

**SENATE BILL No. 161**

By Committee on Ways and Means

2-6

1 AN ACT concerning allotments; relating to the authority of the governor  
2 and the secretary of administration; amending K.S.A. 2016 Supp. 75-  
3 3722 and 75-6704 and repealing the existing sections.

4  
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2016 Supp. 75-3722 is hereby amended to read as  
7 follows: 75-3722. (a) An allotment system will be applicable to the  
8 expenditure of the resources of any state agency, under rules and  
9 regulations established as provided in K.S.A. 75-3706, and amendments  
10 thereto, only if in the opinion of the secretary of administration on the  
11 advice of the director of the budget, the use of an allotment plan is  
12 necessary or beneficial to the state. In making this determination the  
13 secretary of administration shall take into consideration all pertinent  
14 factors including:

- 15 (1) Available resources;  
16 (2) current spending rates;  
17 (3) work loads;  
18 (4) new activities, especially any proposed activities not covered in  
19 the agency's request to the governor and the legislature for appropriations;  
20 (5) the minimum current needs of each agency;  
21 (6) requests for deficiency appropriations in prior fiscal years;  
22 (7) unexpended and unencumbered balances; and  
23 (8) revenue collection rates and prospects.

24 (b) Whenever for any fiscal year it appears that the resources of the  
25 general fund or any special revenue fund are likely to be insufficient to  
26 cover the appropriations made against such general fund or special  
27 revenue fund, the secretary of administration, ~~on the advice of in~~  
28 *consultation with* the director of the budget, shall, ~~in such manner as the~~  
29 ~~secretary may determine~~, inaugurate the allotment system so as to assure  
30 that expenditures for any particular fiscal year will not exceed the  
31 available resources of the general fund or any special revenue fund for that  
32 fiscal year. When reviewing the resources of the general fund or any  
33 special revenue fund for the purposes of issuing an allotment, the secretary  
34 shall not take into consideration the balance in the budget stabilization  
35 fund.

- 36 (c) (1) The allotment system shall not apply to the legislature or to the

1 courts or their officers and employees, or to payments made from the  
2 juvenile justice improvement fund, established in K.S.A. 2016 Supp. 75-  
3 52,164, and amendments thereto, for the development and implementation  
4 of evidence-based community programs and practices for juvenile  
5 offenders and their families. ~~During the fiscal year ending June 30, 2017,~~  
6 ~~the allotment system provided by this section shall not apply to any item of~~  
7 ~~appropriation for employer contributions for the state of Kansas and~~  
8 ~~participating employers who are eligible employers as specified in K.S.A.~~  
9 ~~74-4931(1), (2) and (3), and amendments thereto, under the Kansas public~~  
10 ~~employees retirement system pursuant to K.S.A. 74-4939, and~~  
11 ~~amendments thereto.~~

12 (2) Agencies affected by decisions of the secretary of administration  
13 under this section shall be notified in writing at least 30 days before such  
14 decisions may become effective and any affected agency may, by written  
15 request addressed to the governor within 10 days after such notice, ask for  
16 a review of the decision by the ~~finance council.~~ ~~The finance council~~  
17 ~~governor.~~ *The governor shall hear appeals and render a decision within 20*  
18 *days after the governor receives receiving requests for such review.*

19 Sec. 2. K.S.A. 2016 Supp. 75-6704 is hereby amended to read as  
20 follows: 75-6704. (a) The director of the budget shall continuously  
21 monitor the status of the state general fund with regard to estimated and  
22 actual revenues and approved and actual expenditures and demand  
23 transfers. Periodically, the director of the budget shall estimate the amount  
24 of the unencumbered ending balance of moneys in the state general fund  
25 for the current fiscal year and the total amount of anticipated expenditures,  
26 demand transfers and encumbrances of moneys in the state general fund  
27 for the current fiscal year. If the amount of such unencumbered ending  
28 balance in the state general fund is less than \$100,000,000, the director of  
29 the budget shall certify to the governor the difference between  
30 \$100,000,000 and the amount of such unencumbered ending balance in the  
31 state general fund, after adjusting the estimates of the amounts of such  
32 demand transfers with regard to new estimates of revenues to the state  
33 general fund, where appropriate. When estimating the amount of the  
34 unencumbered ending balance of moneys in the state general fund for the  
35 purposes of such certification, the director of the budget shall not take into  
36 consideration the balance in the budget stabilization fund.

