

J-1  
District Court Docket  
Fees

J-2  
Introduction to State  
Budget

J-3  
Kansas Laws to  
Eliminate Deficit  
Spending

J-4  
State General Fund  
Transfers

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### State Budget

#### J-1 District Court Docket Fees

Kansas has had a uniform system of district court docket fees since 1974. The original docket fees were \$35 for civil cases and varying amounts for criminal cases, depending upon the nature of the crime.

From 1984 to 1995, local law libraries could charge differing library fees in addition to statutorily set docket fees, which caused docket fees to be non-uniform.

In 1996, the Legislature passed legislation that returned docket fees to a uniform level and also added docket fees for filing post-divorce motions for changes in child custody, child support orders, or visitation. The 2006 Legislature passed legislation specifying that only the Legislature can establish fees or moneys for court procedures, including docket fees, filing fees, or other fees related to access to court procedures.

The 2006 Legislature raised docket fees for four purposes: to provide additional funding for the State General Fund associated with an approved judicial branch salary increase, to provide an increase in funding for the Kansas Law Enforcement Training Center Fund, to provide funding for the Kansas Judicial Council's judicial performance evaluation process, and for the Child Exchange and Visitation Centers Fund.

The 2009 Legislature raised docket fees to provide funding for the first phase of a statewide non-judicial personnel salary adjustment and raised the docket fee in criminal cases by \$1 to fund a \$186,239 increase to the Prosecuting Attorneys' Training Fund.

The 2014 Legislature redirected docket fees from state agencies to the Judicial Branch starting in FY 2014. Starting in FY 2015, docket fees are deposited in three places: the Judicial Council, the Electronic Filing Management Fund, and the Judicial Branch Docket Fee Fund. Through FY 2021, the Electronic Filing Management Fund will receive the first \$3.1 million in clerk's fees. From FY 2022 forward, that amount will be reduced to \$1.5 million for annual maintenance and upkeep.

The Office of Judicial Administration collected \$29.4 million in district court docket fees for the State Treasury in FY 2018.

**Fines, penalties, and forfeitures.** In FY 2018, the Judicial Branch collected \$17.7 million in fines, penalties, and forfeitures.

A portion of funds collected, 33.6 percent, is earmarked for assisting victims of crime, alcohol, and drug abuse programs; children’s services; and other law enforcement-related activities. The remainder is transferred to the State General Fund for general operations.

**Other fees.** In addition to docket fees, the Judicial Branch also imposes other fees and assessments on individuals who use the judicial system. The Judicial Branch collected \$7.9 million in other fees and assessments in FY 2018. These fees support law enforcement-related activities within the Kansas Bureau of Investigation, Office of the

Attorney General, Board of Indigents’ Defense Services, and the Department of Corrections.

The 2009 Legislature authorized the Supreme Court to enact a new surcharge in FY 2009. The surcharge is approved annually by the Legislature. In FY 2011, the Legislature extended the surcharge through FY 2012 and increased the surcharge by 25.0 percent. The 2014 Legislature abolished the Surcharge Fund and directed all docket fees generated by the surcharge be deposited in the Docket Fee Fund. The 2017 Legislature extended the surcharge through FY 2019.

		FY 2018 Actual		FY 2019 Estimate	
Name of Fund	Administering Authority	Percent of Fees	Revenue to Fund	Percent of Fees	Revenue to Fund
<b>Docket Fee Distribution</b>					
Judicial Branch Docket Fee Fund	Chief Justice, Kansas Supreme Court	99.01%	\$26,055,000	99.01%	\$26,055,000
Judicial Council Fund	Judicial Council	0.99%	200,980	0.99%	200,980
Electronic Filing Management Fund	Chief Justice, Kansas Supreme Court	N/A	3,100,000	N/A	3,100,000
<i>Subtotal - Docket Fee Distribution</i>		<i>100.00%</i>	<i>\$29,355,980</i>	<i>100.00%</i>	<i>\$29,355,980</i>
<b>Fines, Penalties and Forfeitures</b>					
Crime Victim’s Compensation Fund	Attorney General	10.94%	\$1,937,234	10.94%	\$1,937,234
Crime Victim’s Assistance Fund	Attorney General	2.24%	396,655	2.24%	396,655
Comm. Alcoholism and Intoxication Programs Fund	Department for Aging and Disability Services	2.75%	486,965	2.75%	486,965
Dept. of Corr. Alcohol and Drug Abuse Treatment Fund	Department of Corrections	7.65%	1,354,647	7.65%	1,354,647
Boating Fee Fund	Department of Wildlife, Parks and Tourism	0.16%	28,332	0.16%	28,332
Children’s Advocacy Center Fund	Attorney General	0.11%	19,479	0.11%	19,479
EMS Revolving Fund	Emergency Medical Services Board	2.28%	403,738	2.28%	403,738
Trauma Fund	Secretary of Health and Environment	2.28%	403,738	2.28%	403,738
Traffic Records Enhancement Fund	Department of Transportation	2.28%	403,738	2.28%	403,738
Criminal Justice Information Systems Line Fund	Kansas Bureau of Investigation	2.91%	515,297	2.91%	515,297
State General Fund	Kansas Legislature	66.40%	11,757,985	66.40%	11,757,985
<i>Subtotal - Fines, Penalties and Forfeitures</i>		<i>100.00%</i>	<i>\$17,707,809</i>	<i>100.00%</i>	<i>\$17,707,809</i>

