

Session of 2016

SENATE BILL No. 509

By Committee on Ways and Means

3-14

1 AN ACT concerning state finances; creating a budget stabilization fund;
2 relating to state general fund revenue and expenditures; review of risk-
3 based practices by the legislative budget committee; amending K.S.A.
4 75-3722 and 75-6704 and K.S.A. 2015 Supp. 75-3721 and repealing
5 the existing sections.

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

8 New Section 1. (a) On July 1, 2017, the budget stabilization fund is
9 hereby established in the state treasury.

10 (b) On or before the 10th day of each month commencing July 1,
11 2017, the director of accounts and reports shall transfer from the state
12 general fund to the budget stabilization fund interest earnings based on:

13 (1) The average daily balance of moneys in the budget stabilization
14 fund, for the preceding month; and

15 (2) the net earnings rate of the pooled money investment portfolio for
16 the preceding month.

17 (c) On and after July 1, 2017, no moneys in the budget stabilization
18 fund shall be expended pursuant to this subsection unless the expenditure
19 either has been approved by an appropriation or other act of the legislature
20 or has been approved by the state finance council acting on this matter
21 which is hereby characterized as a matter of legislative delegation and
22 subject to the guidelines prescribed in K.S.A. 75-3711(c), and amendments
23 thereto.

24 (d) (1) During the 2016 interim between regular sessions of the
25 legislature, the legislative budget committee shall study and review the
26 policy concerning the balance of, transfers to and expenditures from the
27 budget stabilization fund. The legislative budget committee study and
28 review shall include, but not be limited to, the following:

29 (A) Risk-based budget stabilization fund practices utilized in other
30 states.

31 (B) The appropriate number of years to review the state general fund:

32 (i) Revenue variances from projections; and

33 (ii) expenditure variances from budgets.

34 (C) The entity to certify the amount necessary in the budget
35 stabilization fund to maintain the appropriate risk-based balance.

36 (D) Plan to fund the budget stabilization fund.

(E) Process and circumstances to reach the appropriate risk-based balance, including the amount of risk that is acceptable.

(F) Circumstances under which expenditures may be made from the fund.

(2) The legislative budget committee may make recommendations and introduce legislation as it deems necessary to implement such recommendations.

Sec. 2. K.S.A. 2015 Supp. 75-3721 is hereby amended to read as follows: 75-3721. (a) On or before the eighth calendar day of each regular legislative session, the governor shall submit the budget report to the legislature, except that in the case of the regular legislative session immediately following the election of a governor who was elected to the office of governor for the first time, that governor shall submit the budget report to the legislature on or before the 21st calendar day of that regular legislative session.

(b) The budget report of the governor shall be set up in three parts, the nature and contents of which shall include the following:

(1) Part one shall consist of a budget message by such governor, including the governor's recommendations with reference to the fiscal policy of the state government for the current fiscal year and the ensuing fiscal year, describing the important features of the budget plan for each of the fiscal years included, embracing a general budget summary setting forth the aggregate figures of the budget so as to show the balanced relation between the total proposed expenditures and the total anticipated income for the current fiscal year and the ensuing fiscal year, with the basis and factors upon which the estimates were made, and the means of financing the budget plan for the each of the fiscal years included, compared with the corresponding figures for at least the last completed fiscal year, and the director of the budget shall prepare the figures for the governor for such comparisons.

(A) The budget plan shall not include (i) any proposed expenditures of anticipated income attributable to proposed legislation that would provide additional revenues from either current or new sources of revenue, or (ii) any proposed expenditures of moneys in the ending balance in the state general fund required by K.S.A. 75-6702, and amendments thereto.

(B) The general budget summary may be supported by explanatory schedules or statements, classifying the expenditures contained therein by state agencies, objects, and funds, and the income by state agencies, funds, sources and types. The general budget summary shall include all special or fee funds as well as the state general fund, and shall include the estimated amounts of federal aids, for whatever purpose provided, together with estimated expenditures therefrom.

(2) Part two shall embrace the detailed budget estimates for each of

(3) Notwithstanding the provisions of sections 52 and 53 of chapter 104 of the 2015 Session Laws of the Kansas, section 18 of 2016 House substitute for Senate Bill No. 161, this or any other appropriation act of the 2016 regular session of the legislature, the legislative budget committee may meet not more than 10 days to study and review such policy as determined by the chairperson of the committee.