

SESSION OF 2010

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR SENATE BILL NO. 311**

As Amended by House Committee on
Appropriations

Brief*

Senate Sub. for SB 311 would amend current law regarding the allotment authority granted to the Secretary of Administration. Current law provides for an allotment system which applies to expenditures from State General Fund and from special revenue funds for executive branch agencies in the event resources are insufficient to cover appropriations. Agencies may appeal allotments to agency expenditures to the Governor in lieu of the State Finance Council, pursuant to case law. The bill would exclude State General Fund appropriations from the allotment authority over executive branch agencies.

The bill would amend current law regarding the ending balance rescission statute. Under current law, the Director of the Budget must monitor the ending balance of the State General Fund. Should the estimated ending balance be less than \$100.0 million, the Director must certify the difference between the projected ending balance and \$100.0 million. The Governor may issue an executive order with an across-the-board percent reduction of authorized expenditures or transfers from the State General Fund subject to the approval of the State Finance Council in order to reach an estimated ending balance of \$100.0 million. Certain expenditures enumerated in the statute would be excluded. The bill would change the \$100.0 million threshold to 3.5 percent of the budgeted expenditures as jointly estimated by the Director of the Budget and the Director of Legislative Research. The bill would allow the percentage reduction to differ among the appropriations.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Additionally, the bill would exclude expenditures for disasters or emergencies that receive a federal disaster declaration designation. The bill would apply the same authority in the event the estimated ending balance is insufficient to cover the estimated expenditures, i.e. result in a negative balance.

Background

The original version of SB 311 contained provisions requiring Legislative Research to prepare economic impact statements on bills upon the request of specified Legislative leaders. The original version also contained provisions authorizing the Director of Legislative Research to review and update each fiscal note prepared by the Division of the Budget for bills amended by a Legislative Committee. A fiscal note was prepared by the Division of the Budget which indicated that these provisions of the bill would cause an impact of \$848,859 on the State General Fund. The note also indicated 10.0 new FTE positions would need to be hired in the Legislative Research Department in order to process economic impact statements and update fiscal notes.

The Senate Committee on Ways and Means deleted all provisions of SB 311 and inserted the current language concerning the allotment system and the recession statute. No fiscal note was prepared to reflect the Committee's changes to the bill.

The House Committee on Appropriations amended the bill to allow targeted reductions instead of across-the-board reductions in the event the estimated ending balance is less than zero.