

HB 2038 - Summary Overview

The consensus revenue estimating process was completed on November 10, 2014, subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling \$280.0 million which reduced expenditures by \$60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional \$219.9 million. The adjustments included in the \$219.9 million require legislative approval to implement. For the most part, HB 2038 is the portion of the Governor's December 9th allotment plan which requires Legislative approval.

For FY 2015, HB 2038 reduces expenditures by \$4.8 million, including \$3.8 million from the State General Fund. The State General Fund reductions are predominantly attributable to the 4.0 percent operating reductions, reduced KPERS employer contribution rates for retirement and reappropriation lapses for the Legislative and Judicial Branches of Government, and the appropriated Special Revenue Funds (Children's Initiatives Fund, Economic Development Initiatives Fund and State Water Plan Fund) which are not subject to the Governor's allotment authority. The bill also includes a \$5,000 State General Fund reduction to the Department of Commerce for the Global Trade Services Grant Program. The bill does not include special revenue fund expenditure reductions for the 4.0 percent operating reduction or the reduction in employer contribution rates for the second half of FY 2015.

For FY 2015, the bill also includes State General Fund transfer adjustments totaling \$192.0 million. The largest transfers are \$103.5 million from the State Highway Fund, \$55.0 million from the Medical Program Fees Fund, a reduction of \$7.1 million in the transfer to the Job Creation Program Fund, and a reduction of \$5.0 million in the transfer to the Kansas Bioscience Authority. There are \$21.4 million in other transfer adjustments in FY 2015. There is also a transfer of \$1.0 million from the Conservation Fee Fund of the Kansas Corporation Commission to the State General Fund for FY 2016.

For FY 2016 through FY 2018, HB 2038 includes transfers of \$6.0 million in each year as a diversion of monies originally budgeted for the Kansas Bioscience Authority and directed to Kansas State University and Wichita State University.

**State General Fund Revenue Adjustments
SB 35 and HB 2038
As of Tuesday, January 20, 2015**

FY 2015:	
Attorney General	
Transfer from the Medicaid Fraud Prosecution Revolving Fund	\$ 1,000,000
Department for Children and Families	
Transfer from the Children's Initiative Fund	500,000
Department of Administration	
Transfer from the Economic Development Initiatives Fund for the 4.0% Operating Reduction to Public Broadcasting	12,000
Department of Commerce	
Transfer from the Economic Development Initiatives Fund	836,934
KDHE - Health Care Finance	
Transfer from the Medical Programs Fee Fund	55,000,000
Department of Revenue	
Transfer from the Vehicle Modernization Fund	4,000,000
Transfer from the Vehicles Operating Fund for the 4.0% Operating Reduction	918,543
Transfer from the Vehicles Operating Fund for the KPERS Reduction	301,284
Department of Wildlife, Parks and Tourism	
Transfer from the Department Access Roads Fund	1,000,000
Transfer from the EDIF - Travel/Tourism Operating Expense Account	124,834
Transfer from the Bridge Maintenance Fund	400,000
Transfer from the EDIF - State Parks Operating Expense Account	500,000
KDHE - Environment	
Transfer from the Underground Storage Tank Redevelopment Fund	3,000,000
Highway Patrol	
Transfer from the Kansas Highway Patrol Operations Fund for the 4.0% Operating Reduction	1,103,044
Insurance Department	
Transfer from the Workers Compensation Fund	3,000,000
Kansas Bioscience Authority	
Reduce transfer to the Bioscience Authority	5,000,000
Kansas Department for Aging and Disability Service	
Transfer from the Problem Gambling and Addictions Grant Fund	1,200,000
Transfer from the DADS Social Welfare Fund	3,000,000
Kansas Department of Transportation	
Transfer from the State Highway Fund	103,479,087
State Treasurer	
Transfer from the State Treasurer Operating Fund	500,000
Impact Program Repayment Fund	
Reduce transfer to the Job Creation Program Fund	<u>7,100,000</u>
Total FY 2015	<u><u>\$ 191,975,726</u></u>
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FY 2016:	
Kansas Corporation Commission	
Transfer from the Conservation Fee Fund	<u>\$ 1,000,000</u>
FY 2015 - FY 2016 TOTAL	<u><u>\$ 192,975,726</u></u>

