

IMMEDIATE RELEASE

Feb. 5, 2015

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Governor Sam Brownback outlines additional budget actions

Topeka – As a result of lower-than-expected sales tax revenue, Governor Sam Brownback today announced additional allotments to address a projected budget shortfall.

“First, I want to thank the Legislature for its immediate consideration of the rescission bill,” the Governor said. “I appreciate their hard work on behalf of the people of Kansas.”

The additional allotments of 2 percent of the Regents system and 1.5 percent for K-12 will result in a savings of \$44.5 million for the state general fund. Even with the allotments, Fiscal Year 2015 funding for higher education remains \$20 million above FY ’14 funding. State Aid for K-12 funding in Fiscal Year 2015 remains \$177 million higher than FY’14 funding. The allotments will take place on March 7.

“I am calling on the legislature to reform equalization factors in the current school finance formula over the next 30 days to stall the increase of \$54 million in Local Option Budget State Aid and Capital Outlay State Aid spending that was not appropriated by the Legislature in the Fiscal Year 2015 budget bill,” said Governor Brownback. “By reforming the equalization factors, the legislature could, and should, restore the 1.5 percent allotment.”

Recent media coverage of the purchase of a \$48,000 grand piano is symptomatic of the inherent flaws in the current formula. That money could and should have been used to hire another teacher to reduce class sizes and help improve academic achievement.

“The dramatic increase in state education funding that has occurred over the last four years is unsustainable,” the Governor said. “School districts are estimated to have approximately \$381 million in reserve fund balances to help them offset the smaller than expected increase in state funding. The Kansas Department of Education should work with school districts to help them with any cash flow challenges that may arise.”

The Governor will implement the allotment plan as provided in K.S.A. 75-3722. The allotment plan and recommendation letter may be found at <http://budget.ks.gov>

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MEMORANDUM

TO: Governor Sam Brownback
Jim Clark, Secretary of Administration

FROM: Shawn Sullivan, Director of the Budget 

DATE: February 5, 2015

SUBJECT: FY 2015 State General Fund Allotment

After considering current revenue information and the FY 2015 approved budget, it appears that the resources of the State General Fund are likely to be insufficient to cover the appropriations made against the State General Fund. Therefore, I advise that the use of an allotment plan as provided for in K.S.A. 75-3722 is necessary and beneficial to the state.

Due to a projected shortfall of \$280 million in the State General Fund, an allotment plan was announced in December, 2014 and implemented in January, 2015. Since that time, State General Fund tax receipts have been \$65.5 million below the updated estimates.

Taking into account the fiscal year-to-date revenues and the expenditures in the FY 2015 approved budget, the FY 2015 State General Fund ending balance will be approximately \$345 million below zero unless corrective action is taken. By the use of an additional allotment plan and the passage of the FY 2015 rescission bill currently under consideration by the Kansas Legislature, the projected FY 2015 expenditures will not exceed the current revenue shortfall.

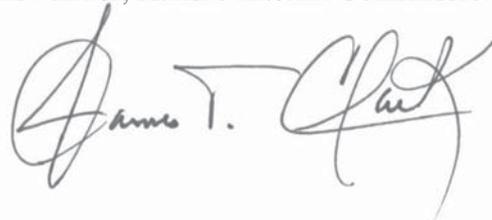
MEMORANDUM

TO: Heads of Regents Institutions & Brad Neuenswander, Kansas Interim Commissioner of Education

FROM: Jim Clark, Secretary of Administration

DATE: February 5, 2015

RE: FY 2015 State General Fund Allotments



In a memorandum dated February 5, 2015 (attached), Shawn Sullivan, Director of the Budget, has advised me that after consideration of year-to-date revenue information and the Fiscal Year 2015 approved budget, it appears the expected resources of the State General Fund are likely to be insufficient to cover appropriations made against it and that the use of an allotment plan as provided for in KSA 75-3722 et seq. is necessary and beneficial to the state. In accordance with the authority granted by this statute, allotments in addition to those implemented in January, 2015 are now imposed upon selected State General Fund accounts for FY 2015. Implementation of the allotment system is necessary to ensure that State General Fund expenditures in FY 2015 will not exceed State General Fund resources.

The attached spreadsheet outlines the reductions that are to be applied to affected agencies.

KSA 75-3722 provides that you may appeal this allotment decision to the Governor. Please deliver any appeal in writing with support information to the Division of the Budget no later than February 15. The information submitted must explain the reasons that these allotments are inappropriate and the result that would occur if the allotments remain unchanged.

If you have questions about this process, please contact your analyst in the Division of the Budget or Shawn Sullivan, Director of the Budget.

FY 2015
State General Fund Allotment
February 2, 2015

Department of Education	\$ 28,300,635
Board of Regents	4,506,349
University of Kansas	2,702,462
Kansas State University	2,150,195
University of Kansas Medical Center	2,099,947
Wichita State University	1,489,632
Kansas State University--ESARP	949,476
Pittsburg State University	709,717
Fort Hays State University	679,762
Emporia State University	632,469
KSU--Veterinary Medical Center	292,541
Total SGF Allotment #2	\$ 44,513,185