

## SUMMARY OF CHANGES FROM APPROVED FY 2017 EXPENDITURES

The Governor's revised FY 2017 recommendation totals \$15.9 billion from all funds, including \$6,253.0 million from the State General Fund. This is a State General Fund decrease of \$17.4 million, or 0.3 percent, below the amount approved by the 2016 Legislature, after adjustments.

The consensus revenue estimating process was completed on November 10, 2016, subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$349.9 million State General Fund shortfall for FY 2017. To address the shortfall, the Governor proposes to:

- Permanently delay a \$75.0 million payment to K-12 Education by one fiscal year;
- Freeze state contributions to KPERS at FY 2016 levels of about \$300.0 million annually (three quarters of a year). Savings are estimated at \$85.9 million in FY 2017;
- Fund the human services consensus caseload estimates adding \$147.0 million, including \$1.9 million from the State General Fund in FY 2017;
- Increase transfers from various agencies to the State General Fund by \$6.8 million;
- Reduce agency earnings by \$18.0 million to adjust for the the anticipated reduction in the value of the Kansas Bioscience Authority portfolio sale;
- Reduce the transfer from the State Highway Fund to the State General Fund by \$15.4 million; and
- Reduce the Extraordinary Needs Fund by \$13.0 million (as required since the sale of the Kansas Bioscience Authority (KBA) did not exceed \$25.0 million).

Another major adjustment in the Governor's Budget Report for FY 2017 includes:

- Selling a \$362.0 million long-term investment portfolio operated by the Kansas Public Employees Retirement System and transferring \$45.0 million in capital gains earned to the State General Fund. The remaining \$317.0 million would be considered an immediate loan to the State General Fund and repaid at \$45.0 million annually over seven years starting in FY 2018.