AN ACT concerning state finances; relating to biennial budget estimates for all state agencies; requiring consensus revenue estimates for each of the ensuing two fiscal years; amending K.S.A. 20-158, 75-3036, 75-3716, 75-3717, 75-3721 and 75-6701 and repealing the existing sections.

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

Section 1. K.S.A. 20-158 is hereby amended to read as follows: 20-158. The chief justice of the supreme court shall be responsible for the preparation of the budget for the judicial branch of state government, with such assistance as the chief justice may require from the judicial administrator, the chief judge of the court of appeals and the chief judge of each judicial district. Each district court and the court of appeals shall submit their budget requests to the chief justice in such form and at such time as the chief justice may require. The chief justice shall submit to the legislature the annual budget request for the judicial branch of state government for inclusion in the annual budget document for appropriations for the judiciary. Such budget shall be prepared and submitted in the manner provided by K.S.A. 75-3716 and 75-3717, and amendments thereto. Such budget shall include the request for expenditures for retired justices and judges performing judicial services or duties under K.S.A. 20-2616, and amendments thereto, as a separate item therein.

Sec. 2. K.S.A. 75-3036 is hereby amended to read as follows: 75-3036. (a) The state general fund is exclusively defined as the fund into which shall be placed all public moneys and revenue coming into the state treasury not specifically authorized by the constitution or by statute to be placed in a separate fund, and not given or paid over to the state treasurer in trust for a particular purpose, which unallocated public moneys and revenue shall constitute the general fund of the state. Moneys received or to be used under constitutional or statutory provisions or under the terms of a gift or payment for a particular and specific purpose are to be kept as separate funds and shall not be placed in the general fund or ever become a part of it.

