separate office within the DofA. OPA consists of Long-Term Care Ombudsman previously under DofA, KanCare Ombudsman transferred from Kansas Department of Aging and Disability Services, and Division of the Child Advocate newly established under Executive Order No. 21-27.

In April 2024, SB115 was approved by the Governor. This bill established the Office of the Child Advocate as an independent state agency and removed the agency from under the DofA.

AGENCYWIDE OVERVIEW OF CURRENT YEAR ESTIMATE AND BUDGET YEAR INFORMATION:

CURRENT YEAR:

The DOB and OPA are included in the Department's budget document but separately administer, their operations and prepare their budgets.

Performance Management Initiatives. The performance management initiatives for the Agency are designed to achieve the following:

- Streamline processes
- Improve responsiveness
- Ensure greater accountability

For FY 2025, the DofA includes expenditures totaling \$965.8 million from all funding sources. The DOB totals \$2.7 million and OPA totals \$1.9 million. The FY 2025 approved DofA budget totaled \$917.6 million from all funding sources. This revised FY 2025 budget request is an increase of approximately \$48.2 million. The increase is due to obligating all ARPA funds that were awarded to the DofA by the end of calendar year 2024 and paying down a number of debt service bonds.

There is one State General Fund line item for operations. Separate line items are maintained for Capital Improvements, Debt Service, OPA, DOB, and any special funds awarded by legislature.

BUDGET YEAR:

For FY 2026 the DofA includes expenditures totaling \$952 million from all funding sources. The DOB totals \$2.2 million and OPA totals \$1.5 million. The FY 2026 request is approximately \$13.7 million below the FY 2025 revised Budget Request. This decrease is due to the completion of the ARPA Projects and a decrease in funding for debt services and the Licensing Verification Portal. These decreases are offset by health insurance premium payments increasing.

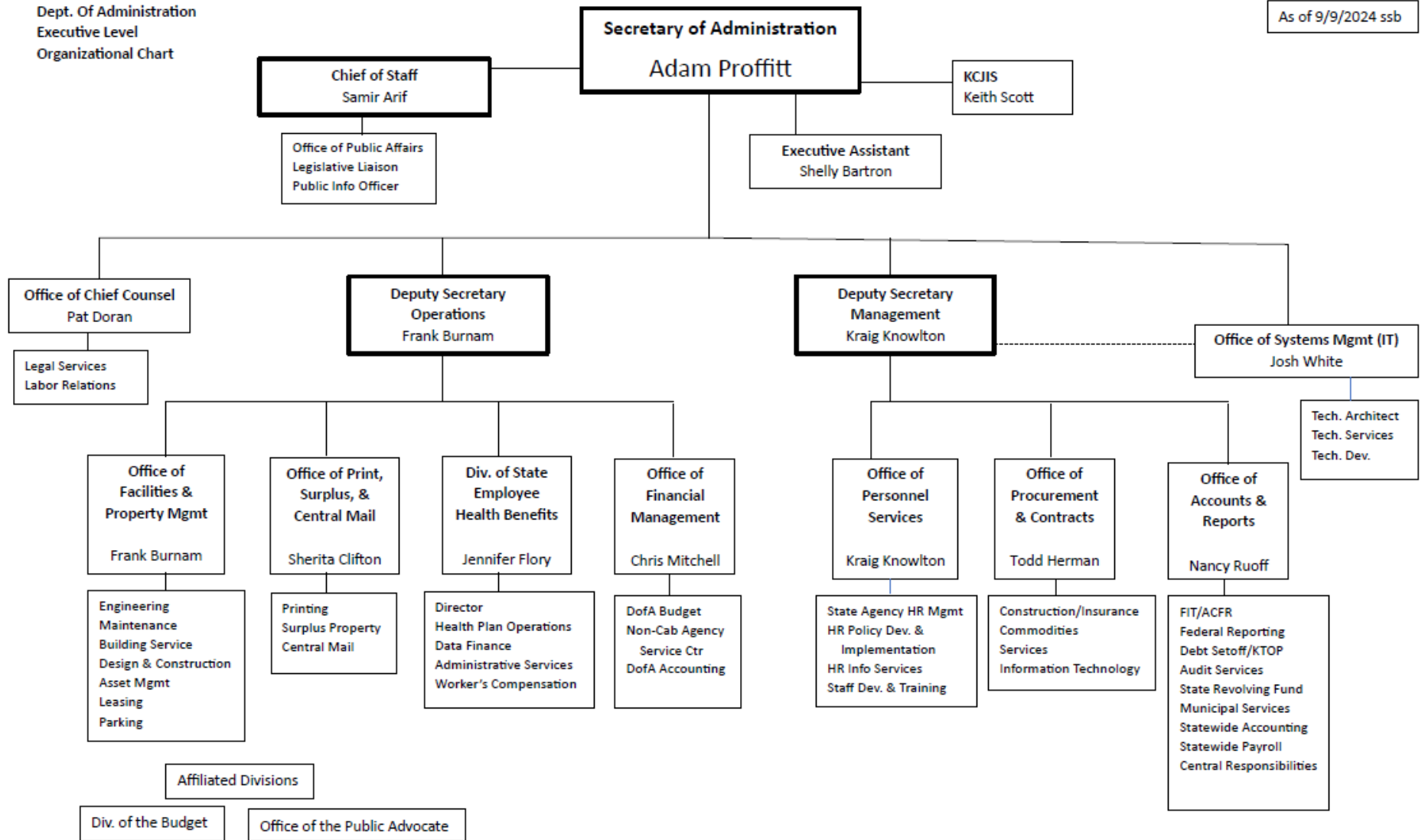
FTE Positions

The table below reflects total positions for FY 2024, FY 2025, and FY 2026.

Department of Administration				
Summary of Total FTE Count				
Department of Administration Offices	FY 2024	FY 2025	FY 2025	FY 2026
	Actuals	Original	Revised	Request
	Request	Request	Request	Request
Office of the Secretary	7.00	7.00	7.00	7.00
Office of Chief Counsel	8.00	8.00	8.00	8.00
Office of Financial Management	14.00	14.00	14.00	14.00
Office of Facilities & Property Management	186.00	191.00	186.00	186.00
Office of Systems Management	27.00	24.00	27.00	27.00
Office of Printing, Central Mail, & Surplus	47.00	47.00	47.00	47.00
Office of Procurement & Contracts	24.00	20.00	29.00	29.00
Office of Personnel Services	20.00	23.00	22.00	24.00
Division of State Employee Health Benefits Program	45.00	45.00	45.00	45.00
Office of Accounts & Reports	62.00	62.00	62.00	62.00
Subtotal	440.00	441.00	447.00	449.00
Office of the Public Advocates				
State Long-Term Care Ombudsman	10.00	10.00	10.00	10.00
KanCare Ombudsman	3.00	4.00	4.00	4.00
Subtotal	13.00	14.00	14.00	14.00
Division of the Budget				
Subtotal	12.00	14.00	14.00	14.00
Grand Total	465.00	469.00	475.00	477.00

Dept. Of Administration
Executive Level
Organizational Chart

As of 9/9/2024 ssb



Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of AdministrationProgram Office of the Secretary**OFFICE OF THE SECRETARY OF ADMINISTRATION**

The Secretary of Administration, among other statutory duties, establishes the vision and mission for the agency and works with the office directors to move agency operations to reflect that vision and mission. The Office of the Secretary manages the DofA, supervises the various offices and their functions, establishes agency priorities, and allocates resources accordingly. In February 2013, the Office of Public Affairs was created and sits as part of the Office of the Secretary. The Director of Public Affairs serves as the agency's Chief of Staff, as well as the legislative liaison and communication director. Additional functions include coordination of employee awards with OPS. The Secretary of Administration also serves as a member of various commissions, boards, and committees, including the Kansas State Employees' Health Care Commission and the Kansas Criminal Justice Information Systems. In addition, the Secretary serves as Secretary of the State Finance Council.

PERFORMANCE MEASURES

OBJECTIVE #1 – Re-envision the recruitment, retention, and development of state employees

Develop and enhance structures, practice, and policies to better recruit, retain and develop our state workforce.

Strategies for Objective #1:

1. Work with executive branch agencies to identify areas from the Employee Survey for improvement and assist with implementation of policy or procedure changes.
2. Explore options with the Health Care Commission to reduce the cost of health care to state employees.
3. Identify professional development resources, structures, and partnership to better support state employees.
4. Review differences in barriers to hiring and/or retaining employees across geographic regions and across disciplines to ensure the state remains nimble in the marketplace and positions itself as an employer of choice.

OBJECTIVE #2 – Enhance and streamline the statewide procurement process, policies, and tools

Analyze the procurement process for ways to maximize customer service, while also promoting transparency and competitive bidding.

Strategies for Objective #2:

1. Review current regulations, business process and organizational structures to make statewide procurement processes more effective, efficient, and transparent.
2. Minimize the number of non-competitive bid requests approved.
3. Evaluate requests for non-competitive bid events received by the Office of Procurement and Contracts from state agencies pursuant to K.S.A. 75-3739 to determine level of activity each fiscal year.

OBJECTIVE #3 – Strengthen the delivery of services

Ensure that DofA services are provided effectively and efficiently, with high levels of customer satisfaction.

Strategies for Objective #3:

1. Work with agencies and state government leadership to gauge their level of satisfaction with DofA services.
2. Increase the level and quality of services to non-cabinet agencies.
3. Proactively communicate with units of government about the services that the DofA offers.
4. Review the delivery method and the tools associated with the services that the DofA offers to ensure we continue to operate efficiently and with the most modern set of tools and software available.

OBJECTIVE #4 – Review of business operations

Review and analyze regulations, business processes and organizational structures to identify areas of efficiency or improvement.

Strategies for Objective #4:

1. Work with DofA executive team and their counterparts across state government, to make their processes more effective, efficient, and transparent.
2. Interface with agency leadership to solicit formal and informal reports on satisfaction with DofA services.

EXPENDITURE JUSTIFICATION

Total Current Year FY 2025 - \$1,630,927

Total Budget Year FY 2026 - \$1,140,650

Object Code 100: Salaries and Wages

The Office of the Secretary has seven FTEs, including the cabinet secretary, two deputy secretaries, director of public affairs and two administrative staff, along with one position for KCJIS. Included in this office are the salary expenses for KCJIS of \$97,000 annually, as well as expenses for the Finance Council members.

Total Current Year FY 2025 - \$923,127

Total Budget Year FY 2026 - \$929,650

Object Codes 200-290: Contractual Services

The major object codes in this classification of expenditures are building space and copier rent, along with the monumental building surcharge. This also includes expenses for KCJIS of \$11,000.

Total Current Year FY 2025 - \$196,300

Total Budget Year FY 2026 - \$199,500

Object Codes 300-390: Commodities

The major object codes in this classification of expenditures is for stationery and office supplies. This category includes paper, notebooks, computer supplies and other miscellaneous office supplies. This also includes expenses for KCJIS of \$500 annually.

Total Current Year FY 2025 - \$11,500

Total Budget Year FY 2026 - \$11,500

Object Code 900: Other Assistance

The major object codes in this classification of expenditures is for the Security against Antisemitism funding that was received in FY 2024 and reappropriated in FY 2025.

Total Current Year FY 2025 - \$500,000

Total Budget Year FY 2026 - \$0

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of AdministrationProgram Office of Chief Counsel**OFFICE OF CHIEF COUNSEL**

The Office of Chief Counsel manages the legal affairs of the DofA and serves as the chief legal advisor to the Secretary of Administration, office directors, and managers. The Office of Chief Counsel is responsible for all legal work arising from the activities of the Department and provides legal advice and services in a wide variety of areas of law, including legislation, finance, constitutional matters, commercial transactions, employment, real estate, litigation, contracts, and administrative regulations. The services provided to the DofA by the Office of Chief Counsel include, but are not limited to, the following: (1) provide legal opinions and advice to the Secretary of Administration; (2) provide legal assistance to the Office of Financial Management, the Office of Systems Management, and the Office of Accounts and Reports regarding accounts receivable, setoff programs, payroll matters, reimbursement issues, and accounting issues; (3) advise the Office of Facilities and Property Management regarding real estate, construction, and property management issues; (4) advise the Office of Procurement and Contracts regarding procurement, negotiation, and contracting issues; (5) advise the Office of Personnel Services and Office Directors on personnel matters and labor relations issues; (6) review contracts and real estate leases for the procurement or rental of various goods and services used on behalf of the State of Kansas; (7) provide assistance to the State Finance Council and the Health Care Commission; (8) assist in drafting legislative bills for the Department, including statutory amendments and new statutory authorization; (9) assist Department personnel in reviewing and interpreting statutory authority and judicial rulings; (10) assist Department personnel in developing and drafting policies and procedures for the benefit of the Department as well as the State of Kansas; (11) represent the Department in litigation or other legal disputes in which the Department is a party; and provide semi-annual Continuing Legal Education seminars to active and retired State of Kansas attorneys; and (12) advise the State Employee Health Benefit Plan regarding legal issues, contract negotiations, drafting contracts and contract amendments. The Office of Chief Counsel also provides advice and legal services to other agencies.

PERFORMANCE MEASURES**PROGRAM GOAL:**

To maximize fiscal resources and revenues available to the State in the context of providing legal services, continuing legal education for state agency attorneys, and review and approval of proposed administrative regulations.

OBJECTIVE #1

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.

Strategies for Objective #1:

1. Prioritize the review of departmental office and customer agency contracts, leases, and other agreements.
2. Monitor open records requests for prompt response by departmental offices.
3. Build on relationships with counsel in other agencies to avoid duplication of efforts and resources.

Performance Measures for Objective #1:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of contracts, leases, and other agreements completed	144	139	105	105
Number of Register Notices completed	68	71	55	55
Number of KORA requests closed	214	245	220	220

OBJECTIVE #2

Provide state agency and other governmental attorneys with relevant, cost-effective continuing legal education (CLE) and training opportunities.

Strategies for Objective #2:

1. Generate state agency input on the topics for which educational opportunities are desired.
2. Identify affordable, high-quality speakers and utilize the Zoom platform to reach an audience of up to 500 individuals.
3. Create and maintain a listserv distribution list of over 400 members comprised of active and retired state-employed attorneys. Emails are sent to the members promoting the webinars and providing CLE instructions, registration, and tuition payment methods.
4. Develop methods to obtain feedback on content and quality of programs.

Performance Measures for Objective #2:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of attorneys that attended the fall and spring CLE webinars	398	392	365	365
Survey results: ranking on the content and quality of programs provided at the webinars (out of 5)	4.02	4.16	4.0	4.0

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of CLE credits provided each year to meet the Kansas CLE Commission Licensure Requirements (required: 12)	12	12	12	12
Number of Ethics CLE credits provided each year to meet the Kansas CLE Commission Licensure Requirements (required: 2)	3	4	3	3

**Kansas CLE Commission Licensure Requirements met or exceeded*

OBJECTIVE #3

Provide agencies with cost-effective means to prepare and obtain required departmental approval of regulations.

Strategies for Objective #3:

1. Identify situations in which agencies need assistance in preparing and obtaining approval of regulations.
2. Develop procedures and strategies for ensuring that revisions and drafts of regulations prepared by agencies conform to the Kansas regulatory style and are accurate and consistent with the intent of the agency.
3. Develop and post information about drafting and adopting regulations on the DofA’s website.

Performance Measures for Objective #3:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of regulations completed	498	502	450	450

EXPENDITURE JUSTIFICATION

Total Current Year FY 2025 - \$1,261,138

Total Budget Year FY 2026 - \$1,269,943

Object Code 100: Salaries and Wages

The Office of Chief Counsel has eight FTEs and one temporary part-time position. This level of staffing is responsible for all legal work arising from the activities of the Department and provides legal advice and services in a wide variety of areas of law, including legislation, finance, labor relations, risk management, constitutional matters, commercial transactions, employment, real estate, litigation, contracts, and administrative regulations.

Total Current Year FY 2025 - \$1,061,768

Total Budget Year FY 2026 - \$1,067,633

Object Codes 200-290: Contractual Services

The major object codes in this classification of expenditures are building rent and fees. The expenditures requested under contractual services would allow the Office of the Chief Counsel to maintain its current services.

Total Current Year FY 2025 - \$191,370

Total Budget Year FY 2026 - \$194,310

Object Codes 300-390: Commodities

The major object code in this classification of expenditures is office supplies.

Total Current Year FY 2025 - \$500

Total Budget Year FY 2026 - \$500

Object Codes 400-490—Capital Outlay:

The major object codes in this classification of expenditures are for computer equipment and software and a possible office expansion.

Total Current Year FY 2025 - \$7,500

Total Budget Year FY 2026 - \$7,500

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of AdministrationProgram Office of Financial Management**OFFICE OF FINANCIAL MANAGEMENT**

The Office of Financial Management was established during fiscal year 2013 as part of the DofA's reorganization. The three teams within the Office of Financial Management are: 1) DofA Fiscal Services; 2) DofA Budget; and 3) State Agency Service Center. General duties include consulting, supporting, and assisting in monitoring and improving the financial health of the agency, along with administering the security of the statewide management, accounting, and reporting tool (SMART) system for agency processors, paying the debt service for the State, and compiling the necessary data for Statewide Cost Allocation Plan (SWCAP).

Department of Administration Fiscal Services Team

The Fiscal Services Team provides accounting services to all offices within DofA. Accounts payable services include, but are not limited to, entering and approving requisitions, payments, general ledger entries, and travel and expense reimbursements. The accountants review supporting documentation and transactions to comply with state laws, policies, regulations and accounting procedures. Accounts receivable services include, but are not limited to, entering deposits, receiving credit card payments, entering billings, and tracking outstanding accounts receivable balances.

Department of Administration Budget Team

The Budget team serves as the central budgeting office for all DofA offices. The team coordinates the development and submission of DofA's budget providing an agency wide perspective on policy, revenue, and expenditures. The Budget team develops the various rates charged to other state agencies for centralized services provided by DofA. These rates are forecast for future years and used in budget development by all State agencies. Monthly budget management reports including expenditures and revenues are provided to the DofA offices. One of the duties of the Budget Team is to oversee the debts that have been issued to the Department for State purposes and ensures the payment of each bond is completed correctly. Another responsibility is compiling data to submit the SWCAP to Health and Human Services.

State Agency Service Center Team

During the implementation of SMART, an opportunity was identified for the DofA to provide accounting support to numerous State agencies, boards, and commissions. The State Agency Service Center's goal is to enhance the efficiency of financial management for these agencies and help attain cost savings for the State. The accountants are knowledgeable of the service center agency's operations, financials, and statutory requirements.

Services are established upon execution of a MOU, which outlines the financial support being offered such as, entering and approving travel and expense reimbursements, travel authorizations, P-Card reconciliations, purchase requisitions, purchase orders, and monthly financial reporting. When an agency utilizes the State Agency Service Center, there is an assurance that the work is completed timely and accurately. The accountants under this team are available to assist other State agency accounting departments during staff vacations, sick leave, or gaps in employment, if needed.

PERFORMANCE MEASURES

PROGRAM GOAL:

Provide accounting and fiscal management services to the offices within the DofA and other state agencies.

OBJECTIVE #1

Provide timely and efficient accounting services to DofA offices and agencies with a MOU with the Service Center.

Strategy for Objective #1:

1. Provide accounting services and monthly financial reporting in a timely and efficient manner.

Performance Measures for Objective #1:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
All Service Center agencies will receive monthly financial reporting no later than 15 days following the end of the month.	100%	100%	100%	100%
All DofA offices will receive monthly financial reporting no later than 15 days following the end of the month.	100%	100%	100%	100%

OBJECTIVE #2

Coordinate and develop the annual budget for the DofA.

Strategy for Objective #2:

1. Develop a budget timeline to ensure all deadlines are met.

Performance Measures for Objective #2:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
The Budget Team will meet with each DofA Director (in-person, as permitted) to assist in timely budget development.	100%	100%	100%	100%

EXPENDITURE JUSTIFICATION

Total Current Year FY 2025 - \$11,307,447

Total Budget Year FY 2026 - \$3,711,645

Object Code 100: Salaries and Wages

The Office of Financial Management has 14 FTEs. This includes a director, executive assistant, three managers, seven accountants, and two analysts.

Total Current Year FY 2025 - \$1,357,630

Total Budget Year FY 2026 - \$1,370,345

Object Codes 200-290: Contractual Services

The major object codes in this classification of expenditures are building rent, copiers, and lease expenses for laptops. The other significant expenditures in this category are OITS charges. This also includes expenses for the consultant who completes the SWCAP report and Apptio database for DofA and Service Center financial reporting and DofA billings. The Licensing Verification Portal expenses are within OFM’s budget also.

Total Current Year FY 2025 - \$8,782,100

Total Budget Year FY 2026 - \$1,788,800

Object Codes 300-390: Commodities

The major object code in this classification of expenditures is for office supplies.

Total Current Year FY 2025 - \$2,500

Total Budget Year FY 2026 - \$2,500

Object Codes 400-490—Capital Outlay:

The major object codes in this classification of expenditures are for an office remodel including new cubicles, chairs, and office décor. The other portion of this is to build out the various billings that are completed by DofA in the Apptio database.

