

SENATE SUBSTITUTE FOR HOUSE BILL No. 2222
Supplemental Appropriations for FY 2010
As Amended by Senate Committee

Senate Substitute for House Bill No. 2222 contains current year adjustments for FY 2010 for selected state agencies, as recommended by the Governor, and as amended by the Senate Committee on Ways and Means. An overview of the Governor's recommended budget for FY 2010 is provided below. **Not all of the supplemental expenditure and receipt adjustments recommended by the Governor and amended by the Committee are reflected in this bill.** For example, expenditure changes recommended to special revenue funds with "no limit" expenditure limitations would not require any adjustment in the bill. In addition, some recommendations may not require any action in an appropriations bill, but may impact the amount of funding available for carryforward to FY 2011. *In making State General Fund allotments in July 2009 and November 2009, the Governor included recommendations for further adjustments that require legislative authorization. Governor's allotments, by statute, reduce approved budgets of agencies without any approval required by the Legislature. Most of the items in this bill are related to those recommendations that do require legislative action.*

Governor's Recommended Changes to Estimated FY 2010 Expenditures

Based on actions of the 2009 Legislature, it was estimated by the Research Department that FY 2010 expenditures from all funds would total \$13.514 billion. The *Governor's Budget Report* revises the all funds FY 2010 budget to \$14.497 billion, an increase of \$1.4 billion above the earlier estimate. Major differences from the session-end estimates and the current Governor's recommendation include:

- An increase of \$1.1 billion, all from special revenue (mainly federal) funds, in the budget of the **Department of Labor**, primarily for increases to estimated unemployment benefits.
- An increase of \$110.6 million from all funding sources in the budget of the **Kansas Department of Transportation**, largely for adjustments to capital improvement projects.
- An increase of \$91.9 million from all funding sources in the budgets of the **Department of Social and Rehabilitation Services and the state hospitals**, primarily reflecting additional federal funds expenditures and caseload increases. **State General Fund expenditures for SRS and the hospitals decrease by \$19.2 million.**
- An increase of \$61.3 million from all funding sources in the budgets of the **Kansas Board of Regents and the Regents institutions**, primarily reflecting additional special revenue fund expenditures. **State General Fund expenditures for the Board and the institutions decrease by \$17.7 million.**
- The Governor also recommends \$5.0 million, all from the State General Fund, in FY 2010, as a supplemental expenditure for operations of the **Judicial Branch**.

- The Governor's November 2009 State General Fund allotment included the expenditure of approximately \$92.5 million more in federal **American Recovery and Reinvestment Act (ARRA)** funding in FY 2010 than approved by the 2009 Legislature, to offset State General Fund expenditures.

At the close of the 2009 Session, FY 2010 expenditures from the State General Fund were estimated to be \$5.613 billion. The *Governor's Budget Report* revises the FY 2010 State General Fund budget to \$5.451 billion, a decrease of \$161.7 million below the earlier estimate.

- A number of the FY 2010 recommended State General Fund adjustments were included in the **Governor's July and November 2009 State General Fund allotments**. These allotments, through a series of recommended revenue adjustments and expenditure reductions, are intended to increase the FY 2010 State General ending balance by \$391.6 million. Approximately \$95.0 million of the recommended adjustments require legislative authorization. **Most of the recommendations in this bill are to address the recommended adjustments that require legislative authorization.**
- As noted above, the Governor's 2009 State General Fund allotment included the expenditure of approximately \$92.5 million more in federal **ARRA** funding in FY 2010 than approved by the 2009 Legislature, to offset State General Fund expenditures of the same amount in the budgets of the **Department of Education** and the **State Hospitals**.
- State General Fund expenditures in the budget of the **Department of Education** decrease \$94.0 million, although the decrease is partially offset by \$85.9 million in additional ARRA funding.

The following table summarizes the changes to FY 2010 expenditures by major category as recommended by the Governor.

FY 2010 Expenditures as Recommended by the Governor		
	Millions	
	State General Fund	All Funds
Original FY 2010 Estimates	\$ 5,612.9	\$ 13,056.7
Revisions:		
State Operations	(33.8)	142.5
Aid to Local Units	(107.5)	78.0
Other Assistance	(19.9)	1,082.7
Capital Improvements	(0.5)	137.4
Total Revisions	\$ (161.7)	\$ 1,440.6
Revised FY 2010 Estimates	<u>\$ 5,451.2</u>	<u>\$ 14,497.3</u>

Senate Committee Recommendation

The Senate Committee recommendations for FY 2010 increase the Governor's recommended expenditures by \$1.1 million, all from the State General Fund. Among the Committee's recommendations:

- The Committee recommends the addition of \$1.1 million, all from the State General Fund, in FY 2010, to be appropriated to the **Legislative Coordinating Council**. The funding would decrease the overall reduction for all legislative branch agencies contained in this bill from \$2.75 million, to \$1.65 million. The funding may be distributed among legislative branch agencies at the discretion of the Legislative Coordinating Council.
- The Committee recommends that the **postage allowance** for each member of the Legislature be reduced by 50.0 percent below the amount authorized by Legislative Coordinating Council policy for calendar year 2010. The Committee also recommends the addition of language providing that if any member's postage allowance already exceeds 50 percent of the authorized amount, no further expenditures may be made by that member in calendar year 2010.