37 (b) Upon receipt of any such certification ~~and subject to approval of~~  
38 ~~the state finance council acting on this matter which is hereby declared to~~  
39 ~~be a matter of legislative delegation and subject to the guidelines~~  
40 ~~prescribed by K.S.A. 75-3711e(c), and amendments thereto, the governor~~  
41 ~~may shall~~ issue an executive order reducing, by applying a percentage  
42 reduction determined by the governor in accordance with this section: (1)  
43 The amount authorized to be expended from each appropriation from the

1 state general fund for the current fiscal year, other than any item of  
2 appropriation for debt service for payments pursuant to contractual bond  
3 obligations or any item of appropriation for employer contributions for the  
4 employers who are eligible employers as specified in K.S.A. 74-4931(1),  
5 (2) and (3), and amendments thereto, under the Kansas public employees  
6 retirement system pursuant to K.S.A. 74-4939, and amendments thereto, or  
7 for payments made from the juvenile justice improvement fund for the  
8 development and implementation of evidence-based community programs  
9 and practices for juvenile offender and their families; and (2) the amount  
10 of each demand transfer from the state general fund for the current fiscal  
11 year, other than any demand transfer to the school district capital  
12 improvements fund for distribution to school districts pursuant to K.S.A.  
13 75-2319, and amendments thereto.

14 (c) The reduction imposed by an executive order issued under this  
15 section shall be determined by the governor and may be equal to or less  
16 than the amount certified under subsection (a). Except as otherwise  
17 specifically provided by this section, the percentage reduction applied  
18 under subsection (b) shall be the same for each item of appropriation and  
19 each demand transfer and shall be imposed equally on all such items of  
20 appropriation and demand transfers without exception. No such percentage  
21 reduction and no provisions of any such executive order under this section  
22 shall apply or be construed to reduce any item of appropriation for debt  
23 service for payments pursuant to contractual bond obligations or any item  
24 of appropriation for employer contributions for the employers who are  
25 eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and  
26 amendments thereto, under the Kansas public employees retirement  
27 system pursuant to K.S.A. 74-4939, and amendments thereto, or any  
28 demand transfer to the school district capital improvements fund for  
29 distribution to school districts pursuant to K.S.A. 75-2319, and  
30 amendments thereto. The provisions of such executive order shall be  
31 effective for all state agencies of the executive, legislative and judicial  
32 branches of state government.

33 (d) ~~When~~ the governor issues an executive order under this section,  
34 the director of accounts and reports shall not issue any warrant for the  
35 payment of moneys in the state general fund or make any demand transfer  
36 of moneys in the state general fund for any state agency unless such  
37 warrant or demand transfer is in accordance with such executive order and  
38 such warrant or demand transfer does not exceed the amount of money  
39 permitted to be expended or transferred from the state general fund.

40 (e) Nothing in this section shall be construed to: ~~(1) Require the~~  
41 ~~governor to issue an executive order under this section upon receipt of any~~  
42 ~~such certification by the director of the budget; or (2) restrict the number~~  
43 of times that the director of the budget may make a certification as

1 *required* under this section or that the governor ~~may~~ *shall* issue an  
2 executive order under this section.

3 Sec. 3. K.S.A. 2016 Supp. 75-3722 and 75-6704 are hereby repealed.

4 Sec. 4. This act shall take effect and be in force from and after its  
5 publication in the statute book.