

CORRECTED
SESSION OF 2011

SUPPLEMENTAL NOTE ON SENATE BILL NO. 229

As Amended by Senate Committee on
Ways and Means

Brief*

SB 229 would modify current law which provides for the deposit of 20.0 percent of certain fee revenue up to a maximum of \$200,000 to the State General Fund. In FY 2012, the 20.0 percent of fee revenue deposited in the State General Fund would be reduced to 10.0 percent and the maximum would be reduced to \$100,000. The Committee also added two provisions regarding reporting of fees assessed by the Department of Administration.

Background

This deposit of money to the State General Fund was established by the Legislature in order to provide a means of covering the costs to provide accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any and all other state governmental services performed on behalf of the state agencies.

Based on the actual revenue received by the fee agencies in FY 2010, the bill would reduce State General Fund Revenue in FY 2012 by \$1.69 million and these funds would remain with the agencies. The bill would not necessarily have an effect on agency expenditures from the special revenue funds. The agencies would have to request additional expenditure authority through the budget process to utilize the funds.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The Director of the Division of Finance and Facilities Management with the Department of Administration, testified neutrally to the bill. The Director indicated that agencies currently were assessed fees by the Department of Administration for the provision of services not described by KSA 75-3170a such as those from the State Printing Plant. Furthermore, agencies are not assessed fees for the provision of centralized services by the State such as Highway Patrol Security, Legislature, Legislative Research, Legislative Administrative Services, Legislative Post Audit, Governor's Office, Division of the Budget, State Treasurer, Attorney General, or rules and regulations promulgation.

The Senate Ways and Means Committee amended the bill to eliminate the deletion of the transfer starting in FY 2013 in the original version of the bill. The Committee further amended the bill by adding two provisions requiring the Department of Administration to report to the Legislature no later than January 1st. First, to provide a complete accounting and legal basis for each charge currently assessed to state agencies and second to provide a complete accounting and legal basis for the actual cost to provide any and all governmental services to state agencies that currently are not being assessed. The amendment would reduce the fiscal impact of the bill to the State General Fund by \$1.7 million in FY 2013.

The fiscal note for SB 229, as introduced, indicated that the fiscal impact of reducing the 20.0 percent provisions to 10.0 percent with a cap of \$100,000 would be \$1.7 million in FY 2012. The fiscal note further indicated that revenues would be reduced by \$3.4 million starting in FY 2013 once the provisions were repealed fully.