Total Current Year FY 2025 - \$160,000

Total Budget Year FY 2026 - \$0

Object Codes 500-590: Other Assistance, Grants and Benefits

The major object code in this classification of expenditures is Federal Aid Payments for the Federal Flood Control Act. We receive federal funds that are then paid to local units of government based on a formula.

Total Current Year FY 2025 - \$505,217

Total Budget Year FY 2026 - \$550,000

Object Code 920: Non-Expense

The major object code in this classification of expenditures is transfers out for the Digital Imaging Grant Program. This program provides funding to State agencies to digitalize their records. There is an application process for this program which are reviewed by the Director of Public Affairs and OFM staff to decide as to award the project or not. The funding that we currently have will only last until FY 2025.

Total Current Year FY 2025 - \$500,000

Total Budget Year FY 2026 - \$0

Narrative Information—DA 400

Division of the Budget

Agency _____ Department of Administration

State of Kansas

Program Office of Facilities & Property Management**OFFICE OF FACILITIES AND PROPERTY MANAGEMENT**

The Office of Facilities and Property Management (OFPM) strives to ensure that employees of the State of Kansas enjoy a clean, safe, efficient and comfortable environment in the buildings.

The Division of Facilities Management (DFM) was created because of a reorganization of the DofA in March 1989 to facilitate the statutory duties of the Secretary of Administration. K.S.A. 75-3762 grants the Secretary of Administration the "...charge, care, management and control of the Statehouse, the state office buildings, the Kansas Technical Institute...the office building at 801 Harrison [in Topeka], the Memorial Hall, the Governor's mansion, [the Landon State Office Building] and all other buildings or grounds now or hereafter owned or to be owned by the state in Shawnee County, the custody of which buildings or grounds is not assigned by law to some other state agency." In January 2002, The Division of Architectural Services merged with the Division of Facilities Management. During FY 2012, the Office of Facilities and Procurement Management was created as part of a functional re-structuring of the Department. In FY 2015, the Office of Procurement and Contracts was separated from the Office of Facilities and Procurement Management, resulting in returning the name back to the Office of Facilities and Property Management.

OFPM centrally administers state-owned and state-leased facilities and protects the State's interest in all state facilities planning, design and compliance activities. The Office of Facilities and Property Management provides: 1) Engineering Services, 2) Maintenance/Construction, 3) Building services (housekeeping), 4) Parking and Grounds services, 5) Design, Construction, and Compliance services, and 6) Asset Management.

Engineering Services

The Office of Facilities and Property Management 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 for the employees. 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/Construction

The Maintenance/Construction section 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 that 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. This section also responds to customer concerns and complaints about building issues, such as

temperature, lighting, and other miscellaneous items, in a timely and professional manner.

Building Services

The Building Services section provides housekeeping services for the state-owned buildings in Topeka. State owned buildings include the Kansas Statehouse, Kansas Judicial Center, Docking, Landon, Memorial, Curtis, Eisenhower, Kansas Department of Health and Environment Laboratories (KDHE Lab), and 1020 Kansas. Tasks done by this section on a regular basis include emptying trash, cleaning restrooms, dusting, vacuuming carpets, mopping floors, stripping, and waxing of floors and other special cleaning projects as they arise or are assigned. The Building Services section is also responsible for all Statehouse and Statehouse Grounds event setup, coordination, and tear down.

Levels of Cleanliness:

Level 1: Orderly Spotlessness - Kansas Statehouse, Judicial Center, and KDHE Lab

Level 2: Ordinary Tidiness - Judicial Center, Curtis, Landon, Memorial Hall, Docking, and Eisenhower.

Grounds Services

The Grounds Services section maintains all landscaping, irrigation, and partial snow/ice removal. This includes the Capitol Complex, State Print Plant, Forbes, and Cedar Crest.

Design, Construction, and Compliance

The Design, Construction, and Compliance section provides planning, design reviews and construction administration for all statewide capital improvement projects. The section administers architectural and engineering firm selection. K.S.A. 75-1250 et seq. established the requirements for contracts for architectural services. K.S.A. 75-5801 et seq. established the requirements for engineering services. This section also performs Life Safety Code and Americans with Disabilities Act design reviews in addition to field inspection services for both code compliance and quality control during construction.

Asset Management

The Asset Management section administers and approves state leases for all state agencies pursuant to K.S.A. 75-3739 which requires that “...no state agency shall enter into any lease of real property without prior approval of the Secretary of Administration.” The duties of this section also fall under the following statutes. K.S.A. 75-3765b states that the Secretary of Administration “shall develop and adopt policies and procedures for centralizing the function of leasing of office space in non-state-owned buildings and facilities for state officers and employees of all state agencies.” K.S.A. 75- 3765(a)(1) states that “The Secretary of Administration shall assign space and facilities in all state-owned or operated property or buildings in Shawnee County, Kansas... [except as specifically exempted by statute].” K.S.A. 75-3765b also authorizes the Secretary of Administration “...to fix, charge and collect a lease negotiation service fee to recover the costs incurred by the department in providing lease negotiation services....”.

Parking

The Office of Facilities and Property Management administers parking for the Capitol Complex. This includes issuance of free employee parking permits for surface parking, wait lists, and billing for parking in the Curtis State Office Building parking garage. Surface lots are maintained through funds collected from the Monumental Building Surcharge and the Curtis State Office Building Garage is maintained with fees collected through reserved parking fees.

PERFORMANCE MEASURES

PROGRAM GOAL

To provide services to user Agencies, visitors, and employees in a timely and efficient manner.

OBJECTIVE #1 – Tenant response and satisfaction

Respond to all tenant building maintenance, un-scheduled cleanups, and emergency services in an efficient manner (including mechanical, electrical, and plumbing systems) in the Capitol Complex, Forbes, and Cedar Crest.

Strategies for Objective #1:

1. Track number of work orders assigned to respective trades by Customer Service Center and online submission process.
2. Solicit feedback from building tenant points of contact on yearly basis in form of client service survey.

Performance Measures for Objective #1:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of work orders - Building Maintenance	3,382	3,112	3,250	3,250
Number of work orders - Lock Shop	445	309	325	350
Number of work orders - Housekeeping	876	422	500	574
Number of work orders - Grounds	141	103	125	150

OBJECTIVE #2 – Building Services

Efficiently provide quality housekeeping services to Capitol Complex buildings. In addition, complete Statehouse and Statehouse Grounds event setup and tear down, as required.

Strategies for Objective #2:

1. Clean space at a level appropriate for each type of space.
2. Provide superior level of service that is still competitive with commercial market.
3. Provide event setup/tear down as required by scheduled events in the Statehouse and Statehouse Grounds.

Performance Measures for Objective #2:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Level 1 – number of square feet	740,611	740,611	767,257*	767,257*
Level 2 - number of square feet	743,232	743,232	1,018,317	1,018,317
Total square footage	1,483,843	1,483,843	1,785,574	1,785,574
Cost per square foot	\$1.40	\$1.42	\$1.45	\$1.50
Number of events scheduled for Statehouse	701	770	775	750*

* Likely reduction in FY 2026 for statehouse events due to the new Docking Building event space coming online July 2025.

* Level 1 – cleaning is expected to include the new KDHE Lab scheduled to come online January 2025.

OBJECTIVE #3 –Design, Construction, and Compliance

Provide planning, design reviews, inspection, and construction administration for all statewide capital improvement projects. Conduct interviews, fee negotiations, and contractual services for all architectural and engineering professional services.

Strategy for Objective #3:

1. Track number of actions processed for project code review, bid posting, administration by Planning and Administration staff.

Performance Measures for Objective #3:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of actions taken on projects	4,840	8,538*	8,500*	8,000*

*The number of state projects is higher than normal due to ARPA funding from federal government. Expect to continue to see these trends through end of FY 2026.

EXPENDITURE JUSTIFICATION

Total Current Year FY 2025 - \$26,073,416

Total Budget Year FY 2026 - \$26,403,894

Object Code 100: Salaries and Wages

The Office of Facilities and Property Management has 186 FTEs. OFPM uses a staffing model for housekeeping, maintenance, and grounds. With the model, each building was assigned a level at which to be cleaned or maintained. Cleaning and maintenance each have their separate definitions for each level.

Cleaning: The Statehouse is to be cleaned at level 1: Orderly Spotlessness. Judicial Center, Curtis, Landon, and Eisenhower are to be cleaned at level 2: Ordinary Tidiness.

Maintenance: The Statehouse, Judicial Center, Curtis, Landon, and Eisenhower are to be maintained at level 2: Comprehensive Stewardship.

Total Current Year FY 2025 - \$12,835,026

Total Budget Year FY 2026 - \$12,840,702

Object Codes 200-290: Contractual Services

The major object codes in this classification of expenditures are rents, maintenance and repairs, fees, utilities, and other contractual services. Insurance premium expenditures provide statewide building insurance, boiler insurance and lawn care equipment coverage, and liability insurance for OFPM vehicles. Contracts include maintenance for; pest control, window washing, trash removal, tree spraying, custodial services, snow removal, automatic doors, air-conditioning chillers, elevators, fire safety equipment, a fail-safe power source, and battery backup for computer services. Asbestos sampling and lab fees will continue to be expenses in this category.

Total Current Year FY 2025 - \$10,605,795

Total Budget Year FY 2026 - \$10,870,500

Object Codes 300-390: Commodities

The major object codes in this classification of expenditures are for maintenance materials and parts for the various building operating systems and equipment associated with the buildings and parking lots. Maintenance material expenditures include construction supplies, air filters, doors, hardware, ultra-wall systems, bearings, electrical supplies, plumbing supplies, carpentry supplies, air conditioning and painting equipment. Other expenditures include water treatment and boiler chemicals, water testing chemicals, fertilizer, fuel for lawn equipment, emergency generators, water pumps, grass seed, oxygen/acetylene and hand and power tools. Portions of the maintenance and repair costs are due to agency requests and are recovered through billings to agencies.

Total Current Year FY 2025 - \$1,115,750

Total Budget Year FY 2026 - \$1,115,750

Object Code 400: Capital Outlay

The major object codes in this classification of expenditures are tools and equipment used by building maintenance and housekeeping staff for the purpose of maintaining and cleaning buildings.

Total Current Year FY 2025 - \$180,000

Total Budget Year FY 2026 - \$145,000

Object Code 920: Non-Expense

The major object codes in this classification of expenditures are for indirect cost derived from the Statewide Cost Allocation Plan (SWCAP), the building depreciation transfers required by K.S.A 75-3655 and building depreciation transfers for the Curtis State Office Building.

Total Current Year FY 2025 - \$1,336,845

Total Budget Year FY 2026 - \$1,431,942

Narrative Information—DA 400

Division of the Budget
Administration

State of Kansas

Agency _____ Department of

Program Office of Systems

OFFICE OF SYSTEMS MANAGEMENT

The Office of Systems Management (OSM) is responsible for supporting the information systems and the technology needs of the DofA. This responsibility includes technical, development and help desk support for the statewide Oracle PeopleSoft Enterprise Resource Planning (ERP) system, statewide Setoffs programs as well as technical server and end-user support for the employees of the DofA. The ERP includes the Financials Supply Chain Management (SMART) and Human Capital Management (SHARP) applications. The OSM is also responsible for supporting the PeopleSoft ERP, a separate team provides end-to-end technical development and server administration support for the custom Kansas Debt Recovery System (KDRS) and Kansas Treasury Offset Program (KTOP). In addition to providing application support, the Office of Systems Management is also tasked with supporting the gateway for our employees to access the server network and desktop systems by providing technical and development support for various IT applications being used within the of the DofA. The responsibilities for these systems include ensuring software versions are up to date within supported levels; providing central security and workflow administration; development and implementation of modifications needed to support end-user requirements including federal and state laws and Kansas Regulations; administration of a central ticketing system for issue management and change resolution; system infrastructure support; and providing quality customer service.

The Office is comprised of the following five teams that support the essential central systems: 1) Systems Development, 2) Service Desk, 3) System Architecture, Security and Workflow, 4) Governance of Managed Services and Hosting Partners, and 5) End User Services.

Systems Development

The Systems Development team provides systems development and application support for the SMART, SHARP, KDRS, and KTOP systems. This includes creating technical designs, developing, and testing requested updates/enhancements to the systems and providing support to the functional customers and stakeholders of the systems.

Service Desk

The Service Desk provides helpdesk support to SMART and SHARP users to address problems encountered while utilizing the systems. This also includes password changes for SMART, SHARP, Employee Self-Service, eSupplier users as well as Candidate Gateway (job applicants). They also assist with system announcements and the monitoring and adding solutions to a knowledge base.

System Architecture, Security, and Workflow

The System Architecture, Security and Workflow team provides system security set-up and access to users of SMART and SHARP as well as workflow set-up 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 set-up of batch automation, 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 the development and upgrades.

End User Services

The End User Services - Enterprise Systems Architecture and IT Project Management team is responsible for understanding all Enterprise solution components; how they work individually and how they inter-operate. These responsibilities include complete support of user workstations, coordinating enterprise application technical production support as well as upgrade support and services for our integrated systems. The team also provides IT project leadership, management, and support of DofA IT initiatives.

PERFORMANCE MEASURES

OBJECTIVE #1

Maintain or improve performance of the SHARP and SMART batch cycles and ensure uptime during business hours.

Strategy for Objective #1:

1. Developers and SCI should monitor nightly batch processes to look for long running jobs and submit tickets to have jobs tuned to improve any slowness as needed.

Performance Measures for Objective #1:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Average Nightly Run Time (HH:MM) - SMART	4:05	4:06	4:05	4:05
Average Nightly Run Time (HH:MM) - SHARP	1:45	1:47	1:48	1:45
Average Nightly Run Time (HH:MM) - SHARP – Payroll	3:11	3:09	3:10	3:10

*Nightly batch for SMART and SHARP continues to perform at current or an improved time

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Percentage of uptime during business hours - SMART	99.96%*	99.96%	99.96%	99.96%
Percentage of uptime during business hours - SHARP	99.96%*	99.96%	99.96%	99.96%

*The applications were down to end-users for four hours during scheduled upgrades.

OBJECTIVE #2

Address and resolve programmatic abends, application defects, user enhancement requests, and application updates.

Strategy for Objective #2:

1. Prioritize the issue, determine the type of fix needed, apply and test. Apply required application tax updates, PeopleSoft Update Manager (PUM) updates as well as resolve programmatic abends, application defects and end-user enhancement requests efficiently and effectively.

Performance Measures for Objective #2:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Programmatic abends, application defects, and user requests resolved - SMART	738	812	800	800
Programmatic abends, application defects, and user requests resolved - SHARP	291	316	300	300

OBJECTIVE #3

Identify, research, and resolve agency user issues at both a Tier 1 and a Tier 1.5 level for the PeopleSoft ERP, including SMART, SHARP, Employee Self Service, eSupplier, and Candidate Gateway (jobs portal).

Strategies for Objective #3:

1. Receive phone calls and identify the best approach for appropriate resolution of issue.
2. Administer and maintain the end-user issue management and ManageEngine for the PeopleSoft ERP.

Performance Measures for Objective #3:

Tier 1 = serve as the first point of contact for PeopleSoft end-users and members of the public to provide operator assistance, guidance signing in, resolve error messages and perform password resets for PeopleSoft ERP.

Tier 1.5 = Administer and maintain ManageEngine tool. Resolve or ensure resolution of more complex service desk requests.

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Total number of Tier 1 calls	39,221	37,224	39,500	39,500
Percentage of Tier 1 calls missed	4.02%	3.25%	3.5%	3.5%

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of Tier 1.5 Issues/Requests entered	18,635	17,991	18,000	18,000
Percentage of tickets resolved on first call by the Tier 1.5 team (i.e., did not need to be re-assigned/elevated to tier 2 or tier 3 technician(s))	12%	11%	15%	15%

OBJECTIVE #4

Safeguard end-user and application security of the SMART and SHARP systems.

Strategy for Objective #4:

1. Process approved user security forms in a timely manner as defined by service level agreements (SLA's).
2. Percentage of user provisioning that met SLA in SMART and SHARP.

Performance Measures for Objective #4:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Percent of user provisioning meeting SLA's - SHARP	100%	100%	100%	100%
Percent of user provisioning meeting SLA's - SMART	100%	100%	100%	100%

*SLA for user provisioning in SMART = 5 to 8 days. SLA for user provisioning in SHARP = 3 to 5 days

EXPENDITURE JUSTIFICATION

Total Current Year FY 2025 - \$8,906,926

Total Budget Year FY 2026 - \$8,932,517

Object Code 100: Salaries and Wages

The Office of Systems Management has 27 FTEs.

Total Current Year FY 2025 - \$2,875,426

Total Budget Year FY 2026 - \$2,901,017

Object Codes 200-290: Contractual Services

The major object codes in this classification of expenditures are repair and servicing and fees. Repair and servicing include expenditures for managed services/hosting support for the SHARP and SMART systems. Other expenses include system security, data services, transaction support, load balancing, and managing of our distributed systems. Fees include expenses for the licensing from Oracle for software and annual maintenance and system development of architecture in SMART, SHARP, and Data Warehouse.

Total Current Year FY 2025 - \$6,016,000

Total Budget Year FY 2026 - \$6,016,000

Object Codes 300-390: Commodities

The major object code in this classification of expenditures is stationery and office supplies.

Total Current Year FY 2025 - \$3,500

Total Budget Year FY 2026 - \$3,500

Object Codes 400-490: Capital Outlay

The major object codes in this classification of expenditures are for software and equipment.

Total Current Year FY 2025 - \$12,000

Total Budget Year FY 2026 - \$12,000

Narrative Information—DA 400

Division of the Budget

Agency Department of Administration

State of Kansas

Program Office of Printing, Central Mail, & Surplus**OFFICE OF PRINTING, SURPLUS AND CENTRAL MAIL**

The Office of Printing, Surplus and Central Mail provides printing, copying, binding, fulfillment, mail services, and operates the Surplus Property program for state agencies. The three departments under this office are: 1) Print, 2) Central Mail, and 3) Surplus Property.

K.S.A. 75-1005 grants the State Printer to do all the printing and binding required by the legislature, the supreme courts, the governor, or any state agency. 75-1001a established the Division of Printing, transferring all the functions of the elected State Printer to the Director of Printing.

K.S.A. 75-4512 allows the Secretary of Administration to provide and maintain central and consolidated mail services for state agencies.

K.S.A. 75-6601 et seq. establishes the State Surplus program. In July 2004, the Surplus Programs were transferred from the Department of Corrections to the DofA and in May 2007 the Surplus Property programs were merged with the Division of Printing.

Printing

The State Printing Plant provides printing, copying and binding services for state agencies. It produces a wide variety of printing, ranging from business cards and letterhead to bound statute volumes, legislative printing, maps, and tax forms. It also provides fulfillment services for agencies. “Quick copy” is also provided through the central digital center.

Surplus Property

Surplus Property has four programs: 1) Federal Surplus, 2) State Surplus, 3)LESO/1033, and 4) Fixed Price Vehicles Sales. The Surplus Property Program facilitates the disposition and reallocation of excess and surplus state and federal property. Additionally, this program 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 various mail and packaging services and processes incoming/outgoing mail in Topeka for State of Kansas 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 United States Postal Service mail; sending flats and packages via United Parcel Service (UPS) and FedEx; inserter services and pickup of already-stamped mail.

PERFORMANCE MEASURES

Printing

To provide the wide range of printing, duplicating and binding services to help state agencies operate efficiently. The Office strives to provide services that consistently meet or exceed the quality requirements of our customers at a cost that is defined as more value-added than that of private sector print shops.

OBJECTIVE #1 - Printing

Strategies for Objective #1:

1. Track jobs as they move through the production process.
2. Shift production resources as appropriate to best meet customer needs.
3. Proactively interact with customers through round-table discussions and surveys to ensure value, quality services and product are being delivered.

Performance Measures for Objective #1:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of digital black/white and color impressions produced	62,066,040	91,450,000	100,000,000	115,000,000
Customer Relations: Percentage of state agencies using State Printer	90%	80%	85%	85%
Innovative product (Wide format) produced	N/A	74,875	80,000	85,000
Cost: Over/Under Applied (reduce overall spend)	N/A	N/A	5%	5%
Percentage of employees obtaining developmental skill training	N/A	N/A	5%	5%

Surplus Property

Facilitates the disposition and reallocation of surplus property for state agencies, local units of government, and other entities.

OBJECTIVE #2 - Surplus Property

Strategies for Objective #2:

1. Promote Govdeals.com to encourage public sales to increase state agencies reimbursements.
2. Promote program to State and local agencies.

Performance Measures for Objective #2:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Total reimbursements to state agencies	\$603,257	\$572,276	\$500,000	\$600,000

OBJECTIVE #3 - Surplus Property

Strategy for Objective #3:

1. Proactively interact and advertise more utilizing email blasts, social media and website. Periodically promote discounts.