		FY 2018 Actual		FY 2019 Estimate	
Name of Fund	Administering Authority	Percent of Fees	Revenue to Fund	Percent of Fees	Revenue to Fund
<b>Other Fees and Assessments</b>					
State General Fund	Various	Fee	\$188,747	Fee	\$188,747
Law Enforcement Training Center Fund	Various	Fee	2,273,103	Fee	2,273,103
Marriage License Fees	Various	Fee	1,027,254	Fee	1,027,254
Correctional Supervision Fund	Various	Fee	996,746	Fee	996,746
Drivers License Reinstatement Fees	Various	Fee	959,071	Fee	959,071
KBI-DNA Database Fees	Various	Fee	679,458	Fee	679,458
Community Corrections Supervision Fee Fund	Various	Fee	461,450	Fee	461,450
Indigents' Defense Services Application Fee	Various	Fee	541,372	Fee	541,372
Indigents' Defense Services Bond Forfeiture Fees	Various	Fee	567,298	Fee	567,298
Other (Law Library, Court Reporter, Interest, etc.)	Various	Fee	221,566	Fee	221,566
<i>Subtotal - Other Fees and Assessments</i>			\$7,916,065		\$7,916,065
<b>Total of all Docket Fees, Fines, Penalties and Forfeitures Assessed</b>			<b>\$54,979,854</b>		<b>\$54,979,854</b>

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### State Budget

#### J-2 Introduction to State Budget

##### Budget Overview

This report provides background information on the state budget process, including definitions of classifications of expenditures by function of government and by major purpose of expenditure.

Information about the approved FY 2018 and FY 2019 budgets also are included, as well as general information on the status of the State General Fund (SGF).

##### The Budget Process

The Kansas budget is an executive budget in that the budgetary recommendations of the Governor are embodied in the appropriation bills, which are introduced and considered by the Legislature.

- Most state agencies are required by law to submit their budget requests no later than October 1 of each year (customarily, the deadline specified by the Director of the Budget is September 15). Agency budget requests are submitted to the Division of the Budget and the Legislative Research Department at the same time.
  - Twenty state agencies, most of them occupational and professional licensing boards and financial institution regulatory agencies, are “biennial budget agencies” and authorized to file budget adjustment requests every other year.

The **Director of the Budget**, an appointee of the Governor, is directed by law to review the detailed requests submitted by the various state agencies and to make initial recommendations that are transmitted to agencies in November. An agency may appeal those initial recommendations to the Governor. By law, judicial branch agency budgets are exempt from review by the Director. By practice, legislative branch agency budgets are not reviewed.

- The Governor makes budgetary recommendations, which are provided to the Legislature at the beginning of each legislative session. The Governor’s recommendations also are included in appropriations bills, which become the Legislature’s base for approving the budget each year.

- At the discretion of the Governor, a budget cycle may include two budget years. In the first year of a two-year cycle, the agency requests and the Governor recommends a current year budget and two budget years. In the second year, the Governor's recommendation includes the current year and a budget year with the approved amount from the first year's legislation. In this case, the Governor's recommendation reflects only changes from the previously approved budget year amount. This distinction changes the comparison made in the *Budget Analysis* and the changes made to the appropriations bill(s).
- The **Legislative Research Department** prepares an analysis of both the budget request made by each agency and the Governor's recommendations, which is submitted to the Legislature approximately three weeks after the Director of the Budget submits the *Governor's Budget Report*.
- Agencies' budgets receive simultaneous consideration in the House Committee on Appropriations and the Senate Committee on Ways and Means. Identical appropriation bills reflecting the Governor's recommendation are introduced in both chambers.
  - *Consideration by the first chamber.* The chairpersons of the House Committee on Appropriations and the Senate Committee on Ways and Means appoint budget committees and subcommittees, respectively, to consider appropriations for various agencies. After reviewing the budget requests and recommendations, the budget committees and subcommittees draft a report that details all budgetary adjustments to the Governor's recommendations the budget committee or subcommittee support. Once the report is prepared, it is presented to the corresponding full committee. The committee may adjust the recommendations or it may adopt the report as submitted. The recommendations of the committee are considered by the full chamber, which also may adjust or adopt the recommendations.
  - *Consideration by the second chamber.* The process for review of an appropriation bill in the second house repeats the steps followed in the house of origin.
  - *Conference Committee action.* After consideration of an appropriation bill by the second house, the bill typically goes to a conference committee to reconcile differences between the House and Senate versions of the bill.
  - *Omnibus Appropriations Bill.* The Legislature usually adjourns its regular session sometime in early April and returns for a wrap-up session that occurs roughly two-and-one-half weeks following the first adjournment. During the wrap-up session, the Legislature takes action on a number of items of unfinished business, one of which is the Omnibus Appropriations Bill. It is designed to make technical adjustments to the appropriation bills passed earlier in the session and to address the fiscal impact of legislation passed during the session. The Omnibus Appropriations Bill is usually one of the last bills passed each session.
  - *Classifications of state spending.* The State of Kansas classifies state spending by major purpose of expenditure and by function of government.