(b) The following funds shall be used for the purposes set forth in the statutes concerning such funds and for no other governmental purposes. It
is the intent of the legislature that the following funds and the moneys
deposited in such funds shall remain intact and inviolate for the purposes
set forth in the statutes concerning such funds: Board of accountancy fee
fund, K.S.A. 1-204 and 75-1119b, and amendments thereto, and special
litigation reserve fund of the board of accountancy; bank commissioner fee
fund, K.S.A. 9-1703, 16a-2-302 and 75-1308, and amendments thereto,
bank investigation fund, K.S.A. 9-1111b, and amendments thereto,
consumer education settlement fund and litigation expense fund of the
state bank commissioner; securities act fee fund and investor education
and protection fund, K.S.A. 17-12a601, and amendments thereto, of the
office of the securities commissioner of Kansas; credit union fee fund,
K.S.A. 17-2236, and amendments thereto, of the state department of credit
unions; court reporters fee fund, K.S.A. 20-1a02, and amendments thereto,
and bar admission fee fund, K.S.A. 20-1a03, and amendments thereto, of
the judicial branch; fire marshal fee fund, K.S.A. 31-133a and 31-134, and
amendments thereto, and boiler inspection fee fund, K.S.A. 44-926, and
amendments thereto, of the state fire marshal; food service inspection
reimbursement fund, K.S.A. 36-512, and amendments thereto, of the
Kansas department of agriculture; wage claims assignment fee fund,
K.S.A. 44-324, and amendments thereto, and workmen's compensation fee
fund, K.S.A. 74-715, and amendments thereto, of the department of labor;
 veterinary examiners fee fund, K.S.A. 47-820, and amendments thereto, of
the state board of veterinary examiners; mined-land reclamation fund,
K.S.A. 49-420, and amendments thereto, of the department of health and
environment; conservation fee fund and well plugging assurance fund,
K.S.A. 55-155, 55-176, 55-609, 55-711 and 55-901, and amendments
thereto, gas pipeline inspection fee fund, K.S.A. 66-1,155, and
amendments thereto, and public service regulation fund, K.S.A. 66-1503,
and amendments thereto, of the state corporation commission; land survey
fee fund, K.S.A. 58-2011, and amendments thereto, of the state historical
society; real estate recovery revolving fund, K.S.A. 58-3074, and
amendments thereto, of the Kansas real estate commission; appraiser fee
fund, K.S.A. 58-4107, and amendments thereto, and appraisal
management companies fee fund of the real estate appraisal board;
amygdalin (laetrile) enforcement fee fund, K.S.A. 65-6b10, and
amendments thereto; mortuary arts fee fund, K.S.A. 65-1718, and
amendments thereto, of the state board of mortuary arts; board of
barbering fee fund, K.S.A. 65-1817a, and amendments thereto, of the
Kansas board of barbering; cosmetology fee fund, K.S.A. 65-1951 and 74-
2704, and amendments thereto, of the Kansas state board of cosmetology;
healing arts fee fund, K.S.A. 65-2011, 65-2855, 65-2911, 65-5413, 65-
5513, 65-6910, 65-7210 and 65-7309, and amendments thereto, and
medical records maintenance trust fund, of the state board of healing arts;
other state fees fund, K.S.A. 65-4024b, and amendments thereto, of the Kansas department for aging and disability services; board of nursing fee fund, K.S.A. 74-1108, and amendments thereto, of the board of nursing; dental board fee fund, K.S.A. 74-1405, and amendments thereto, and special litigation reserve fund, of the Kansas dental board; optometry fee fund, K.S.A. 74-1503, and amendments thereto, and optometry litigation fund, of the board of examiners in optometry; state board of pharmacy fee fund, K.S.A. 74-1609, and amendments thereto, and state board of pharmacy litigation fund, of the state board of pharmacy; abstracters' fee fund, K.S.A. 74-3903, and amendments thereto, of the abstracters' board of examiners; athletic fee fund, K.S.A. 74-50,188, and amendments thereto, of the department of commerce; hearing instrument board fee fund, K.S.A. 74-5805, and amendments thereto, and hearing instrument litigation fund of the Kansas board of examiners in fitting and dispensing of hearing instruments; commission on disability concerns fee fund, K.S.A. 74-6708, and amendments thereto, of the governor's department; technical professions fee fund, K.S.A. 74-7009, and amendments thereto, and special litigation reserve fund of the state board of technical professions; behavioral sciences regulatory board fee fund, K.S.A. 74-7506, and amendments thereto, of the behavioral sciences regulatory board; governmental ethics commission fee fund, K.S.A. 25-4119e, and amendments thereto, of the governmental ethics commission; emergency medical services board operating fund, K.S.A. 75-1514, and amendments thereto, of the emergency medical services board; fire service training program fund, K.S.A. 75-1514, and amendments thereto, of the university of Kansas; uniform commercial code fee fund, K.S.A. 75-448, and amendments thereto, of the secretary of state; prairie spirit rails-to-trails fee fund of the Kansas department of wildlife, parks and tourism; water marketing fund, K.S.A. 82a-1315c, and amendments thereto, of the Kansas water office; insurance department service regulation fund, K.S.A. 40-112, and amendments thereto, of the insurance department; state fair special cash fund, K.S.A. 2-220, and amendments thereto, of the state fair board; scrap metal theft reduction fee fund, K.S.A. 2019 Supp. 50-6,109a, and amendments thereto; and any other fund in which fees are deposited for licensing, regulating or certifying a person, profession, commodity or product.

(c) If moneys received pursuant to statutory provisions for a specific purpose by a fee agency are proposed to be transferred to the state general fund or a special revenue fund to be expended for general government services and purposes in the governor's budget report submitted pursuant to K.S.A. 75-3721, and amendments thereto, or any introduced house or senate bill, the person or business entity who paid such moneys within the preceding 24-month period shall be notified by the fee agency within 30
days of such submission or introduction:

(1) By electronic means, if the fee agency has an electronic address on record for such person or business entity. If no such electronic address is available, the fee agency shall send written notice by first class mail; or

(2) any agency that receives fees from a tax, fee, charge or levy paid to the commissioner of insurance shall post the notification required by this subsection on such agency's website.