Performance Measures for Objective #3:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Sales to State Agencies	\$24,479	\$145,691	\$200,000	\$150,000
Sales to Other Government Entities	\$70,560	\$457,120	\$300,000	\$200,000
Sales to the General Public	\$36,563	\$386,376	\$450,000	\$300,000
Number of new donees utilizing the Surplus programs	14	19	17	15
Value to donees of federal property acquired on behalf of eligible entities in Kansas annually	\$2,231,123	\$1,849,075	\$2,000,000	\$2,000,000
Cost to donees of federal property acquired on behalf of eligible entities in Kanas annually	\$131,602	\$132,825	\$125,000	\$120,000

OBJECTIVE #4 – Surplus Property

Strategy for Objective #4:

1. Proactively interact with agencies, donees and public to market products available to them.

Performance measures for Objective #4:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Total revenue – Federal Surplus	\$137,163	\$161,914	\$150,000	\$130,000
Total revenue – State Surplus	\$1,218,632	\$1,190,575	\$1,300,000	\$1,100,000
Total revenue – LESO/1033	\$0	\$0	\$10,000	\$10,000
Total revenue – Surplus Property	\$1,355,795	\$1,352,489	\$1,460,000	\$1,240,000

OBJECTIVE #5 – Central Mail

Strategy for Objective #5:

1. Proactively interact with agencies to market mail inserting services.

Performance measures for Objective #5:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of inserts processed	6,646,971	6,800,000	7,000,000	7,200,000

OBJECTIVE #6 – Central Mail

To excel at providing superior customer service to our clients in terms of service quality, cost, and on-time delivery.

Strategy for Objective #6:

1. Promote convenient and cost-effective mail services to state agencies to maximize volume capacity.

Performance measures for Objective #6:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Cost savings for presorted mail vs full postage rate	\$710,180	\$800,000	\$700,000	\$650,000
Number of pieces handled	7,891,452	7,942,071	8,300,000	8,500,000

EXPENDITURE JUSTIFICATION

Total Current Year FY 2025 - \$13,983,151

Total Budget Year FY 2026 - \$14,231,537

Object Code 100: Salaries and Wages

The Office of Printing, Central Mail, and Surplus has a total of 47 FTEs.

Total Current Year FY 2025 - \$2,731,797

Total Budget Year FY 2026 - \$2,763,933

Object Codes 200-290: Contractual Services

The major object codes in this classification of expenditures are postage, copier rentals, OITS charges, and machine maintenance. Approximately 70% of the amount budgeted in contractual services is for postage for the Central Mail office which is recovered by monthly billings to agencies.

Total Current Year FY 2025 - \$7,761,000

Total Budget Year FY 2026 - \$7,695,150

Object Codes 300-390: Commodities

The major object codes in this classification are for paper and buying surplus vehicles through the GSA program for resale.

Total Current Year FY 2025 - \$1,685,350

Total Budget Year FY 2026 - \$1,772,450

Object Code 400: Capital Outlay

The major object code in this classification is to replace outdated equipment in the printing plant.

Total Current Year FY 2025 - \$1,081,000

Total Budget Year FY 2026 - \$1,225,000

Object Code 920: Non-Expense

The major object codes in this classification are for indirect cost derived from the Statewide Cost Allocation Plan (SWCAP), sales tax payments, and depreciation transfers required by K.S.A 75-1004b.

Total Current Year FY 2025 - \$ 724,004

Total Budget Year FY 2026 - \$ 775,004

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of AdministrationProgram Office of Procurement & Contracts**OFFICE OF PROCUREMENT AND CONTRACTS**

The Office of Procurement and Contracts (OPC) is responsible for procuring goods and services at the best price for the agencies within the State of Kansas. When appropriate, establishing contracts which 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.

Kansas statutes provide authority and guidance to OPC for the procurement of goods and services. A Division of Purchases was originally established in 1953 under the DofA (K.S.A. 75-3737a to 75-3744). In 1987, the Legislature provided specific authorization to use negotiated procurement as a source selection method for the acquisition of technical equipment and services, with the Director of Purchases as a statutory member of the procurement negotiating committee (K.S.A. 75-37,102, as amended). The 2000 Legislature established the Professional Services Sunshine Act. This Act, K.S.A. 75-37.130 et seq., requires competitive contracts for professional and consulting services exceeding \$25,000 to be bid by the Office of Procurement and Contracts, formerly the Division of Purchases, which do not meet the requirements of K.S.A. 75-3739 (a) and (h). In accordance with state statute, the Office of Procurement and Contracts posts all potential sole source transactions in the amount of \$100,000 or greater, to its website for seven days prior to award. This allows potential competitors an opportunity to challenge the sole source nature of the transaction.

OPC is 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 K.S.A. 75-3317 through 75-3322c.

PERFORMANCE MEASURES**OBJECTIVE #1**

To provide information on the amount of procurement activity generated through the Office of Procurement and Contracts. All purchase requisitions generated by state agencies through SMART require some level of review and action.

Strategy for Objective #1:

1. Record the number of requisitions submitted to the Office of Procurement and Contracts through SMART, demonstrating the amount of procurement activity during a fiscal year.

Performance Measure for Objective #1:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of requisitions received	12,557	13,000	13,000	12,500

OBJECTIVE #2

Minimize the number of non-competitive bid requests approved.

Strategy for Objective #2

1. Evaluate requests for non-competitive bid events received by the Office of Procurement and Contracts from state agencies, pursuant to K.S.A. 75-3739, to determine level of activity each fiscal year.

Performance Measures for Objective #2

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of prior authorization contracts approved	11,559	9,000	9,000	8,750

* The prior authorization contract approvals do not include statutory exemptions, grants, and utility encumbrances

OBJECTIVE #3

Maximize the number of state contracts that are managed in a fiscal year by the Office of Procurement and Contracts.

Strategy for Objective #3

1. Evaluate the number of state contracts that are open and being managed by the Office of Procurement and Contracts.

Performance Measures for Objective #3

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of open state contracts	7,933	9,000	9,000	9,250

OBJECTIVE #4

Maximize the number of statewide contracts available to political subdivisions within the State of Kansas.

Strategy for Objective #4

1. Encourage vendors who are awarded statewide contracts to offer contract pricing to political subdivisions within the State of Kansas, utilizing the combined potential spend to receive/negotiate better pricing.

Performance Measures for Objective #4:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of contracts available to political subdivisions	2,309	2,600	2,750	3,000
Percentage of state contracts available to political subdivisions	29%	29%	31%	32%

OBJECTIVE #5

Implement strategic sourcing of state contracts for goods and services when practicable.

Strategy for Objective #5

1. Evaluate requests for bid events received by the Office of Procurement and Contracts from state agencies to determine statewide application and utilize spend and usage data to achieve pricing.

Performance Measure for Objective #5:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of events conducted	1,853	2,150	1,900	1,900

EXPENDITURE JUSTIFICATION

Total Current Year FY 2025 - \$3,742,280

Total Budget Year FY 2026 - \$3,379,833

Each of the following categories will see an increase due the increase in FTEs.

Object Code 100: Salaries and Wages

The Office of Procurement and Contracts has a total of 29 FTEs. Over the past few years, staffing levels in OPC had decreased to a level where agencies were seeing exceptional long wait times and staff turnover was increasing. Additional staff have been hired and are currently in training.

Total Current Year FY 2025 - \$2,713,345

Total Budget Year FY 2026 - \$2,740,398

Object Codes 200-290--Contractual Services

The major object codes in this classification are rents, communications, and other service fees. Increasing the staffing levels resulted in some temporary office remodels.

Total Current Year FY 2025 - \$549,500

Total Budget Year FY 2026 - \$557,500

Object Codes 300-390—Commodities:

The major object code in this classification is office supplies.

Total Current Year FY 2025 - \$14,500

Total Budget Year FY 2026 - \$14,500

Object Codes 400-490—Capital Outlay:

The major object codes in this classification are computer equipment and software. Older computers are being replaced to follow the DTaaS schedule. Adding more staff has required the purchase of monitors and docking stations. The increase in FY 2025 is due to OPC moving office locations and the construction/remodeling costs that are associated with that.

Total Current Year FY 2025 - \$415,000

Total Budget Year FY 2026 - \$17,500

Object Code 920--Non-Expense:

The major object code in this classification is the indirect costs derived from the Statewide Cost Allocation Plan (SWCAP).

Total Current Year FY 2025 - \$49,935

Total Budget Year FY 2026 - \$49,935

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of Administration

Program Office of Personnel Services

OFFICE OF PERSONNEL SERVICES

The Office of Personnel Services (OPS) administers the Kansas Civil Service Act and other related statutes to provide a comprehensive human resource (HR) program for the State of Kansas. In 2011, Executive Order 11-04 directed that all non-Regents HR staff in agencies under the Governor’s jurisdiction report to the Director of Personnel Services and that OPS is to establish and implement consistent HR policies, procedures and practices for the State workforce.

STATUTORY HISTORY

K.S.A. 75-3701 et seq. established the Office of Personnel Services to administer the Kansas Civil Service Act (K.S.A. 75-2925 et seq.); K.S.A. 75-37,115 established the Kansas Quality Program; K.S.A. 75-37,105 established the Employee Award and Recognition Program; and K.S.A. 75-4362 and K.S.A. 75-7363 authorized the Drug Screening Program.

PROGRAM WIDE OVERVIEW

The Office is organized into four different sections, led by Deputy Directors who report directly to the Director of OPS. The four sections are: 1) State Agency HR Management, 2) Data Management, 3) Policy and Compliance, and 4) Staff Development and Training.

State Agency HR Management

OPS assists state agencies by providing technical and expert assistance on recruitment, selection, performance management, position management, organizational management, classification, compensation, employee relations, guidance and discipline, employee recognition, employee development and training, layoffs, furloughs, time and leave, payroll, benefits, FMLA, ADA, Shared Leave program and retirement.

Staff from OPS will continue to be available to assist agencies as they reassess and reorganize their operations and staffing needs in furtherance of efficiency. Partnering with agency management in these endeavors is critical, as OPS staff will be able to provide valuable assistance and guidance as agencies work through the challenges presented by those undertakings. OPS staff have worked to reenergize the Statewide Recruitment Network, hosting quarterly meetings, coordinating a monthly email blast, and facilitating multiple sub-committees to address the most pressing needs faced by state recruiters. These efforts bring needed attention to shared tension points, provide an avenue for information sharing, and create more consistency among state recruiters.

In FY 2024, the DofA continued to build upon the expanded State of Kansas Internship Program for Executive Branch agencies. The program increased the number of interns from 253 in FY 2023 to 311 in FY 2024. Opportunities in Shawnee County increased from 54 in Topeka July 1,

2023, to 86 on July 1, 2024. Internship placements held steady for interns statewide. Twenty-eight state agencies participated in the program. Between July 2022 and July 2024, 96 former interns transitioned into a full-time role in state government, highlighting the importance of the State Internship Program as a valuable recruitment tool. The program is housed within OPS and is administered by a dedicated Internship Program team, with responsibility for all aspects of the program.

OPS has continued to partner with non-Cabinet agencies and has Memoranda of Understanding (MOUs) with 18 non-Cabinet agencies, Boards and Commissions. A new agency, the Office of Child Advocate, was added to the group of non-Cabinet agencies within the partnership, for a total of 18 agencies. These MOUs for Human Resource (HR) Services agreements provide cost savings and staffing efficiencies for the participating agencies, opportunities for State HR staff and allow for greater consistency of HR policies, practices, and procedures on a statewide basis.

Data Management

The Data Management Section of OPS administers the Statewide Human Resource and Payroll (SHARP) System, technical functions of the statewide Kansas Learning and Performance Management (KLPM) system, which is the statewide Learning Management System (LMS) and Talent Management System (TMS) as well as HR-related Internet application development and maintenance. Data Management staff provide assistance to employees, agency HR staff and fellow OPS staff members for information requests and on transaction entry in SHARP. This Section also produces an annual Workforce Report and provides regular HR-related reports and ad hoc queries in support of the Administration's efforts and in response to agency, legislative and media requests. OPS staff in this section also assist state agencies with SHARP questions and entries related to recruitment, time and labor, employee and position management, benefit payroll deductions and SHARP Security Access. Staff members from this section also manage the State's Employee Thanks and Recognition program (STAR).

Policy and Compliance

The Policy and Compliance Section of OPS 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 Family Medical Leave Act (FMLA) in a continuing effort to establish consistent and efficient HR policies for all agencies. Staff members from this section also administer the State's classified pay plan, review salary requests for unclassified positions, conduct annual salary surveys for the State workforce. Staff members from this section work in teams with OPS staff assigned to agencies as well as state agency management to review and recommend proposed 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 that HR policies are being implemented and administered consistently throughout the State workforce.

Staff from the Policy and Compliance Section also develop and maintain the State's personnel regulations, coordinate statewide initiatives for the hiring of veterans and applicants with disabilities, and administer the State's alcohol and drug screening programs. Staff provide subject matter guidance on the Performance Management component of the KLPM and work with the Legislature and DofA's Labor Relations Director to develop and implement changes to State employee pay.

Staff Development and Training

OPS staff will continue to coordinate with agency management and operational staff in order to provide enhanced and expanded training and staff development opportunities for State employees. Staff from this section are responsible for coordination of coursework and administration of the Learning Management component of the KLPM. OPS will continue to explore opportunities to expand its capacity to provide these opportunities and achieve cost savings by utilizing technology in the pursuit of these goals.

PERFORMANCE MEASURES

PROGRAM GOAL:

Strengthen and sustain a human resource system that is consistent, efficient, and meets the needs of state agencies.

OBJECTIVE #1

Provide quality services and information that meets the HR needs of customer agencies.

Strategies for Objective #1:

1. Request feedback to assess customer agencies’ satisfaction.
2. Staff will provide HR services to customer agencies in a timely, and efficient manner.

Performance Measures for Objective #1:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Percentage of customer agencies satisfied with OPS services	-	100%	100%	100%
Number of non-Cabinet agencies receiving HR assistance from OPS	58	58	59	60
Percentage of non-Cabinet agencies receiving HR assistance from OPS (Excludes Universities)	100%	100%	100%	100%
Number of queries and reports provided for agencies, KORA and Legislative inquiries	1,790	1,800	1,700	1,650
Average response time for queries and reports requested from OPS	Within 3 days	Within 3 days	Within 2.5 days	Within 2.5 days

OBJECTIVE #2

Reduce the amount of time that it takes for agencies to fill both classified and unclassified positions.

Strategy for Objective #2:

1. Improve timeliness of individual components of hiring process.

Performance Measures for Objective #2:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of days from start of process to posting for Classified	<4	3.285	<3	<3
Number of days from start of process to posting for Unclassified	<3	3.285	<3	<2
Average OPS processing time of unclassified requests	< 3 hours	< 3 hours	< 3 hours	< 2.5 hours

OBJECTIVE #3

Provide enhanced and expanded training and staff development opportunities for State employees.

Strategy for Objective #3:

1. Develop outreach strategies to better communicate availability of training opportunities.

Performance Measure for Objective #3:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of training courses made available to all agencies (Face-to-face and Online):	State: 175 Vendor: 7,900	State: 181 Vendor: 9,300	State: 184 Vendor: 17,000	State: 187 Vendor: 17,150

EXPENDITURE JUSTIFICATION

Total Current Year FY 2025 - \$2,741,456

Total Budget Year FY 2026 - \$2,824,582

Object Code 100: Salaries and Wages

The Office of Personnel has 22 FTEs. In FY 2026, OPS is requesting two more FTEs for a total of 24FTEs. One FTE will be transferred from Kansas Highway Patrol and one FTE that is requested as an enhancement. The two additional FTEs will handle all the key card access requests for the Capitol Complex buildings.

Total Current Year FY 2025 - \$2,389,656

Total Budget Year FY 2026 - \$2,462,782

Object Codes 200-290: Contractual Services

The major object codes in this classification are rent, communications, travel, memberships in professional organizations, and printing.

Total Current Year FY 2025 - \$343,800

Total Budget Year FY 2026 - \$353,800

Object Codes 300-390 Commodities

The major object codes in this classification are fuel, office supplies needed in the training for groups, and professional materials and supplies.

Total Current Year FY 2025 - \$3,000

Total Budget Year FY 2026 - \$3,000

Object Codes 400-490: Capital Outlay

The major object codes in this classification are software and equipment.

Total Current Year FY 2025 - \$5,000

Total Budget Year FY 2026 - \$5,000

Narrative Information—DA 400

Division of the Budget

Agency

Department of Administration

State of Kansas

Program

Division of State Employee Health Benefits Program

DIVISION OF STATE EMPLOYEES HEALTH BENEFITS PROGRAM

In 2020, Executive Reorganization Order 45 transferred the State Employee Health Benefits Program (SEHBP), which administers both the State Employee Health Plan (SEHP) and the State Self Insurance Fund (SSIF) that covers the State’s workers’ compensation claims for State agencies to the DofA effective July 1, 2020. The State Employees’ Health Benefits Plan (SEHBP) program administers the State Employee Health Plan (SEHP) on behalf of the Health Care Commission (HCC).

The HCC contracts with an actuarial service to provide guidance in setting rates and insuring the financial stability of the program. The actuarial service establishes estimations of outstanding losses consistent with Governmental Accounting Standards Board (GASB). As required by GASB Statement No. 10 details of estimated outstanding losses are required for self-insured public entities.

The HCC manages the plan on a long-term basis establishing funds in the positive years to help pay for shortages in the negative years and maintain minimal annual rate increases. Employee health plan contributions are adjusted on the Plan Year (PY) basis. The PY is the calendar year. Employer contributions are adjusted on the Fiscal Year (FY) basis. Kansas has seen favorable medical trends the past few years; however, it is likely that these trends could converge closer to national trend levels which will have a large impact on fund balances causing current reserves to be quickly depleted.

Covered members in the SEHP include State employees and their dependents, retired and disabled State employees and their dependents, people on leave without pay, elected officials and blind vending facility operators. Over the years, the number of contracts and the types of eligible groups covered by the SEHP have expanded. In 1999, the Commission established administrative procedures and eligibility requirements (K.A.R. 108-1-3) to allow groups including unified school districts, community colleges, technical colleges, and vocational technical schools into the State plan. Beginning in 2000, the Commission established administrative procedures and eligibility requirements (K.A.R. 108-1-4) to allow for inclusion of cities, counties, townships, libraries, public hospitals, extension councils and certain other public entities. In PY 2023, two employer group have joined the SEHP. As of July 1, 2024, zero public employer groups joined. The cost to administer this portion of the program is reflected in the premiums charged to these groups; therefore, these entities do pay a different composite rate and employee premiums than state agencies. Groups joining the SEHP follow the underwriting guidelines set out in K.S.A. 75-6506.

Health Plan Enrollment - Enrollment in the SEHP includes active employees, retirees, dependents, employees receiving long-term disability payments, employees on leave without pay, public employer groups, qualified beneficiaries on COBRA and other individuals identified in K.A.R 108-

1-1, K.A.R. 108-1-3 and K.A.R. 108-1-4. As of June 2024, total enrollment in the State Employee Health Plan for medical was 46,188 policies and 81,278 covered lives including retirees and former employees living in 50 states plus District of Columbia and Puerto Rico. In PY 2023, 87.8 percent of the active State employees and 83.0 percent public employee groups were enrolled in medical, dental or vision. For the active State population, 54.9 percent are enrolled in single coverage and 45.1 percent provide coverage for their dependents.

There are 118 public employers participating in the SEHP. As of June 2024, public employers included 11 school districts; 50 cities, counties, or townships; 16 public hospitals; and 41 miscellaneous local government entities, extension offices, and water districts or housing authorities. The number of members in the groups range from 1 to 273. There are five groups who have more than 200 members and 13 groups with between 100 and 200 members.

Total medical enrollment policies as of June 2024 included:

Active State of Kansas employee policies	34,325
Active Non-State Public employee policies	3,598
Direct Bill/Retiree policies	8,174
COBRA policies	91
Total	46,188

Health Plan Design

Medical – All members have a choice of four different preferred provider organizations (PPOs) plans. As of December 2023, 48.8 percent of active State contracts selected Plan A and 42.2 percent selected Plan C – a Qualified High Deductible Health Plan (QHDHP) with a health savings account (HSA)/health reimbursement account (HRA), 1.7 percent selected Plan J and 7.3 percent selected Plan N also a QHDHP with HSA/HRA. About \$323.0 million was spent in PY 2023 on medical claims for self-funded plans.

Prescription Drugs – Prescription drugs are administered by a Pharmacy Benefits Manager (PBM). The plan design includes a tiered coinsurance program with a separate copayment for special case medications. Certain prescription drugs are not covered by the Plan but can be purchased at a discount by the employee through the PBM. The generic dispensing rate for SEHP is 83.2%. Claims costs in PY 2023 were \$98.4 million. The average claim cost per member per month for PY 2023 was \$120.88.

Dental – Beginning with PY 2023, single dental coverage is provided at no cost to the employee. In PY 2023, \$27.4 million was paid in claims. The average cost per active member per month for PY 2023 was \$27.39.

Vision – Two voluntary vision insurance plans are offered. Employees pay 100% of the premiums for the plans selected. For PY 2023, the number of employees enrolled in vision is 31,800 with 9,042 basic and 22,758 enhanced.

Direct Bill Medicare programs – Direct Bill members who are Medicare eligible can enroll in one of the five Medicare supplement insurance plan options known as Kansas Senior Plans (C, C select, G, G select or N), or two Medicare Advantage plan options. Direct Bill members paid about \$23.7 million in premiums for the fully insured Medicare health plans. In PY 2023, there were 7,116 members in the Medicare Supplement Plan and 845 in the Medicare Advantage Plans.