SB 35 and HB 2038
Appropriations for FY 2015, FY 2016, and FY 2017

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
FY 2015				
<u>Legislative Coordinating Council</u>				
1. Delete \$132,309, all from the State General Fund, for a State General Fund reappropriation from FY 2014 to FY 2015.	(132,309)	0	(132,309)	0.0
2. Delete \$11,343, all from the State General Fund, for a 4.0 percent operating reduction for the last six month of FY 2015.	(11,343)	0	(11,343)	0.0
3. Delete \$6,182, all from the State General Fund, to reduce the Kansas Public Employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.	(6,182)	0	(6,182)	0.0
<i>Agency Subtotal</i>	<i>(\$149,834)</i>	<i>\$0</i>	<i>(\$149,834)</i>	<i>0.0</i>
<u>Legislature</u>				
1. Delete \$1,203,259, all from the State General Fund, for a State General Fund reappropriation from FY 2014 to FY 2015.	(1,203,259)	0	(1,203,259)	0.0
2. Delete \$363,285, all from the State General Fund, for a 4.0 percent operating reduction for the last six month of FY 2015.	(363,285)	0	(363,285)	0.0
3. Delete \$159,398, all from the State General Fund, to reduce the Kansas Public Employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.	(159,398)	0	(159,398)	0.0
<i>Agency Subtotal</i>	<i>(\$1,725,942)</i>	<i>\$0</i>	<i>(\$1,725,942)</i>	<i>0.0</i>
<u>Legislative Research Department</u>				
1. Delete \$419,584, all from the State General Fund, for a State General Fund reappropriation from FY 2014 to FY 2015.	(419,584)	0	(419,584)	0.0
2. Delete \$74,995, all from the State General Fund, for a 4.0 percent operating reduction for the last six month of FY 2015.	(74,995)	0	(74,995)	0.0
3. Delete \$32,505, all from the State General Fund, to reduce the Kansas Public Employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.	(32,505)	0	(32,505)	0.0
<i>Agency Subtotal</i>	<i>(\$527,084)</i>	<i>\$0</i>	<i>(\$527,084)</i>	<i>0.0</i>
<u>Revisor of Statutes</u>				
1. Delete \$275,602, all from the State General Fund, for a State General Fund reappropriation from FY 2014 to FY 2015.	(275,602)	0	(275,602)	0.0
2. Delete \$63,739, all from the State General Fund, for a 4.0 percent operating reduction for the last six month of FY 2015.	(63,739)	0	(63,739)	0.0
3. Delete \$22,898, all from the State General Fund, to reduce the Kansas Public Employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.	(22,898)	0	(22,898)	0.0
<i>Agency Subtotal</i>	<i>(\$362,239)</i>	<i>\$0</i>	<i>(\$362,239)</i>	<i>0.0</i>
<u>Division of Post Audit</u>				
1. Delete \$244,606, all from the State General Fund, for a State General Fund reappropriation from FY 2014 in FY 2015.	(244,606)	0	(244,606)	0.0
2. Delete \$49,097, all from the State General Fund, for a 4.0 percent operating reduction for the last six month of FY 2015.	(49,097)	0	(49,097)	0.0
3. Delete \$21,966, all from the State General Fund, to reduce the Kansas Public Employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.	(21,966)	0	(21,966)	0.0
<i>Agency Subtotal</i>	<i>(\$315,669)</i>	<i>\$0</i>	<i>(\$315,669)</i>	<i>0.0</i>
<u>Attorney General</u>				
1. Transfer \$1.0 million, all from the Medicaid Fraud Prosecution Revolving Fund, to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>State Treasurer</u>				
1. Transfer \$500,000, from the State Treasurer Operating Fund to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Insurance Department</u>				
1. Transfer \$3.0 million, all from the Workers Compensation Fund, to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Judicial Branch</u>				
1. Delete \$673,754, all from the State General Fund, to reduce the Kansas Public Employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.	(673,754)	0	(673,754)	0.0
<i>Agency Subtotal</i>	<i>(\$673,754)</i>	<i>\$0</i>	<i>(\$673,754)</i>	<i>0.0</i>
<u>Department of Administration</u>				
1. Delete \$12,000, all from the Economic Development Initiatives Fund Public Broadcasting Council Grants Account, in FY 2015.	0	(12,000)	(12,000)	0.0
2. Transfer \$12,000, all from the Economic Development Initiatives Fund to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$12,000)</i>	<i>(\$12,000)</i>	<i>0.0</i>
<u>Department of Revenue</u>				
1. Transfer \$918,543 from the Department of Revenue Division of Vehicles Operating Fund to the State General Fund for a 4.0 percent operating reduction for the last six months of FY 2015.	0	0	0	0.0
2. Transfer \$301,284 from the Department of Revenue Division of Vehicles Operating Fund to the State General Fund, to reduce the Kansas Public Employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.	0	0	0	0.0
3. Transfer \$4,000,000 from the Department of Revenue Division of Vehicles Modernization Fund to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Commerce</u>				
1. Delete \$5,000, all from the State General Fund, for the Global Trade Services Grant program in FY 2015.	(5,000)	0	(5,000)	0.0
2. Delete \$302,518, all from the Economic Development Initiatives Fund, for the agency operating grant in FY 2015.	0	(302,518)	(302,518)	0.0
3. Delete \$118, all from the Economic Development Initiatives Fund, for the Older Kansans Employment program in FY 2015.	0	(118)	(118)	0.0
4. Delete \$2,599, all from the Economic Development Initiatives Fund, for the Rural Opportunity Zone program in FY 2015.	0	(2,599)	(2,599)	0.0
5. Delete \$49, all from the Economic Development Initiatives Fund, for the Senior Community Service program in FY 2015.	0	(49)	(49)	0.0
6. Delete \$233, all from the Economic Development Initiatives Fund, for the Strong Military Bases program in FY 2015.	0	(233)	(233)	0.0
7. Delete \$244, all from the Economic Development Initiatives Fund, for the Governor's Council of Economic Advisors in FY 2015.	0	(244)	(244)	0.0
8. Delete \$140,173, all from the Economic Development Initiatives Fund, for the Innovation Growth program in FY 2015.	0	(140,173)	(140,173)	0.0
9. Delete \$851, all from the Economic Development Initiatives Fund, for the Creative Arts Industries Commission program in FY 2015.	0	(851)	(851)	0.0
10. Delete \$108, all from the Economic Development Initiatives Fund, for the Employment Incentives for Persons with Disabilities program in FY 2015.	0	(108)	(108)	0.0
11. Increase the transfer to the State General Fund from the Economic Development Initiatives Fund by \$836,934 in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>(\$5,000)</i>	<i>(\$446,893)</i>	<i>(\$451,893)</i>	<i>0.0</i>
<u>Dept. of Health and Environment - Environment</u>				
1. Transfer \$3.0 million, all from the Underground Storage Tank Redevelopment Fund, to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
<u>Department of Health and Environment - Health Care Finance</u>				
1. Transfer \$55.0 million, all from the Medical Program Fee Fund, to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Department for Aging and Disability Services</u>				
1. Transfer \$3.0 million, all from the DADS Social Welfare Fund, to the State General Fund in FY 2015.	0	0	0	0.0
2. Transfer \$1.2 million, all from the Problem Gambling and Addictions Grant Fund, to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department for Children and Families</u>				
1. Transfer \$500,000, all from the Children's Initiatives Fund, to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Highway Patrol</u>				
1. Transfer \$1,103,044, all from the Kansas Highway Patrol Operations Fund, to the State General Fund for a 4.0 percent operating reduction for the last six months of FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Department of Wildlife, Parks and Tourism</u>				
1. Delete \$124,834 from the Economic Development Initiatives Fund Travel/Tourism operating expense account in FY 2015.	0	(124,834)	(124,834)	0.0
2. Transfer \$124,834, all from the Economic Development Initiatives Fund Travel/Tourism operating expense account, to the State General Fund in FY 2015.	0	0	0	0.0
3. Delete \$500,000 from the Economic Development Initiatives Fund State Parks operating expense account in FY 2015.	0	(500,000)	(500,000)	0.0
4. Transfer \$500,000, all from the Economic Development Initiatives Fund State Parks operating expense account, to the State General Fund in FY 2015.	0	0	0	0.0
5. Transfer \$1.0 million, all from the Department Access Roads Fund, to the State General Fund in FY 2015.	0	0	0	0.0
6. Transfer \$400,000, all from the Bridge Maintenance Fund, to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>(\$624,834)</i>	<i>(\$624,834)</i>	<i>0.0</i>
<u>Kansas Department of Transportation</u>				
1. Transfer \$103,479,087, all from the State Highway Fund, to the State General Fund in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas Bioscience Authority</u>				
1. Add language to reduce the transfer from the State General Fund to the Kansas Bioscience Authority by \$5.0 million making the total transfer \$27.0 million in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>IMPACT Program Repayment Fund</u>				
1. Add language to reduce the transfer from the State General Fund to the Job Creation Fund for Impact Bond payments by \$7.1 million in FY 2015.	0	0	0	0.0
<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
TOTAL	(\$3,759,522)	(\$1,083,727)	(\$4,843,249)	0.0

