

SENATE BILL No. 14

By Committee on Ways and Means

1-16

1 AN ACT concerning the state budget; providing for a continuous budget
2 until amended, lapsed or eliminated by the legislature; **in certain**
3 **specified circumstances; providing** temporary reallocations;
4 establishing conditions and limitations therefor.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. **During any regular session of the legislature, if the**
8 **legislature passes an appropriation bill providing for appropriations**
9 **for the ensuing fiscal year or years for state agencies, the governor**
10 **vetoes such appropriation bill in its entirety and the legislature fails to**
11 **override such veto, then the provisions of this section shall take effect**
12 **for the ensuing fiscal year. {Notwithstanding the provisions of any**
13 **statute to the contrary, if the provisions of this section take effect, then**
14 **the legislature and the governor shall not receive compensation for**
15 **such period of time until an appropriations bill providing for**
16 **appropriations for the ensuing fiscal year or years for state agencies is**
17 **passed by the legislature, signed by the governor and takes effect.}**

18 (a) Except as provided further, if the legislature does not amend, lapse
19 or eliminate any existing appropriation in the current fiscal year on or
20 before July 1 of any year, on July 1, such existing appropriations provided
21 for the previous fiscal year shall be in effect in the new fiscal year and all
22 subsequent fiscal years until amended, lapsed or eliminated by the
23 legislature. If the biennial budget for state agencies listed in K.S.A. 75-
24 3717(f), and amendments thereto, has not been enacted on or before June
25 30 of any year, the department of administration may, for accounting
26 purposes, adjust its appropriation account structure, beginning on July 1 of
27 such year, to reflect the appropriation account structure in the biennial
28 state agencies budget.

29 (b) All appropriations to any state agency, expenditures from which,
30 by law, may be made only with the approval of the governor, state finance
31 council, secretary of administration or other entity, shall be construed to be
32 conditional appropriations, which shall become available only as
33 contemplated expenditures therefrom are approved by the governor, state
34 finance council, secretary of administration or other entity as required by

1 law.

2 (c) Whenever a continuing appropriation from any account or fund
3 has accomplished its purpose or is no longer deemed necessary for such
4 purpose, the secretary of administration is authorized to lapse such
5 appropriation balance or decrease the expenditure limitation, in whole or
6 in part, to the account or fund from which it was appropriated upon
7 consultation with the head of the state agency concerned. Prior to taking
8 any action under this subsection, the secretary of administration shall
9 consult with the director of the budget and the director of legislative
10 research. The provisions of this subsection shall not apply to any
11 continuing appropriation of the legislative branch or the judicial branch.

12 (d) All continuing appropriations are subject to the specific provision
13 that, when and if the federal government funding of any portion of a
14 program is reduced or terminated, state participation in the program may
15 be reduced by the secretary of administration, in the same proportion as
16 such federal reduction, and such state reduction shall be implemented by
17 the responsible state agency. Prior to taking any action under this
18 subsection, the secretary of administration shall consult with the director
19 of the budget and the director of legislative research. Notwithstanding any
20 other provision of law, local units of government are hereby authorized to
21 make similar proportional reductions in such local unit's support of such
22 programs.

23 (e) If any continuing appropriation that is made to match or secure
24 federal funds is in excess of the amount required to match or secure federal
25 funds, the state agency that is responsible for the administration of such
26 funds shall promptly notify the director of the budget, who shall promptly
27 notify the governor and the state finance council. Such funds shall not be
28 expended unless first approved by the state finance council. Such state
29 finance council action on this matter is hereby characterized as a matter of
30 legislative delegation and subject to the guidelines prescribed in K.S.A.
31 75-3711c(c), and amendments thereto, except that such authorization also
32 may be given while the legislature is in session.