Direct Bill members with Medicare may also enroll in fully insured Medicare Part D prescription drug plans through Silverscript. Direct bill members paid \$331 thousand in premiums for the Silverscript Part D prescription drug coverage in PY 2023. For PY 2023, there are 1,942 members enrolled in the Part D prescription drug coverage.

COBRA Administration – The health plan uses a third-party administrator for administration of COBRA continuation benefits, record keeping, and premium collection. As of December 31, 2023, there were 391 members participating in COBRA through the State Employee Health Plan.

Voluntary Benefits – Hartford’s voluntary insurance plans were offered to employees for the first time during open enrollment in PY 2018. Employees pay 100% of the premiums for the plans selected. Voluntary plans offered were Accident insurance, Hospital Indemnity Insurance and Critical Illness Insurance. Enrollment numbers for the PY 2023 are:

Accident Insurance	12,508
Critical Illness Insurance	9,671
Hospital Indemnity Insurance	8,848

Health Plan Ancillary Services

Flexible Spending Accounts – The Flexible Spending Account (FSA) are administered through a third-party vendor. A flexible spending account is an account set up under IRS cafeteria plan rules that allow employees to set aside funds from their paycheck on a pre-tax basis to pay for certain eligible expenses. The FSA programs are offered to active State of Kansas employees include a health care FSA for employees enrolled in Plans A and J, a limited purpose FSA for employees enrolled in Plans C or N and a dependent care account. The health care FSA allows employees on Plans A or J to set aside funds to pay for qualified out of pocket expenses for their health, dental, and vision care. A limited purpose FSA is available for those employees enrolled in Plan C or N, to pay qualified out of pocket expenses for dental or vision care expenses. A Dependent Care FSA is available for employees to pay for day care expenses for their children under age 13 or for elder care expenses. Beginning in 2021, Non-State Public Employer Groups have the option to allow their employees to enroll in the State’s FSA programs. Currently there are 8,362 active State employees that participate in these programs and 186 Non-State employees.

Premium Billing Administration – Starting July 1, 2016, the State Employees’ Health Plan provides premium billing services to the Non-State Public Employer Groups and Direct Bill Members.

Federal Fees

Patient Centered Outcomes Research Institute (PCORI) Fee – is charged based on the enrollment of active employees and pre-65 retirees. The PCORI fee was established under the Affordable Care Act to assist patients, clinicians, purchasers, and policy makers in making informed health decisions by advancing comparative clinical effectiveness research. The PCORI fee was originally \$2 per member but has increased over time. For PY 2024 the fee was \$3.22 per member for a total of \$194,591.

Health and Wellness

HealthQuest was instituted in 1988 to provide a wellness program with the goal of improving employee health and reducing health care costs. Over the years a wide variety of programs were added making HealthQuest a comprehensive health and wellness program. Program offerings include an online health assessment, onsite biometric screenings, coaching services, a weight management program, web-based lifestyle programs, online health resources, monthly newsletters and webinars, employee assistance program for counseling, referrals, and other resources. The HealthQuest Program is optional, and employees are not required to participate to be enrolled in the SEHP.

The onsite employee clinic known as the HealthQuest (HQ) Health Center, operated by Marathon Health was opened in May 2019. It is in the Mills Building at 901 S. Kansas Avenue, Topeka, KS. The HealthQuest Health Center offers both in person and telehealth services to address the health needs of employees and their families covered under the State Employee Health Plan medical insurance. Starting January 2023, Marathon Health provides administrative services for the HealthQuest wellness program and the onsite clinic.

Employees enrolled in the medical portion of the State Employee Health Plan earn credits by participating in wellness activities offered through the wellness programs HealthQuest Reward Program. The HealthQuest Reward Program includes a premium incentive discount for individuals enrolled in Plan A, C, J, and N. In addition to the premium discount there are also employer contributions into HSA or HRA accounts, which varies depending on what plan.

To earn the premium incentive reduction of \$480 for PY 2024, employees had from January 1, 2023, to December 31, 2023, to earn 40 credits through participation in wellness activities. Plan A members also could earn a reduced premium incentive of \$240 for PY 2024 if they only earned 20 credits during PY 2023. In 2023, there were 15,188 employees who received at least 40 credits and earned the premium discount. There were 4,424 Plan A members who earned at least 20 credits and earned a \$240 premium discount. Employees on Plans C, J and N each could earn up to \$500 for their HSA or HRA.

State Self Insurance Fund (State Employees’ Workers Compensation)

The State Self Insurance Fund (SSIF) provides the Workers Compensation coverage for State agencies. SSIF is responsible for providing health care benefits in compliance with state and federal workers compensation laws for State employees injured or killed in the course of their employment. The 20 staff members in the SSIF are responsible for the administration and compliance for the self-insured, self-administered Workers Compensation benefits program. The SSIF was implemented through legislation. The SSIF is funded by contributions from state agencies. The agency rates are developed by an actuarial service using claims experience, payroll history, and caps on expenses. Rates are approved by the DofA and published by the DOB.

Shown below are the State Self- Insurance Fund’s estimated outstanding losses (the cost of unpaid claims including case reserves, development of known claims, incurred but not reported (IBNR) claims, and the direct settlement expenses for specific claims – primarily legal expenses) along with the required reserve fund to support the programs expenditures:

Fiscal Year	Outstanding Claims	Required Fund Balance
• FY 2025	\$ 51,678,000	\$ 4,427,000
• FY 2026	\$ 52,588,000	\$ 4,582,000
• FY 2027	\$ 53,437,000	\$ 4,706,000

The SSIF 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 payment to health care providers is based on a fee schedule developed by the Workers’ Compensation Division of the Kansas Department of Labor.

Additionally, compensation is paid for loss of time, permanent impairment, or death. A medical review service is utilized to review claims for medical appropriateness, nurse case management on complex cases and pricing. On average, 200 accident reports are received monthly. In FY 2024, SSIF spent about \$13.8 million on claims with about 68.0 percent for medical services and 32.0 percent for indemnity.

PERFORMANCE MEASURES

Performance measures for State Employee Health Benefits Program are recorded on a calendar year (CY) basis, in alignment with each PY’s timeframe. This has no implications for the budget.

OBJECTIVE #1

Manage the fund balance to be 10%-13% of Plan Expenses over the preceding three years (HB 2218)

Strategy for Objective #1:

1. Identify opportunities to minimize increases to employee contributions or cost sharing requirements.

Performance Measures for Objective #1

	Actual PY 2023	Actual PY 2024	Projected PY 2025	Projected PY 2026
Fund Balance 10-13% of plan expenses	13.9%	11.8%	9.7%	8.4%
Plan Expenses	\$536,170,468	\$567,982,685	\$592,290,261	\$623,806,676

OBJECTIVE #2

Improve the health of members of the plan

Strategies for Objective #2:

1. Increase engagement in the wellness plan by increased communications.
2. Increase number of members who get preventive dental cleanings, mammograms, colonoscopies, wellness visits by 2% a year

Performance Measures for Objective #2

	Actual PY 2023	Actual PY 2024	Projected PY 2025	Projected PY 2026
Number of preventive dental cleanings	94,535	96,426	98,354	100,321
Number of members who get mammograms	16,387	16,715	17,049	17,390
Number of members who get colonoscopies	4,782	4,878	4,975	5,075
Numbers of members who get wellness visits	79,587	81,179	82,802	84,458

OBJECTIVE #3 – State Self Insurance Fund Integrate the Nurse Triage Program to reduce claim expense

Strategies for Objective #3:

1. Increase the number of calls / contacts to nurse triage
2. Reduce the number of first loss calls

Performance Measures for Objective #3

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Percent of calls to nurse triage - Self-Care	28%	26%	30%	30%
Percent of calls to nurse triage – OCC Med/UCC	66%	64%	70%	70%
Percent of calls to nurse triage – ER Now	6%	7%	8%	8%
Percent of calls to nurse triage – Dentist	0%	0%	2%	2%
Percent of calls to nurse triage for First Notice of Loss – Self Care	1.8%	.6%	1.4%	1.4%
Percent of calls to nurse triage for First Notice of Loss – OCC Med/ UCC Now	6.7%	5.8%	6%	6%
Percent of calls to nurse triage for First Notice of Loss – ER Now	6.6%	5.7%	6%	6%

EXPENDITURE JUSTIFICATION

Total Current Year FY 2025: \$668,929,902

Total Budget Year FY 2026: \$701,045,219

The State Employee Health Benefits Program (SEHBP) administers the State Employee Health Plan (SEHP) for State employees, retirees, and group members. It also administers the State’s self-funded Workers’ Compensation program – State Self Insurance Fund (SSIF). SSIF program processes claims for State workers injured on the job and helps manage the utilization of services needed to rehabilitate or remediate the injuries of workers.

Object Code 100: Salaries and Wages

The budget request includes funding for the staff and administrative activities required to administer contracts with health insurance carriers, managed care companies, pharmacy benefits manager, and other administrative service contractors.

The Division of State Employee Health Benefits Program has a staff of 45 permanent FTEs and 6 seasonal non-FTEs.

Current Year FY 2025: \$3,866,159

Budget Year FY 2026: \$3,916,879

Object Codes 200-290: Contractual Services

The major object codes in this classification are operating costs including communications, printing, and rental costs. The primary expenditure is for contracts to support the management of the State Employee Health Benefits Programs. These contracts include actuarial services, imaging equipment maintenance, billing and case maintenance for retirees, administrative services for health and dependent care flexible spending, and providing materials to employees and state agencies.

Current Year FY 2025: \$18,471,300

Budget Year FY 2026: \$18,471,300

Object Codes 300-390 Commodities

The major object codes in this classification are fuel, office supplies, professional materials, and supplies.

Current Year FY 2025: \$25,750

Budget Year FY 2026: \$25,750

Object Codes 400-490: Capital Outlay

The major object code in this classification is software.

Current Year FY 2025: \$64,400

Budget Year FY 2026: \$64,400

Object Codes 500-590: Other Assistance, Grants and Benefits

The major object code in this classification is claim payments to injured workers through the Workers' Compensation program and are based on actuarial estimates.

Current Year FY 2025: \$14,691,157

Budget Year FY 2026: \$15,238,697

Object Code 920: Non-Expense

The major object code in this classification is employee healthcare premium payroll deductions pay for claims.

Current Year FY 2025: \$631,811,136

Budget Year FY 2026: \$663,328,193

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of AdministrationProgram Office of Accounts & Reports**OFFICE OF ACCOUNTS AND REPORTS**

The Office of Accounts and Reports (OAR) provides the following centralized services critical to the state including:

- Maintenance of the Statewide Human Resources and Payroll system (SHARP) and the Statewide Management, Accounting and Reporting Tool (SMART)
- Processing of payroll accounting/calculations/distributions and processing of statewide daily accounting transactions
- Procurement and management of statewide external audit services
- Remittance of all payroll tax withholdings, employer contributions, and employee deductions
- Development, adoption, and maintenance of statewide accounting policy manual
- Daily and annual audits of state agency transactions, assets, and other financial activity to ensure compliance with statutes, regulations, policies, and accepted accounting principles
- Accounting and reporting services for the Kansas Public Water Supply Loan Fund and the Kansas Water Pollution Control Revolving Fund, also known as the State Revolving Funds (SRF)
- Assistance in preparing, analyzing, and reviewing financial data for bond issuance, bond refunding, and annual bond disclosures
- Development and maintenance of KanView, the State's taxpayer transparency website
- Administration of the Setoff program including, Kansas Debt Recovery System (KDRS) and Kansas Treasury Offset Program (KTOP)
- Providing information to local governments on the budget law, cash basis law, municipal audit law, and related budget form

In addition to oversight of the reports and services listed above, the Director of OAR holds the following official responsibilities:

- Member of the Department of Administration Contract Audit Committee
- A member of the Department of Administration Bond Disclosure Committee
- State Social Security Administrator

OAR delivers the following external reports:

- State of Kansas Annual Comprehensive Financial Report (ACFR)
- Schedule of Expenditures of Federal Awards (SEFA) and related federal Single Audit
- Cash Management Improvement Act of 1990 (CMIA) Annual Report of excess interest earning on federal funds
- Quarterly and annual reports to the United States Census Bureau and filing of federal 990T and Kansas K120 tax returns
- Issuance of annual W-2, 1099 and 1042-S forms

Statewide Consolidated Reporting

OAR is responsible for procuring and managing audit services for the ACFR financial audit, the federal single audit, audits of the Kansas Department of Transportation (KDOT) ACFR, the Kansas Department of Health and Environment (KDHE) SRF financial reports, and the biennial reviews of the State Treasurer's Office (STO) and Pooled Money Investment Board (PMIB). OAR acts as the liaison between the independent auditors and agencies and is key in coordinating the statewide audit contracts and related communications.

OAR is responsible for all aspects of the State of Kansas' official ACFR which by statute is required to be presented to the Governor on or before December 31 following the close of the fiscal year. The ACFR is a main resource for individuals and firms considering the purchase of State of Kansas bonds issued to finance state government projects and any other persons interested in the State's audited financial statements.

Responsibilities include:

- Requesting various agency financial disclosures and confirmations
- Data reconciliations and preparation of the ACFR in accordance with generally accepted accounting principles for government
- Coordination of independent auditors who render an opinion as to the fair representation of the State's financial position

OAR is responsible for all aspects of the SEFA which is used by the independent auditors to determine which federal programs will be audited for the federal Single Audit. The federal Single Audit is performed to evaluate compliance with federal laws, regulations, contracts, and other requirements; evaluate agencies' internal controls over compliance; and identify any questioned costs associated with non-compliance. The federal Single Audit is transmitted to the Office of Management and Budget's Federal Audit Clearinghouse by March 31 each year. Related responsibilities include:

- Offer educational opportunities to assist state agencies in compliance with provisions of the new Uniform Grant Guidance.
- Provide assistance and guidance to state agencies regarding the timing of drawdowns of federal funds and the required interest calculations in accordance with the Treasury State Agreement under the CMIA and K.S.A. 75-3083.

Other federal reporting and filing responsibilities include:

- Acting as the liaison between local units of government, the Social Security Administration (SSA) and Internal Revenue Service (IRS) regarding the Section 218 Agreement in accordance with Social Security Regulation 404.1204 and K.S.A. 40-2302.
- Providing quarterly and annual reports to the United States Census Bureau and aggregating unrelated business income information to ensure annual federal 990T and Kansas K120 tax returns are filed timely. The US Census Bureau requests participation with the Quarterly Survey of State Government Tax Collections with the Annual Survey of the State Government Finances.

Statewide Payroll and Accounting Systems

OAR is responsible for the maintenance of the Statewide Human Resources and Payroll system (SHARP) and the accurate and timely processing of payroll accounting, calculations, distributions, and analysis as required by K.S.A. 75-5501 et seq. In addition to SHARP, a web-based Oracle/PeopleSoft Human Capital Management System, each regent institution maintains an HR/Payroll system which interfaces gross-to-net payroll to the centrally maintained SHARP system. The SHARP System pays 54,000 employees bi-weekly and issued 70,489 W-2s for CY2023 for an annual payroll totaling \$2.76 billion.

OAR is responsible for the maintenance of the Statewide Management, Accounting and Reporting Tool (SMART) and the accurate and timely processing of statewide daily accounting transactions as required by K.S.A. 75-3728 et seq. SMART, a web-based Oracle/PeopleSoft System, generally upgrades one time per year and is currently on version 9.2.036. The functions within this system provide accounts payable, travel and expense, accounts receivable, billing, purchasing, project costing, asset management and general ledger in a centralized manner for all state agencies. There are approximately 3,950 active users of the statewide accounting system. There were 104,316 payment vouchers processed in the month of June 2024 totaling \$2.9 billion paid to State of Kansas suppliers.

Additional responsibilities include:

- Monitoring, interpreting, assessing impacts, and implementing changes to the SHARP and SMART systems required by
 - Contractual changes with third party systems responsible for employee benefits and/or voluntary payroll deductions as authorized by statute.
 - Federal and state laws and legislation
 - Business practices and regulations
- Communicating with, training, and assisting all levels of SHARP and SMART users in
 - Preparation, submission, and processing of accounting documents
 - Accurate processing, reporting and record keeping, in accordance with established standards and controls
 - Interpretation and application of rules, regulations, policies and procedures, federal and state law, and GAAP compliance
- Establishment and maintenance of budgetary appropriations in SMART
- Review and execution of daily pay-cycle to authorize agency business payments, approval and maintenance of statewide vendors, maintenance, and re-issuance of ACH returns
- Issuance of annual W-2, 1099 and 1042-S forms
- Reconciliation and timely and accurate remittance, of all employer contributions, employee deductions, and payroll tax withholdings using a PeopleSoft-integrated MasterTax software

Statewide Internal Audit, Controls and Compliance

OAR oversees development, adoption, and maintenance of the Statewide Accounting Policy Manual under (1) the statutory authorities of K.S.A 75-3728 through 75-3731, (2) supporting administrative regulations and (3) generally accepted accounting principles, audit standards and accounting practices and procedures. The Policy Manual, Informational Circulars, and standardized accounting forms assist agencies with developing their agency-specific accounting policies in accordance with these same statewide guidelines.

OAR administers the Delegated Audit Program under the statutory provisions of K.S.A. 75-3728 through 75-3731. Annual audits are designed to perform review of agency expenditures, local funds, assets, accounts receivable, examination of bills, claims, refunds, and other financial activity. Transactions above the delegated audit threshold (based according to agency materiality and risk) are audited prior to processing to ensure compliance with statutes, regulations, policies, and accepted accounting principles. Agency transactions below the delegated audit threshold are sampled annually to identify additional compliance gaps.

Additional risk and compliance programs are in development to identify, assess, and mitigate financial reporting risks at the agency and central operating levels. Annual summaries of identified risks will be issued to each agency with findings accumulated from the following information sources:

- System controls for monitoring compliance
- Reconciliation controls analyzing the financial processing areas that affect cash through SMART
- Patterns identified within the Delegated Audit Program or Procurement's P-Card audits
- Repeat or un-remediated findings or comments from external audits (both ACFR and SEFA)

With a central control and compliance program in place, OAR will formalize a Statewide Internal Controls Framework. The new Internal Controls Framework, based on the US Government Accountability Office Standards for Internal Control in the Federal Government (the Green Book), will ultimately guide internal control policies across the state. The team will work with state agencies to ensure they understand and implement provisions of the Framework.

Inter-Agency Financial Reporting Service Agreements

OAR provides accounting and reporting services for the Kansas Public Water Supply Loan Fund and the Kansas Water Pollution Control Revolving Fund. These SRF programs are under the authority of KDHE and provide the funding necessary for low interest loans for qualifying water projects of local units of Kansas government. These services are part of a tri-party interagency agreement financed by KDHE, with other services provided by the Kansas Development Finance Authority (KDFFA).

Financial Services Extended Beyond State Agencies

OAR is responsible for the development and maintenance of KanView per K.S.A. 74-72,122 et seq. KanView contains data related to state revenues, expenses, indebtedness, and employee compensation allowing citizens the ability to view and download financial information at no cost to the public.

OAR administers the KDRS, governed by K.S.A. 75-6201 et seq. allowing the DofA to set off moneys the State of Kansas owes vendors and individuals against debts those debtor entities owe to the State of Kansas, municipalities, district courts, and state-owned casinos (creditor agencies). State payments in process, that are matched by computer and set off against debtor files, include: state payroll, individual income tax refunds, homestead tax refunds, miscellaneous state payments (includes lottery payments), unclaimed property, Kansas public employee retirement payments, sports betting app winnings, and casino prize payments requiring the issuance of IRS W-2G forms. The Setoff Program retains a percentage of the amount collected, to cover program administration costs and transfers the net collection to the Creditor Agency. The Setoff program enables the Kansas Department of Revenue (KDOR) and the State of Missouri to participate in a reciprocal setoff program for tax debts setoff against tax refunds. OAR manages the Missouri tax debts and collections in the KDRS, but KDOR executes the reciprocal processes of Kansas tax debts directly with Missouri.

OAR administers the KTOP, governed by K.S.A. 75-6216, allowing the DofA to enter into a reciprocal agreement with the U.S. Department of the Treasury, Bureau of the Fiscal Service (BFS). The State Reciprocal Program (SRP) provides for the State of Kansas, as a creditor agency, collection of unpaid state debt by offset of federal non-tax payments. The State of Kansas, as a payment agency, is responsible for the withholding of state miscellaneous payments to satisfy federal non-tax debts and transfer collections to the Treasury Offset Program (TOP). The Reciprocal Offset Agreement also allows KDOR tax debts to be collected from federal non-tax payments. Collections for KDOR tax debts are remitted from KTOP directly to KDOR.

OAR provides information and guidance to local governments related to the Budget Law (K.S.A. 79-2925 et seq.), Cash Basis Law (K.S.A. 10-1101 et seq.) and Municipal Audit Law (K.S.A. 75-1117 et seq.). Under the Budget Law, OAR must develop and prescribe the budget forms to be used by all taxing subdivisions (excluding school districts) and must receive such adopted budgets electronically. The Municipal Audit Law requires all audit reports to be filed electronically with OAR within one year of the end of the municipality's fiscal year. Additionally, through partnership with the Kansas Municipal Auditing and Accounting Guide Board of Editors and the Kansas Society of Certified Public Accountants, OAR develops and prescribes a municipal audit guide to be followed by certified public accountants that engage in municipal audits. OAR hosts budget workshops annually for the benefit of local government officials, staff and their auditors.