**FY 2018 and FY 2019 Approved Budget**

The 2018 Legislature approved:

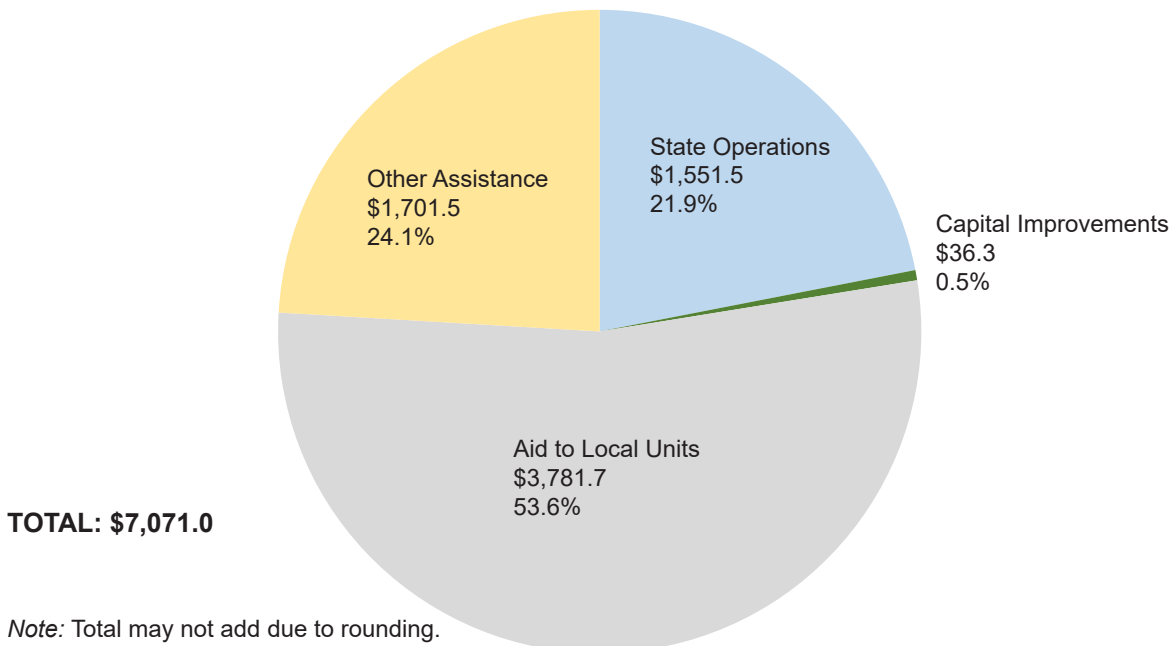
- An FY 2018 budget totaling \$16.3 billion from all funding sources, which is an increase of \$765.8 million (4.9 percent) above FY 2017 actual expenditures.
- An FY 2018 SGF budget totaling \$6.7 billion, which is an increase of \$415.4 million (6.6 percent) above FY 2017 actual expenditures.
- An FY 2019 budget totaling \$17.0 billion from all funding sources, which is an increase of \$665.7 million (4.1 percent) above the approved FY 2018 approved budget.
- An FY 2019 SGF budget totaling \$7.1 billion, which is an increase of \$379.3 million (5.7 percent) above the approved FY 2018 approved.

Major purposes of expenditure include the following:

- **State Operations.** Actual agency operating costs for salaries and wages, contractual services, commodities, and capital outlay.
- **Aid to Local Units.** Aid payments to counties, cities, school districts, and other local government entities.
- **Other Assistance, Grants, and Benefits.** Payments made to or on behalf of individuals as aid, including public assistance benefits, unemployment benefits, and tuition grants.
- **Capital Improvements.** Cash or debt service payments for projects involving new construction, remodeling and additions, rehabilitation and repair, razing, and the principal portion of debt service for a capital expense.

The following illustration reflects approved FY 2019 SGF expenditures by major purpose of expenditure.

**FY 2019 SGF Expenditures  
by Major Purpose  
(Dollars in Millions)**



Expenditures by function of government are grouped by agencies which make expenditures for similar programs and purposes. There are six functions of government:

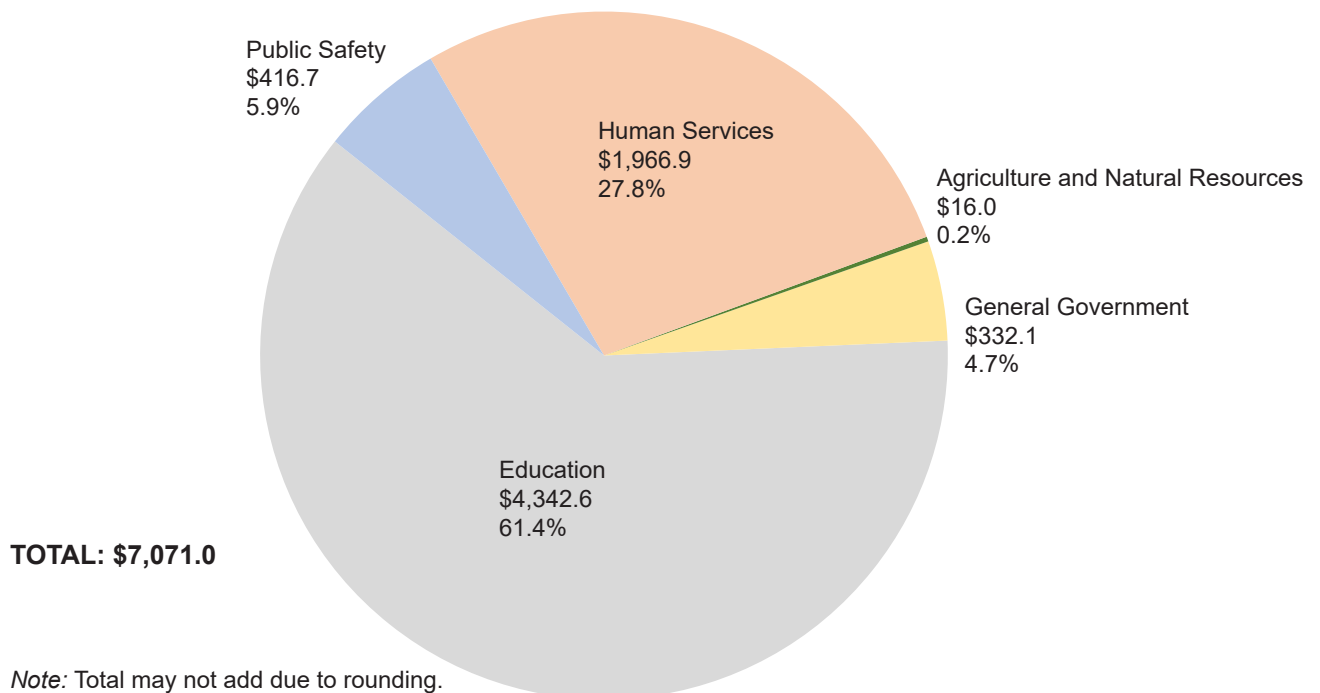
- **General Government.** State agencies with both administrative and regulatory functions, including statewide elected officials, the legislative and judicial branches, and fee-funded professional and regulatory licensing agencies.
- **Human Services.** Agencies that provide services to individuals, including the Department for Aging and Disability Services and state hospitals, the Department for Children and Families, the Department of Labor, the health portions of the Department of Health and Environment, and the Commission on Veterans' Affairs Office.
- **Education.** Agencies that provide various educational services to Kansans, including the Department of Education, the Board of Regents and the Regents institutions, the State Library, the

Arts Commission, the State Historical Society, and the Schools for the Blind and the Deaf.

- **Public Safety.** Agencies that ensure the safety and security of citizens, including the Department of Corrections and its facilities, the Highway Patrol, and the Kansas Bureau of Investigation.
- **Agriculture and Natural Resources.** Agencies that protect the natural and physical resources of the state, including the Department of Agriculture, the environment portion of the Department of Health and Environment, and the Department of Wildlife, Parks and Tourism.
- **Transportation.** This function includes only the Department of Transportation.

The following illustration reflects approved FY 2019 SGF expenditures by function of government (the chart does not reflect reductions of \$3.9 million for FY 2019 for non-agency specific savings).

**FY 2019 SGF Expenditures  
by Function of Government  
(Dollars in Millions)**





**Consensus Revenue Estimating Process**

Since 1974, a consensus approach involving the legislative and executive branches (Division of the Budget, Legislative Research Department, the Department of Revenue, and one consulting economist each from the University of Kansas, Kansas State University, and Wichita State University) has been utilized for estimating revenues to the SGF. These consensus estimates are used by both the Governor and the Legislature to formulate and approve budget requests. The law requires that on or before December 4 and April 20, the Director of the Budget and the Director of the Legislative Research Department prepare a joint estimate of revenue to the SGF for the current and ensuing fiscal year.

The following table reflects actual SGF receipts (in millions) for FY 2017 and the April 2018 estimate, as adjusted for legislation, of the Consensus Revenue Estimating Group for FY 2018 and FY 2019.

(Dollars in Millions)			
	Actual FY 2017	Estimated FY 2018	Estimated FY 2019
Income Taxes	\$ 2,670	\$ 3,517	\$ 3,728
Excise Taxes	2,962	3,010	30,383
Other Taxes	174	174	166
Other Revenue	533	330	71
<b>Total</b>	<b>\$ 6,339</b>	<b>\$ 7,031</b>	<b>\$ 7,003</b>

SGF revenue sources include:

- **Income taxes** include individual and corporate income and financial institutions taxes.
- **Excise taxes** include sales and compensating use taxes, alcohol and cigarette taxes, and severance taxes.
- **Other taxes** include motor carrier property fees and insurance premium taxes.

- **Other revenue** includes interest earnings, agency earnings, and net transfers to and from the SGF.

The following tables reflect where a SGF dollar is projected to come from in FY 2018 and how it will be spent.

