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

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

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

1. Available resources;
2. Current spending rates;
3. Work loads;
4. New activities, especially any proposed activities not covered in the agency's request to the governor and the legislature for appropriations;
5. The minimum current needs of each agency;
6. Requests for deficiency appropriations in prior fiscal years;
7. Unexpended and unencumbered balances; and
8. Revenue collection rates and prospects.

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

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

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

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

(b) Upon receipt of any such certification and subject to approval of
the state finance council acting on this matter which is hereby declared to
be a matter of legislative delegation and subject to the guidelines
prescribed by K.S.A. 75-3711c(e), and amendments thereto, the governor
shall issue an executive order reducing, by applying a percentage
reduction determined by the governor in accordance with this section: (1)
The amount authorized to be expended from each appropriation from the
state general fund for the current fiscal year, other than any item of
appropriation for debt service for payments pursuant to contractual bond
obligations or any item of appropriation for employer contributions for the
employers who are eligible employers as specified in K.S.A. 74-4931(1),
(2) and (3), and amendments thereto, under the Kansas public employees
retirement system pursuant to K.S.A. 74-4939, and amendments thereto, or
for payments made from the juvenile justice improvement fund for the
development and implementation of evidence-based community programs
and practices for juvenile offender and their families; and (2) the amount
of each demand transfer from the state general fund for the current fiscal
year, other than any demand transfer to the school district capital
improvements fund for distribution to school districts pursuant to K.S.A.
75-2319, and amendments thereto.

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

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

(e) Nothing in this section shall be construed to—(1) Require the
governor to issue an executive order under this section upon receipt of any
such certification by the director of the budget; or (2) restrict the number
of times that the director of the budget may make a certification as
required under this section or that the governor—may shall issue an
executive order under this section.
Sec. 3. K.S.A. 2016 Supp. 75-3722 and 75-6704 are hereby repealed.
Sec. 4. This act shall take effect and be in force from and after its
publication in the statute book.