OAR assists in preparing, analyzing, and reviewing financial data for bond issuances, bond refundings, and bond Annual Continuing Disclosures (ACDs). In accordance with the federal Securities Exchange Commission Rule 15c2-12, OAR assists with the following requirements:

1. Prepare and submit various prescribed financial schedules, outstanding obligations, and other information integral to bond issuance Official Statements disclosing an accurate representation of the state’s financial condition for potential bond investors.
2. The Municipal Securities Rulemaking Board, in collaboration with the Securities Exchange Commission share the objective to expand municipal market knowledge and oversight capability in establishing and maintaining the Electronic Municipal Market Access (EMMA) website as the official repository for bond disclosure documents. OAR prepares the ACD updating the state’s financial condition from original offering statements and/or previous ACDs. The ACD and the state’s ACFR are submitted to EMMA within 190 days following the close of the fiscal year.
3. Report certain material disclosure events on a case-by-case basis relating to the incurrence of financial obligations.
4. Preparation of Annual Bond-Financed Post Issuance Compliance Questionnaire for each outstanding bond issuance for which the source of debt service payments is the state general fund.

PERFORMANCE MEASURES

OBJECTIVE #1

To identify and implement solutions that support transparency to taxpayers and other interested groups.

Strategies for Objective #1:

1. Maintain the KanView taxpayer transparency website to ensure relevant and valuable information is available in a timely and complete manner.
2. Maintain outreach efforts and data collection mechanisms to encourage timely and complete availability of municipality budget and audit filings.

Performance Measures for Objective #1:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Municipal Services: Date when all local government budgets are posted online for the current fiscal year	2/22/23	3/15/24	3/1/25	3/1/26
Municipal Services: Percent of Municipal Audit Reports posted to the website	100%	100%	100%	100%
Municipal Workshops: Number of statewide attendees	437	454	450	450
Municipal Workshops: Number of workshops conducted statewide	7 In Person, 3 Virtual	7 In Person, 3 Virtual	7 In Person, 3 Virtual	7 In Person, 3 Virtual
Municipal Workshops: Overall Satisfaction Score -(Good 3, Very good 4, Excellent 5)	4.66	4.48	4.5	4.5

OBJECTIVE #2

To provide appropriate guidance and support for minimized findings on external audits while ensuring compliance with statutory deadlines

Strategies for Objective #2:

1. Communicate deadlines, coordinate questions and track compliance with all due dates.
2. Provide team members with appropriate accounting and disclosure training regarding ACFR-related subjects.
3. Provide training opportunities for state agency staff regarding appropriate and compliance accounting practices.
4. Monitor corrective action plans and collaborate with state agencies regarding audit finding resolutions.
5. Timely and complete preparation of financial tables and disclosures required for new and outstanding bonds.

Performance Measures for Objective #2:

	Actual FY 2023 (FY 22 Reports)	Actual FY 2024 (FY 23 Reports)	Projected FY 2025 (FY 24 Reports)	Projected FY 2026 (FY 25 Reports)
Financial Audit:				
Number of audit findings	1	2	4	4
Number of repeat audit findings	0	1	0	0
SEFA Audit:				
Number of audit findings	15	12	10	10
Number of repeat audit findings	3	8	2	2
SRF Audit:				
Number of audit findings	0	0	0	0
Number of repeat audit findings	0	0	0	0
Compliance Checklist:				
ACFR completed by due date	Yes	Yes	Yes	Yes
SEFA completed by due date	Yes	Yes	Yes	Yes
SRF Audit Filed by due date	Yes	Yes	Yes	Yes
Annual Bond Continuing Disclosure Deadline Met	Yes	Yes	Yes	Yes

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
SEFA: Uniform Guidance Roundtable Workshop Percent of total Satisfaction Surveys with ratings of satisfied or higher	100%	95%	95%	95%
SEFA: Uniform Guidance Roundtable Attendees	118	193	160	160

OBJECTIVE #3

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.

Strategies for Objective #3:

1. Maximize the economies available from the KDRS and KTOP by continuing to market participation in the programs as a debt recovery solution for qualified entities through presentations and outreach via conferences, meetings, professional organizations, etc.
2. Provide annual training to current and potential creditor agencies of the Setoff and KTOP Programs.

Performance Measures for Objective #3:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Setoff: Average Rating of Overall Satisfaction with KDRS Training Course (scale of 1-10)	N/A	N/A	9.4	9.4
Setoff: New Debts Entered into Kansas Debt Recovery System	372,756	348,432	400,000	400,000
Setoff: New Debts Researched/Validated by KDRS Staff for Entry into KDRS	4,181	5,801	4,200	4,200

*During FY 21, FY 22, and FY 23 all regularly scheduled trainings sessions were suspended; individual one-on-one training was provided on an as requested basis. During FY 24, a new format of training was started, and satisfaction surveys will be given beginning in FY 25 and future years.

OBJECTIVE #4

The Office of Accounts and Reports will reduce the cost of printing and mailing by encouraging employees to opt for electronic W-2s and encouraging suppliers to receive payments by ACH.

Strategies for Objective #4:

1. Encourage employees to consent to receive electronic rather than paper W-2s.
2. Develop outreach strategies to better communicate availability of electronic W-2s to all State of Kansas employees, (including Regent/Student employees).
3. Work with OPC to provide eSupplier and ACH information to new suppliers as they are on-boarded.
4. Identify existing high-volume suppliers and complete outreach to encourage suppliers to authorize a transition to ACH.

Performance Measures for Objective #4:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Payroll: Percentage of Electronic W-2 Employee Consents	47.8%	45.0%	49.0%	50.0%
Accounting: Percentage of SMART Accounting payments to suppliers paid by ACH	52.4%	53.4%	54.0%	55.0%

OBJECTIVE #5

Ensure statutory, regulatory, and accounting compliance for employment taxes through accurate, timely withholding, and remittance for all required tax jurisdictions.

Strategies for Objective #5:

1. Utilize available professional resources to identify impacts of existing and new regulations for Federal, State, and Local employment tax processing.
2. Ensure compliance with all tax withholding requirements by working collaboratively to develop required businesses processes and train agencies to identify and implement accurate tax withholding data for all employees.

Performance Measure for Objective #5:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Payroll: Number of Federal, State and Local tax withholding jurisdictions	108	135	145	155
Payroll: Number of unemployment jurisdictions	36	37	38	38

EXPENDITURE JUSTIFICATION

Total Current Year FY 2025 - \$8,947,479

Total Budget Year FY 2026 - \$9,395,847

Object Code 100: Salaries and Wages

The Office of Accounts and Reports has a total of 62 FTEs.

Total Current Year FY 2025 - \$6,289,378

Total Budget Year FY 2026 - \$6,347,101

Object Codes 200-290: Contractual Services

The major object code in this classification is the statewide audit. Other significant expenditures include maintaining the website for KanView, rent, communications, limited travel, memberships in organizations, and printing.

Total Current Year FY 2025 - \$2,249,766

Total Budget Year FY 2026 - \$2,249,256

Object Codes 300-390: Commodities

The major object codes in this classification are stationery, office supplies, and other materials.

Total Current Year FY 2025 - \$5,520

Total Budget Year FY 2026 - \$6,325

Object Codes 400-490: Capital Outlay

The major object codes in this classification are office equipment, computer equipment, and furniture as needed throughout the fiscal year. In FY 2026, OAR is planning an office remodel which is where the increase comes from.

Total Current Year FY 2025 - \$18,350

Total Budget Year FY 2026 - \$408,700

Object Codes 500-590: Grants and Payments

The major object code in this classification is the Federal Cash Management Act payments.

Total Current Year FY 2025 - \$300,000

Total Budget Year FY 2026 - \$300,000

Object Codes 920: Non-Expense

The major object code in this classification is for indirect cost derived from the Statewide Cost Allocation Plan (SWCAP) and transfer to KDOR for reimbursing costs of recovering money owed to state agencies.

Total Current Year FY 2025 - \$84,465

Total Budget Year FY 2026 - \$84,465

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of AdministrationProgram Debt Service**DEBT SERVICE**

The Department of Administration budgets and pays the debt service on the following bonds issued for a variety of different purposes.

- In 2004, bond 2004C was issued for the Kansas Public Employees Retirement System (KPERS) for \$500,000,000. The bond issuance is for 30 years, and the last debt service payment is scheduled to be paid on May 1, 2034.
- In 2015, bond 2015H was issued for the KPERS for \$1,000,000,000. This is also a 30-year bond, and the last debt service payment is scheduled to be paid on April 15, 2045.
- In 2016, 2016H was issued for \$51,500,000 to refinance several older bond series. The original bonds were issued for the Statehouse Renovation, pharmacy buildings at the University of Kansas in Lawrence and in Wichita, the Law Enforcement Training Center in Salina, several armory buildings under the Adjutant General, and several different bond issuances which originally funded projects for the Department of Corrections. This is a 12-year bond but will be paid in full during fiscal year 2025.
- In 2019, bond issuance 2019F/G refinanced bonds originally issued for the Statehouse Renovation and Eisenhower State Office Building. The 15-year bond issuance was for \$74,500,000 and the last debt service payment is scheduled to be paid on November 1, 2034.
- In 2020, bond series 2020K was issued to refinance the Curtis State Office and the Myriad Buildings in Topeka for \$37,150,000. This is a 10-year term, and the last debt service payment is scheduled to be paid on June 1, 2030.
- In 2020, series 2020R and 2020S refinanced bonds whose original purpose were to finance the Statehouse Renovation.
 - 2020R was issued for \$81,400,000 and the last debt service payment is scheduled to be paid on May 1, 2034.
 - 2020S was issued for \$6,500,000 and the last debt service payment was paid on August 1, 2024.
- In 2021, bond series 2021K was issued for KPERS in the amount of \$500,000,000. This is a 30-year bond, and the last payment is May 1, 2051.
- In 2021, 2021P was issued to refinance bonds originally issued to fund projects at the Statehouse. 2021P is a 12-year bond issuance and the amount is for \$38,900,000. The last payment is scheduled for May 1, 2033.

The following tables show debt service in FY 2025 and FY 2026.

ON-BUDGET DEBT SERVICE

2015H	FY 2025	FY 2026
SGF – Interest	39,240,942	38,314,494
SGF – Principal	24,765,000	25,690,000
TOTAL	\$64,005,952	\$64,004,494

2021K	FY 2025	FY 2026
SGF – Interest	11,230,892	11,107,997
SGF – Principal	12,950,000	13,070,000
TOTAL	\$24,180,892	\$24,177,997

2004C	FY 2025	FY 2026
SGF – Interest	0	0
SGF – Principal	1,540,000	0
TOTAL	\$1,540,000	\$0

2020R	FY 2025	FY 2026
SGF – Interest	1,979,075	1,658,450
SGF – Principal	6,255,000	6,570,000
TOTAL	\$8,234,075	\$8,228,450

2020S	FY 2025	FY 2026
SGF – Interest	178,000	0
SGF – Principal	5,273,600	0
TOTAL	\$5,451,600	\$0

2021P	FY 2025	FY 2026
SGF – Interest	1,084,500	967,500
SGF – Principal	2,340,000	2,450,000
TOTAL	\$3,424,500	\$3,417,500

2019F/G	FY 2025	FY 2026
SGF – Interest	1,723,939	1,486,618
SGF – Principal	4,846,881	5,155,574
TOTAL	\$6,570,820	\$6,642,192

Debt Service Refunding (2016H)	FY 2025	FY 2026
SGF – Interest	553,376	0
SGF – Principal	25,725,062	0
TOTAL	\$26,278,438	\$0

Debt Service Refunding (2004C)	FY 2025	FY 2026
SGF – Interest	14,898,142	13,759,221
SGF – Principal	19,665,000	22,335,000
TOTAL	\$34,563,142	\$36,094,221

Total On-Budget Principal and Interest	FY 2025	FY 2026
Total On-Budget Interest	70,888,876	67,294,280
Total On-Budget Principal	103,360,543	75,270,574
GRAND TOTAL	\$174,249,419	\$142,564,854

OFF-BUDGET DEBT SERVICE – The following are paid with Fund 6148 – State Buildings Operating Fund

Eisenhower State Office Building (2019F/G)	FY 2025	FY 2026
6148 – Interest	426,147	367,483
6148 – Principal	1,198,119	1,274,426
TOTAL	\$1,624,266	\$1,641,909

Curtis State Office Building (2020K)	FY 2025	FY 2026
6148 – Interest	453,765	379,854
6148 – Principal	3,299,613	3,463,774
TOTAL	\$3,753,378	\$,843,628

Myriad Building (2020K)	FY 2025	FY 2026
6148 – Interest	62,672	49,291
6148 – Principal	597,365	611,246
TOTAL	\$660,037	\$660,537

TOTAL OFF-BUDGET DEBT SERVICE	FY 2025	FY 2026
Total 6148 – Interest	942,584	796,628
Total 6148 – Principal	5,095,097	5,349,446
TOTAL OFF-BUDGET DEBT SERVICE	\$6,037,681	\$6,146,074

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency _____ Department of Administration

Program _____ Capital Improvements

CAPITAL IMPROVEMENTS

Every year, the DofA requests money from the State General Fund (SGF) for projects it deems important for the upkeep of the buildings within its control. In FY 2025 the total amount requested for the Docking State Office Building (DSOB) Renovation from SGF is \$4,965,515. The DSOB Renovation is a multi-year project and the \$4,965,515 is a reappropriation from FY 2024.

Also budgeted in capital improvements are rehabilitation and repair funds for buildings in the Capitol Complex area. The amounts requested are \$5,000,000 (FY25) and in \$5,000,000 (FY26) from the State General Fund.

Project Description	FY 2025	FY 2026
Docking State Office Building Renovation	4,965,514	0
Capitol Complex Rehabilitation and Repair	5,000,000	5,000,000
Total	\$9,965,514	\$5,000,000

CAPITAL IMPROVEMENTS - ARPA PROJECTS

Currently, DofA has four ARPA awards that are being used for various capital improvements. The remaining funds for these awards will be spent out in FY 2025.

Project Description	FY 2025	FY 2026
Docking Renovations	19,368,641	0
Replacement of Air Handlers in Capitol Complex	1,703,767	0
Security Enhancements at Capitol Complex	1,668,518	0
Printing Plant Improvements	4,919,812	0
Total	\$27,660,738	\$0

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of Administration

Program Enhancement Request

ENHANCEMENT REQUESTS

1. In SB 28, DofA was appropriated \$400,000 from the State General Fund to purchase mail scanning equipment, which would be housed in its own structure. Of the amount, \$150,000 is for capital outlay expenditures for the mail scanning equipment and \$250,000 is for capital improvement expenditures for the structure that will house the scanning equipment. This would be a one-time expenditure. These funds that were appropriated were not encumbered prior to fiscal year 2024 ending and there was no reappropriation language included in SB 28 for this funding. DofA is asking that the \$400,000 be appropriated in fiscal year 2025 to allow the structure and equipment to be purchased.
2. In FY 2026, the Docking renovations will be complete, and State agencies will be able to move into the new office space. With this update, OPS will receive an FTE from Kansas Highway Patrol to process key card access requests. At this point, OPS will also need an additional FTE to ensure that key card access requests are processed in a timely manner. This position will not be funded by SGF, but we are requesting an additional FTE.
3. In FY 2024, DofA entered into a contract for an Enterprise Resource Planning (ERP) Study. The results of that study have shown that there is a cloud-based single vendor ERP solution. DofA is requesting an enhancement of 26 million in FY 2026 to start the process of converting to the new vendor. There will be additional expenses in future years, FY 2027: 38 million and FY 2028: 36 million.

Project Description	FY 2025	FY 2026
1. Printing Plant Improvements	400,000	0
2. Docking Key Card Access FTE	0	50,694
3. ERP Modernization	0	26,000,000
Total	\$400,000	\$26,050,694

Explanation of Receipt Estimates—DA 405

Division of the Budget
 State of Kansas

Agency _____ Department of Administration

2001 - Federal Cash Management Fund

Statutory History: K.S.A. 75-3083 requires periodic transfers from the State General Fund and from Special Revenue Funds of interest earned on federal grant fund balances in the amount necessary to make interest payments to the federal government as required by the Federal Cash Management Act of 1990 (PL 101-453). These interest payments became effective for the fiscal year ending June 30, 1994, and continue for each fiscal year thereafter.

As provided for in the CMIA Agreement between the State of Kansas and the Secretary of the Treasury, an Estimated Clearance funding technique is the methodology that the State of Kansas began to follow on July 1, 2011. This funding technique is interest neutral. The Recovery of Prior Year Expenditures represents the release of monies encumbered in prior years to pay possible interest payments to the federal government.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Operating Transfers In	65,000	205,000	375,000	380,000
TOTAL	\$65,000	\$205,000	\$375,000	\$380,000

2010 - Curtis State Office Building Maintenance Reserve Fund

History: This fund is set up as a reserve fund for maintenance projects for the Curtis State Office Building. Under Article 11 Section 1 of the lease between the Topeka Public Building Commission and the State of Kansas – DofA it stated that an annual amount of \$0.75 per net rentable square foot must be transferred into this fund. That amount adds up to an annual transfer of approximately \$225,830.00. This article further states that money from this fund may be used to help keep machinery and equipment in good mechanical and working order. The money may also be used to pay any basic or additional rent. Starting in FY 2021 the lease between the Topeka Public Building Commission and the State of Kansas – DofA was replaced with K DFA bond issuance 2020K. This bond issuance transferred ownership of the Curtis State Office Building from the Topeka Public Building Commission to the State of Kansas – DofA therefore negating the lease mentioned above. However, OFPM has made the decision to continue this transfer of \$0.75 per net rentable square foot into Fund 2010 to use as a reserve fund for large or unexpected maintenance issues that arise.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Average Daily Balance Interest	28,227	28,467	28,467	28,467
Operating Transfers In	0	0	300,000	260,000
TOTAL	\$28,227	\$28,467	\$328,467	\$288,467

2017 - Purchasing Fees Fund

History: Procurement and Contracts Informational Circular No. 601 dated April 4, 2000, allows Procurement and Contracts to collect an additional administrative fee on all sales involving statewide contracts. This fee is in addition to the bid price and was instituted to cover the expenses incurred by Procurement and Contracts to administer the contract. Provided further, Procurement and Contracts is hereby authorized to fix, charge, and collect fees for operating expenditures incurred to reproduce and disseminate purchasing information, administer vendor applications, administer state contracts and conduct training seminars, including official hospitality. And provided further, that such fees shall be fixed in order to recover all or part of such operating expenses.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Recovery of Current Year Expenditures	0	329,867	329,867	329,867
Other Reimbursements and Refunds	1,903,890	2,004,694	2,000,000	2,000,000
Operating Transfers In	570,650	66,519	20,000	20,000
TOTAL	\$2,474,540	\$2,401,080	\$2,349,867	\$2,349,867

2028 - Buildings and Grounds Fund

History: K.S.A. 75-3768. Any rents or charges for the use of any parking facilities owned by the State shall be remitted by the Secretary of Administration to the State Treasurer in accordance with the provisions of K.S.A. 75-4215 and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Buildings and Grounds fund created by K.S.A. 75-3765 and amendments thereto. K.S.A. 75-3765 states that revenue from the leasing of space in buildings operated by the DofA can be deposited in the Buildings and Grounds fund at the discretion of the Secretary of Administration.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Other Rents and Royalties	155,391	159,284	160,000	160,000
TOTAL	\$155,391	\$159,284	\$160,000	\$160,000

2033 - Municipal Accounting & Training Services Recovery Fund

History: Senate Substitute for House Bill No. 2002, Sec. 64, Paragraph (c) of the 2017 Legislative Session gives the DofA authority to fix, charge and collect fees for various accounting services provided to municipalities. Such fees are to be fixed at a rate to recover all or part of the operating expense incurred in providing such services.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Audit and Inspections	141,950	236,823	260,828	260,828
Budget Assistance Workshops	33,725	30,450	28,125	28,125
TOTAL	\$175,675	\$267,273	\$288,953	\$288,953

2038 - State Revolving Fund Services Fee Fund

History: The original contract, dated March 1, 1999, was enacted between the Department of Health and Environment, the Kansas Development Finance Authority, and the DofA. As part of this contract, the DofA will jointly administer certain portions of the State Revolving Fund programs, in exchange for a service fee. There were two contracts: one for the Kansas Water Pollution Control Revolving Fund (K.S.A. 65-3321 et seq.) and one for the Kansas Public Water Supply Loan Fund (K.S.A. 65-163d et seq.).

In August 2009, a new contract was adopted among the parties to continue to jointly administer portions of the State Revolving Fund programs. In the current agreement, the separate contracts for each program were merged into one document, with the Department being compensated \$308,000 per year, aggregate, for both programs. In addition, the new contract calls for the service fee to be reviewed every three years. At this point, no adjustment in the fee is being sought.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Administration Fees	308,000	251,000	308,000	308,000
TOTAL	\$308,000	\$251,000	\$308,000	\$308,000

2197 - General Fees Fund

The revenues and expenditures are from a variety of on-budget sources within the DofA Offices of Personnel Services and Office of Chief Counsel.

