

KANSAS DEPARTMENT OF LABOR

Budget Committee Report

KLRD Analyst: Wu
KLRD Summary: Vol. 2, Pg. 328
Bill Number: HB 2007

DOB Analyst: Ordiway
GBR Analysis: Vol. 2, Pg. 286
Committee: House Appropriations

Summary, FY 2023 – FY 2026

Expenditures by Fund Type

	Actual FY 2023	Actual FY 2024	House FY 2025	House FY 2026
State Operations	\$ 68,657,869	\$ 45,004,234	\$ 63,025,967	\$ 55,288,838
State General Fund	15,607,444	6,696,321	15,840,662	9,519,318
Federal Funds	38,025,398	25,017,887	24,561,008	23,797,260
All Other Funds	15,025,027	13,290,026	22,624,297	21,972,260
State Aid and Assistance	\$ 108,686,152	\$ 138,956,323	\$ 194,764,895	\$ 181,528,031
State General Fund	15,655	-	-	-
Federal Funds	(58,683)	(62,614)	-	-
All Other Funds	108,729,180	139,018,937	194,764,895	181,528,031
Capital Budget and Debt	\$ 1,287,889	\$ 1,331,229	\$ 1,660,000	\$ 1,160,000
State General Fund	753,071	801,230	996,000	696,000
Federal Funds	6,192	-	-	-
All Other Funds	528,626	529,999	664,000	464,000
TOTAL	\$ 178,631,910	\$ 185,291,786	\$ 259,450,862	\$ 237,976,869

Financing by Expenditure Group

	Actual FY 2023	Actual FY 2024	House FY 2025	House FY 2026
State General Fund	\$ 16,376,170	\$ 7,497,551	\$ 16,836,662	\$ 10,215,318
State Operations	15,607,444	6,696,321	15,840,662	9,519,318
State Aid and Assistance	15,655	-	-	-
Capital Budget and Debt	753,071	801,230	996,000	696,000
Federal Funds	\$ 37,972,907	\$ 24,955,273	\$ 24,561,008	\$ 23,797,260
State Operations	38,025,398	25,017,887	24,561,008	23,797,260
State Aid and Assistance	(58,683)	(62,614)	-	-
Capital Budget and Debt	6,192	-	-	-
All Other Funds	\$ 124,282,833	\$ 152,838,962	\$ 218,053,192	\$ 203,964,291
State Operations	15,025,027	13,290,026	22,624,297	21,972,260
State Aid and Assistance	108,729,180	139,018,937	194,764,895	181,528,031
Capital Budget and Debt	528,626	529,999	664,000	464,000
TOTAL	\$ 178,631,910	\$ 185,291,786	\$ 259,450,862	\$ 237,976,869
FTE Positions	439.5	446.3	446.3	444.8

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FY 2025

	Agency	LBC	House	Senate	Conference
State Operations	\$ 63,962,541	\$ 63,025,967	\$ 63,025,967	\$ -	\$ -
State General Fund	16,777,236	15,840,662	15,840,662	-	-
Federal Funds	24,561,008	24,561,008	24,561,008	-	-
All Other Funds	22,624,297	22,624,297	22,624,297	-	-
State Aid and Assistance	\$ 193,764,895	\$ 193,764,895	\$ 194,764,895	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	193,764,895	193,764,895	194,764,895	-	-
Capital Budget and Debt	\$ 1,660,000	\$ 1,214,832	\$ 1,660,000	\$ -	\$ -
State General Fund	996,000	728,899	996,000	-	-
Federal Funds	-	-	-	-	-
All Other Funds	664,000	485,933	664,000	-	-
TOTAL	\$ 259,387,436	\$ 258,005,694	\$ 259,450,862	\$ -	\$ -
FTE Positions	446.3	446.3	446.3	--	--

Agency

The **agency** submits a revised estimate of \$259.4 million in expenditures and 446.3 FTE positions in FY 2025, including \$17.8 million SGF and \$193.8 million from the Unemployment Insurance (UI) Trust Fund. This represents an increase of \$53.4 million above the amount approved by the 2024 Legislature.

The estimate includes one supplemental request:

- **Replace AC Units.** The agency's capital improvement plans include replacing three air conditioner (AC) units at its administrative office at 401 SW Topeka Boulevard. The agency has reviewed system requirements and anticipates project costs totaling \$1.0 million. The agency already has \$554,832 allocated for the project and requests the remaining \$445,168 in supplemental funding in FY 2025, \$267,101 from the SGF and \$178,067 from the Workers Compensation Fee Fund.