33 (f) (1) Except as provided in paragraph (2), all continuing
34 appropriations, accounts and special revenue fund balances within the state
35 general fund or any special revenue fund may be made temporarily
36 available for the purpose of allowing encumbrances or financing
37 expenditures of other state general fund or any special revenue fund
38 activities whenever there are insufficient moneys in the funds or accounts
39 from which the activities are financed if there are accounts receivable
40 balances or moneys anticipated to be received that will be sufficient to
41 repay the fund or account from which moneys are transferred. The
42 secretary of administration, in consultation with the appropriate state
43 agency head, director of the budget and director of legislative research,

1 shall determine the composition and allowability of the accounts
2 receivable balances and anticipated moneys to be received for this purpose
3 and, following approval by the state finance council, shall specifically
4 approve the use of surplus moneys from the state general fund or any
5 special revenue fund. Such funds shall not be expended unless first
6 approved by the state finance council. Such state finance council action on
7 this matter is hereby characterized as a matter of legislative delegation and
8 subject to the guidelines prescribed in K.S.A. 75-3711c(c), and
9 amendments thereto, except that such authorization also may be given
10 while the legislature is in session. The secretary of administration shall
11 reallocate available moneys from the budget stabilization fund, established
12 in K.S.A. 75-6706, and amendments thereto, prior to reallocating moneys
13 from any other account or fund.

14 (2) (A) The secretary of administration shall limit the total amount of
15 any temporary reallocations to an account or fund other than the state
16 general fund to \$400,000,000.

17 (B) The secretary of administration shall limit the total amount of any
18 temporary reallocations to the state general fund at any one time during a
19 fiscal year to an amount equal to 9% of the total amount authorized to be
20 expended or transferred by demand transfer from the state general fund,
21 calculated by the secretary as of that time and for that fiscal year.

22 (C) In addition to the amount permitted for temporary reallocations in
23 subparagraph (B), the secretary may permit an additional 3% of the total
24 amount authorized to be expended or transferred by demand transfer from
25 the state general fund, calculated by the secretary as of that time and for
26 that fiscal year, to be used for temporary reallocations to the state general
27 fund but only if the reallocation is for a period not to exceed 30 days.
28 Reallocations may not be made under this subparagraph for consecutive
29 periods.

30 (D) This paragraph does not apply to reallocations from the budget
31 stabilization fund to the state general fund.

32 (E) Prior to taking any action under this paragraph, the secretary of
33 administration shall consult with the director of the budget and the director
34 of legislative research.

35 (3) If a continuing appropriation to an account within the state
36 general fund or a special revenue fund is transferred from an account or
37 fund that by law is an interest-bearing account or fund, then on or before
38 the 10th day of each month during any fiscal year of such continuing
39 appropriation, the director of accounts and reports shall transfer from the
40 state general fund to such interest-bearing account or fund interest
41 earnings based on: (A) The average daily balance of such interest-bearing
42 account or fund for the preceding month; and (B) the net earnings rate for
43 the pooled money investment portfolio for the preceding month.

1 (4) The secretary of administration shall not exercise the authority
2 granted in this subsection if a temporary reallocation would jeopardize the
3 cash flow of any fund or account from which a temporary reallocation
4 would be made.

5 (5) If the secretary of administration exercises or proposes to exercise
6 the authority granted in this subsection, the secretary shall publish and
7 transmit a report to the members of the house committee on appropriations
8 and the senate committee on ways and means on a monthly basis
9 specifying the date, amount, source and use of any outstanding temporary
10 reallocation or proposed reallocation of moneys for the period covered by
11 the report.

12 (g) **As used in this section, "continuing appropriation" means the**
13 **appropriation provided for in the previous fiscal year.**

14 (h) If any provision or clause of this section or application thereof to
15 any person or circumstance is held invalid, such invalidity shall not affect
16 other provisions or applications of this section that can be given effect
17 without the invalid provision or application, and to the end the provisions
18 of this section are declared to be severable.

19 Sec. 2. This act shall take effect and be in force from and after its
20 publication in the statute book.