

SUMMARY OF SUB. FOR HB 2052
Expenditures for FY 2017, FY 2018, FY 2019, and FY 2020

The Governor's revised FY 2017 recommendation totals \$15.897 billion from all funds, including \$6.253 billion from the State General Fund. This is a State General Fund decrease of \$17.4 million, or 0.3 percent, below the amount approved by the 2016 Legislature, after adjustments.

The consensus revenue estimating process was completed on November 10, 2016, subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$349.9 million State General Fund shortfall for FY 2017. To address the shortfall, the Governor proposes to:

- Permanently delay a \$75.0 million payment to K-12 Education by one fiscal year;
- Freeze state contributions to KPERS at FY 2016 levels of about \$300.0 million annually (three quarters of a year). Savings are estimated at \$85.9 million in FY 2017;
- Fund the human services consensus caseload estimates adding \$147.0 million, including \$1.9 million from the State General Fund in FY 2017;
- Increase transfers from various agencies to the State General Fund by \$6.8 million;
- Reduce agency earnings by \$18.0 million to adjust for the the anticipated reduction in the value of the Kansas Bioscience Authority portfolio sale;
- Reduce the transfer from the State Highway Fund to the State General Fund by \$15.4 million;
- Reduce the Extraordinary Needs Fund by \$13.0 million (as required since the sale of the Kansas Bioscience Authority (KBA) did not exceed \$25.0 million); and
- Delete \$115.4 million to eliminate repayment of the delayed FY 2016 KPERS employer contributions.

The Appropriation Committee's FY 2017 budget totals \$15.897 billion from all fund, including \$6.253 billion from the State General Fund. This is an increase of \$784,820, all from special revenue funds, above the Governor's recommendation. Major changes to the Governor's recommendation are to:

- Transfer an amount equivalent 10.0 percent of the State General Fund ending balance from the previous fiscal year from the State General Fund to the Budget Stabilization Fund on August 15th of 2017, 2018 and 2019. The transfer in FY 2018 is contingent upon the full amount of the delayed KPERS payment being made in Section 75; and
- Transfer 50.0 percent of the FY 2017 ending balance from the State General Fund to KPERS. However, the total amount transferred to KPERS could not exceed the total of lapsed FY 2017 KPERS employer contributions.

COMPARISON OF FY 2016 - FY 2017 RECOMMENDED EXPENDITURES
House Appropriations Profile
As of Tuesday, February 14, 2017

FY 2017:	<u>State General Fund</u>	<u>All Funds</u>	<u>FTE Positions</u>
Governor's Recommendation	\$ 6,253,014,602	\$ 15,896,845,426	37,090.2
HAP Estimate FY 2017 Budget	<u>6,253,014,602</u>	<u>15,897,630,246</u>	<u>37,090.2</u>
<i>Difference From Governor's Recommendation</i>	<u>\$ -</u>	<u>\$ 784,820</u>	<u>0.0</u>

STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
House Appropriations Profile
As of Tuesday, February 14, 2017

	<u>Actual FY 2016</u>	<u>HAP Rec. FY 2017</u>
Beginning Balance	\$ 71.5	\$ 37.1
Receipts (November 2016 Consensus)	6,080.6	5,980.1
Governor's Revenue Adjustments	-	335.4
Legislative Receipt Adjustments	-	-
Adjusted Receipts	<u>6,080.6</u>	<u>6,315.5</u>
Total Available	\$ <u>6,152.1</u>	\$ <u>6,352.6</u>
Less Expenditures	<u>6,115.1</u>	<u>6,253.0</u>
Ending Balance	<u>\$ 37.1</u>	<u>\$ 99.6</u>
Ending Balance as a % of Expenditures	0.6%	1.6%

House Appropriations Bill - Substitute for HB 2052
(Reflects House Committee Adjustments for FY 2017, FY 2018, FY 2019 and FY 2020)

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
FY 2017				
<u>Board of Pharmacy</u>				
1. Appropriate a new no-limit federal fund, the Prescription Drug Overdose Data-Driven Prevention Initiative Fund, in FY 2017.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Kansas Lottery</u>				
1. Add \$784,820, all from special revenue funds, to maintain staffing in FY 2017.	0	784,820	784,820	0.0
<i>Agency Subtotal</i>	\$0	\$784,820	\$784,820	0.0
<u>Department of Corrections</u>				
1. Transfer \$6.0 million, all from the State General Fund purchase of services account, and place it in the State General Fund evidence based juvenile program account. (Floor amendment)	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Vehicle Purchases</u>				
1. Add language for FY 2017 requiring that vehicles, with the exception of Highway Patrol, will not be replaced unless the odometer reading exceeds 130,000 miles for passenger vehicles or 150,000 miles for light trucks or repairs necessary to maintain safety of the vehicle exceed thirty three percent of the replacement value of the vehicle. Agencies replacing vehicles will report information on the replacement to the Director of Legislative Research or designee. (Floor amendment)	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Other Statewide Adjustments</u>				
1. Add language barring any state agency from purchasing new or replacement office furniture, equipment or supplies in excess of \$100 unless approved by the Director of the Division of Budget in FY 2017. The Division of Budget shall report on all such approvals to the House Appropriations and Senate Ways and Means Committee. (Floor amendment)	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
TOTAL: FY 2017	\$0	\$784,820	\$784,820	0.0
FY 2018				
<u>Vehicle Purchases</u>				
1. Add language for FY 2018 requiring that vehicles, with the exception of Highway Patrol, not be replaced unless the odometer reading exceeds 130,000 miles for passenger vehicles or 150,000 miles for light trucks or repairs necessary to maintain safety of the vehicle exceed thirty three percent of the replacement value of the vehicle. Agencies replacing vehicles will report information on the replacement to the Director of Legislative Research or designee. (Floor amendment)	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0
<u>Other Statewide Adjustments</u>				
1. Add language instructing the Director of the Division of Budget in consultation with the Director of Legislative Research to transfer 10.0 percent of the State General Fund ending from the previous fiscal year to the budget stabilization fund on or before August 15, 2017.	0	0	0	0.0
<i>Agency Subtotal</i>	\$0	\$0	\$0	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>KPERS Policy Change</u>				
1. Add language to direct 50.0 percent of the FY 2017 State General Fund ending balance, up to \$87.7 million, to be transferred to the KPERS Trust Fund for the purpose of reducing the amount of employer contributions not made in FY 2017.	0	0	0	0.0

Agency Subtotal \$0 \$0 \$0 0.0

TOTAL: FY 2018	\$0	\$0	\$0	0.0
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FY 2019

Other Statewide Adjustments

1. Add language instructing the Director of the Division of Budget in consultation with the Director of Legislative Research to transfer 10.0 percent of the State General Fund ending from the previous fiscal year to the budget stabilization fund on or before August 15, 2018.	0	0	0	0.0
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Agency Subtotal \$0 \$0 \$0 0.0

TOTAL: FY 2019	\$0	\$0	\$0	0.0
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FY 2020

Other Statewide Adjustments

1. Add language instructing the Director of the Division of Budget in consultation with the Director of Legislative Research to transfer 10.0 percent of the State General Fund ending from the previous fiscal year to the budget stabilization fund on August 15, 2019.	0	0	0	0.0
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Agency Subtotal \$0 \$0 \$0 0.0

TOTAL: FY 2020	\$0	\$0	\$0	0.0
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