

## SENATE BILL No. 14

By Committee on Ways and Means

1-16

1 AN ACT concerning the state budget; providing for a continuous budget  
2 until amended, lapsed or eliminated by the legislature; temporary  
3 reallocations; establishing conditions and limitations therefor.  
4

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

6 Section 1. (a) Except as provided further, if the legislature does not  
7 amend, lapse or eliminate any existing appropriation in the current fiscal  
8 year on or before July 1 of any year, on July 1, such existing  
9 appropriations provided for the previous fiscal year shall be in effect in the  
10 new fiscal year and all subsequent fiscal years until amended, lapsed or  
11 eliminated by the legislature. If the biennial budget for state agencies listed  
12 in K.S.A. 75-3717(f), and amendments thereto, has not been enacted on or  
13 before June 30 of any year, the department of administration may, for  
14 accounting purposes, adjust its appropriation account structure, beginning  
15 on July 1 of such year, to reflect the appropriation account structure in the  
16 biennial state agencies budget.

17 (b) All appropriations to any state agency, expenditures from which,  
18 by law, may be made only with the approval of the governor, state finance  
19 council, secretary of administration or other entity, shall be construed to be  
20 conditional appropriations, which shall become available only as  
21 contemplated expenditures therefrom are approved by the governor, state  
22 finance council, secretary of administration or other entity as required by  
23 law.

24 (c) Whenever a continuing appropriation from any account or fund  
25 has accomplished its purpose or is no longer deemed necessary for such  
26 purpose, the secretary of administration is authorized to lapse such  
27 appropriation balance or decrease the expenditure limitation, in whole or  
28 in part, to the account or fund from which it was appropriated upon  
29 consultation with the head of the state agency concerned. Prior to taking  
30 any action under this subsection, the secretary of administration shall  
31 consult with the director of the budget and the director of legislative  
32 research. The provisions of this subsection shall not apply to any  
33 continuing appropriation of the legislative branch or the judicial branch.

34 (d) All continuing appropriations are subject to the specific provision  
35 that, when and if the federal government funding of any portion of a  
36 program is reduced or terminated, state participation in the program may

1 be reduced by the secretary of administration, in the same proportion as  
2 such federal reduction, and such state reduction shall be implemented by  
3 the responsible state agency. Prior to taking any action under this  
4 subsection, the secretary of administration shall consult with the director  
5 of the budget and the director of legislative research. Notwithstanding any  
6 other provision of law, local units of government are hereby authorized to  
7 make similar proportional reductions in such local unit's support of such  
8 programs.

9 (e) If any continuing appropriation that is made to match or secure  
10 federal funds is in excess of the amount required to match or secure federal  
11 funds, the state agency that is responsible for the administration of such  
12 funds shall promptly notify the director of the budget, who shall promptly  
13 notify the governor and the state finance council. Such funds shall not be  
14 expended unless first approved by the state finance council. Such state  
15 finance council action on this matter is hereby characterized as a matter of  
16 legislative delegation and subject to the guidelines prescribed in K.S.A.  
17 75-3711c(c), and amendments thereto, except that such authorization also  
18 may be given while the legislature is in session.

19 (f) (1) Except as provided in paragraph (2), all continuing  
20 appropriations, accounts and special revenue fund balances within the state  
21 general fund or any special revenue fund may be made temporarily  
22 available for the purpose of allowing encumbrances or financing  
23 expenditures of other state general fund or any special revenue fund  
24 activities whenever there are insufficient moneys in the funds or accounts  
25 from which the activities are financed if there are accounts receivable  
26 balances or moneys anticipated to be received that will be sufficient to  
27 repay the fund or account from which moneys are transferred. The  
28 secretary of administration, in consultation with the appropriate state  
29 agency head, director of the budget and director of legislative research,  
30 shall determine the composition and allowability of the accounts  
31 receivable balances and anticipated moneys to be received for this purpose  
32 and, following approval by the state finance council, shall specifically  
33 approve the use of surplus moneys from the state general fund or any  
34 special revenue fund. Such funds shall not be expended unless first  
35 approved by the state finance council. Such state finance council action on  
36 this matter is hereby characterized as a matter of legislative delegation and  
37 subject to the guidelines prescribed in K.S.A. 75-3711c(c), and  
38 amendments thereto, except that such authorization also may be given  
39 while the legislature is in session. The secretary of administration shall  
40 reallocate available moneys from the budget stabilization fund, established  
41 in K.S.A. 75-6706, and amendments thereto, prior to reallocating moneys  
42 from any other account or fund.

43 (2) (A) The secretary of administration shall limit the total amount of

1 any temporary reallocations to an account or fund other than the state  
2 general fund to \$400,000,000.

3 (B) The secretary of administration shall limit the total amount of any  
4 temporary reallocations to the state general fund at any one time during a  
5 fiscal year to an amount equal to 9% of the total amount authorized to be  
6 expended or transferred by demand transfer from the state general fund,  
7 calculated by the secretary as of that time and for that fiscal year.

8 (C) In addition to the amount permitted for temporary reallocations in  
9 subparagraph (B), the secretary may permit an additional 3% of the total  
10 amount authorized to be expended or transferred by demand transfer from  
11 the state general fund, calculated by the secretary as of that time and for  
12 that fiscal year, to be used for temporary reallocations to the state general  
13 fund but only if the reallocation is for a period not to exceed 30 days.  
14 Reallocations may not be made under this subparagraph for consecutive  
15 periods.

16 (D) This paragraph does not apply to reallocations from the budget  
17 stabilization fund to the state general fund.

18 (E) Prior to taking any action under this paragraph, the secretary of  
19 administration shall consult with the director of the budget and the director  
20 of legislative research.

21 (3) If a continuing appropriation to an account within the state  
22 general fund or a special revenue fund is transferred from an account or  
23 fund that by law is an interest-bearing account or fund, then on or before  
24 the 10<sup>th</sup> day of each month during any fiscal year of such continuing  
25 appropriation, the director of accounts and reports shall transfer from the  
26 state general fund to such interest-bearing account or fund interest  
27 earnings based on: (A) The average daily balance of such interest-bearing  
28 account or fund for the preceding month; and (B) the net earnings rate for  
29 the pooled money investment portfolio for the preceding month.

30 (4) The secretary of administration shall not exercise the authority  
31 granted in this subsection if a temporary reallocation would jeopardize the  
32 cash flow of any fund or account from which a temporary reallocation  
33 would be made.

34 (5) If the secretary of administration exercises or proposes to exercise  
35 the authority granted in this subsection, the secretary shall publish and  
36 transmit a report to the members of the house committee on appropriations  
37 and the senate committee on ways and means on a monthly basis  
38 specifying the date, amount, source and use of any outstanding temporary  
39 reallocation or proposed reallocation of moneys for the period covered by  
40 the report.

41 (g) If any provision or clause of this section or application thereof to  
42 any person or circumstance is held invalid, such invalidity shall not affect  
43 other provisions or applications of this section that can be given effect

1 without the invalid provision or application, and to the end the provisions  
2 of this section are declared to be severable.

3 Sec. 2. This act shall take effect and be in force from and after its  
4 publication in the statute book.