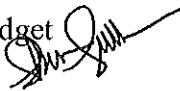


TO: Governor Sam Brownback

FROM: Shawn Sullivan, Director of the Budget 

DATE: May 18, 2016

SUBJECT: FY 2016 and FY 2017 State General Fund Allotment

After considering current revenue information, the FY 2016 and FY 2017 budget, and other pertinent information, it appears that the resources of the State General Fund are likely to be less than \$100.0 million. Therefore, I advise that the use of an allotment plan as provided for in the Special Allotment Authority prescribed in House Substitute for Senate Bill 161 is necessary and beneficial to the state.

Through the flexibility of being able to lapse up to \$96.5 million of KPERS in FY 2016, additional transfers of \$70.0 million and \$115.0 million from KDOT to the State General Fund in FY 2016 and FY 2017 and \$97.0 million of allotments in FY 2017, the State General Fund balance is estimated to be \$71.5 million. If the proviso in House Substitute for Senate Bill 249 prescribing excess master tobacco settlement litigation revenue be used to repay the KPERS amount lapsed or transferred in FY 2016 is vetoed, the ending balance for FY 2017 is estimated to be \$87.5 million. Please see the enclosed document for details on the \$97.0 million of recommended FY 2017 allotments.

Approved:



Sam Brownback, Governor

May 18, 2016

Date