(d) Any such moneys which are wrongfully or by mistake placed in the general fund shall constitute a proper charge against such general fund. All legislative appropriations do not designate a specific fund from which they are to be paid shall be considered to be proper charges against the general fund of the state. All revenues received by the state of Kansas or any department, board, commission, or institution of the state of Kansas, and required to be paid into the state treasury shall be placed in and become a part of the state general fund, except as otherwise provided by law.

(e) The provisions of this section shall not apply to the 10% credited to the state general fund to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services, and any and all other state governmental services, as provided in K.S.A. 75-3170a, and amendments thereto.

(f) Beginning on January 8, 2018, the director of the budget shall prepare a report listing the unencumbered balance of each fund in subsection (b) on June 30 of the previous fiscal year and January 1 of the current fiscal year. Such report shall be delivered to the secretary of the senate and the chief clerk of the house of representatives on or before the first day of the regular legislative session each year.

(g) As used in this section, "fee agency" shall include the state agencies specified in K.S.A. 75-3717(f), and amendments thereto: abstracters' board of examiners, behavioral sciences regulatory board, board of accountancy, board of examiners in optometry, board of nursing, consumer credit commissioner, Kansas board of barbering, Kansas board of examiners in fitting and dispensing of hearing aids, Kansas dental board, Kansas real estate commission, Kansas state board of cosmetology, insurance department division known as the office of the securities commissioner of Kansas, real estate appraisal board, state bank commissioner, state board of healing arts, state board of mortuary arts, state board of pharmacy, state board of technical professions, state board of veterinary examiners, governmental ethics commission, state department of credit unions, and any other state agency that collects fees for licensing, regulating or certifying a person, profession, commodity or product.

Sec. 3. K.S.A. 75-3716 is hereby amended to read as follows: 75-
(a) The director of the budget shall prepare the budget report, with the related legislative measure or measures, for the incoming governor's approval and submission to the legislature. The director of the budget shall, on or before September first of each year, furnish to every state agency or person authorized to spend or receive state funds a sufficient number of budget estimate forms. The forms shall be prepared by the director of the budget and shall be so designed as to show actual expenditures for at least the last preceding completed fiscal year, estimated expenditures for the current fiscal year, and requests for each succeeding fiscal year or years, as provided in K.S.A. 75-3717, and amendments thereto, and data for like periods with respect to receipts and actual or estimated balances at the end of such fiscal years.

(b) The director of the budget may require the estimated expenditures to be classified so as to set forth the data by funds, state agencies, character and objects of expenditures, which expenditures may also be required to be classified by functions and activities. The director of the budget may require the revenue estimates to show the basis upon which the estimates were made and the factors involved in the same, and to be classified so as to show receipts by funds, and sources and types of income. The director of the budget may require such further detail, work programs, supplemental and supporting data, and such information as may be necessary to carry out the provisions of this act.

Sec. 4. K.S.A. 75-3717 is hereby amended to read as follows: 75-3717. (a) As provided in this section, each state agency, not later than October 1 of each year, 2022, and every even-numbered year thereafter, shall file with the division of the budget its budget estimates for the next fiscal year and for the ensuing fiscal year thereafter, and all amendments and revisions thereof, except that, in lieu of such annual filing, each agency listed in subsection (f), not later than October 1, 2000, and every two years thereafter, shall file budget estimates for the next fiscal year and for the ensuing fiscal year thereafter. Each state agency listed in subsection (f) may file adjustments to such agency's budget that was approved by the legislature during a prior fiscal year. All such budget estimates shall be in the form provided by the director of the budget. Each state agency's budget estimates shall include:

1. A full explanation of the agency's request for any appropriations for the expansion of present services or the addition of new activities, including an estimate of the anticipated expenditures for the next fiscal year and for each of the three ensuing fiscal years which would be required to support each expansion of present services or addition of new services as requested by the state agency;

2. A listing of all programs of the agency that provide services for children and their families and the following information regarding each
such program: Of the amount of the agency's request for appropriations to
fund the program, that amount which will be spent on services for children
or families with children and the number of children or families with
children who are served by the program; and
(3) a listing of the sources and amounts of all federal funds received
or budgeted for by a state agency for the purpose of homeland security or
for the purpose of sustaining, enhancing or improving the safety and
security of the state, the amount of such funds budgeted for expenditure on
administrative cost and the amount of such funds budgeted for expenditure
on aid to each unit of local government.