Where Each FY 2019 SGF Dollar Will Come From (Dollars in Millions)		
48¢	Individual Income Tax	\$3,334
40¢	Sales and Compensating Use Tax	2,766
5¢	Corporation and Financial Income Tax	351
2¢	Insurance Premium Tax	163
2¢	Tobacco Taxes	107
2¢	Alcohol Taxes	121
1¢	Severance Tax	36
2¢	Other Taxes and Revenue	125
<b>\$1.00</b>	<b>Total Receipts</b>	<b>\$7,003</b>

*Note: Totals may not add due to rounding.*

Where Each FY 2019 SGF Dollar Will Be Spent (Dollars in Thousands)		
50¢	Department of Education	\$3,527,282
11¢	Board of Regents/ Postsecondary Education	792,583
0¢	Other Education	22,498
<b>61¢</b>	<b>Subtotal - Education</b>	<b>\$4,342,363</b>
12¢	Department for Aging and Disability Services and State Hospitals	854,186
12¢	Department of Health and Environment	821,134
5¢	Department of Corrections and Facilities	367,469
4¢	Department for Children and Families	281,288
2¢	Department of Administration	125,724
1¢	Judicial Branch, Board of Indigents' Defense Services	133,687
3¢	All Other	145,105
<b>\$1.00</b>	<b>Total Expenditures</b>	<b>\$7,071,046</b>

*Note: Totals may not add due to rounding.*

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### State Budget

#### J-3 Kansas Laws to Eliminate Deficit Spending

Various laws or statutory sections are designed to provide certain safeguards with respect to state budgeting and managing of expenditures and to prevent deficit financing. These laws and statutes are summarized below.

#### Constitutional Provisions

Sometimes certain provisions of the *Kansas Constitution* are cited with regard to financial limitations. For instance, Section 24 of Article 2 says, "No money shall be drawn from the treasury except in pursuance of a specific appropriation made by law." Section 4 of Article 11 states, "The Legislature shall provide, at each regular session, for raising sufficient revenue to defray the current expenses of the state for two years."

Sections 6 and 7 of Article 11 relate to incurring public debt for the purpose of defraying extraordinary expenses and making public improvements. Such debt shall not, in the aggregate, exceed \$1.0 million without voter approval of a law passed by the Legislature.

The Kansas Supreme Court, in several cases over the years, has said these sections apply only to debts payable from the levy of general property taxes and thus do not prohibit issuance of revenue bonds to be amortized from non-property tax sources.

#### Unencumbered Balance Required

KSA 75-3730, enacted in 1953, states that all commitments and claims shall be pre-audited by the Division of Accounts and Reports as provided in KSA 75-3731: "No payment shall be made and no obligation shall be incurred against any fund, allotment, or appropriation, except liabilities representing the expenses of the legislature, unless the Director of Accounts and Reports shall first certify that his or her records disclose there is a sufficient unencumbered balance available in such fund, allotment, or appropriation to meet the same."

#### State General Fund Ending Balance Law

A portion of 1990 HB 2867 (then KSA 75-6704) provided that the Governor and Legislature must target year-end State General

Fund (SGF) balances expressed as a percentage of fiscal year expenditures and demand transfers, as follows: at least 5.0 percent for FY 1992, 6.0 percent for FY 1993, 7.0 percent for FY 1994, and 7.5 percent for FY 1995 and thereafter (now KSA 2018 Supp. 75-6702).

Beginning in the 1992 Legislative Session, an “Omnibus Reconciliation Spending Limit Bill” is to be relied upon to reconcile total SGF expenditures and demand transfers to the applicable ending balance target. The law does not require any future action by the Governor or Legislature if the target is missed when actual data on receipts, expenditures, and the year-end balance become known.

## Allotment System

The allotment system statutes (KSA 2018 Supp. 75-3722 through 3725) were enacted in 1953 as part of the law that created the Department of Administration. In response to a request from Governor Carlin, the Attorney General issued an opinion (No. 82-160) on July 26, 1982, which sets forth some of the things that can and cannot be done under the allotment system statutes. Some of the key points in that opinion are:

- With certain exceptions, noted below, the Governor (through the Secretary of Administration and Director of the Budget) has broad discretion in the application of allotments in order to avoid a situation where expenditures in a fiscal year would exceed the resources of the SGF or a special revenue fund. Allotments need not be applied equally or on a *pro rata* basis to all appropriations from, for example, the SGF. Thus, the Governor may pick and choose “as long as such discretion is not abused.”
- Demand transfers from the SGF to another fund are not subject to the allotment system because, technically, appropriations are made from the other fund and not the SGF. Such transfers include those to the Local *Ad Valorem* Tax Reduction Fund, County and City Revenue Sharing Fund, City-County

Highway Fund, State Highway Fund, State Water Plan Fund, and School District Capital Improvements Fund.

- The allotment system cannot be used in any fiscal year for the purpose of increasing the year-ending balance of a fund nor for controlling cash shortages that might occur at any time within a fiscal year. Thus, if a “deficit” were to be projected at the end of the fiscal year, the allotment system could be used to restore the SGF balance to zero.