Legal Services- Legal Seminars: The Office of Chief Counsel hosts various legal seminars throughout the year. Attorneys from outside of state government may attend for a fee. Fees are applied to facility rental, speaker fees and informational materials. Open Records: Revenues from Open Records requests are placed in this fund.

Human Resources- Temporary Services Contract: Contractors pay a 2% administrative fee for all services provided. They also provide Human Resource services for smaller State Agencies that do not have Human Resource staff.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Legal	4,320	3,900	3,900	3,900
Human Resources	66,666	75,037	67,000	67,000
TOTAL	\$70,986	\$78,937	\$70,900	\$70,900

2323 - Federal & State Surplus Property Fund

History: K.S.A. 75-3707f transferred control of the Federal and State Surplus programs from the Department of Corrections to the DofA. This is the on-budget fund for Federal and State Surplus Property. This serves as the fund in which money from sales to agencies and individuals outside the state system is deposited. Federal Surplus Property has a budget unit of 2301, State Surplus has a budget unit of 2302, and the Law Enforcement Support Program (LESO) has a budget unit of 2303. All money from sales to state agencies is deposited into the off-budget fund 6150.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Other Service Charges - Federal Surplus	123,444	143,417	130,000	110,000
Other Service Charges - State Surplus	1,362,476	1,089,681	1,200,000	1,000,000
Other Service Charges - LESO Surplus	75	0	5,000	5,000
TOTAL	\$1,485,995	\$1,233,098	\$1,335,000	\$1,115,000

2435 - Conversion of Materials and Equipment – Recycling Program

History: House Substitute for Senate Bill 112, Section 80, Paragraph (c) of the Legislative Session of 2015 authorizes deposits to this fund from the sale of salvage and recyclable material by the Office of Facilities and Property Management. In recent years, expenditures have been made from this fund to pay trash compactor rental fees for several of the state office buildings.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Salvage, Scrap, Obsolete & Condemned Materials	9,270	3,772	3,000	3,000
TOTAL	\$9,270	\$3,772	\$3,000	\$3,000

2556 - Preventative Health Care Program Fund

History: This fund is used for preventative health programs for state employees and non-state group members. These programs include HealthQuest and other workplace wellness initiatives. Income for the fund comes from an employer assessment of \$0.69 per State Employees Health Benefit Plan member for 24 pay periods and \$1.80 per month for non-State members.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Preventative Health Care	690,901	734,828	960,000	1,045,000
TOTAL	\$690,901	\$734,828	\$960,000	\$1,045,000

3024 - Flood Control Emergency – Federal Fund

History: Pursuant to federal law and regulation, the Corps of Engineers distributes to the states 75% of the lease moneys derived from the lease for agricultural purposes of federally owned land adjacent to federal reservoirs. K.S.A. 27-117 provides for the subsequent payment of such moneys to counties, townships, and certain school districts in accordance with a distribution list provided by the Corps of Engineers.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Federal Grant	297,603	527,444	505,217	550,000
TOTAL	\$297,603	\$527,444	\$505,217	\$550,000

3756 - American Rescue Plan State Relief Fund (ARPA)

History: The American Rescue Plan Act (ARPA) Fund 3756 is used for transfer of federal funds from the Office of Recovery to the DofA for projects that have been approved through the Strengthening People and Revitalizing Kansas (SPARK) Executive Committee and the Kansas Legislature. Transfers into the fund and expenditures are governed by the memorandum of agreement that has been signed by the agency and the Office of Recovery. Ultimately, all expenditures are governed by rules set by the US Treasury. The Office of Recovery assists state agencies with reporting requirements and any potential federal audits.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
A0007	0	0	0	0
A0112	4,500,000	0	0	0
A0113	6,000,000	0	0	0
A0210	0	6,500,000	0	0
A0300	0	19,000,000	0	0
TOTAL	\$10,500,000	\$25,500,000	\$0	\$0

6103 - Human Resource Information Systems Recovery Fund

The revenues and expenditures are from a variety of off-budget sources within the DofA Offices of Personnel Services and Office of Chief Counsel.

Legal Services- The Office of Chief Counsel hosts various legal seminars throughout the year. Many agencies pay a fee for each participant. In addition, attorneys from outside of State Government may also attend for a fee. Fees are applied to facility rental, speaker fees and informational materials.

Personnel Services- The Office of Personnel Services provides several services including Retirement Seminar Coordination for state employees and Advertising Coordination, Human Resource Conferences and Career Fair Coordination for State Agencies.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Legal	18,720	18,240	18,000	18,000
TOTAL	\$18,720	\$18,240	\$18,000	\$18,000

6105 - Accounting Services Recovery Fund

History: House Substitute for Senate Bill No. 112, Sec. 80, Paragraph (c) of the 2015 Legislative Session provides for the Secretary of Administration to fix, charge, and collect fees for services or sales provided by the DofA that are not specifically authorized by other statute and provides that all fees received for such services shall be credited to this fund.

K.S.A. 75-6201 et seq. prescribes the policies and procedures for identifying debtors who owe money to the State and for deducting any such amounts from moneys due such debtors by the State or its agencies. The Department and the Secretary of Revenue are authorized to enter into reciprocal agreements with foreign state agencies for purposes of debt setoff. The setoff of debts owed to municipalities and district courts within the state is also authorized. K.S.A. 75-6210(b) authorizes the Department to retain a reasonable collection assistance fee.

K.S.A. 75-5501 authorizes the Department to deduct from the salary or wages an amount equal to regular membership dues for state employees who are members of any qualifying employee organization and who have completed a written authorization. The Director shall remit all moneys deducted each payroll period to the employee organization less the amount of actual direct expenses incurred relative to such deduction.

K.S.A. 2008 Supp. 75-5533 was amended to change from the State General Fund to the Accounting Services Recovery Fund regarding the deposit of administrative fees for the voluntary payroll deduction program for charitable contributions. Also included is the authority to add Community Health Charities as an eligible charity for state employees to choose, in addition to the existing authority for United Way.

In FY 2012, a new interagency service agreement was entered into between the DofA and the Kansas Department of Health and Environment to continue services related to the State Employee Benefits unit. These services will be provided on a fee-for-service basis.

Beginning in FY 2013, the fund received the revenue from the Accounting, Payroll and Budget (APB) fee, formerly the Enterprise Application Rate. The revenue was shifted from the Information Technology Fund along with the responsibility of funding the operation of the statewide accounting (SMART), human resources/payroll (SHARP) and budget (IBARS) systems.

Beginning in FY 2015, the Accounting, Payroll and Budget (APB) fee is based on the volume of transactions and the volume of accounting lines to reflect actual usage of system resources more accurately.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Bad Debts Recovered	282,015	229,189	230,000	230,000
Collection Assistance Fee	5,649,708	4,989,886	5,000,000	5,000,000
Operating Transfer In	1,283,504	1,073,705	1,000,000	1,000,000
Other Reimbursements and Refunds	144	2,653	1,000	1,000
Other Service Charges	101,615	102,940	100,000	100,000
Technical and Skilled Services	3,294	372,474	373,000	373,000
Accounting, Payroll, Budget Fees	4,842,700	5,779,700	7,002,602	8,522,196
TOTAL	\$12,162,980	\$12,550,547	\$13,706,602	\$15,226,196

6109 - Motor Pool Service Fund

History: K.S.A. 75-4607 establishes the Motor Pool Service fund in the state treasury. This fund is used for the deposit of money collected from the van pool program. The van pool program allows employees to commute to work together in vans sponsored by the State of Kansas. Each individual van pool recovers its costs and governs itself within broad parameters set by the DofA. The van pool program charges individual van pools a mileage cost ranging from \$0.43 to \$0.86 per mile. This charge offsets the costs associated with the operation of each van pool and with administering the program.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Other Service Charges	40,189	37,409	40,000	40,000
Usable Condemned Equipment	3,362	4,646	3,000	3,000
TOTAL	\$43,551	\$42,055	\$43,000	\$43,000

6148 - State Buildings Operating Fund

History: K.S.A. 75-3654 establishes the state buildings operating fund in the state treasury. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the DofA issued pursuant to vouchers approved by the secretary of administration or by a person designated by the secretary. The main revenue source in the state buildings operating fund is rent revenue. Rent was figured on net square footage in FY 2023 at a rate of \$20. per square foot for office space. The monumental building surcharge is another significant revenue source for this fund. This revenue is used for the support of the State Capitol, Judicial Center, Cedar Crest and the capitol complex parking lots. The rate for FY 2023 and 2024 was \$3.00 per square foot.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Sale of Useable Condemned Equipment	1,600	12,200	10,000	10,000
Charges for Technical & Skilled Services	106,297	103,754	100,000	100,000
Other Service Charges	5,483,120	5,453,978	7,273,999	7,564,959
Sale of Usable Condemned Materials	31	40	40	40
Departmental or Agency Sales	351,165	389,800	370,000	370,000
Other Nonrevenue Receipts	887	134	0	0
Capitol Complex Building Rental Fees	17,694,305	17,391,175	18,769,603	19,488,947
Other Rents & Royalties	19,640	17,620	17,620	17,620
Sale of Land, Buildings and Other Real Estate	162,860	0	0	0
TOTAL	\$23,819,905	\$23,368,701	\$26,541,262	\$27,551,566

6149 - State Buildings Depreciation Fund

History: K.S.A. 75-3655 establishes the State Buildings Depreciation Fund in the state treasury. Moneys sufficient to provide for the replacement of depreciable machinery and equipment and for maintenance and capital improvements, for state-owned building at Forbes and for the Docking State Office Building, the Landon State Office Building and Memorial Hall shall be transferred from the State Buildings Operating Fund (Fund 6148). Transfers shall not be less than five percent of amounts collected for rental charges for state-owned office space at the former Forbes air force base, for the Docking State Office Building and the Landon State Office Building.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Operating Transfers In	250,000	805,500	630,000	760,000
TOTAL	\$250,000	\$805,500	\$630,000	\$760,000

6150 - Federal & State Surplus Property Fund

History: K.S.A. 75-3707f transferred control of the Federal and State Surplus programs from the Department of Corrections to the DofA. This is the off-budget fund for Federal and State Surplus Property. This serves as the fund in which sales to other state agencies are deposited. Federal Surplus Property has a budget unit of 6151, State Surplus has a budget unit of 6152 and the Law Enforcement Support Program (LESO) has a budget unit of 6153. All sales made to non-state agencies are deposited into the on-budget fund 2323.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Other Service Charges – Federal Surplus	22,453	18,498	20,000	20,000
Other Service Charges – State Surplus	57,191	100,894	100,000	100,000
Other Service Charges – LESO Surplus	0	0	5,000	5,000
TOTAL	\$79,644	\$119,392	\$125,000	\$125,000

6151 - Architectural Services Recovery Fund

History: House Substitute for Senate Bill 112, Section 80, Paragraph (c) of the Legislative Session of 2015 allows that expenditures may be made from the Architectural Services Recovery Fund for operating expenditures for the Office of Facilities and Property Management. It provides further, that the director of the Office of Facilities and Property Management is hereby authorized to charge and collect fees for services provided to other state agencies not directly related to the construction of a capital improvement project. And it provides further, that all fees received for all such services shall be deposited in the state treasury and shall be credited to the Architectural Services Recovery Fund.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Charges for Inspections, Supervisions, Examinations & Audits	1,240,376	2,352,681	2,250,000	2,000,000
Charges for Technical and Skilled Services Other than Inspections	289,403	5,500	0	0
Usable Condemned Equipment	9,160	3,800	0	0
TOTAL	\$1,538,939	\$2,361,981	\$2,250,000	\$2,000,000

6165 - Intragovernmental Printing Service Operating Fund

History: K.S.A. 75-1022 directs the Department to maintain a cost system in accordance with generally accepted accounting principles. Billings shall include direct and indirect costs of production and shall be based on generally accepted cost accounting practices. All receipts for sales of goods and services and recoveries from the sale of surplus supplies and materials or of other expenditures shall be deposited in the Intragovernmental Printing Service Fund.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Printings	6,627,358	5,108,028	5,000,000	5,100,000
Mailings	5,957,584	6,133,527	6,100,000	6,000,000
TOTAL	\$12,584,942	\$11,241,555	\$11,100,000	\$11,100,000

6167 - Intragovernmental Printing Service Depreciation Reserve Fund

History: K.S.A. 75-1004b establishes the Intragovernmental Printing Service Depreciation Reserve Fund in the state treasury. Transfers to the Intragovernmental Printing Service Depreciation Reserve Fund shall be made from the Intragovernmental Printing Service Fund on a monthly basis, the amounts thereof to be determined by the Director of Printing as charges for depreciation and obsolescence of state printing plant equipment and programs according to generally accepted accounting principles prescribed by the Director of Accounts and Reports. All recoveries from the sale of surplus, obsolete or unused equipment, linotype metal or of other expenditures from this fund may be deposited in the Intragovernmental Printing Service Depreciation Reserve Fund. (Depreciation is figured on a straight-line basis over the life of the item being depreciated.)

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Operating Transfers In	24,252	22,421	132,000	132,000
TOTAL	\$24,252	\$22,421	\$132,000	\$132,000

6170 - Workers Compensation Fund

History: K.S.A. 44-575 established the fund for the collection of an assessment from state agencies for the purpose of administering the State Workers Compensation Self-Insurance Program. The amounts charged are determined by the DofA.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Workers Compensation	15,932,441	20,359,328	22,000,000	24,000,000
TOTAL	\$15,932,441	\$20,359,328	\$22,000,000	\$24,000,000

7350 - Health Insurance Premium Reserve Fund

History: K.S.A. 75-4210(a) allows this Health Insurance Fund to accumulate interest on the balance. FY2022 included a transfer in of 2.5 million.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Health Insurance Premium	1,045,060	1,990,739	2,515,000	2,515,000
TOTAL	\$1,045,060	\$1,990,739	\$2,515,000	\$2,515,000

7707 - Non-State Employer Group Benefit Fund

History: K.S.A. 75-6506 establishes the health care benefits program for state and local governments and certain not-for-profit entities. The monies in this fund are used to help cover administrative expense associated with the management of the non-state groups. FY 2020 included a one-time transfer of \$1.0 million.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Non-State Employer Group	188,826	215,013	240,000	260,000
TOTAL	\$188,826	\$215,013	\$240,000	\$260,000

7720 - Cafeteria Benefits Fund

History: K.S.A. 75-6513 established the Cafeteria Benefits Fund which replaced the health care benefits program fund and receives the charges assessed to the employer required to cover the administration expenses on health benefit contracts, plus or minus any surplus or deficit in the employer contribution rate.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Cafeteria Benefits Fund	2,690,431	2,897,658	3,000,000	3,200,000
TOTAL	\$2,690,431	\$2,897,658	\$3,000,000	\$3,200,000

7740 - Dependent Care Assistance Program Fund

History: K.S.A. 75-6520 established the State Employee Dependent Care Assistance Program and deposits monies into the Flexible Spending Program Fund that allows a pre-tax savings resulting from employee participation in the flexible spending plan. The amount of revenue depends on the number of employees participating in the flexible spending program.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Dependent Care Assistance	12,179,356	13,047,617	13,610,000	13,610,000
TOTAL	\$12,179,356	\$13,047,617	\$13,610,000	\$13,610,000

7746 - HBA Clearing Fund – Remit to Admin Service Organization

History: This fund receives the premiums collected for the State Employee Health Benefits Plan and then pays claims and third-party administrators.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
HBA Clearing Fund-Remit to Admin Service Organization	470,525,457	513,571,132	621,766,136	653,433,193
TOTAL	\$470,525,457	\$513,571,132	\$621,766,136	\$653,433,193

8701 - Equipment Lease Purchase Program Administration Clearing Fund

History: Senate Substitute for House Bill No. 2002, Sec.65, Paragraph (c) of the 2018 Legislative Session, authorizes the Equipment Lease Purchase Program Administration Clearing Fund. Subject to the approval of the Secretary of Administration, K.S.A. 75-3799 authorizes a Financial Services Negotiating Committee to obtain financial services relating to installment purchase, lease, or lease-purchase of equipment or to other financial related services needed by the requesting state agency. Financing for equipment is completed through master lease purchase agreements.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Operating Transfers In	0	104,804	45,000	45,000
Interest Earned on Reserve	2,269	4,696	4,500	4,500
TOTAL	\$2,269	\$109,500	\$49,500	\$49,500

Office of Public Advocates

Long Term Care Ombudsman

KanCare Ombudsman

Revised FY 2025

&

FY 2026

Budget Request



Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of Administration

Program State Long-Term Care Ombudsman

STATE LONG-TERM CARE OMBUDSMAN

The mission of the State Long-Term Care Ombudsman (LTCO) is to advocate for the well-being, safety, and rights of residents of Kansas long-term care facilities. The Kansas Long-Term Care Ombudsman Program is a resident directed advocacy program. The resident of a long-term care community is the client and locus of control regardless of the source of the complaint or request for service. Ombudsman identify, investigate, and resolve complaints made by or on behalf of residents; provide information to residents about long term service and supports; are to ensure that residents have regular and timely access to ombudsman services; represent the interests of residents before governmental agencies and seek administrative, legal, and other remedies to protect residents; and analyze, comment on, and recommend changes in laws and regulations pertaining to the health, safety, welfare, and rights of residents. Ombudsmen help residents and their families and friends understand, and exercise rights guaranteed by law, both at the Federal level for nursing homes and Kansas protected rights and protections in board and care, assisted living and similar homes.

PROGRAM STATUTORY HISTORY:

The Older Americans Act (42-USC 3001 et seq.) mandates that each state establish and operate an Office of the State Long-Term Care Ombudsman. Federal Law (45 CFR Part 1324 – Subpart A) provides that a State Long Term Care Ombudsman Programs must; “Ensure that residents have regular and timely access to ombudsman services.” K.S.A. 75-5916 through 75-5922, enacted in 1980, establishes the Long-Term Care Ombudsman Program. The Omnibus Reconciliation Act of 1987, and amendments thereto, have further defined the role of the Ombudsman. Public Law 160-175.

The Older Americans Act of 1998 amendments funded the program under Title VII, Section 702(b). Also in 1998, The Kansas legislature amended K.S.A. 75-7301 and attached Office of the State Long-Term Care Ombudsman to the Department of Administration to provide such technical assistance and advice as the Secretary deems reasonable and necessary to assist the State Long-term Care Ombudsman Office to function as an independent state agency. The secretary of administration has no authority over the state long-term care ombudsman, any regional long-term care ombudsman, any other ombudsman, including any volunteer ombudsman, or any other officer, employee, or volunteer of the office of the state long-term care ombudsman with respect to the performance of any power, duty or function of the office or the exercise of any other authority of the office or the state long-term care ombudsman.

The Older Americans Act Reauthorization Act of 2016 authorizes LTCO programs to serve residents transitioning from a LTC facility to a home-care setting, when feasible, and serve all LTC facility residents regardless of their age.

In 2018, the Kansas Legislature amended K.S.A. 75-7301 through 75-7314 to amend the definition of conflict of interest, add additional eligibility requirements for the Ombudsman, and further define the duties of the Ombudsman to comply with the Older American’s Act and its regulations. In 2021 E.O. 21-27 established the Office of Public Advocates to include LTCO, with provisions under K.S.A. 75-7301 to be unaffected.

PERFORMANCE MEASURES

PROGRAM GOAL:

Through advocacy, education, and empowerment by the Long-Term Care Ombudsman Program for residents and to the community at large, each resident in a Kansas long-term care facility will have positive control over their own life, be treated with dignity and respect, and will have their rights honored.

OBJECTIVE #1-State Long-Term Care Ombudsman

Provide information about long-term service and supports to empower self-advocacy by residents and their families.

Strategies for Objective #1:

1. Provide quality information and assistance for individuals to make their own informed choices.
2. Promote, attend, and provide technical support for resident and family councils.
3. Provide training and education on resident rights; person-centered care; abuse, neglect, and exploitation; and other relevant topics.
4. Maintain an up-to-date website and social media presence to provide increased accessibility to information and to an ombudsman.

Performance Measures for Objective #1:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Increase resident council activities by ombudsmen in board and care facilities and similar adult care homes, including assisted living facilities to create awareness of resident rights and empower residents for self-advocacy and informed choice.	42	36	60	75
Increase community education activities to provide for higher quality of life for residents living in adult care homes in Kansas	44	41	56	60
Increase instances of information and assistance provided to individuals to empower their self-advocacy and informed choice	2481	1909	2600	2800

OBJECTIVE #2-State Long-Term Care Ombudsman

Identify, investigate, and resolve complaints; made by or on behalf of residents, to the residents’ satisfaction.

Strategies for Objective #2:

1. Investigate and work to resolve complaints using the resident’s goal for resolution.
2. Utilize standardized procedures for competent and timely response to resident complaints.
3. Provide initial certification and ongoing training using curricula approved by the State Long-Term Care Ombudsman.

