


MEMORANDUM

TO: Governor Sam Brownback
Sarah Shipman, Acting Secretary of Administration

FROM: Shawn Sullivan, Director of the Budget 

DATE: November 9, 2015

SUBJECT: FY 2016 State General Fund Allotment

After considering current revenue information, the FY 2016 approved budget, and other pertinent information, it appears that the resources of the State General Fund are likely to be insufficient to cover the appropriations made against the State General Fund. Therefore, I advise the use of an allotment plan as provided for in K.S.A. 75-3722 is necessary and beneficial to the state.

After revenue transfers and expenditure reductions were made in July 2015 as authorized in HB 2135, the State General Fund had a preliminary ending balance of \$71.5 million for FY 2016. On November 6, 2015, the Consensus Revenue Estimating Group met to revise the State General Fund Revenue Estimate for FY 2016. For FY 2016, the estimate was decreased by \$159.1 million.

Taking into account this revision of the FY 2016 revenue estimate as well as updated consensus caseload estimates and approved expenditures, the FY 2016 State General Fund ending balance will be approximately \$118.2 million below zero unless corrective action is taken.

MEMORANDUM

TO: Heads of State Agencies

FROM: Sarah Shipman, Acting Secretary of Administration

DATE: November 10, 2015

RE: FY 2016 State General Fund Allotments

In a memorandum dated November 9 (attached), Shawn Sullivan, Director of the Budget, has advised me that the expected resources of the State General Fund are likely to be insufficient to cover appropriations made against it and that the use of an allotment plan as provided for in KSA 75-3722 et seq. is necessary and beneficial to the state. In accordance with the authority granted by this statute, an allotment system is now imposed upon selected State General Fund accounts for FY 2016. Implementation of the allotment system is necessary to ensure that State General Fund expenditures in FY 2016 will not exceed State General Fund resources.

The attached spreadsheet outlines the reductions that are to be applied to affected agencies.

KSA 75-3722 provides that you may appeal this allotment decision to the Governor. Please deliver any appeal in writing with support information to the Division of the Budget no later than November 20. The information submitted must explain the reasons that these allotments are inappropriate and the result that would occur if the allotments remain unchanged.

If you have questions about this process, please contact your analyst in the Division of the Budget or Shawn Sullivan, Director of the Budget.

FY 2016

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| SGF Projection below zero | 118.2 |
| Special Allotment Authority (HB 2135) | |
| Additional KDOT Transfers | 47.9 |
| Children's Initiative Fund Encumbrance Change | <u>9.0</u> |
| Total | 56.9 |
| Regular Allotment Authority | |
| Revised Medicaid Estimates | 25.1 |
| HCAIP Reduction | 3.0 |
| DCF KEES Savings | 2.2 |
| Revised K-12 KPERS Estimates | 15.7 |
| Lapse Unused Higher Ed Scholarship Reappropriation | 1.4 |
| OSH/KDADS Fee Fund Switch | 2.5 |
| Overestimation of Bond Debt Service Costs | <u>2.7</u> |
| Total | 52.6 |
| Rescission Bill | |
| Additional KDOT Transfers | 2.1 |
| Job Creation Fund Transfer | 3.5 |
| Kansas Partnership Fund Lapse | 3.7 |
| Reduction of KBA Transfer | <u>5.0</u> |
| Total | 14.3 |
| Total Budget Adjustments | 123.8 |
| Ending Balance | 5.6 |

**Numbers in millions*