The Legislature and the Courts and their officers and employees are exempt from the allotment system under KSA 2018 Supp. 75-3722.

## The \$100.0 Million Balance Provision

A provision in 1990 HB 2867 (KSA 2018 Supp. 75-6704) authorizes the Governor to issue an executive order or orders, with approval of the State Finance Council, to reduce SGF expenditures and demand transfers if the estimated year-end balance in the SGF is less than \$100.0 million. The Director of the Budget must continuously monitor receipts and expenditures and certify to the Governor the amount of reduction in expenditures and demand transfers that would be required to keep the year-end balance from falling below \$100.0 million.

Debt service costs, the SGF contribution to school employees retirement (KPERs-School), and the demand transfer to the School District Capital Improvements Fund created in 1992 are not subject to reduction.

If the Governor decides to make reductions, they must be on a percentage basis applied equally to all items of appropriations and demand transfers (*i.e.*, across-the-board with no exceptions other than the three mentioned above). In contrast to the allotment system law, all demand transfers but one are subject to reduction.

In August 1991 (FY 1992), the Governor issued an executive directive, with the approval of the State Finance Council, to reduce SGF expenditures (except debt service and the KPERs-School

employer contributions) by 1.0 percent. At the time of the State Finance Council action, the SGF ending balance was projected at approximately \$76.0 million.

### Certificates of Indebtedness

KSA 75-3725a, first enacted in 1970, authorizes the State Finance Council to order the Pooled Money Investment Board (PMIB) to issue a certificate of indebtedness when the estimated resources of the SGF will be sufficient to meet in full the authorized expenditures and obligations of the SGF for an entire fiscal year, but insufficient to meet such expenditures and obligations fully as they become due during certain months of a fiscal year. The certificate must be redeemed from the SGF no later than June 30 of the same fiscal year in which it was issued. If necessary, more than one certificate may be issued in a fiscal year. No interest is charged to the SGF.

However, to whatever extent the amount of a certificate results in greater spending from the SGF than would occur if expenditures had to be delayed, there may be some reductions in interest earnings that otherwise would accrue to the SGF.

To cover cash flow issues, the State Finance Council authorized issuance of certificates of indebtedness as follows:

- \$65.0 million in December FY 1983;
- \$30.0 million in October FY 1984;
- \$75.0 million in April FY 1986;
- \$75.0 million in July FY 1987;
- \$140.0 million in December FY 1987 (replaced the July certificate);
- \$75.0 million in November FY 1992;
- \$150.0 million in January FY 2000;
- \$150.0 million in January FY 2001;
- \$150.0 million in September FY 2002;
- \$200.0 million in December FY 2002;
- \$450.0 million in July FY 2003;
- \$450.0 million in July FY 2004;
- \$450.0 million in July FY 2005;

- \$450.0 million in July FY 2006 ;
- \$200.0 million in December FY 2007;
- \$350.0 million in December FY 2008;
- \$300.0 million in June FY 2009;
- \$250.0 million in December FY 2009;
- \$225.0 million in February FY 2009;
- \$700.0 million in July FY 2010;
- \$700.0 million in July FY 2011;
- \$600.0 million in July FY 2012;
- \$400.0 million in July FY 2013;
- \$300.0 million in July FY 2014;
- \$675.0 million in July FY 2015;
- \$840.0 million in July FY 2016;
- \$900.0 million in July FY 2017;
- \$900.0 million in July FY 2018; and
- \$600.0 million in July FY 2019.

The amount of a certificate is not “borrowed” from any particular fund or group of funds. Rather, it is a paper transaction by which the SGF is temporarily credited with the amount of the certificate and state moneys available for investment and managed by the PMIB.

The PMIB is responsible for investing available moneys of all agencies and funds, as well as for maintaining an operating account to pay daily bills of the state. Kansas Public Employees Retirement System invested money is not part of “state moneys available for investment” nor is certain money required to be separately invested by the PMIB under statutes other than the state moneys law.

Certificates of indebtedness could be used if allotments were imposed or if expenditures were reduced under the \$100.0 million balance provision or if neither such action was taken.

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### State Budget

#### J-4 State General Fund Transfers

This article provides an explanation of State General Fund (SGF) transfers, including both revenue and demand transfers.

FY 2019 SGF expenditures are estimated at \$7.1 billion. Not included as expenditures in the budget are \$375.4 million in SGF revenue transfers to various state agencies and local units of government, approximately 5.3 percent of the total SGF budget. Offsetting these transfers are \$374.1 million in transfers into the SGF, mostly from the State Highway Fund (\$293.1 million), State Gaming Revenues Fund (\$26.0 million), and Economic Development Initiatives Fund (\$18.7 million).

#### Distinction between Demand Transfers and Revenue Transfers

A SGF **revenue transfer** is specified in legislation, usually an appropriations bill, and involves transferring money into and out of the SGF. Any transfer from the SGF to a special revenue fund or local unit of government is considered an expenditure from the special revenue fund.

**Demand transfers** are expenditures specified by statute rather than appropriation acts. An important characteristic of a demand transfer is that the amount of the transfer is based on a formula or authorization in substantive law. The appropriation of the funds traditionally was made through statutory authority rather than through an appropriation. In recent years, adjustments to the statutory amounts of the demand transfers have been included in appropriation bills. *SGF demand transfers are considered to be SGF expenditures.* The only current demand transfer is the transfer to the School District Capital Outlay Fund.