Performance Measures for Objective #2:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Percentage of complaints partially or fully resolved to the satisfaction of the resident, resident representative or complainant, as appropriate.	73%	56%	75%	83%

OBJECTIVE #3-State Long-Term Care Ombudsman

Ensure that residents have regular and timely access to ombudsman services.

Strategies for Objective #3:

1. Respond to inquiries utilizing standardized procedures for competent and timely response to resident complaints.
2. Conduct routine visits to nursing facilities, assisted living facilities, and other board and care type homes.
3. Recruit, train, and provide ongoing support and technical assistance to Ombudsman volunteers.
4. Provide information on the ombudsman program, resident rights, and other print materials to long-term care facilities to be readily available to residents, resident representatives, and staff.

Performance Measures for Objective #3:

	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Increase the number of visits by ombudsmen to nursing home facilities per fiscal year to provide resident access to ombudsman services	1078	985	1400	1500
Increase the number of visits by ombudsmen to board and care facilities and similar adult care homes, including assisted living facilities per fiscal year to provide resident access to ombudsman services	653	1155	900	1200
Increase the number of certified volunteers to provide greater in-person access for residents to a long-term care ombudsman	11	10	23	40

Internal Assessment

Strengths:

Paid staff and ombudsman volunteers share a genuine commitment for the well-being of older Kansans and a strong motivation to provide services to ensure the quality of life for the residents of long-term care facilities. The program has 11 FTE including nine regional ombudsmen (two vacant-from historic reduced funding), a state ombudsman, and an administrative assistant. Limited time federal grant funding provided for 1.5 temporary staff during program year FY2024. Utilizing limited time federal funding, the program has additional temporary staff in the FY2025 and FY2026, to total 10 FTE, 3 unclassified temporary with benefits and one 999 staff with no benefits.

The distressed and ever changing state of long-term care continues to impact the health and well-being of older adults residing in long-term care facilities. Resident conversations often require increased time and attention, case resolution is more complex. More residents and staff express fear of retaliation, building trust to address issues takes longer. While ombudsmen are not therapists, those private conversations, validating and informing the resident of their rights, providing dignity and respect with each interaction, are known to be therapeutic and serve to build back hope and trust with individuals. Due to the small number of paid ombudsman staff, ombudsman volunteers are increasingly valuable in that role.

Ombudsmen volunteers are certified in the Long-Term Care Ombudsman program beginning with thirty hours of training to prepare for their advocacy role. After their initial training, regional ombudsmen support the ombudsman volunteers. Training opportunities are provided regularly throughout the year to allow the volunteers to be knowledgeable and receive the 18 hours of annual training required to remain certified. Providing this necessary training comes at a financial and time cost to the program but is essential to the mission.

Weaknesses:

The National Academy of Sciences Institute of Medicine, in 1995, recommended one full-time equivalent (FTE) paid ombudsman per every 2,000 long-term care (LTC) beds. Kansas’ paid ombudsman ratio is well over twice that ratio.

There continues to be amplified demands of an increased aging population. The Office of the State Long-Term Care Ombudsman serves all adult care home residents across the state. The aging population continues to increase in number, while the number of Ombudsman to serve them has not.

Significant loss of volunteer base has occurred in our program, due to pandemic conditions and associated environment. The restrictions and conditions of in person visits, additional COVID-19 training, necessary infection control practices while visiting, lack of ability to participate in group meetings in person, increased complexity of the work, increased annual federal training requirements to maintain certification -ALL negatively impacted recruitment and retention. The result is a loss of volunteers from 76 in July 2020 to only 11 as of June 30, 2023.

External Assessment

Strengths:

The Ombudsman Program can be a most effective and efficient advocate and resource for older adults and people with disabilities who live in nursing homes, assisted living, and other licensed adult care homes. Ombudsmen help residents understand and exercise their rights to good care in an environment that promotes and protects their dignity and quality of life.

Resident directed advocacy empowers Kansas citizens living in adult care homes in making informed choices and having positive control over their own lives. The ombudsman program provides presentations and trainings to educate, inform and empower residents, facility staff and the community at large.

The State Ombudsman and ombudsman staff are active statewide and nationally as collaborators with other stakeholders, multi-disciplinary teams, state agencies and advocacy organizations.

This work cannot be done without some cost. The ombudsman program utilizes the resources available as effectively and efficiently as possible to maximize the positive results for our rapidly rising number of senior citizens in need of some type of long-term care supports.

EXPENDITURE JUSTIFICATION – State Long-Term Care Ombudsman

Total Current Year FY 2025 - \$1,271,382

Total Budget Year FY 2026 - \$1,115,649

Object Code 100: Salaries and Wages

The State Long-Term Care Ombudsman office has a total staff of 11 FTEs. The resident of a long-term care community is the client, regardless of the source of the complaint or request for service. The LTCO makes every reasonable effort to assist, represent, and intervene on behalf of the resident. The 11 FTEs included nine regional ombudsmen (two vacant- from historic reduced funding), a state ombudsman, and an administrative assistant.

Total Current Year FY 2025 - \$981,634

Total Budget Year FY 2026 - \$983,649

Object Codes 200-299: Contractual Services

The Office of the Long-Term Care Ombudsman requests the following for contractual services, this would cover normal operations of the Office.

Total Current Year FY 2025 - \$173,657

Total Budget Year FY 2026 - \$115,000

Object Codes 300-399: Commodities

The single largest commodities expense for the State Long-Term Care Ombudsman Office is for gasoline and auto repairs for the Program's vehicles. With regional staff spread out, it is important that the program provides coverage throughout the State.

Total Current Year FY 2025 - \$22,000

Total Budget Year FY 2026 - \$17,000

Object Code 400: Capital Outlay

The 2025 amount includes purchasing two vehicles and other associated equipment costs. For 2026 we are asking to purchase one vehicle and other associated equipment costs.

Total Current Year FY 2025 - \$94,091

Total Budget Year FY 2026 - \$0

Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of AdministrationProgram KanCare Ombudsman**KANCARE OMBUDSMAN OFFICE (KOO)**

The mission of the KanCare Ombudsman Office is to support KanCare/Kansas Medicaid members, applicants and those assisting them in resolving problems regarding services, coverage, access and rights.

Kansas Medicaid, known as KanCare, can be hard to understand. The KanCare Ombudsman Office helps with:

- Answers to questions
- Resolving issues
- Understanding letters from KanCare
- Responding when you disagree with a decision or change
- Completing an application or renewal
- Filing a complaint (grievance)
- Filing an appeal or fair hearing
- Learning about in-home services, also called Home and Community Based Services (HCBS)
- Listening and offering ideas, resources and options

PROGRAM HISTORY:

KanCare, the State of Kansas Medicaid program, started in 2013. The criteria for the KanCare Ombudsman were noted in the Centers for Medicare and Medicaid Services (CMS) Special Terms and Conditions (STC). Number: 11-W-00283/7. Title: KanCare. Awardee: Kansas Department of Health and Environment. 42. Independent Consumer Supports (Ombudsman). Timeframe: January 2013 to December 2018 (including a one-year extension). Section 42 laid out the Ombudsman organizational structure, accessibility, functions, staffing and training, data collection and reporting, stakeholder involvement, and advocacy and quality oversight (Attachment H). At that time one Ombudsman was hired with no additional staff. Later in 2013 a part time administrative assistant was hired. In 2015, a volunteer coordinator was hired, and a volunteer program was started to assist with calls coming to the KanCare Ombudsman Office. At the same time, the KanCare Ombudsman Office contracted with Wichita State University, Community Engagement Institute to assist with creating and supporting the volunteer program. In 2018, the administrative assistant became full-time.

In 2019, KanCare was renewed with CMS and guidelines for the KanCare Ombudsman Office were updated. Centers for Medicare and Medicaid Services (CMS) Special Terms and Conditions (STC). Number: 11-W-00283/7. Title: KanCare. Awardee: Kansas Department of Health and Environment. 36. Independent Consumer Supports (Ombudsman). Timeframe: January 2019 to December 2023.

In October of 2021, Kansas Governor Laura Kelly, signed [Executive Order \(21-27\)](#) that moved the KanCare Ombudsman Office from being housed with the Department for Aging and Disability Services (KDADS) to become an independent small agency attached to the Department of Administration. The transition took the rest of FY 2022 and was completed June 30, 2022. From FY13 to FY22, financials for the KanCare Ombudsman Office were part of the Kansas Department for Aging and Disability Services (KDADS) financials.

PROGRAM GOAL:

Through advocacy, education, and resources, the KanCare Ombudsman Office assists members, applicants and other stakeholders to navigate and access the application process and covered health care services and supports.

INTERNAL ASSESSMENT

Strengths:

Paid staff and volunteers share a genuine commitment for the well-being of low-income Kansans needing health care and a strong motivation to provide services to help them navigate what can be a complex system.

The program currently has three full-time employees: a state ombudsman, an ombudsman assistant, and an administrative specialist. KOO also contracts with Wichita State University Community Engagement Institute, which provides an Outreach Specialist who attends community events and forums on behalf of the KanCare Ombudsman Office and manages the social media for the office.

A second Ombudsman Assistant will start in FY 2025. This position will be responsible for responding directly to KanCare members and other stakeholders who call or email the office with questions or concerns. It is anticipated that this position will be based out of the Olathe satellite office. This additional staff position will be accomplished within the existing budget.

Weaknesses:

Many of the calls that come to the KanCare Ombudsman Office are very complex and require increasingly more time from the KanCare Ombudsman staff. For this reason, an additional full-time Ombudsman Assistant position will be filled in FY25.

The software program used to track the calls and issues and provide reporting information is outdated. KDADS technology team did a major update in 2019 to provide additional data, but due to capacity issues, we lost other functionalities (i.e., ability to drill down to get more detailed

information, the audit trail for changes to cases was lost). Report functions are also limited. With the move out of KDADS, a 2-year data sharing agreement was made that KDADS will ensure the tracking system will continue to function but will not provide any updates. This MOU ended on 6/30/2024. The KanCare Ombudsman Office, in coordination with OITS, is currently in the process of assessing which software program would best assess the needs of the office. A new software program will be purchased in FY25 to fill this need.

EXTERNAL ASSESSMENT

Strengths:

The [Governor's Executive Order 21-27](#), moved the KanCare Ombudsman Office from the Kansas Department of Aging and Disability Services (KDADS) to establishing it as an independent small agency attached to the Department of Administration. Prior to the Executive Order, the KanCare Ombudsman Office was housed in KDADS and there were stakeholder concerns regarding potential for or perception of influence from the agencies that were responsible for KanCare. This move helped to alleviate those stakeholder concerns.

The KanCare Ombudsman program is well respected by members, applicants, family, providers, managed care organizations, state agencies and community-based organizations. The staff are invited to speak at various stakeholder events within the KanCare/Kansas Medicaid community. The KanCare Ombudsman program is involved in many meetings within the state, at the local, regional and state level.

The KanCare Ombudsman Office is prepared to promptly respond when contacted by members, applicants, family, providers, community-based organizations, managed care organizations and state staff who request assistance. The KanCare Ombudsman Office staff participate in numerous conventions and meetings to provide information on the KanCare Ombudsman office and how we assist various stakeholders.

The KanCare Ombudsman Office completed a survey of KanCare stakeholders in October of 2021. Results of the survey showed that 70-85% of the respondents agreed that the KanCare Ombudsman Office staff and volunteers were respectful, encouraging, helpful and shared good resources. 80% said they got an answer to their concern.

Weaknesses:

We have found that although we continually work to outreach in the communities of Kansas, there are still many people, members and other stakeholders, that are not aware of our office or do not know how to contact us.

The KanCare Ombudsman Office completed a survey of KanCare stakeholders in October of 2021. Results showed that of the respondents, 42% had never used the KanCare Ombudsman Office for help or resources. 43% had never heard of the KanCare Ombudsman Office before. 59% did not know how to reach the KanCare Ombudsman Office. For this reason, the KanCare Ombudsman Office has a new initiative to provide more outreach in each quadrant of the state. We will accomplish this through our partnership with WSU, wherein three, part-time employees will be hired to serve as ambassadors for the KanCare Ombudsman Office.

OBJECTIVE #1 – KanCare Ombudsman Office

To receive, investigate, and work to resolve concerns and issues of KanCare/Kansas Medicaid members, applicants and other stakeholders.

Strategies for Objective #1:

1. Provide assistance to KanCare/Kansas Medicaid stakeholders through multiple entryways (phone, email, office, social media.)
2. Follow standardized procedures for competent and timely response to concerns and issues.
3. Help individuals understand the KanCare/Kansas Medicaid delivery system and resolve problems and concerns that may arise between the individual and an agency, managed care organization, provider/payer.
4. Serve as an access point for KanCare/Kansas Medicaid concerns when the beneficiary is not able to resolve their concern directly with a provider, health plan or state agency.
5. Investigate and work to resolve stakeholder issues and concerns.
6. Help applicants and members understand the state Medicaid grievance, appeal and fair hearing process.
7. Use a protocol for referring unresolvable issues to the State Medicaid Agency, managed care organization, other state agencies, or providers to assist with these concerns.
8. Provide technical assistance and support to staff and volunteers.

Outcome Measures	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Increase first response contact to within 2 days	85%	80%	88%	90%

OBJECTIVE #2 – KanCare Ombudsman Office

To provide current and updated KanCare and KanCare related resources for stakeholders.

Strategies for Objective #2:

1. Make available resources through various formats including print, the KanCare Ombudsman webpages and other social media.
2. Keep resources provided by the KanCare Ombudsman Office current with Medicaid policies and regulations.
3. Partner with key agencies for review of resources as needed.
4. Update KanCare/Kansas Medicaid resources every 12 months at a minimum.

Outcome Measures	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Number of resources updated within 12 months of last update (out of 30 total)	---	5	8	8

OBJECTIVE #3 – KanCare Ombudsman Office

To provide a system of outreach and data collection and reporting to be provided to KanCare Stakeholders.

Strategies for Objective #3:

1. Make presentations regarding various aspects of KanCare/Kansas Medicaid eligibility and program processes and the KanCare Ombudsman Office to various KanCare/Kansas Medicaid stakeholders.
2. Provide information on KanCare/Kansas Medicaid and related topics on social media.
3. Provide information on KanCare/Kansas Medicaid resources on the KanCare Ombudsman Office webpages.
4. Contract to implement a new case management system for better assistance to beneficiaries and for better data collection. As part of the MOU with KDADS, they will maintain the current tracker for only two years. Before that end date KOO will have a replacement system in place. This project will be accomplished within the existing budget.
5. Provide quarterly and annual reports with data, information and activities to the Governor, the Kansas Legislature, other government agencies and stakeholders.
6. Send out an annual survey regarding the KanCare Ombudsman Office to get feedback on the program from stakeholders.

Outcome Measures	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Outreach to KanCare/Kansas Medicaid Stakeholders	628	639	675	700

EXPENDITURE JUSTIFICATION – KanCare Ombudsman Office

Total Current Year FY 2025 - \$850,562

Total Budget Year FY 2026 - \$740,223

Object Code 100: Salaries and Wages

The KanCare Ombudsman Office has a total of 4 FTE.

Total Current Year FY 2025 - \$348,352

Total Budget Year FY 2026 - \$351,623

Object Codes 200-290: Contractual Services

The major object codes in this classification of expenditures are rents, communications, and other service fees.

Total Current Year FY 2025 - \$498,110

Total Budget Year FY 2026 - \$375,500

Object Codes 300-399: Commodities

The main commodities expense for the KanCare Ombudsman Office is for office supplies and gasoline for travel which is for outreach, education, and training.

Total Current Year FY 2025 - \$5,500

Total Budget Year FY 2026 - \$5,500

Object Code 400: Capital Outlay

For 2024 the amount includes an agency vehicle and relocating the KOO Office, the other expenses are for computer equipment.

Total Current Year FY 2025 - \$7,600

Total Budget Year FY 2026 - \$7,600

Explanation of Receipt Estimates—DA 405

Division of the Budget

State of Kansas

Agency Department of Administration

Program Office of the Public Advocates

3287 - AGING TITLE III-B - OLDER AMERICANS ACT-LTCO

The Older Americans Act (42-USC 3001 et seq.) mandates that a state agency serve as the advocate on issues affecting older persons. The State Long- Term Care Ombudsman assists in the development of services and programs for the benefit of nursing home residents. K.S.A. 75-5916 through 75- 5922, enacted in 1980, establishes the Long-Term Care Ombudsman Program. The Omnibus reconciliation Act of 1987, and amendments thereto, have further defined the role of the Ombudsman. Public Law 160-175, the 1987 Amendments of the Older American Act, authorized Title III grants to states to prevent abuse, neglect, and exploitation of older individuals. The 1987 amendments also provide that adequate legal counsel is available to the Ombudsman office and that legal representation is provided to representatives of the office to ensure that the Ombudsman can pursue administrative, legal and other appropriate remedies on behalf of facility residents. In FY 1998, the Kansas legislature amended K.S.A. 75-7301 and moved the State Long-Term Care Ombudsman to the Department of Administration as an independent state sub-agency.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Title III-B	152,850	152,850	175,991	175,991
Total	\$152,850	\$152,850	\$175,991	\$175,991

3358 - Aging Title VII - Older Americans Act -LTCO

The Older Americans Act (42-USC 3001 et seq.) mandates that a state agency serve as the advocate on issues affecting older persons. The State Long- Term Care Ombudsman assists in the development of services and programs for the benefit of nursing home residents. K.S.A. 75-5916 through 75- 5922, enacted in 1980, establishes the Long-Term Care Ombudsman Program. The Omnibus reconciliation Act of 1987, and amendments thereto, have further defined the role of the Ombudsman. Public Law 160-175, the 1987 Amendments of the Older American Act, authorized Title III Part G grants to states to prevent abuse, neglect, and exploitation of older individuals. The 1987 amendments also provide that adequate legal counsel is available to the Ombudsman office and that legal representation is provided to representatives of the office to ensure that the Ombudsman has the ability to pursue administrative, legal and other appropriate remedies on behalf of facility residents. The Older Americans Act of 1998 Amendments funded the program under Title VII, Section 702(b).

In FY 1998, the Kansas legislature amended K.S.A. 75-7301 and moved the State Long-Term Care Ombudsman to the Department of Administration as an independent state sub-agency.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Title VII	182,198	192,759	181,106	181,106
Title VII ARP (3160)	84,176	0	0	0
Total	\$266,374	\$192,759	\$181,106	\$181,106

3414 - Medical Assistance Program Fund-LTCO

Medicaid funding is made available for certain administrative costs related to activities performed by state Long-Term Care Ombudsman Programs that benefit the state’s Medicaid program. In this budget SGF are available and used to match federal Medicaid projected funding.

Through interagency agreement some examples of long-term care ombudsman activities eligible for federal Medicaid administrative funding are: education and consultation to potential enrollees on Medicaid, identifying and referring individuals who may be eligible for and in need of Medicaid services, tracking individuals requests for assistance with obtaining medical/dental/mental/long-term care (including home and community based) services that are covered by Medicaid, identifying Medicaid-eligible residents who want to transition out of nursing home facilities and then connecting them with the appropriate local contact agency or other services to assist them in returning to the community, identifying and reporting suspected instances of Medicaid fraud to federal and state agencies for investigation and action.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Medicaid (3415)	183,397	239,539	340,090	334,395
Total	\$183,397	\$239,539	\$340,090	\$334,395

3414 - Medical Assistance Program Fund-KOO

Medicaid funding is made available for certain administrative costs related to activities performed by state KanCare Care Ombudsman programs that benefit the state’s Medicaid program. In this budget SGF is available and used to match federal Medicaid projected funding.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
Medicaid (3416)	97,762	240,935	268,476	225,111
Volunteer Program (3421)	92,272	215,125	220,000	220,000
Total	\$190,034	\$456,060	\$488,476	\$445,111

3680 - Title XX Fund-LTCO

Funds used for publications, training and education activities provided at no cost for long-term care staff, residents, family, other state agency staff and the community at large. These activities increase understanding of person-centered thinking, planning and practice that builds a culture of prevention and identification of abuse neglect and exploitation. Residents of nursing homes are to be provided person-centered care. Person-centered care defined in nursing homes regulation, states “to focus on the resident as the locus of control and support the resident in making their own choices and having control over their daily lives.” In FY 22, our program hired a certified mentor trainer for person-centered practices. Ombudsman staff and four volunteers completed a series of virtual and in-person trainings to provide a foundation for their work in the field. Virtual training events began in FY22, and will continue to be offered, as funding allows, for adult care home staff, residents, family, other state agency staff and the community at large.

Revenue Source	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026
CRRSA (3085)	0	0	0	0
ARP (3088)	0	0	0	0
Total	\$0	\$0	\$0	\$0

State of Kansas Division of the Budget

**Revised FY 2025
&
FY 2026
Budget Request**



Narrative Information—DA 400

Division of the Budget

State of Kansas

Agency Department of AdministrationProgram Budget Analysis**PROGRAM TITLE: BUDGET ANALYSIS****DIVISION OF THE BUDGET MISSION:**

Promote the responsible use of state resources to achieve efficient and effective state government consistent with gubernatorial priorities.

DIVISION OF THE BUDGET PHILOSOPHY:

The Division of the Budget is committed to excellence, professional conduct, and service. These values are reflected in the management and analysis of the state budget and other resources which are provided to the Governor, the Legislature, state agencies, and the citizens of Kansas.