<i>Agency/Item</i>	<i>State General Fund</i>	<i>All Other Funds</i>	<i>All Funds</i>	<i>FTEs</i>
FY 2016				
<u>Kansas Corporation Commission</u>				
1. Transfer \$1.0 million, all from the Conservation Fee Fund, to the State General Fund for FY 2016.	0	0	0	0.0

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Kansas State University</u>				
1. Transfer \$5.0 million from the Kansas Bioscience Authority funding, to the National Bio Agro-defense Facility Fund for FY 2016.	0	0	0	0.0

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Wichita State University</u>				
1. Transfer \$1.0 million from the Kansas Bioscience Authority funding, to the Center of Innovation for Biomaterials in Orthopedic Research - Wichita State University Fund for FY 2016.	0	0	0	0.0

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
TOTAL	\$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>
FY 2017				
<u>Kansas State University</u>				
1. Transfer \$5.0 million from the Kansas Bioscience Authority funding, to the National Bio Agro-defense Facility Fund for FY 2017.	0	0	0	0.0

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Wichita State University</u>				
1. Transfer \$1.0 million from the Kansas Bioscience Authority funding, to the Center of Innovation for Biomaterials in Orthopedic Research - Wichita State University Fund for FY 2017.	0	0	0	0.0

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
TOTAL	\$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>
FY 2018				
<u>Kansas State University</u>				
1. Transfer \$5.0 million from the Kansas Bioscience Authority funding, to the National Bio Agro-defense Facility Fund for FY 2018.	0	0	0	0.0

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<u>Wichita State University</u>				
1. Transfer \$1.0 million from the Kansas Bioscience Authority funding, to the Center of Innovation for Biomaterials in Orthopedic Research - Wichita State University Fund for FY 2018.	0	0	0	0.0

<i>Agency Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
TOTAL	\$0	\$0	\$0	0.0