HB 2038 - Summary Overview

The consensus revenue estimating process was completed on November 10, 2014, subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a $278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling $280.0 million which reduced expenditures by $60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional $219.9 million. The adjustments included in the $219.9 million require legislative approval to implement. For the most part, HB 2038 is the portion of the Governor's December 9th allotment plan which requires Legislative approval.

For FY 2015, HB 2038 reduces expenditures by $4.8 million, including $3.8 million from the State General Fund. The State General Fund reductions are predominantly attributable to the 4.0 percent operating reductions, reduced KPERS employer contribution rates for retirement and reappropriation lapses for the Legislative and Judicial Branches of Government, and the appropriated Special Revenue Funds (Children's Initiatives Fund, Economic Development Initiatives Fund and State Water Plan Fund) which are not subject to the Governor's allotment authority. The bill also includes a $5,000 State General Fund reduction to the Department of Commerce for the Global Trade Services Grant Program. The bill does not include special revenue fund expenditure reductions for the 4.0 percent operating reduction or the reduction in employer contribution rates for the second half of FY 2015.

For FY 2015, the bill also includes State General Fund transfer adjustments totaling $192.0 million. The largest transfers are $103.5 million from the State Highway Fund, $55.0 million from the Medical Program Fees Fund, a reduction of $7.1 million in the transfer to the Job Creation Program Fund, and a reduction of $5.0 million in the transfer to the Kansas Bioscience Authority. There are $21.4 million in other transfer adjustments in FY 2015. There is also a transfer of $1.0 million from the Conservation Fee Fund of the Kansas Corporation Commission to the State General Fund for FY 2016.

For FY 2016 through FY 2018, HB 2038 includes transfers of $6.0 million in each year as a diversion of monies originally budgeted for the Kansas Bioscience Authority and directed to Kansas State University and Wichita State University.

State General Fund Revenue Adjustments
SB 35 and HB 2038
As of Tuesday, January 20, 2015

FY 2015:		
Attorney General		
Transfer from the Medicaid Fraud Prosecution Revolving Fund	$	1,000,000
Department for Children and Families		
Transfer from the Children's Initiative Fund		500,000
Department of Administration		
Transfer from the Economic Development Initiatives Fund for the 4.0% Operating Reduction to Public Braodcasting		12,000
Department of Commerce		
Transfer from the Economic Development Initiatives Fund		836,934
KDHE - Health Care Finance		
Transfer from the Medical Programs Fee Fund		55,000,000
Department of Revenue		
Transfer from the Vehicle Modernization Fund		4,000,000
Transfer from the Vehicles Operating Fund for the 4.0% Operating Reduction		918,543
Transfer from the Vehicles Operating Fund for the KPERS Reduction		301,284
Department of Wildlife, Parks and Tourism		
Transfer from the Department Access Roads Fund		1,000,000
Transfer from the EDIF - Travel/Tourism Operating Expense Account		124,834
Transfer from the Bridge Maintenance Fund		400,000
Transfer from the EDIF - State Parks Operating Expense Account		500,000
KDHE - Environment		
Transfer from the Underground Storage Tank Redevelopment Fund		3,000,000
Highway Patrol		
Transfer from the Kansas Highway Patrol Operations Fund for the 4.0% Operating Reduction		1,103,044
Insurance Department		
Transfer from the Workers Compensation Fund		3,000,000
Kansas Bioscience Authority		
Reduce transfer to the Bioscience Authority		5,000,000
Kansas Department for Aging and Disability Service		
Transfer from the Problem Gambling and Addictions Grant Fund		1,200,000
Transfer from the DADS Social Welfare Fund		3,000,000
Kansas Department of Transportation		
Transfer from the State Highway Fund		103,479,087
State Treasurer		
Transfer from the State Treasurer Operating Fund		500,000
Impact Program Repayment Fund		
Reduce transfer to the Job Creation Program Fund		7,100,000
Total FY 2015	$	191,975,726
FY 2016:		
Kansas Corporation Commission		
Transfer from the Conservation Fee Fund	$	1,000,000
FY 2015 - FY 2016 TOTAL	$	192,975,726