(b) At the same time as each state agency submits to the division of
the budget a copy of its budget estimate, and all amendments and revisions
thereof, each such state agency shall submit a copy of such estimate, and
all amendments and revisions thereof, directly to the legislative research
department for legislative use.

(c) The director of the budget shall require the agencies to submit a
sufficient number of copies of their budget estimates, and all amendments
and revisions thereof, to the director's office to satisfy the requirements of
such office and one additional copy for legislative use which shall be
retained in the division of the budget until the budget of the governor is
submitted to the legislature. On or before the day that such budget is
submitted to the legislature such legislative use copy, posted to reflect the
governor's budget recommendations, shall be submitted to the legislative
research department for use by the ways and means committee of the
senate and the committee on appropriations of the house of
representatives. Following presentation of the governor's budget report to
the legislature, the legislative research department may request and shall
receive detailed information from the division of the budget on the
governor's budget recommendations.

(d) The director of the budget may prepare budget estimates for any
state agency failing to file a request.

(e) As used in this section, "services for children and their families"
includes, but is not limited to, any of the following services, whether
provided directly or made accessible through subsidies or other payments:
(1) Financial support for children and families with children or
enforcement of the obligation to support a child or a family with one or
more children;
(2) prenatal care, health care for children or immunizations for
children;
(3) mental health or retardation intellectual disability services for
children;
(4) nutrition for children or families with children or nutritional
counseling or supplements for pregnant or nursing women;
(5) child care, early childhood education or parenting education;
(6) licensure or regulation of child care or early childhood education programs;
(7) treatment, counseling or other services to preserve families;
(8) care, treatment, placement or adoption of children without functioning families;
(9) services to prevent child abuse and to treat and protect child abuse victims;
(10) services for children who are pregnant, substance abusers or otherwise involved in high risk behavior;
(11) services related to court proceedings involving children; and
(12) youth employment services.

(f) On a biennial basis, the following state agencies shall file budget estimates under the provisions of subsection (a): Abstracters' board of examiners, behavioral sciences regulatory board, board of accountancy, board of examiners in optometry, board of nursing, consumer credit commissioner, Kansas board of barbering, Kansas board of examiners in fitting and dispensing of hearing aids, Kansas dental board, Kansas real estate commission, Kansas state board of cosmetology, office of the securities commissioner of Kansas, real estate appraisal board, state bank commissioner, state board of healing arts, state board of mortuary arts, state board of pharmacy, state board of technical professions, state board of veterinary examiners, governmental ethics commission, state department of credit unions, and Kansas home inspectors registration board.

Sec. 5. K.S.A. 75-3721 is hereby amended to read as follows: 75-3721. (a) On or before the eighth calendar day of each regular legislative session, the governor shall submit the budget report to the legislature, except that in the case of the regular legislative session immediately following the election of a governor who was elected to the office of governor for the first time, that governor shall submit the budget report to the legislature on or before the 21st calendar day of that regular legislative session.

(b) The budget report of the governor shall be set up in three parts, the nature and contents of which shall include the following:

(1) Part one shall consist of a budget message by such governor, including the governor's recommendations with reference to the fiscal policy of the state government during odd-numbered years' legislative session for the current fiscal year and the ensuing two fiscal years and during the even-numbered years' legislative session for the current fiscal year and the ensuing fiscal year, describing the important features of the budget plan for each of the fiscal years included. Such message shall embrace a general budget summary setting forth the
aggregate figures of the budget so as to show the balanced relation
between the total proposed expenditures and the total anticipated income
for the current fiscal year and the ensuing two fiscal years, with the
basis and factors upon which the estimates were made, and the means of
financing the budget plan for each of the fiscal years included, compared
with the corresponding figures for at least the last completed fiscal year,
and the director of the budget shall prepare the figures for the governor for
such comparisons.

