

**SENATE BILL No. 370**

By Committee on Assessment and Taxation

2-6

1 AN ACT concerning state finances; relating to biennial budget estimates  
2 for all state agencies; requiring concensus revenue estimates for each of  
3 the ensuing two fiscal years; amending K.S.A. 20-158, 75-3036, 75-  
4 3716, 75-3717, 75-3721 and 75-6701 and repealing the existing  
5 sections.

6  
7 *Be it enacted by the Legislature of the State of Kansas:*

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

24 Sec. 2. K.S.A. 75-3036 is hereby amended to read as follows: 75-  
25 3036. (a) The state general fund is exclusively defined as the fund into  
26 which shall be placed all public moneys and revenue coming into the state  
27 treasury not specifically authorized by the constitution or by statute to be  
28 placed in a separate fund, and not given or paid over to the state treasurer  
29 in trust for a particular purpose, which unallocated public moneys and  
30 revenue shall constitute the general fund of the state. Moneys received or  
31 to be used under constitutional or statutory provisions or under the terms  
32 of a gift or payment for a particular and specific purpose are to be kept as  
33 separate funds and shall not be placed in the general fund or ever become a  
34 part of it.

35 (b) The following funds shall be used for the purposes set forth in the  
36 statutes concerning such funds and for no other governmental purposes. It

1 is the intent of the legislature that the following funds and the moneys  
2 deposited in such funds shall remain intact and inviolate for the purposes  
3 set forth in the statutes concerning such funds: Board of accountancy fee  
4 fund, K.S.A. 1-204 and 75-1119b, and amendments thereto, and special  
5 litigation reserve fund of the board of accountancy; bank commissioner fee  
6 fund, K.S.A. 9-1703, 16a-2-302 and 75-1308, and amendments thereto,  
7 bank investigation fund, K.S.A. 9-1111b, and amendments thereto,  
8 consumer education settlement fund and litigation expense fund of the  
9 state bank commissioner; securities act fee fund and investor education  
10 and protection fund, K.S.A. 17-12a601, and amendments thereto, of the  
11 office of the securities commissioner of Kansas; credit union fee fund,  
12 K.S.A. 17-2236, and amendments thereto, of the state department of credit  
13 unions; court reporters fee fund, K.S.A. 20-1a02, and amendments thereto,  
14 and bar admission fee fund, K.S.A. 20-1a03, and amendments thereto, of  
15 the judicial branch; fire marshal fee fund, K.S.A. 31-133a and 31-134, and  
16 amendments thereto, and boiler inspection fee fund, K.S.A. 44-926, and  
17 amendments thereto, of the state fire marshal; food service inspection  
18 reimbursement fund, K.S.A. 36-512, and amendments thereto, of the  
19 Kansas department of agriculture; wage claims assignment fee fund,  
20 K.S.A. 44-324, and amendments thereto, and workmen's compensation fee  
21 fund, K.S.A. 74-715, and amendments thereto, of the department of labor;  
22 veterinary examiners fee fund, K.S.A. 47-820, and amendments thereto, of  
23 the state board of veterinary examiners; mined-land reclamation fund,  
24 K.S.A. 49-420, and amendments thereto, of the department of health and  
25 environment; conservation fee fund and well plugging assurance fund,  
26 K.S.A. 55-155, 55-176, 55-609, 55-711 and 55-901, and amendments  
27 thereto, gas pipeline inspection fee fund, K.S.A. 66-1,155, and  
28 amendments thereto, and public service regulation fund, K.S.A. 66-1503,  
29 and amendments thereto, of the state corporation commission; land survey  
30 fee fund, K.S.A. 58-2011, and amendments thereto, of the state historical  
31 society; real estate recovery revolving fund, K.S.A. 58-3074, and  
32 amendments thereto, of the Kansas real estate commission; appraiser fee  
33 fund, K.S.A. 58-4107, and amendments thereto, and appraisal  
34 management companies fee fund of the real estate appraisal board;  
35 amygdalin (laetrole) enforcement fee fund, K.S.A. 65-6b10, and  
36 amendments thereto; mortuary arts fee fund, K.S.A. 65-1718, and  
37 amendments thereto, of the state board of mortuary arts; board of  
38 barbering fee fund, K.S.A. 65-1817a, and amendments thereto, of the  
39 Kansas board of barbering; cosmetology fee fund, K.S.A. 65-1951 and 74-  
40 2704, and amendments thereto, of the Kansas state board of cosmetology;  
41 healing arts fee fund, K.S.A. 65-2011, 65-2855, 65-2911, 65-5413, 65-  
42 5513, 65-6910, 65-7210 and 65-7309, and amendments thereto, and  
43 medical records maintenance trust fund, of the state board of healing arts;