The recommendations contained in this bill - Senate Substitute for House Bill No. 2222 - reflect increased State General Fund expenditures of \$3.3 million, and increased funding of \$2.1 million from all funding sources above the FY 2010 approved budget. In addition, receipts to the State General Fund increase by \$92.8 million in FY 2010.

The sections that follow detail **only the FY 2010 expenditure adjustments that are reflected in this appropriations bill.**

Senate Substitute for House Bill No. 2222
As Amended by Senate Committee on Ways and Means

Section	Agency/Program	Expenditures		Revenue Transfers to State General Fund
		State General Fund	All Funds	
2	Legislative Coordinating Council	\$ 1,013,115	\$ 1,013,115	\$ -
	Legislative Research Department	(426,615)	(426,615)	-
	Revisor of Statutes	(649,379)	(649,379)	-
3	Legislature	(1,366,648)	(1,366,648)	-
4	Division of Post Audit	(225,457)	(225,457)	-
5	Judicial Branch	5,000,000	5,000,000	-
6	Department of Transportation	-	-	80,000,000
7	Office of the Securities Commissioner	-	-	5,000,000
8	Department of Commerce	-	(800,000)	-
9	Kansas, Inc.	-	(10,000)	-
10	Kansas Technology Enterprise Corporation	-	(390,000)	-
11	Economic Development Initiatives Fund	-	-	5,800,000
12	State Housing Trust Fund	-	-	2,000,000
	Total	<u>\$ 3,345,016</u>	<u>\$ 2,145,016</u>	<u>\$ 92,800,000</u>

**FY 2010 Supplemental Appropriations
Bill Explanation for 2010 Senate
Substitute for House Bill 2222 as
Amended by Senate Committee**

Sec. 2 -- Legislative Coordinating Council

GOVERNOR'S RECOMMENDATION. The Governor recommends a lapse of \$86,885, all from the State General Fund, for agency operating expenditures in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation with the following adjustments:

1. Add \$1.1 million, all from the State General Fund, in FY 2010, to be appropriated to the Legislative Coordinating Council. The funding would decrease the overall reduction for all Legislative Branch agencies contained in this bill from \$2.75 million, to \$1.65 million. The funding may be distributed among legislative branch agencies at the discretion of the Legislative Coordinating Council.

2. Add language for FY 2010 and FY 2011 to reduce the postage allowance for each member of the Legislature by 50.0 percent below the amount authorized by Legislative Coordinating Council policy for calendar year 2010. Include language to provide that if a member's postage allowance already exceeds 50.0 percent of the authorized amount, no further expenditures may be made by that member.

Sec. 2 -- Legislative Research Department

GOVERNOR'S RECOMMENDATION. The Governor recommends a lapse of \$426,615, all from the State General Fund, for agency operating expenditures in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 2 -- Revisor of Statutes

GOVERNOR'S RECOMMENDATION. The Governor recommends a lapse of \$649,379, all from the State General Fund, for agency operating expenditures in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 3 -- Legislature

GOVERNOR'S RECOMMENDATION. The Governor recommends a lapse of \$1,366,648, all from the State General Fund, for agency operating expenditures in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 4 -- Division of Post Audit

GOVERNOR'S RECOMMENDATION. The Governor recommends a lapse of \$225,457, all from the State General Fund, for agency operating expenditures in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 5 -- Judicial Branch

GOVERNOR'S RECOMMENDATION. The Governor recommends adding \$5.0 million, all from the State General Fund, to Judiciary Operations in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 6 -- Kansas Department of Transportation

GOVERNOR'S RECOMMENDATION. The Governor recommends two transfers from the State Highway Fund to the State General Fund which total \$80.0 million in FY 2010 (one transfer of \$40.0 million in February, and the remaining \$40.0 million in May).

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 7 -- Securities Commissioner

GOVERNOR'S RECOMMENDATION. The Governor recommends transferring \$5,000,000 from the Investor Education Fund of the Office of the Securities Commissioner of Kansas to the State General Fund, in FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 8 -- Department of Commerce

GOVERNOR'S RECOMMENDATION. The Governor recommends reducing the agency's Economic Development Initiatives Fund (EDIF) appropriation by \$800,000 from \$16,714,779 to \$16,252,308 for FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 9 -- Kansas Inc.

GOVERNOR'S RECOMMENDATION. The Governor recommends reducing the agency's Economic Development Initiatives Fund (EDIF) appropriation by \$10,000 from \$365,162 to \$355,162 for FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 10 -- Kansas Technology Enterprise Corp.

GOVERNOR'S RECOMMENDATION. The Governor recommends reducing the agency's Economic Development Initiatives Fund (EDIF) appropriation by \$390,000 for FY 2010.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 11 -- Economic Development Initiatives Fund

GOVERNOR'S RECOMMENDATION. For FY 2010, the Governor recommends transferring \$5,800,000 from the Economic Development Initiatives Fund to the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.

Sec. 12 -- Kansas Housing Resources Corporation

GOVERNOR'S RECOMMENDATION. The Governor recommends transferring \$2.0 million from the State Housing Trust Fund to the State General Fund. The 2009 Legislature had approved a transfer of \$2.0 million from the Economic Development Initiative Fund (EDIF) to the State Housing Trust Fund. The recommendation would transfer the same amount as the approved, back into the State General Fund.

SENATE COMMITTEE RECOMMENDATION. The Senate Committee concurs with the Governor's recommendation.