

GOVERNOR'S RECOMMENDATION—HB 2530

The 2015 Legislature approved a FY 2016 budget of \$15.389 billion, including \$6.372 billion from the State General Fund. The 2015 Legislature also authorized the Governor to adjust expenditures from, or revenue to, the State General Fund by \$100 million for FY 2016, which was not included in the approved budget. The Governor made adjustments in July of \$22.5 million to increase State General Fund revenue, \$20.6 million to reduce State General Fund expenditures and recommended the Legislature adjust expenditures of \$17.7 million. The consensus revenue estimating process was completed on November 6, 2015, subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus estimates identified a \$118.2 million State General Fund shortfall for FY 2016. This prompted the Governor to address the shortfall with an allotment plan totaling \$123.8 million, which reduced expenditures by \$52.6 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional \$71.2 million. The Governor's adjustments included \$14.3 million that require legislative approval to implement the November adjustments and \$17.7 million from the July adjustments.

For FY 2016, the Governor's recommendation totals \$15.554 billion, with \$6.294 billion financed from the State General Fund. The recommendation increased total expenditures by \$238.4 million, but reduced State General Fund expenditures by \$22.7 million from the approved amount. The approved budget includes the Governor's adjustments identified above, excluding those requiring Legislative approval. The increases include \$95.3 million in Board of Regents and institutions primarily for shifts in rehab and repair and restricted fees and federal fund increases, \$46.8 million in human services caseloads, \$28.9 million primarily in Department for Aging and Disability Services in expenditure funding shifts for caseloads, \$27.0 million in Department of Transportation primarily for increased fees and federal funds, \$15.9 million in Department of Labor primarily for increased unemployment benefits and \$11.0 million in Department of Corrections and Institutions primarily for Kansas Correctional Industries. The State General Fund reductions include reduced expenditures of \$17.7 million for the State Children's Health Insurance Program, \$13.8 million in school finance adjustments, \$2.9 million from unspent Extraordinary Needs fund and \$1.4 million in assessed valuation in the Department of Education, which was partially offset by an increase of \$16.6 million in human services caseloads.

For FY 2016, the bill also includes State General Fund increases in revenue totaling \$35.2 million. The transfers adjustment to the State General Fund total \$27.7 million and include \$5.6 million from the Department of Commerce, \$4.7 million from the EDIF, \$3.5 million from the Department of Revenue, \$2.1 million from the State Highway Fund, a reduction of \$5.0 million in the transfer to the Kansas Bioscience Authority and an elimination of \$3.5 million – the transfer to the Job Creation Program Fund. There also is an increase of \$7.5 million in revenue in additional debt collections to the State General Fund for FY 2016.

For FY 2017 and FY 2018, the bill includes transfers of \$7.0 million in each year as a diversion of monies originally budgeted for the Kansas Bioscience Authority. Also included in FY 2017 is \$3.5 million transfer from the Ethyl Alcohol Producer Incentive fund.

**State General Fund Revenue Adjustments
Rescission Bill
As of Monday, January 25, 2016**

FY 2016:**Economic Development Initiatives Fund**

Increase Transfer to State General Fund	\$ 4,678,230
---	--------------

Department of Commerce

Transfer balance of Kansas Partnership Fund	3,740,565
Transfer balance of Kansas Existing Industry Fund	1,939,458
Eliminate Job Creation Fund transfer	3,500,000

Kansas Department of Revenue

Transfer Balance of Hazmat Fee Fund	52,497
Transfer from Ag. Ethyl Alcohol Producer Incentive Fund	3,500,000

Board of Tax Appeals

Transfer from Filing Fee Fund	100,000
-------------------------------	---------

State Bank Commissioner

Transfer from the Bank Commissioner Fee Fund -CML	1,500,000
---	-----------

State Fire Marshal

Increase transfer from Fire Marshal Fee Fund	1,000,000
--	-----------

Kansas Highway Patrol

Transfer from KHP Operations Fund unspent FY 2015 balance	56,223
---	--------

Department of Transportation

Increase Transfer to State General Fund	2,100,000
---	-----------

Kansas Bioscience Authority

Reduce transfer to the Authority	5,000,000
----------------------------------	-----------

Total FY 2016	\$ 27,166,973
----------------------	----------------------

FY 2017:**Kansas Bioscience Authority**

Reduce transfer to the Authority	\$ 7,000,000
----------------------------------	--------------

Kansas Department of Revenue

Transfer from Ag. Ethyl Alcohol Producer Incentive Fund	3,500,000
---	-----------

Department of Commerce

Eliminate Job Creation Fund Transfer	3,500,000
--------------------------------------	-----------

Total FY 2017	\$ 14,000,000
----------------------	----------------------

FY 2018:**Kansas Bioscience Authority**

Reduce transfer to the Authority	\$ 7,000,000
----------------------------------	--------------

Total FY 2018	\$ 7,000,000
----------------------	---------------------

FY 2016 - FY 2018 TOTAL	\$ 48,166,973
--------------------------------	----------------------