1 other state fees fund, K.S.A. 65-4024b, and amendments thereto, of the  
2 Kansas department for aging and disability services; board of nursing fee  
3 fund, K.S.A. 74-1108, and amendments thereto, of the board of nursing;  
4 dental board fee fund, K.S.A. 74-1405, and amendments thereto, and  
5 special litigation reserve fund, of the Kansas dental board; optometry fee  
6 fund, K.S.A. 74-1503, and amendments thereto, and optometry litigation  
7 fund, of the board of examiners in optometry; state board of pharmacy fee  
8 fund, K.S.A. 74-1609, and amendments thereto, and state board of  
9 pharmacy litigation fund, of the state board of pharmacy; abstracters' fee  
10 fund, K.S.A. 74-3903, and amendments thereto, of the abstracters' board of  
11 examiners; athletic fee fund, K.S.A. 74-50,188, and amendments thereto,  
12 of the department of commerce; hearing instrument board fee fund, K.S.A.  
13 74-5805, and amendments thereto, and hearing instrument litigation fund  
14 of the Kansas board of examiners in fitting and dispensing of hearing  
15 instruments; commission on disability concerns fee fund, K.S.A. 74-6708,  
16 and amendments thereto, of the governor's department; technical  
17 professions fee fund, K.S.A. 74-7009, and amendments thereto, and  
18 special litigation reserve fund of the state board of technical professions;  
19 behavioral sciences regulatory board fee fund, K.S.A. 74-7506, and  
20 amendments thereto, of the behavioral sciences regulatory board;  
21 governmental ethics commission fee fund, K.S.A. 25-4119e, and  
22 amendments thereto, of the governmental ethics commission; emergency  
23 medical services board operating fund, K.S.A. 75-1514, and amendments  
24 thereto, of the emergency medical services board; fire service training  
25 program fund, K.S.A. 75-1514, and amendments thereto, of the university  
26 of Kansas; uniform commercial code fee fund, K.S.A. 75-448, and  
27 amendments thereto, of the secretary of state; prairie spirit rails-to-trails  
28 fee fund of the Kansas department of wildlife, parks and tourism; water  
29 marketing fund, K.S.A. 82a-1315c, and amendments thereto, of the Kansas  
30 water office; insurance department service regulation fund, K.S.A. 40-112,  
31 and amendments thereto, of the insurance department; state fair special  
32 cash fund, K.S.A. 2-220, and amendments thereto, of the state fair board;  
33 scrap metal theft reduction fee fund, K.S.A. 2019 Supp. 50-6,109a, and  
34 amendments thereto; and any other fund in which fees are deposited for  
35 licensing, regulating or certifying a person, profession, commodity or  
36 product.

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

1 days of such submission or introduction:

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

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

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

17 (e) The provisions of this section shall not apply to the 10% credited  
18 to the state general fund to reimburse the state general fund for accounting,  
19 auditing, budgeting, legal, payroll, personnel and purchasing services, and  
20 any and all other state governmental services, as provided in K.S.A. 75-  
21 3170a, and amendments thereto.

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

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

43 Sec. 3. K.S.A. 75-3716 is hereby amended to read as follows: 75-

1 3716. (a) The director of the budget shall prepare the budget report, with  
2 the related legislative measure or measures, for the incoming governor's  
3 approval and submission to the legislature. The director of the budget  
4 shall, on or before September first of each year, furnish to every state  
5 agency or person authorized to spend or receive state funds a sufficient  
6 number of budget estimate forms. The forms shall be prepared by the  
7 director of the budget and shall be so designed as to show actual  
8 expenditures for at least the last preceding completed fiscal year, estimated  
9 expenditures for the current fiscal year, and requests for each succeeding  
10 fiscal year *or years, as provided in K.S.A. 75-3717, and amendments*  
11 *thereto*, and data for like periods with respect to receipts and actual or  
12 estimated balances at the end of such fiscal years.

