

## **State Budget; House Sub. for SB 161**

**House Sub. for SB 161** includes funding for FY 2016, FY 2017, and FY 2018 supplemental expenditures for most state agencies and FY 2016 and FY 2017 capital improvements for selected state agencies.

### ***FY 2016***

The approved FY 2016 budget totals \$15.6 billion, including \$6.3 billion from the State General Fund. The approved budget increases the Governor's recommended expenditures by \$3.8 million, including \$3.2 million from the State General Fund in FY 2016. The increase is primarily due to a \$2.0 million State General Fund addition to the Osawatomie State Hospital to address recertification and understaffing and a \$1.0 million State General Fund increase to Larned State Hospital to address understaffing issues. Other adjustments to the Governor's recommendations include:

- Added language allowing the Governor to have enhanced allotment authority in FY 2016 if the State General Fund ending balance is projected to fall below \$100.0 million. The enhanced authority allows the Governor to reduce State General Fund expenditures in the Executive Branch in an amount necessary to bring the State General Fund ending balance to \$100.0 million;
- Added language allowing the reduction of employer contributions to KPERS in FY 2016 and requiring repayment by September 30, 2016, with 8.0 percent interest;
- Added language prohibiting the approval of STAR bonds in Wyandotte County for FY 2016. If legislation is enacted during the 2016 Session which provides for STAR bond reform including the nine criteria listed in the Legislative Post Audit review, then this *proviso* will be null and void (This provision was vetoed by the Governor. The veto was sustained on March 23, 2016.);
- Deleted language prohibiting the Department of Revenue from expending any funds to mail motor vehicle registration applications for FY 2016; and
- Added language prohibiting privatization of Osawatomie State Hospital and Larned State Hospital in FY 2016 without specific authorization by the Legislature.

### ***FY 2017***

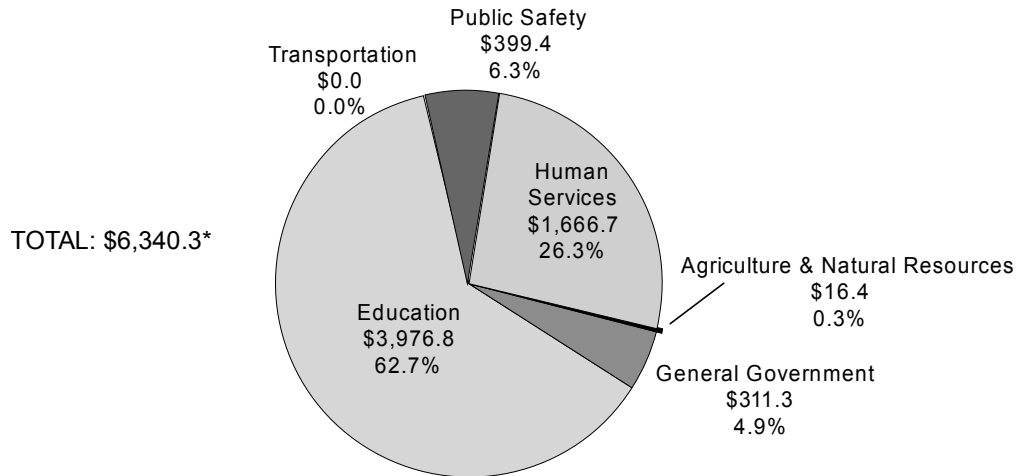
The approved FY 2017 budget totals \$16.1 billion, including \$6.3 billion from the State General Fund. The approved budget decreases the Governor's recommended expenditures by \$35.8 million, including \$69.4 million from the State General Fund in FY 2017. The all funds decrease is primarily due to the elimination of the KPERS death and disability employer contributions which results in a decrease of \$39.5 million, including \$30.4 million from the State

General Fund. The remainder of the State General Fund reduction is mainly in the restoration of Children's Initiatives Fund expenditures that the Governor had recommended to be funded instead from the State General Fund. The Governor also recommended transferring funding from the Children's Initiative Fund to the State General Fund that the Conference Committee reversed. The net effect of these recommended changes reduces both State General Fund expenditures and State General Fund revenues and increases special revenue fund expenditures and revenue by the same amount. Other adjustments to the Governor's recommendations include:

- Added \$2.5 million from the State General Fund to fund a 2.5 percent salary increase in Corrections for adult and juvenile corrections officers;
- Added language allowing the Governor to have enhanced allotment authority in FY 2017 if the State General Fund ending balance is projected to fall below \$100.0 million. The enhanced authority allows the Governor to reduce State General Fund expenditures or transfer money from special revenue funds into the State General Fund in the Executive Branch in an amount necessary to bring the State General ending balance to \$100.0 million;
- Added language prohibiting the approval of STAR bonds in Wyandotte County for FY 2017. If legislation is enacted that will provide for STAR bond reform, including the nine criteria listed in the Legislative Post Audit review, then this *proviso* will be null and void (This provision was vetoed by the Governor. The veto was sustained on March 23, 2016.);
- Deleted \$562,000 from special revenue funds and language prohibiting the Department of Revenue from expending any funds to mail motor vehicle registration applications for FY 2017;
- Added \$378,000 from the State General Fund for Safety Net Clinics in the Department of Health and Environment for FY 2017;
- Deleted \$292,251 from special revenue funds in the Department of Agriculture to reestablish the Board of Veterinary Examiners as a separate agency;
- Added language preventing the Governor from making reductions to KPERs employer contributions for FY 2017;
- Added language limiting State General Fund debt service to no more than 4.0 percent of the average State General Fund Revenue for the previous three years. Language also was added to bar any debt obligations in excess of \$5.0 million if issued using any entity other than the Kansas Development Finance Authority for FY 2017;
- Added language to set a 19.0 percent debt service limitation on the State Highway Fund for FY 2017; and

- Added language prohibiting privatization of Osawatome State Hospital and Larned State Hospital in FY 2017 without specific authorization by the Legislature.

**FY 2017 Approved State General Fund Budget  
by Function of Government  
(Dollars in Millions)**



\* *Note:* Total state expenditures do not include \$30.4 million in statewide KPERS Death and Disability payment savings.