The remainder of the increase is largely due to the following two items:

- **UI Benefit Payments.** The agency regularly updates estimates on state unemployment insurance payments. In FY 2025, the agency increased projected payments by \$27.6 million, from \$140.1 million to \$167.7 million.
- **UI Trust Fund Transfer.** In August 2024, the agency transferred \$21.1 million from the UI Trust Fund to the United States Department of Labor as part of a review and reconciliation process for funds received during the COVID-19 pandemic. This was not completed until after the 2024 Session.

Special Committee on Legislative Budget

The **LBC** concurs with the agency's revised estimate in FY 2025, with the following adjustments:

1. Delete \$936,574 SGF to lapse the reappropriation for unemployment system training in FY 2025. These funds were originally approved to cover a shortage in federal grant funds available to mitigate the Pandemic Unemployment Assistance (PUA) backlog in the Unemployment Appeals Division.
2. Delete \$445,168, including \$267,101 SGF and \$178,067 from the Workers Compensation Fee Fund, to not replace three AC units at its 401 SW Topeka office in FY 2025.

Joint Committee on State Building Construction

The **Joint Committee** concurs with the LBC's recommendation in FY 2025.

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House Committee on General Government Budget

The **Budget Committee** concurs with the LBC's recommendation in FY 2025, with the following adjustments:

1. Add \$445,168, including \$267,101 SGF and \$178,067 from the Workers Compensation Fee Fund, to replace three AC units at its 401 SW Topeka office in FY 2025.
2. Add \$1.0 million from the Kansas Sheltered Workshop Transition Fund (Fund) to administer the Sheltered Workshop Transition Grant Program in FY 2025. 2024 SB 15 directs the Secretary of Labor to administer this program and provides for an annual transfer from the Economic Development Initiatives Fund (EDIF) to the Fund from FY 2025 to FY 2035. This adjustment reflects expenditures from the Fund that were omitted from HB 2007. (Technical)

House Committee on Appropriations

The **Committee** concurs with the Budget Committee's recommendation in FY 2025.

KANSAS DEPARTMENT OF LABOR

Budget Committee Report

FY 2026

	Agency	LBC	House	Senate	Conference
State Operations	\$ 55,288,838	\$ 55,288,838	\$ 55,288,838	\$ -	\$ -
State General Fund	9,519,318	9,519,318	9,519,318	-	-
Federal Funds	23,797,260	23,797,260	23,797,260	-	-
All Other Funds	21,972,260	21,972,260	21,972,260	-	-
State Aid and Assistance	\$ 180,528,031	\$ 180,528,031	\$ 181,528,031	\$ -	\$ -
State General Fund	-	-	-	-	-
Federal Funds	-	-	-	-	-
All Other Funds	180,528,031	180,528,031	181,528,031	-	-
Capital Budget and Debt	\$ 1,160,000	\$ 1,160,000	\$ 1,160,000	\$ -	\$ -
State General Fund	696,000	696,000	696,000	-	-
Federal Funds	-	-	-	-	-
All Other Funds	464,000	464,000	464,000	-	-
TOTAL	\$ 236,976,869	\$ 236,976,869	\$ 237,976,869	\$ -	\$ -
FTE Positions	444.8	444.8	444.8	--	--

Agency

The **agency** requests \$237.0 million in expenditures and 444.8 FTE positions for FY 2026, including \$10.2 million SGF and \$180.5 million from the UI Trust Fund. This represents an increase of \$38.3 million above the amount approved by the 2024 Legislature for FY 2025. This change is largely due to **updated estimates on state unemployment insurance benefits** (\$35.5 million), from the \$140.1 million in the approved budget for FY 2025 to \$175.5 million for FY 2026.

Special Committee on Legislative Budget

The **LBC** concurs with the agency's revised estimate for FY 2026.

Joint Committee on State Building Construction

The **Joint Committee** concurs with the LBC's recommendation for FY 2026.

House Committee on General Government Budget

The **Budget Committee** concurs with the LBC's recommendation for FY 2026, with the following adjustment:

1. Add \$1.0 million from the Kansas Sheltered Workshop Transition Fund to administer the Sheltered Workshop Transition Grant Program for FY 2026. This adjustment reflects expenditures from the Fund that were omitted from HB 2007. (Technical)

House Committee on Appropriations

The **Committee** concurs with the Budget Committee's recommendation for FY 2026.