(A) The budget plan shall not include: (i) Any proposed expenditures
of anticipated income attributable to proposed legislation that would
provide additional revenues from either current or new sources of revenue;
or (ii) any proposed expenditures of moneys in the ending balance in the
state general fund required by K.S.A. 75-6702, and amendments thereto.

(B) The general budget summary may be supported by explanatory
schedules or statements, classifying the expenditures contained therein by
state agencies, objects, and funds, and the income by state agencies, funds,
sources and types. The general budget summary shall include all special or
fee funds as well as the state general fund, and shall include the estimated
amounts of federal aids, for whatever purpose provided, together with
estimated expenditures therefrom.

(2) Part two shall embrace the detailed budget estimates for each of
the fiscal years included, both of expenditures and revenues, showing the
requests of the state agencies, if any, and the governor's recommendations
thereon, which shall include amounts for payments by the state board of
regents pursuant to K.S.A. 75-4364, and amendments thereto. It shall also
include statements of the bonded indebtedness of the state, showing the
actual amount of the debt service for at least the last completed fiscal year,
and the estimated amount for the current fiscal year and for each of the
ensuing fiscal years included, the debt authorized and unissued, and the
condition of the sinking funds.

(3) Part three shall consist of a draft of a legislative measure or
measures reflecting the governor's budget for all of the fiscal years
included in the budget report.

(c) The division of the budget shall compile a children's budget
document consisting of the information contained in agency budget
estimates regarding programs that provide services for children and their
families. Such document shall be provided to the Kansas children's cabinet
established by K.S.A. 38-1901, and amendments thereto, and other
persons or entities on request.

(d) The division of the budget, upon request, shall furnish the
governor or the legislature with any further information required
concerning the budget.

(e) Nothing in this section shall be construed to restrict or limit the
privilege of the governor to present supplemental budget messages or
amendments to previous budget messages, which may include proposals
for expenditure of new or increased sources of revenue derived from
proposed legislation.

(f) The budget estimate for the judicial branch of state government as
submitted to the director of the budget pursuant to K.S.A. 20-158, and
amendments thereto, shall be included in the governor's budget report.

(g) The division of the budget shall compile a Kansas homeland
security budget document consisting of the information contained in
agency budget estimates under K.S.A. 75-3717(a)(3), and amendments
thereto. Such document shall be provided to the house of representatives
committee on appropriations, the senate committee on ways and means
and such other committees upon request.

(h) Commencing with fiscal year 2018, the ending balance in the state
general fund in any fiscal year shall include the unexpended and
unencumbered balances in the:

1. State general fund; and
2. budget stabilization fund, established in K.S.A. 75-6706, and
amendments thereto.

Sec. 6. K.S.A. 75-6701 is hereby amended to read as follows: 75-
6701. (a) On or before each December 4 and on or before each April 20,
the director of the budget and the director of the legislative research
department shall prepare a joint estimate of revenue to the state general
fund for the current fiscal year and the ensuing fiscal year for each of the
two ensuing fiscal years.

(b) If prior to final adjournment of any regular session of the
legislature any law is enacted providing for additional or less revenues to
be deposited in the state treasury to the credit of the state general fund, the
director of the budget and the director of the legislative research
department shall prepare a joint estimate of such revenues.

(c) In the event of a disagreement or failure to agree upon a joint
estimate of revenue pursuant to subsection (a) or (b), the legislature shall
utilize the estimates for such fiscal years of the director of the legislative
research department, and the governor shall utilize the estimates for such
fiscal years of the director of the budget.

Sec. 7. K.S.A. 20-158, 75-3036, 75-3716, 75-3717, 75-3721 and 75-
6701 are hereby repealed.

Sec. 8. This act shall take effect and be in force from and after its
publication in the statute book.