The following list includes select SGF state revenue transfers, which are set in statute and modified by acts of appropriation:

- State Water Plan Fund – \$6.0 million transferred to the Fund by statute annually, reduced to \$1.4 million in FY 2018 and \$2.7 million in FY 2019;
- State Fair – Up to \$300,000 for capital improvements transferred to the Fund annually, capped at \$100,000 in FY 2018 and \$0 in FY 2019;

- Tax Increment Financing Revenue Replacement Fund – Transfers to the Fund capped at \$0 while statute is reviewed; and
- The following funds are transferred in part to the SGF despite an alternate statutory purpose: State Highway Fund (\$288.3 million), Economic Development Initiatives Fund (\$20.1 million), Expanded Lottery Act Revenues Fund (ELARF) (\$2.5 million), State Water Plan

Fund (\$1.3 million), State Safety Fund (\$1.1 million). *All amounts are FY 2018 Actuals.*

The following table reflects actual and approved demand or revenue transfers for FY 2018 - FY 2019.

See [A-2 State Water Plan Fund, Kansas Water Authority, and State Water Plan](#) for additional information on State Water Plan Fund Transfers.

FY 2018 Actual to FY 2019 Approved State General Fund Transfers				
Transfers	Funds Affected	Statutory Authority	FY 2018 Actual	FY 2019 Approved
<b>Transfers In:</b>				
Economic Dev't Initiatives Fund	Transfer to SGF	HB 2002-Sec 83(g), SB109-Sec 59	\$ 20,130,000	\$ 18,700,000
ELARF	Transfer to SGF	HB 2002-Sec 170(b)	2,471,610	1,757,030
State Water Plan Fund	Transfer to SGF	HB 2002-Sec 159(j)	1,260,426	1,260,426
Various Agencies	27th Paycheck Transfer	HB 2002-Sec 65(l)	11,344,876	8,223
Regents Institutions	27th Paycheck Transfer	HB 2002-Sec 65(b)	1,175,831	1,175,831
Kansas Corporation Commission	Public Service Regulation Fund	HB 2002-Sec 60(h)	100,000	100,000
PMIB	PMIB Investment Portfolio Fee Fund *	KSA 75-4235(b)	2,875,000	2,400,000
	Bridge Funding	HB 2052-Sec 44, KSA 75-2263	118,800,000	-
Kansas Public Employees Retirement System (KPERs)	KS Endowment for Youth Fund	HB 2002-Sec 56(e)	200,000	-
Kansas Lottery	Gaming Revenues Fund *	KSA 79-4801: > \$50m	23,698,170	26,000,000
	Special Veterans Benefit Game	SB 109-Sec 63	1,028,373	--
Racing and Gaming	Tribal Gaming Program Loan Repayment	HB 2002-Sec 80(b)	450,000	450,000
Department of Revenue	Ag. Ethyl Alcohol Producer Incentive Fund	SB 161-Sec 112	3,500,000	-
	Car Company Tax Fund *	KSA 79-917	373,228	350,000
	Division of Vehicles Operating Fund	HB 2002-Sec 75(f)	2,172,408	2,172,408
Attorney General	Court Cost Fund	SB 109-Sec 39(c)	250,000	1,750,000
	Medicaid Fraud Prosecution Revolving Fund	HB 2002-Sec 37(g)	1,000,000	--



<b>FY 2018 Actual to FY 2019 Approved State General Fund Transfers</b>				
<b>Transfers</b>	<b>Funds Affected</b>	<b>Statutory Authority</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Approved</b>
Insurance Department	Service Regulation Fund	HB 2002-Sec 61(h), Sec 44(c)	\$ 8,125,000	\$ 8,250,000
	Securities Act Fee Fund	KSA 17-12a601(a)(4), HB 2002-Sec 44(d)	13,615,552	14,044,541
Kansas Department for Aging and Disability Services	Problem Gambling & Addiction Grant Fund	HB 2002-Sec 99(n)	8,597	114,004
Department of Education Board of Regents	State Safety Fund	SB 19-Sec 1(c)	1,100,000	1,100,000
	Priv. & Out-of-State Post. Ed. Inst. Fee Fund	SB 109-Sec 93(c)	-	535,000
Emergency Med. Services Board	EMS Operating Fund	HB 2002-Sec 149(g)	250,000	250,000
State Fire Marshal	Fire Marshal Fee Fund	SB 109-Sec 98(b)	2,000,000	1,000,000
State Fair	Special Cash Fund *	KSA 2-220	200,000	200,000
Kansas Water Office	Water Marketing Fund	HB 2002-Sec 158(i), SB 109-Sec 109(b)	418,724	419,474
Department of Transportation	State Highway Fund	HB 2002-Sec 66(e), 164(i)	288,297,663	293,126,335
	Overhead Payment/Purchasing	HB 2002-Sec 6 65(c)	210,000	210,000
<i>Subtotal - Transfers In</i>			<b>\$ 505,055,458</b>	<b>\$ 375,373,272</b>
<b>Transfers Out:</b>				
ELARF	SGF Contingent Transfer	HB 2002-Sec 65(o)	\$ -	\$ -
Various Agencies	27th Paycheck Transfer	HB 2002-Sec 65(l)	(11,344,876)	(8,223)
	Bioscience Initiatives	HB 2002-Sec 34	(6,000,000)	-
	State Water Plan Fund Transfer	HB 2002-Sec 243	(1,400,000)	(2,750,000)
Department of Administration	Tax Increment Financing Revenue Replacement	KSA 12-1775a	8,597	-
Health Care Stabilization Fund	Support for KUMC Graduate Students *	KSA 40-3403(J)	(5,048,835)	(2,500,000)
Pooled Money Investment Board	Bridge Funding-Payment Plan	HB 2052-Sec 44	-	(52,866,667)
KPERS	Kansas Public Employees Retirement Fund	SB 109-Sec 128	(56,000,000)	(82,000,000)
Department of Revenue	Automated Tax Systems Fund	HB 2002-Sec 74(l); KSA 75-5147	(13,000,000)	(13,000,000)
Racing and Gaming	Tribal Gaming Program Loan	HB 2002-Sec 80(b)	(450,000)	(450,000)
State Bank Commissioner	Bank Commissioner Fee Fund	HB 2002-Sec 11(c)	(534,517)	-