PROGRAM EXPLANATION:

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 assure State General Fund solvency throughout the year. The Division interprets appropriations language and advises agency managers when questions arise about legislative intent and the management of state government. It verifies and distributes the census data that determine how state aid to local governments is to be apportioned. Staff within the Division is more recently serving a role in assistance with disclosure of the state's financial status when state agencies seek to issue bonds for capital projects backed with state appropriations for debt service. In addition, the Division makes recommendations on agency requests for State Finance Council action and executive directives.

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. The budget process requires agencies to submit alternative spending proposals. Agency budget requests are guided by expected revenues that will support a base budget with limited adjustments for such statewide costs as group health, KPERs rates, etc. In some years, agencies must also submit a reduced resource package, using estimates provided by the Division, based on the assumption that revenues might decline enough to make a base budget unsupportable. In addition, if agencies are proposing a new program

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or expansion of an existing program, a request for funds and/or positions related to such an enhancement is submitted as a discrete package. These requests are taken together as an array that demonstrates alternative budget outcomes and thus expands the information available to the Governor and the Legislature as decisions are made.

The fundamental budgeting unit is the *program*, an integrated set of activities designed to accomplish a set of objectives. Agency budgets are the aggregate of spending proposals developed at the program level. During the budget process agencies must submit operating plans for each program, and these plans supply a major portion of the data that underlie analysis by Division of the Budget staff.

STATUTORY HISTORY

The Kansas budget system was created by the 1917 Legislature. Major revisions of the original statutes occurred in 1925, 1953, 1972, 1978, and 1980. Current provisions are found in KSA 75-3714a et seq. The following statutes relate to the responsibilities of the Division of the Budget:

KSA 75-3715	delineates the powers and duties of the Director of the Budget;
KSA 75-3715a	requires the Division of the Budget to furnish fiscal notes to the Legislature for all bills which alter the revenues and/or fiscal liability of the state or local governments;
KSA 75-3721	details the timing and content of the Governor's budget submission to the Legislature;
KSA 75-3722 et seq.	establishes an allotment system and prescribes certain duties for the Director of the Budget when the resources of the State General Fund are likely to be insufficient to cover the appropriations made against the fund;
KSA 75-4802 et seq.	incorporate the functions of statewide planning and research into the Division of the Budget;
KSA 11-201	requires the Division of the Budget to certify and distribute census bureau population estimates for the state;
KSA 75-6701	directs the Director to prepare a joint estimate of revenue to the state general fund for the current fiscal year and the ensuing fiscal year with the Director of the Legislative Research Department;
KSA 75-6704 et seq.	delineate the Director's responsibilities when it is projected that the unencumbered ending balance in the State General Fund is projected to be less than \$100.0 million in the current fiscal year;
KSA 75-137	requires the Governor to include \$150,000 in the Division's budget in election years for gubernatorial transition expenses;
KSA 77-416, 420	Outlines the responsibilities of the Director of the Budget to review and approve (or deny) certain proposed state agency rules and regulations, including the economic impact statement provided by the agency.

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Division of the Budget

State of Kansas

Agency Department of AdministrationProgram Budget Analysis**LONG TERM TRENDS:****Performance-Based Budgeting (PBB)**

Currently, the Kansas Legislative Research Department (KLRD) coordinates with state agencies the reporting process of PBB to the Legislature and the Division of the Budget. State agencies fill out a form with various PBB reporting requirements that are outlined by KLRD. These reports are submitted in conjunction with the agency's budget submission by September 15 of each year.

Administrative Rules and Regulations Review Changes—2024 HB 2648

The 2024 Legislature enacted HB 2648, which made numerous changes to the administrative rules and regulations approval process for state agencies.

Legislative Ratification Requirement

The law generally prohibits the adoption of any rule and regulation for which the economic impact statement indicates \$1.0 million or more in implementation or compliance costs are reasonably expected to be incurred by or passed along to businesses, local governments, or individuals during the initial five-year period following the adoption of the rule and regulation, unless the rule and regulation has been ratified by the Legislature by the enactment of a bill authorizing the rule and regulation. Any member of the Legislature is authorized to introduce legislation.

“Implementation and compliance costs” are defined to mean direct costs that are readily ascertainable based upon standard business practices, including, but not limited to, fees, the cost to obtain a license or registration, the cost of equipment required to be installed or used, additional operating costs incurred, the cost of monitoring and reporting, and any other costs to comply with the requirements of the proposed rule and regulation. The law requires the economic impact statements filed with proposed rules and regulations to include a determination of whether adoption of the rule and regulation would result in more than \$1.0 million in costs in the first five years following adoption of the rule and regulation and eliminates a requirement that statements include similar determinations over two-year periods.

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State agencies prohibited from adopting rules and regulations pursuant to this limitation are authorized to modify the proposed rule and regulation and prepare a revised economic impact statement. The adoption of the modified rule and regulation is authorized if the \$1.0 million limitation is not anticipated to be exceeded by the modified rule and regulation. This requirement does not apply to temporary rules and regulations, rules and regulations proposed because of a federal mandate, or rules and regulations of the Kansas Agricultural Remediation Board.

Duties of the Director of the Budget

The law requires the Director of the Budget, in reviewing the economic impact statements for proposed rules and regulations, to conduct an independent analysis to determine that the agency has complied with the requirements for economic impact statements and review the agency's determination of the amount of implementation and compliance costs reasonably expected to be incurred by or passed along to businesses, local governments, and individuals over the initial five-year period following adoption of the rule and regulation.

If costs do not exceed \$1.0 million, the law requires the Director to approve a rule and regulation if the Director independently determines the economic impact statement is a complete analysis and the Director concurs with the economic impact statement and to disapprove the rule and regulation if the economic statement is incomplete or contains substantive inaccuracies.

If costs do exceed \$1.0 million, the Director is required to approve a rule and regulation if the proposed rule and regulation has been ratified by the Legislature and disapprove the proposed rule and regulation if the economic impact statement is incomplete or contains substantive inaccuracies. The Director's annual reports to the Joint Committee on Administrative Rules and Regulations and the Legislature are required to include information regarding rules and regulations denied due to exceeding the \$1.0 million requirement provided by the law.

Other Provisions of 2024 HB 2648

The law provides that policies established by orders in adjudications under the Kansas Administrative Procedure Act or other procedures may not include the establishment of rules governing future private conduct that have the force of law. The law eliminates a requirement that the Legislative Division of Post Audit conduct an audit in 2026 to study the accuracy of economic impact statements submitted with proposed

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rules and regulations, the impact of the review of the Director on the accuracy of statements, and the appropriate amount of economic impact to trigger additional rules and regulations hearing procedures.

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BUDGET ANALYSIS PROGRAM

GOAL 1: Perform comprehensive policy, management, and fiscal analysis.

OBJECTIVE 1: Develop sophisticated research and analytical capabilities.

Strategies:

Manage an employee selection process that assures hiring analysts with a solid research and analytical base.

Provide formal, in-house training of analysts related to research and analysis expectations, including an effective mentor program.

Provide a variety of continuing education and training programs to develop the basic skills of employees.

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	<u>Actual</u> FY 2022	<u>Actual</u> FY 2023	<u>Actual</u> FY 2024	<u>Current</u> Year FY 2025	<u>Budget</u> Year FY 2026
<u>Outcome Measures:</u>					
Percentage of analysts rating formal, in-house training or continuing education as “good” or “excellent”	100.0	100.0	100.0	100.0	100.0
Percentage of analysts rating the in-house mentor program as “good” or “excellent”	100.0	100.0	100.0	100.0	100.0
<u>Output Measures:</u>					
Number of continuing education opportunities attended by staff	12	8	9	10	10

OBJECTIVE 2: Develop and maintain an increasing scope of knowledge related to agency functions, programs, and policy options.

Strategies:

Review the most recent budget resources and background materials related to assigned agencies.

Develop an understanding of agency activities through on-site visits, continuous dialogue, and policy research.

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Division of the Budget
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 Program Budget Analysis

	Actual <u>FY 2022</u>	Actual <u>FY 2023</u>	Actual <u>FY 2024</u>	Current Year <u>FY 2025</u>	Budget Year <u>FY 2026</u>
<u>Outcome Measure:</u>					
Percentage of state agencies visited in the fiscal year	69.4	43.9	72.4	74.5	85.7
<u>Output Measure:</u>					
Number of agencies visited	68	43	93	94	95

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GOAL 2: Produce an accurate budget reflecting the Governor’s priorities.

Strategies:

Communicate the Governor’s priorities through agency training, comprehensive budget instructions, and other contacts.

Manage a comprehensive budget review process, which includes utilization of tracking mechanisms and reconciliation processes.

Review and revise, as necessary, DOB recommendations with the Governor.

GOAL 3: Balance state receipts and expenditures.

OBJECTIVE 1: Provide cash management for the State General Fund.

Strategies:

Develop a cash flow model of the State General Fund that has at least 95.0 percent of expenditures identified in specific categories and no more than 5.0 percent categorized as “other” State General Fund expenditures.

Monitor the current year status of receipts and expenditures on a daily basis.

Take corrective measures, either through the use of administrative tools, executive branch actions, legislative actions, or State Finance Council actions, as needed.

Develop reliable techniques for estimating expenditures and revenues resulting from changes in state and federal law or administrative practices.

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	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Current Year FY 2025</u>	<u>Budget Year FY 2026</u>
<u>Outcome Measures:</u>					
Percentage of expenditures identified as “other” State General Fund expenditures in the cashflow	5.3	4.4	4.7	8.8	5
Average percentage deviation of the actual average monthly balance and the balance projected by the cashflow model	178.8	136.5	16.1	100	100
<u>Output Measures:</u>					
Number of times administrative tools are used to ensure positive cashflow	0	0	0	0	0

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OBJECTIVE 2: Assist agencies in maintaining the solvency of special revenue funds.

Strategies:

Maintain cash flow models on major funds. For this purpose, major funds are defined as any fund that finances either a variety of state agencies or a single agency, which, if exhausted, would require the agency to revise its strategic plan significantly or would require an additional appropriation of dollars to allow the agency to maintain the base budget level.

Monitor the current year status of receipts and expenditures, as necessary.

Work with agencies to develop alternatives to meet obligations of a fund that has a cash flow problem.

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	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Current Year FY 2025</u>	<u>Budget Year FY 2026</u>
<u>Outcome Measures:</u>					
Percentage of agencies the Division of the Budget contacts with concerns about cashflow management	16.1	11.8	10.8	10.8	14.0
Number of problems identified	15	11	10	10	13
<u>Output Measure:</u>					
Number of cashflow models developed and maintained	54	51	51	51	55

GOAL 4: To provide accurate budget and policy information in a timely manner.

OBJECTIVE 1: To respond to inquiries from the Division’s publics: the Governor’s Office, legislators, the public, the media, and representatives from other local governments in a timely and professional manner.

Strategies:

Facilitate the flow of information from the Division to the publics via telephone calls, correspondence, and electronic mail.

Ensure administrative staff is aware which analyst should receive inquiries on certain topics.

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Prepare clear and concise memos, letters, and survey responses that effectively reply to inquiries by the requested deadlines.

Ensure all analysts have a general knowledge of the overall state budget and current State General Fund outlook.

Prepare fiscal notes on a timely basis to maximize their usefulness to legislative committees, the Governor, and others.

Review and approve all applicable economic impact statements for associated rules and regulations.

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	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Current Year FY 2025</u>	<u>Budget Year FY 2026</u>
<u>Outcome Measures:</u>					
Percentage of fiscal notes completed by the hearing date	100.0	100.0	100.0	100.0	100.0
Percentage of corrected fiscal notes	0.9%	0.5%	0.0%	0.0%	0.0%
<u>Output Measures:</u>					
Number of fiscal notes completed	528	791	604	800	600
Number of surveys completed	6	4	4	4	4
Number of corrected fiscal notes	5	4	0	0	0
Number of administrative regulations reviewed	222	47	0	500	500
Number of administrative regulations reviewed with a fiscal effect over \$1.0 million over a 5-year period	0	0	0	20	20

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GOAL 5: Provide assistance to state agencies in budget development and execution, including strategic planning and performance measurement.

OBJECTIVE 1: Prepare and present clear and concise written and oral budget instructions.

Strategies:

Complete written budget instructions, including cost indices, and make them available to agencies prior to the formal training sessions in late spring or early summer.

Provide introductory training for all agency personnel who have never prepared a budget document.

Provide staff and agency training on the Governor’s initiatives, changes, or technical improvements that are expressed in the written instructions.

Provide prompt and accurate advice relating to agency inquiries by individual analysts.

OBJECTIVE 2: Assure that the information contained in *The Governor’s Budget Report* and in state agency budget submissions reflects strategic planning and performance measurement.

Strategies:

Promote and encourage the use of strategic planning in state government and assist state agencies in the use of strategic planning and performance measurement, when needed.

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	<u>Actual</u> FY 2022	<u>Actual</u> FY 2023	<u>Actual</u> FY 2024	<u>Current</u> Year FY 2025	<u>Budget</u> Year FY 2026
<u>Outcome Measure:</u>					
Percentage of agency budget submissions that include at least one outcome measure for each program, except debt service and capital improvements	90.3	90.3	91.4	91.5	90.5
<u>Output Measure:</u>					
Number of state agencies reporting that they use elements of their strategic plan “most of the time” to develop budget issues	84	84	85	86	86

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OVERVIEW OF CURRENT YEAR ESTIMATE AND BUDGET YEAR INFORMATION

CURRENT YEAR—FY 2025:

The Division was appropriated \$2,276,077 from the State General Fund for its operations in FY 2025. From underspending in FY 2024, \$520,997 reappropriated from FY 2024 and was made available in FY 2025; however, of this amount, \$296,983 was planned and \$224,014 was unanticipated. Including the appropriation and reappropriations, a total \$2,797,074 from the State General Fund is legally available in FY 2025 for spending by the Division.

The Division’s revised FY 2025 expenditure request totals \$2,797,074, all from the State General Fund. The Division’s FY 2025 revised expenditures will allow the Division to function at its approved staffing level of 14.00 FTE positions, including 1.00 Budget Director, 1.00 Deputy Budget Director, 11.00 FTE Budget Analysts, and 1.00 Executive Assistant. Salaries and wages are budgeted with a total of \$1,758,698, all from the State General Fund.

Out-of-state travel has been budgeted for participation at various National Association of State Budget Officers (NASBO) meetings. NASBO is the professional association where the Division’s staff receives most of its professional development. In addition, funds have been budgeted for analysts to visit various state agencies during the summer months. Expenditures totaling \$200,000 have been budgeted in contractual services for special projects as needed by the Budget Director or by the Governor. In addition, the Division of the Budget will move into new office space sometime during the summer of 2025. The Division has budgeted approximately \$600,000 for relocation expenses to a new office building.

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BUDGET YEAR Allocated Resources Request—FY 2026

The Division requests total allocated resources expenditures in FY 2026 totaling \$2,287,919, all from the State General Fund. The agency’s request will finance 14.00 FTE positions, which is the same as the Division’s revised FY 2025 request. Out-of-state travel has been budgeted for participation at various National Association of State Budget Officers (NASBO) annual meetings and events. Expenditures totaling \$214,750 have been budgeted in contractual services for special projects as needed by the Budget Director or by the Governor.

Enhancement Packages—FY 2026

The Division requests no enhancement packages in FY 2026.

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EXPENDITURE JUSTIFICATION—Division of the Budget

Object Code 5100: Salaries and Wages

The Division has a limited hierarchy, and all professional staff members are given considerable flexibility in performing assigned work within time constraints. The Deputy Director reports to the Director, plays a significant role in developing office policy and procedures, and coordinates the development of overall budget procedures.

There are four classifications of “budget analyst” within the Division, although the official titles in the state’s personnel system are different. Each represents a progressive level of autonomy, experience, and reliability. These are Budget Analyst I, Budget Analyst II, Senior Budget Analyst, and Principal Budget Analyst positions. Promotion to higher levels is not automatic but based on demonstrated proficiency and attainment of a higher level of responsibility and competence.

Experienced staff members are assigned as “mentors” to new analysts so that new staff may more easily learn the Division’s work policies and procedures. All analysts report directly to the Director of the Budget on matters affecting their agencies, are directly responsible to the Director, and, at various times of the year, have contact with the Governor and the Governor’s staff. One professional staff member provides assistance to the office in performing accounting, word processing, and logistical support to the office.

Current Year FY 2025—\$1,758,698. The estimate results from a recalculation of salaries based on current staff levels and the level of seniority and benefits eligibility. This request would fund 14.00 FTE positions, including 1.00 Budget Director, 1.00 Deputy Budget Director, 11.00 FTE Budget Analysts, and 1.00 Executive Assistant. The Division of the Budget also performs demographic duties that are required by statute and are carried out by existing members of the budget staff. The Director of the Budget also serves as the Secretary of Administration, with the salary split shared by the Division of the Budget (50.0 percent) and the Department of Administration (50.0 percent).

Budget Year FY 2026—\$1,771,984. Funding at this level continues funding for a staff of 14.00 FTE positions. Applicable fringe benefit expenditures have been calculated in accordance with the budget cost indices, as provided by the Division of the Budget, including costs for KPERS and health insurance benefits. No general salary increase for agency staff has been budgeted for FY 2025. The Director of the Budget is budgeted in FY 2026 to

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continue to serve as the Secretary of Administration, with the salary split shared by the Division of the Budget (50.0 percent) and the Department of Administration (50.0 percent).

Object Codes 5200-5290--Contractual Services

After salaries and wages, the Division's largest expenditure is for rent paid, along with the monumental surcharge, to the Department of Administration for the agency's office space in the Landon State Office Building in room 504-N. During the summer of 2025, the Division will relocate to renovated space in a new building. Also included in this category are services provided by the Office of Information Technology Services (OITS). Expenditures for the Division's annual dues to the National Association of State Budget Officers (NASBO), subscription costs to periodicals, as well as a shared subscription with the Kansas Legislative Research Department to the Federal Funds Information for States are included in contractual services.

Current Year—FY 2025—\$432,236. In addition to the above contractual services, out-of-state travel expenditures totaling \$20,000 are budgeted for the Budget Director and other staff members to attend NASBO meetings and events, as well as other training opportunities. Training is important to have an effective workforce. Expenditures totaling \$211,135 has been included in the category of "Other Contractual Services" for special projects that the Governor and the Budget Director deem appropriate. In addition, the Division began its lease with Dell Computers for the replacement of 12 notebook computers during FY 2024 at an annual cost of \$5,914 through FY 2026, which is included in the overall amount budgeted for contractual services.

Budget Year—FY 2026—\$511,085. At this level for professional services, the Division will be able to maintain its contractual obligations for its operations. However, expenditures totaling \$214,750 have been budgeted for special projects for the Governor and the Budget Director.

Object Codes 5300-5390—Commodities:

The single largest category of expenditures in commodities is for stationery and office supplies. This category includes paper, notebooks, computer supplies, and other miscellaneous office supplies.

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Current Year FY 2025—\$3,850. The revised estimate of expenditures for the current fiscal year is primarily based on a comparison with prior expenditures.

Budget Year FY 2026—\$3,850. Expenditures are budgeted to for similar expenditures in FY 2026 as was budgeted in FY 2025.

Object Code 5400—Capital Outlay:

Capital outlay expenditures for the Division in the past have included the purchase of computers, monitors, standing desks, as well as certain software. Prior to FY 2025, expenditures in this category included the purchase of revisions to the Kansas statutes and session laws, both of which are compiled by the Revisor of Statutes. However, in FY 2025, the Division will only purchase one set of the Kansas statutes and session laws, as most analysts research these documents with online services through the Kansas Legislature and the Kansas Secretary of State.

Current Year FY 2025—\$602,290. Expenditures of \$1,000 are budgeted to replace various office equipment, only as needed. In addition, The Division has budgeted \$601,290 for the Division’s relocation to a new office building.

Budget Year—FY 2026—\$1,000. Expenditures of \$1,000 are budgeted to replace various office equipment, only as needed.

Explanation of Receipt Estimates—DA 405

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The **Budget Fees Fund (2191)** has been used mostly for one-time purposes, oftentimes expenditures that arise in the course of actual business that could not be anticipated in order to budget for them ahead of time. In the past the fund has been used as a means for paying for school financial audits. The audit work was performed by Standard and Poor’s, while the financing was provided by the Ewing M. Kauffman Foundation. The Division of the Budget served as the agent for receiving and disbursing the funds.

The original cost estimate for the audits was \$400,000. Of this amount, \$200,000 was received in FY 2005, but no payments were made during that fiscal year. The remaining \$200,000 was received in FY 2006. During FY 2006, payouts totaling \$300,000 were made. The Kauffman Foundation began making direct payments to S&P during FY 2007. As a result, the final \$100,000 was not used, and the money was returned to the Kauffman Foundation. During FY 2023, the Division purchased teleconferencing equipment for the Conference Room and the Director’s Office that had a cost of \$13,244. Of this amount \$6,150 was utilized from the Budget Fees Fund. No further expenditures from this fund have been budgeted; however, the remaining balance of \$10,884 (as of the beginning of FY 2025) can be used for a capital outlay expenditure or other non-recurring type purchase.