

DOB State General Fund Profile Option One
FY 2016 - FY 2017
(Dollars in Millions)

Beginning Balance
 Consensus Revenue Estimate (April 20, 2016)
 KDOT Transfer
 Other Revenue
 Tobacco Securitization
 Total Available Revenue

Estimated FY 2016	Estimated FY 2017
\$ 71.5	\$ 29.7
6,072.0	6,151.0
70.0	115.0
1.0	25.0
6,214.5	158.0
	6,478.7

Expenditures in Approved Budget
 University Allotment
 Human Services Caseloads and Non-Caseloads
 OSH/LSH/DCF increased costs
 Dept. of Admin. A&M certification
 KDOR Compliance Compact
 KPERS Contribution Change
 Total Adjusted Expenditures
 Ending Balance

6,297.6	6,325.3
(17.3)	(17.7)
(7.9)	(2.6)
11.4	6.5
(99.0)	(6.5)
101.0	0.5
6,184.8	6,406.5
<u>29.7</u>	<u>72.2</u>
\$	\$

DOB State General Fund Profile Option Two
FY 2016 - FY 2017
(Dollars in Millions)

Beginning Balance
 Consensus Revenue Estimate (April 20, 2016)
 KDOT Transfer
 Other Revenue
 Total Available Revenue

Estimated FY 2016	Estimated FY 2017
\$ 71.5	\$ 29.7
6,072.0	6,151.0
70.0	115.0
1.0	25.0
6,214.5	6,320.7

Expenditures in Approved Budget	6,297.6	6,325.3
University Allotment	(17.3)	(17.7)
Human Services Caseloads and Non-Caseloads	(7.9)	(2.6)
OSH/LSH/DCF increased costs	11.4	6.5
Dept. of Admin. A&M certification		(6.5)
KDOR Compliance Compact		0.5
KPERs Contribution Change	(99.0)	
Gov.'s Targeted Efficiency Savings		(25.0)
Total Adjusted Expenditures	6,184.8	6,280.5
Ending Balance	<u>29.7</u>	<u>40.2</u>

DOB State General Fund Profile Option Three
FY 2016 - FY 2017
(Dollars in Millions)

	Estimated FY 2016	Estimated FY 2017
Beginning Balance	\$ 71.5	\$ 29.7
Consensus Revenue Estimate (April 20, 2016)	6,072.0	6,151.0
KDOT Transfer	70.0	115.0
Other Revenue	1.0	25.0
Total Available Revenue	6,214.5	6,320.7
Expenditures in Approved Budget	6,297.6	6,325.3
University Allotment	(17.3)	
Human Services Caseloads and Non-Caseloads	(7.9)	(2.6)
OSH/LSH/DCF increased costs	11.4	6.5
Dept. of Admin. A&M certification		(6.5)
KDOR Compliance Compact		0.5
KPERs Contribution Change	(99.0)	101.0
3%-5% Reductions		(139.3)
Total Adjusted Expenditures	6,184.8	6,284.9
Ending Balance	<u>29.7</u>	<u>35.8</u>

Three options to balance the FY 2016 and FY 2017 budgets are presented to the Legislature for consideration and action. Each of these options includes actions that may be taken through the Governor's allotment authority and actions that require Legislative approval. The attached profile sheet provides more detail on each of these options.

- **Option One**

Governor's Allotment Authority: The Governor would use his special allotment authority to reduce most of the remaining sales tax going into the State Highway Fund. This would transfer \$70.0 million to the State General Fund in FY 2016 and \$115.0 million in FY 2017. The Governor would also carry forward into FY 2017 the 3 percent reduction made to Universities in FY 2016, which would be \$17.7 million in reduced expenditures.

Legislative Approval Required: With legislative approval provided to the Governor through a budget proviso, the state could securitize future tobacco settlement payments in excess of \$42.0 million for an estimated one-time revenue infusion of approximately \$158.0 million in FY 2017. Children's programs currently financed through the Children's Initiatives Fund would continue to receive funding of \$42.0 million per year.

See the attached profile for more details on option one.

- **Option Two**

Governor's Allotment Authority: The Governor would use his special allotment authority to reduce most of the remaining sales tax going into the State Highway Fund. This would transfer \$70.0 million to the State General Fund in FY 2016 and \$115.0 million in FY 2017. The Governor would also carry forward into FY 2017 the 3 percent reduction made to Universities in FY 2016, which would be \$17.7 million in reduced expenditures. The Governor would also utilize the special allotment authority to reduce expenditures or transfer \$25.0 million in targeted efficiency savings.

Legislative Approval Required: With legislative approval provided to the Governor through a budget proviso, the state would delay the FY 2016 fourth quarter KPERS payment as provided for in 2016 House Substitute for SB 161, and delay repayment until FY 2018.

- **Option Three**

Governor's Allotment Authority: The Governor would use his special allotment authority to reduce most of the remaining sales tax going into the State Highway Fund. This would transfer \$70.0 million to the State General Fund in FY 2016 and \$115.0 million in FY 2017.

Legislative Approval Required: With legislative approval provided to the Governor through a budget proviso, most state agencies would see expenditure reductions of 3 percent to 5 percent for Fiscal Year 2017, totaling \$139.3 million.

The following is a summary of the reductions that would be made to state agencies:

Three Percent Reduction	
Department for Aging & Disability Services (excludes HCBS appropriation)	\$11,001,850
Department of Agriculture	\$296,831
Department of Administration (excludes debt service)	\$282,047
Fort Hays State University	\$1,016,467
Office of the Governor	\$201,225
Kansas Guardianship Program	\$34,389
Department of Health & Environment – Environment	\$133,228
Historical Society	\$130,885
Department of Labor	\$9,363
Kansas State University, Veterinary Medical Center	\$452,898
Kansas State University, ESARP	\$1,422,673
Emporia State University	\$948,769
Pittsburg State University (excludes debt service)	\$1,085,716
State Library	\$120,751
Board of Regents (excludes debt service)	\$5,930,603
Court of Tax Appeals	\$23,837
Department for Children & Families (excludes caseloads)	\$4,225,999
Department of Education *	\$57,262,285
Kansas State Fair (excludes debt service)	\$78
University of Kansas Medical Center (excludes debt service)	\$3,365,797
Kansas Water Office	\$34,637
Five Percent Reduction	
Department of Health & Environment – Health	\$35,636,050
Kansas State University	\$5,122,604
University of Kansas (excludes debt service)	\$6,814,190
Wichita State University	\$3,728,210

*The Department of Education reduction excludes KPERS, bond/interest aid, LOB aid and Capital Outlay aid.