<b>FY 2018 Actual to FY 2019 Approved State General Fund Transfers</b>				
<b>Transfers</b>	<b>Funds Affected</b>	<b>Statutory Authority</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Approved</b>
Kansas Real Estate Commission	Real Estate Fee Fund	HB 2002-Sec 24(b)	\$ (196,671)	\$ -
Attorney General	Medicaid Fraud Prosecution Revolving Fund	SB 109-Sec 39(d)	-	(600,000)
	Tort Claims *	KSA 75-6116, 75-6117	(3,045,127)	(3,504,095)
	Sexually Violent Predator Expense Fund	HB 2002-Sec 38(f)	(50,000)	(50,000)
State Treasurer	Spirit Aerosystems Incentive	KSA 74-50,122 74-50,136, HB 2002-Sec 41	(3,639,724)	(3,600,000)
	Siemens Manufacturing Incentive		(743,423)	(550,000)
	Learjet Incentive		(815,963)	-
	Learning Quest Matching Funds *	KSA 75-650(g) & Treasurer Certification	(370,000)	(375,000)
Department of Education	School District Cap. Improvements Fund	KSA 72-6417(c) 75-2319(c)	(189,763,800)	(200,000,000)
	School District Declining Enrollment Fund	SB 19-Sec 1(i)	(2,593,542)	-
	School Safety and Security Fund	SB 109-Sec 76(c)	-	(5,000,000)
Board of Regents	Regents Faculty of Distinction Program	KSA 76-775	(686,682)	(688,776)
Kansas State University	National Bio Agro-defense Facility Fund	HB 2002-Sec 120(d)	-	(5,000,000)
KU Medical Center (KUMC)	Rural Health Bridging Psychiatry Fund	HB 2002-Sec 132(e)	(1,000,000)	(1,000,000)
State Fair	Special Cash Fund *	KSA 2-220	(200,000)	(200,000)
	Capital Improvements Fund	HB 2002-Sec 227(b)(2)(c)	(100,000)	
Local Units of Government	LAVTRF	HB 2002-Sec 38	-	-
	CCRSF	HB 2002-Sec 39	-	-
<i>Subtotal - Transfers Out</i>			<u>\$ (296,974,564)</u>	<u>\$ (374,142,761)</u>
<b>Total Transfers</b>			<b>\$ 208,080,894</b>	<b>\$ 1,230,511</b>
Interest	ADB <sup>1</sup> Interest on Various Funds		(8,740,823)	(9,030,511)
<b>Net Transfers</b>			<b>\$ 199,340,072</b>	<b>\$ (7,800,000)</b>
* Transfers set in statute and unmodified by acts of appropriation.				
<sup>1</sup> Average Daily Balance				

## Transfers to Local Units of Government

- The demand transfer to local units of government is the School District Capital Outlay Fund (SDCOF). The 2005 Legislature created the capital outlay state aid program as part of its response to the Kansas Supreme Court's opinion in school finance litigation. The program is designed to provide state equalization aid to school districts for capital outlay mill levies, up to eight mills;
- The School District Capital Improvements Fund (SDCIF) is used to support school construction projects. The appropriations bill caps the SDCIF transfer and is no longer included with total SGF expenditures. By statute, the State Board of Education certifies school

districts' entitlements determined under statutory provisions; and

## Suspended Local Transfers

The Local *Ad Valorem* Tax Reduction Fund (LAVTRF), County and City Revenue Sharing Fund (CCRSF), and Special City-County Highway Fund (SCCHF) were last treated as demand transfers in FY 2001 and the SDCIF transfer was changed to a revenue transfer in FY 2003.

- No transfers to the LAVTRF or the CCRSF have occurred since FY 2004; and
- No transfers to the SCCHF have occurred since FY 2009.

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