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

23 Sec. 4. K.S.A. 75-3717 is hereby amended to read as follows: 75-  
24 3717. (a) As provided in this section, each state agency, not later than  
25 October 1 ~~of each year, 2022, and every even-numbered year thereafter,~~  
26 shall file with the division of the budget its budget estimates for the next  
27 fiscal year *and for the ensuing fiscal year thereafter*, and all amendments  
28 and revisions thereof, ~~except that, in lieu of such annual filing, each~~  
29 ~~agency listed in subsection (f), not later than October 1, 2000, and every~~  
30 ~~two years thereafter, shall file budget estimates for the next fiscal year and~~  
31 ~~for the ensuing fiscal year thereafter.~~ Each *state* agency listed in subsection  
32 (f) may file adjustments to such agency's budget that was approved by the  
33 legislature during a prior fiscal year. All such budget estimates shall be in  
34 the form provided by the director of the budget. Each *state* agency's budget  
35 estimates shall include:

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

42 (2) a listing of all programs of the agency that provide services for  
43 children and their families and the following information regarding each

1 such program: Of the amount of the agency's request for appropriations to  
2 fund the program, that amount which will be spent on services for children  
3 or families with children and the number of children or families with  
4 children who are served by the program; and

5 (3) a listing of the sources and amounts of all federal funds received  
6 or budgeted for by a state agency for the purpose of homeland security or  
7 for the purpose of sustaining, enhancing or improving the safety and  
8 security of the state, the amount of such funds budgeted for expenditure on  
9 administrative cost and the amount of such funds budgeted for expenditure  
10 on aid to each unit of local government.

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

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

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

32 (e) As used in this section, "services for children and their families"  
33 includes, but is not limited to, any of the following services, whether  
34 provided directly or made accessible through subsidies or other payments:

35 (1) Financial support for children and families with children or  
36 enforcement of the obligation to support a child or a family with one or  
37 more children;

38 (2) prenatal care, health care for children or immunizations for  
39 children;

40 (3) mental health or ~~retardation~~ *intellectual disability* services for  
41 children;

42 (4) nutrition for children or families with children or nutritional  
43 counseling or supplements for pregnant or nursing women;

- 1 (5) child care, early childhood education or parenting education;
- 2 (6) licensure or regulation of child care or early childhood education
- 3 programs;
- 4 (7) treatment, counseling or other services to preserve families;
- 5 (8) care, treatment, placement or adoption of children without
- 6 functioning families;
- 7 (9) services to prevent child abuse and to treat and protect child abuse
- 8 victims;
- 9 (10) services for children who are pregnant, substance abusers or
- 10 otherwise involved in high risk behavior;
- 11 (11) services related to court proceedings involving children; and
- 12 (12) youth employment services.

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

26 Sec. 5. K.S.A. 75-3721 is hereby amended to read as follows: 75-  
 27 3721. (a) On or before the eighth calendar day of each regular legislative  
 28 session, the governor shall submit the budget report to the legislature,  
 29 except that in the case of the regular legislative session immediately  
 30 following the election of a governor who was elected to the office of  
 31 governor for the first time, that governor shall submit the budget report to  
 32 the legislature on or before the 21<sup>st</sup> calendar day of that regular legislative  
 33 session.

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

36 (1) Part one shall consist of a budget message by such governor,  
 37 including the governor's recommendations with reference to the fiscal  
 38 policy of the state government *during odd-numbered years' legislative*  
 39 *session for the current fiscal year and the ensuing two fiscal years and*  
 40 *during the even-numbered years' legislative session* for the current fiscal  
 41 year and the ensuing fiscal year, describing the important features of the  
 42 budget plan for each of the fiscal years included, ~~embracing~~. *Such*  
 43 *message shall embrace* a general budget summary setting forth the

1 aggregate figures of the budget so as to show the balanced relation  
2 between the total proposed expenditures and the total anticipated income  
3 for the current fiscal year and the ensuing *two* fiscal-year *years*, with the  
4 basis and factors upon which the estimates were made, and the means of  
5 financing the budget plan for each of the fiscal years included, compared  
6 with the corresponding figures for at least the last completed fiscal year,  
7 and the director of the budget shall prepare the figures for the governor for  
8 such comparisons.

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

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

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

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

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

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

43 (e) Nothing in this section shall be construed to restrict or limit the



1 privilege of the governor to present supplemental budget messages or  
2 amendments to previous budget messages, which may include proposals  
3 for expenditure of new or increased sources of revenue derived from  
4 proposed legislation.

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

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

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

17 (1) State general fund; and

18 (2) budget stabilization fund, established in K.S.A. 75-6706, and  
19 amendments thereto.

20 Sec. 6. K.S.A. 75-6701 is hereby amended to read as follows: 75-  
21 6701. (a) On or before each December 4 and on or before each April 20,  
22 the director of the budget and the director of the legislative research  
23 department shall prepare a joint estimate of revenue to the state general  
24 fund for the current fiscal year and ~~the ensuing fiscal year~~ *for each of the*  
25 *two ensuing fiscal years*.

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

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

36 Sec. 7. K.S.A. 20-158, 75-3036, 75-3716, 75-3717, 75-3721 and 75-  
37 6701 are hereby repealed.

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